questing support and enactment of House bill 4446, the Administrative Practitioners Act; to the Committee on the Judiciary.

1693. Also, petition of Cornell University, Ithaca, N. Y., containing the signatures of 1,650 students, issued by the Cornell coalition committee for the NAACP civil-rights crusade requesting enactment of the President's civil-rights program; to the Committee on the Judiciary.

SENATE

THURSDAY, JANUARY 19, 1950

(Legislative day of Wednesday, January 4, 1950)

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

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

Our Father God, as in reverence we hallow Thy name, so may we hallow our own, keeping our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's weal high and true. Amid the tensions of these terrific days we seek in Thy presence a saving experience of inner quiet and certainty. Unworthy though we are, Thou hast made us keepers of the holy flame of freedom the fathers kindled with their lives.

We would be Thy ministers of abiding peace. Make us true servants of the common good and forerunners of Thy kingdom's coming. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 18, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

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	Green	McCarthy
Anderson	Gurney	McClellan
Benton	Hayden	McFarland
Brewster	Hendrickson	McKellar
Bricker	Hill	McMahon
Bridges	Hoey	Magnuson
Butler	Holland	Malone
Byrd	Humphrey	Martin
Cain	Hunt	Maybank
Capehart	Ives	Millikin
Cordon	Jenner	Murray
Darby	Johnson, Colo.	Myers
Donnell	Johnson, Tex.	Neely
Douglas	Johnston, S. C.	O'Conor
Downey	Kefauver	O'Mahoney
Dworshak	Kem	Robertson
Eastland	Kilgore	Russell
Ecton	Knowland	Saltonstall
Ellender	Langer	Schoeppel
Flanders	Leahy	Smith, Maine
Frear	Lehman	Smith, N. J.
Fulbright	Lodge	Sparkman
George	Long	Taft
Gillette	Lucas	Taylor
Graham	McCarran	Thomas, Okla.
Thomas, Utah	Tydings	Williams
Thye	Vandenberg	Withers
Tobey	Watkins	Young

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Oklahoma [Mr. KERR], and the Senator from Florida [Mr. PEPPER] are absent on important public business.

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. FERGUSON], the Senator from South Dakota [Mr. MUNDT], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. HAYDEN. Mr. President, I desire to obtain the floor to discuss the bill which is the unfinished business, and the motion of the Senator from Washington [Mr. CAIN] to displace it. I have no desire, however, to interfere with Senators who desire to place routine matters in the RECORD.

Mr. SALTONSTALL. Mr. President, will the Senator yield for an insertion in the RECORD?

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

Mr. HAYDEN. I yield.

The VICE PRESIDENT. The Chair feels that if one Senator is going to place a routine matter in the RECORD, all Senators who wish to do so should be given the opportunity to do so at this time.

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators may introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, without debate, and without taking the Senator from Arizona from the floor.

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

PETITION

Mr. JOHNSTON of South Carolina presented a resolution of the House of Representatives of the State of South Carolina, which was referred to the Committee on Labor and Public Welfare, as follows:

House resolution memorializing the Congress of the United States to enact certain legislation now pending in order to effect an increase in the retirement pay of all railroad employees

Whereas the retirement pay for railroad employees in this country has been so meager in the past that it has been necessary for many railroad engineers, conductors, and other employees of this country's vast railroad system to work beyond the age at which they are eligible to retire; and

Whereas many of these employees are engineers and conductors engaged in operating high-powered Diesel trains; and

Whereas the operation of such high-powered trains by employees of over 70 years of age has and will greatly increase the safety hazards of modern railroad trains; and

Whereas there is now pending by the Congress of the United States of America a bill authored by the Honorable JOHN L. MCMILLAN, Member of Congress from the Sixth District of the State of South Carolina, providing for a 20-percent increase in retirement pay for all railroad employees; and

Whereas the necessary cost of such pay increase will be borne by the employee and employer without cost to the taxpayers of this country: Now, therefore, be it

Resolved by the house of representatives, That the Congress of the United States be, and it is hereby, memorialized to enact the McMillan bill or such other legislation as will result in an increase in retirement pay for the railroad employees of this country; be it further

Resolved, That copies of this resolution be forwarded to the Members of the House of Representatives and to the Members of the United States Senate from South Carolina.

PROHIBITION OF LIQUOR ADVERTISING—PETITION

Mr. MCCARTHY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter in the nature of a petition signed by Mrs. Grace Outcelt and Graham Outcelt of Viroqua, Wis., praying for the enactment of legislation to prohibit the advertising of liquor over the radio.

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

VIROQUA, WIS., *January 11, 1950.*

Senator JOSEPH MCCARTHY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARTHY: Would you kindly consider us as sincere supporters of the Langer-Bryson bill to prohibit liquor advertising on the radio?

We would be grateful indeed if this bill passes so radios could be used for the betterment of American homes, instead of another means of helping the liquor traffic.

Please insert this in the CONGRESSIONAL RECORD.

Yours for a Christian America.

GRACE OUTCELT.
GRAHAM OUTCELT.

EXTENSION OF OLD-AGE AND SURVIVORS BENEFITS TO FARMERS

Mr. GILLETTE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted by the National Grange, at Sacramento, Calif., and the American Farm Bureau Federation, at Chicago, Ill., favoring the enactment of legislation to extend old-age and survivors benefits to farmers.

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

TEXT OF NATIONAL GRANGE RESOLUTION ON EXTENSION OF OASI COVERAGE TO AGRICULTURE ADOPTED AT THE ANNUAL CONVENTION, SACRAMENTO, CALIF., NOVEMBER 16–26, 1949

We have considered the report of the Interim Committee on Social Security appointed pursuant to resolution adopted at the

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Eighty-second session and endorse that section of the national master's address, Social Security for Farmers, and recommend the adoption of the following resolution:

"Whereas (1) the old-age assistance program is a heavy financial burden in many States and will become increasingly so, and (2) the old-age and survivors insurance program is a plan whereby each worker during his working years must help to pay for the survivorship and retirement benefits; and

"Whereas (1) the old-age and survivors insurance program has not been extended to farm people, and (2) many difficult problems will be encountered in its extension to farm people: Therefore be it

"*Resolved*, (1) That we favor extension of coverage to farm people on a trial basis working toward the perfection of a practical plan, (2) that coverage be extended to farm people in those States adopting appropriate legislation, (3) that the executive committee be authorized to advocate the Grange stand favoring general coverage of farm people if it is satisfied that the plan proposed is workable."

TEXT OF AMERICAN FARM BUREAU FEDERATION RESOLUTION ON EXTENSION OF OASI COVERAGE TO AGRICULTURE ADOPTED AT THE ANNUAL CONVENTION, CHICAGO, ILL., DECEMBER 15, 1949

The Federal old-age and survivors insurance program under the Social Security Act provides a type of assistance which has become accepted as an integral part of our economic system. However, the total of direct payments by Federal and State governments to needy aged persons is constantly increasing. This trend must be changed by extending old-age insurance coverage and by establishing insurance benefits on at least a minimum subsistence level. Employees of general agricultural organizations should be covered. Farm labor should also be covered. If the extension is provided by law to include self-employed other than farmers, and is proved feasible and administratively practical, then careful consideration should be given by State and county farm bureaus to the question of the coverage of farm operators under the old-age and survivors insurance program.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. Res. 198. Resolution increasing the limit of expenditures by the Committee on Agriculture and Forestry in its investigation of matters relating to crop production; with an amendment (Rept. No. 1233); and, under the rule, referred to the Committee on Rules and Administration.

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON LABOR AND PUBLIC WELFARE

Pursuant to Senate Resolution 123, Eighteth Congress, first session, the following report was received by the Secretary of the Senate:

JANUARY 13, 1950.

REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from July 1 to December 31, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Earl B. Wixcey, clerk	$10,846.00	$5,250.98
Philip R. Rodgers, assistant clerk	10,846.00	5,250.98
Vivien Harman, clerical assistant	5,718.63	2,768.54
Crawford C. Heerlein, clerical assistant	5,284.12	2,461.60
Paul Sample, clerical assistant	5,284.12	2,558.16
Marguerite Yost, clerical assistant	3,719.87	1,800.84
Herman Lazarus, professional staff member	10,846.00	5,250.98
William G. Reidy, professional staff member	10,846.00	5,250.98
Thomas E. Shroyer, professional staff member	10,846.00	5,250.98
Melvin W. Sneed, professional staff member	10,846.00	5,250.98

Funds authorized or appropriated for committee expenditure: Jan. 1 to Dec. 31, 1949.		$20,000.00
Amount expended:		
Jan. 1 to June 30, 1949	$7,406.84	
July 1 to Dec. 31, 1949	3,879.57	
		11,286.41
Balance unexpended		8,713.59

SUBCOMMITTEE ON HEALTH

Funds authorized or appropriated for subcommittee expenditure: Jan. 1 to Dec. 31, 1949		10,000.00
Amount expended:		
Jan. 1 to June 30, 1949	None	
July 1 to Dec. 31, 1949	$150.00	
		150.00
Balance unexpended		9,850.00

ELBERT D. THOMAS,
Chairman.

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. HENDRICKSON:

S. 2696. A bill for the relief of Vito Martell; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 2697. A bill for the relief of Hyman D. Langer, his wife and daughter; to the Committee on the Judiciary.

(Mr. McCLELLAN introduced Senate bill 2898, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. CORDON (for Mr. MORSE):

S. 2899. A bill for the relief of Joseph Veich, also known as Guiseppe Veic; to the Committee on the Judiciary.

(Mr. FREAR introduced Senate bill 2900, to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the settlement of New Castle, Del., which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KEM:

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States; to the Committee on the Judiciary.

COMMEMORATION OF THREE HUNDREDTH ANNIVERSARY OF SETTLEMENT OF NEW CASTLE, DEL.

Mr. FREAR. Mr. President, I introduce for appropriate reference a bill to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the settlement of New Castle, Del., and I ask unanimous consent that an explanatory statement of the bill, prepared by me, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement will be printed in the RECORD.

The bill (S. 2900) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the settlement of New Castle, Del., introduced by Mr. FREAR, was read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. FREAR is as follows:

The General Assembly of Delaware, at its 1949 regular session, authorized the appointment by the Governor of a State commission to prepare a fitting commemoration, in 1951, of the tercentenary of the first permanent settlement by the Dutch on the Delaware River.

This settlement, made in the summer of 1651 at the site of New Castle and called Fort Casimir, later New Amstel (and finally, under the English, New Castle), served as the Dutch capital on the river.

Here (between 1651 and 1664) citizens of the Dutch Republic of that day claimed the rights and freedoms that were theirs in the homeland, and here were first established the free institutions that gave opportunity for the spirit and practice of self-government. The first town meetings on the Delaware were called together here to form ordinances for their own government; the people were given a voice in the election of their own local officers, and here the first courts of justice were established from which, in unbroken sequence, Delaware's present system of justice is derived.

From these Dutch people and these institutions—by infusion and growth among the people of other nations who followed as settlers on the Delaware—stemmed directly the generations who envisaged and fought for American independence that gave leaders to the formation of the Union and made Delaware the first State to ratify the Federal Constitution.

In the mellow old town of New Castle, heritage from the days of its founding by the Dutch is still manifest. The plan of the town with its strand by the river, its central green and surrounding streets, is unchanged, and direct descendants of the Dutch founders still live on the streets near the green, as well as throughout the State and the United States.

Because the town, that in the Dutch period was the cradle of self-government on the Delaware, became the capital of the colony and of the early State of Delaware—one of the 13 to form the Union—it is the authentic symbol as well as one of the few surviving unspoiled monuments of American beginnings.

It is with this high justification that the Dutch Tercentenary Commission of Delaware calls the attention of this Nation and of other nations to the celebration of the founding of New Castle to be held June 16, 1951.

I feel, Mr. President, that the approval by Congress for the authorization of a commemorative coin is amply justified in order to more fittingly observe this memorable occasion.

ADDITIONAL PERSONNEL FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. THOMAS of Utah submitted the following resolution (S. Res. 215), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the Committee on Labor and Public Welfare is authorized, until otherwise provided by law, to employ one analyst and one additional clerical assistant to

be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202 (3) of the Legislative Reorganization Act of 1946 and the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947.

MEMBERS OF BOARD OF VISITORS TO COAST GUARD AND MERCHANT MARINE ACADEMIES

Mr. JOHNSON of Colorado. Mr. President, I wish to announce that I have appointed the Senator from Connecticut [Mr. McMAHON] and the Senator from Delaware [Mr. WILLIAMS] as members of the Board of Visitors to the United States Coast Guard Academy.

I have also appointed to the Board of Visitors to the United States Merchant Marine Academy the Senator from Maryland [Mr. O'CONOR] and the Senator from Indiana [Mr. CAPEHART].

HAPPENINGS IN WASHINGTON—BROADCASTS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD two broadcasts by him under the headline "Happenings in Washington," on December 19, 1949, and January 2, 1950, respectively, which appear in the Appendix.]

A SUGGESTION FOR REDUCING FEDERAL SPENDING—EDITORIAL FROM SAN DIEGO JOURNAL

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial suggesting a method of cutting Federal spending, published in the San Diego Journal of January 7, 1950, which appears in the Appendix.]

FEDERAL SPENDING FACTS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a review of the President's budget for fiscal year 1951, prepared by Alvin A. Burger, director of research of the council of State chambers of commerce, which appears in the Appendix.]

TRUMAN'S BUDGET—EDITORIAL FROM THE UNIONTOWN (PA.) EVENING STANDARD

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Truman's Budget," published in the Uniontown (Pa.) Evening Standard of January 10, 1950, which appears in the Appendix.]

SHOULD FARMERS GET FEDERAL PENSIONS?—EDITORIAL FROM THE DES MOINES SUNDAY REGISTER

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Should Farmers Get Federal Pensions?", published in the Des Moines Sunday Register of January 8, 1950, which appears in the Appendix.]

NONAGRICULTURAL EMPLOYMENT IN NORTH DAKOTA

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter from William R. Waind, cooperating representative, North Dakota State Employment Service and North Dakota Unemployment Compensation Division, together with an analysis and table dealing with the nonagricultural employment situation in North Dakota, which appear in the Appendix.]

FARM RENTERS—LETTER FROM MRS. FRANK BOHN

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter addressed to him by Mrs. Frank Bohn, of Hannah, N. Dak., dated January 2, 1950, dealing with the subject of farm renters, which appears in the Appendix.]

BILLS ENDANGER FARM RADIOS—EDITORIAL FROM THE NATIONAL LIVE STOCK PRODUCER

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD an editorial entitled "Bills Endanger Farm Radios," published in the National Live Stock Producer, which appears in the Appendix.]

SAVINGS EFFECTED IN THE GOVERNMENT — STATEMENT BY SENATOR McCLELLAN

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have issued today, as chairman of the Senate Committee on Expenditures in the Executive Departments, pointing out that more than $1,500,000 in direct savings have been effected by reason of the activities of the committee and its staff in pointing out and eliminating many useless forms that were in use in the various agencies of executive branches of the Government, and also by reason of the elimination of many useless reports which it had been the practice to make heretofore.

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

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

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditurer in the Executive Departments, stated today that as a result of studies initiated by the committee staff more than 2 years ago, savings running into several millions of dollars have been effectuated in the Government in eliminating unnecessary forms and reports.

The Comptroller General, Director of the Bureau of the Budget, and the Secretary of the Treasury, in response to a request from this committee entered into a joint agreement about 2 years ago for the development of a cooperative program designed to integrate budgeting, accounting, and financial reporting throughout the Federal Government on a simplified and consolidated basis. As a direct result of this action, an Accounting Systems Division was created in the General Accounting Office and a program initiated under which reports and existing financial procedures were reviewed by the affected agencies with the objective of eliminating useless reports and nonproductive operating procedures.

Joint survey and review committees were established under the direction of the Accounting Systems Division, each specializing in designated fields of endeavor. Following recommendations made by these special committees, specific improvements in public administration were effectuated, and simplified voucher payment and collection procedures have eliminated duplicate handling of documents to Washington.

The staff of the Senate Committee on Expenditures has worked in close cooperation with representatives of the General Accounting Office, the Bureau of the Budget, and the Department of the Treasury in effectuating new accounting systems and adopting new processes of installation in many agencies employing the accrual system of account keeping, the application of comprehensive and site audit procedures, and the development of property accounting under the Federal Property and Administrative Services Act of 1949.

A summation of accomplishments under this program reveals that from a detailed analysis of 47 outstanding forms and procedure cases a total of 362 forms were abolished, and 86 improved forms substituted therefor, with a number of special cases further reducing the documentation to an even greater degree. Savings as a direct result of this activity on the part of the staff of the Senate Committee on Expenditures will, when fully activated, probably total between two and three millions of dollars, and additional economies will develop as the program progresses.

Savings already effectuated, directly attributable to this program, include (1) the abolition of 11 positions in the Department of Justice which carried an annual pay roll of $33,000, and net savings in printing attributable to the abolition of such positions of about $5,000; (2) initial equipment orders canceled in the Veterans' Administration totaling $888,000, through improvements in present systems and the proposed installation of more efficient methods; and, (3) the elimination of 450 additional employees who were scheduled to have been added to the Federal pay roll to process systems and forms now eliminated, aggregating a total pay roll estimated at $701,500. Therefore, a direct annual saving of $1,636,500 can be attributed to these efforts to date.

In addition to the forms abolished appropriate administrative reporting forms are being substituted for standard Forms 1116, 1117, and 1118 which will when fully effectuated bring about additional savings, which cannot be accurately estimated at this time. Nor can an accurate estimate be made of savings effectuated through time spent by innumerable employees formerly assigned to the compilation of these and many other similar useless and duplicating reports.

NEW ENGLAND BITUMINOUS COAL RECEIPTS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have placed in the RECORD a table showing the bituminous coal receipts in New England for the calendar years 1939 to 1949, inclusive. The table shows that the receipts in 1949 were about half what they had been in previous years. I am also informed that receipts of anthracite are away down, and that if the weather turns cold the supply will become dangerously low in 3 or 4 days.

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

New England bituminous coal receipts for calendar years 1939 to 1949, inclusive, all net tons

Year	Hampton Roads, Philadelphia, and Baltimore	Northern ports	Total tidewater	Percent	All rail	Percent	Grand total
1939	11,611,595	----------	11,611,595	71.5	4,626,388	28.5	16,237,983
1940	12,412,576	----------	12,412,576	71.7	4,891,765	28.3	17,304,341
1941	12,960,450	468,144	12,428,594	64.7	7,322,590	35.3	20,751,184
1942	8,158,979	3,567,590	11,726,569	50	11,678,205	50	23,404,774
1943	6,999,577	5,625,000	12,624,577	54.6	10,521,065	45.4	23,145,642
1944	10,009,578	4,002,906	14,012,384	58.7	9,857,815	41.3	23,870,299
1945	9,381,301	3,736,171	13,117,472	62.5	7,878,035	37.5	20,995,507
1946	8,804,120	3,245,344	12,049,464	63.5	6,667,385	36.5	18,726,849
1947	11,983,934	1,402,279	13,386,213	66.5	6,714,895	33.5	20,101,108
1948	12,523,069	1,101,321	13,624,390	66.6	6,731,560	33.4	20,355,950
1949	6,013,467	465,802	6,867,977	65	4,382,565	35	11,250,542

GOVERNOR DRISCOLL'S INAUGURATION—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. SMITH of New Jersey. Mr. President, I had the privilege on Tuesday last of attending the inaugural ceremonies of Gov. Alfred E. Driscoll, of New Jersey, who for the first time in the history of New Jersey and under our new State constitution was reelected governor for a second consecutive term.

My distinguished colleague [Mr. HENDRICKSON], yesterday inserted in the RECORD, Governor Driscoll's outstanding inaugural address. I am glad to join with my colleague in urging the Members of the Senate to study the important suggestions the Governor makes.

There appeared in the New York Herald Tribune this morning, an editorial entitled "Governor Driscoll's Inauguration," and I ask unanimous consent that this editorial may be inserted in the RECORD at this point in my remarks.

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

GOVERNOR DRISCOLL'S INAUGURATION

For the first time in New Jersey's history a governor has succeeded himself; and it seems a good omen that the new constitutional provision should permit the continuance of a regime as enlightened and promising as Governor Driscoll's. In his address at Trenton on Tuesday, Mr. Driscoll summed up the philosophy which has guided him through many reforms and improvements in State administration and on the basis of which he hopes for further improvements in the term ahead. He spoke of an orderly Federal system, with government close to the people, prudently managed; of government strong enough and courageous enough to pioneer with the times, promoting the general welfare in the service of all its people. Mr. Driscoll made it plain that the fight against excessive centralization and power in the Central Government can be successfully waged only if the States are alert and vigorous in meeting the people's needs. Such a measure as a tri-State water authority, which he called for in his program, is a clear example of what States can accomplish by their own exertions and by cooperation among them.

Governor Driscoll won reelection in a year that was marked by many defeats and disappointments for Republicans. His victory was a proof that an administration which gets close to the people, showing itself concerned with their problems and vigilant in advancing their interests, does not have to be extravagant or demagogic in order to win the voters' approval. In wishing the Governor good luck for his second term, we hope that his success will be a harbinger of many similar Republican victories.

Mr. SMITH of New Jersey. I also ask unanimous consent, Mr. President, to have printed in the RECORD at this point an editorial entitled "Mr. Driscoll's Aims," published in the Newark Evening News of January 18, 1950, and an editorial entitled "States Must Lead Fight Against Centralized Power," published in the Philadelphia Inquirer of January 18, 1950.

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

[From the Newark Evening News of January 18, 1950]

MR. DRISCOLL'S AIMS

In beginning his second term at Trenton, Governor Driscoll realistically outlines as the first order of business the completion of tasks begun during his first.

Aside from water-supply development on a moderate scale and highway expansion under the new turnpike authority, Mr. Driscoll launches no large new State projects. His is a message designed to fit the public mood and, equally important, the public purse. Essentially the admonition he addressed to the legislature is: Hold that spending line.

This does not mean, as special pleaders would have us believe, the end of progress at Trenton. Far from it.

"The social cost of slums and the need for slum clearance is just as great as ever," says Mr. Driscoll. A stand-by residential rent law, in event the Federal act expires, is high on the Governor's list. The need for such protection is demonstrated by the analysis of National Housing Expediter Woods. He has shown that decontrol in six large cities was followed by rent increases ranging from a moderate 16.2 percent to as much as 41.3 percent.

Still in the field of housing, Mr. Driscoll calls for creation of a State building codes commission. Its duty would be to dispel existing confusion caused by 179 different municipal codes, most of them over age, and nearly all helping to stifle low-cost housing.

Mr. Driscoll reveals plans for better correlation of welfare services under State control, the elimination of inequities in the workmen's compensation act, a more comprehensive minimum-wage law, and increased sickness and unemployment benefits "if our insurance programs are to accomplish their purpose." All these suggest that, under a hold-the-line policy, government does not stand still.

A State water authority to complete the modest Delaware and Raritan supply project is suggested by the Governor. If the legislature assents, he believes it should be authorized to develop new sources of supply. There is no recommendation that this new creation should replace any of the numerous water agencies now at large. Indeed, Mr. Driscoll proposes, in addition, a tri-State water authority to negotiate with New York and Pennsylvania on allocation of Delaware River water among the three States. In view of the trend toward consolidation at Trenton, the question arises as to whether or not one water authority, in good working order, couldn't prevent diffusion of effort which these projected and present agencies seem to imply.

Mr. Driscoll reminds us that the State's tax and revenue problem will be under continuing study. Recommended reading for the students, we suggest, are the income-tax returns in New York State which have hit, in 9 months at the new rates, an astronomical $202,764,000 on personal incomes. It is satisfying to note that Mr. Driscoll also recommends an extension of the tax-revenue inquiry to municipal governments.

The question of regulation of giant trucks is discussed and Mr. Driscoll, as have other highway users, sees a need for uniform regulations in this field. The hard question of higher fees for giant interstate carriers is not mentioned, possibly on the score that this phase of the matter should await proper integration with the general revenue problem.

There is another phase of the Governor's message, national in tone, which obviously is for more than local consumption. Here Mr. Driscoll cites the Hoover report to support his own apprehension of big government, and he restates his demand for reallocation of taxing powers to obviate the necessity for gigantic Federal grants-in-aid. Attendant evils of this system, as the Governor sees them, are unnecessarily high administrative costs and abnormally high Federal taxes. Worse, he thinks, it is a system which breeds a centralization of government he deplores. In a word, the Governor would substitute for big government responsive, serviceable State governments and interstate cooperation in problems mutually affecting neighbor States.

If the Republican Party, in a continuing search for a new set of principles to guide it, wants the Driscoll idea of national policy, this, in part, is it.

[From the Philadelphia Enquirer of January 18, 1950]

STATES MUST LEAD FIGHT AGAINST CENTRALIZED POWER

Gov. Alfred E. Driscoll's views on the need for States to recover—and exercise—their traditional powers, reaffirmed at his inaugural ceremonies in Trenton, have an importance extending far beyond the borders of his own State of New Jersey.

For the trend toward centralization of power in the Federal Government which Driscoll criticizes is more than a transfer of power from one governmental unit to another. It signifies the gradual separation of the Government from the people it is supposed to serve.

There's no doubt this separation has been taking place, with bad results for the people and their local governmental units. Matters concerning the individual are not decided on the basis of knowledge of needs and local conditions. They are decided by officials far away, who, as Driscoll observed, move from crisis to crisis to justify their grabs for power.

All over the Nation we've seen the effects. Instead of handling their own problems locally, people are encouraged to look to Washington. The Federal Government gladly takes over, and further builds up an administrative hodgepodge which is costly and inefficient.

As the first New Jersey Governor to succeed himself in over a century, Driscoll has tried to reverse this trend by asserting the State's own powers with a forward-looking program. In his inaugural address, he pledged himself to continue his efforts to improve housing, workmen's compensation, labor relations, and many other programs on the basis of local initiative and action.

That approach is needed by all States if they are to retain their rightful places in the Federal system. But they cannot do the whole job alone. The Federal Government has to move out of fields where the States have a prior right to act, and particularly must be made to stop its present policies of drying up tax sources which now make it difficult for States to finance their own programs.

The Driscoll program of aggressive, forward-looking action by the States to battle Federal centralization merits the attention of Republican Party policymakers. More important, it demands the support of citizens in every State who want to see our traditional system of government maintained.

WHAT WOULD YOU CUT?—EDITORIAL FROM THE PITTSBURGH PRESS

Mr. MARTIN. Mr. President, I have a very interesting letter from a lady in Pennsylvania enclosing an editorial from the Pittsburgh Press of January 9, 1950, entitled "What Would You Cut?" She asked me to read the editorial into the RECORD, but I shall not take the time of the Senate to do so. Instead I ask unanimous consent that the editorial may be

printed in the body of the RECORD as a part of my remarks.

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

WHAT WOULD YOU CUT?

That is the question the taxers and spenders usually ask, with a triumphant smirk, when anyone suggests that the Government ought to stop spending more money than it's got.

Their smug assumption is that, if you specify where to spend less, you will immediately arouse the angry protest of some pressure group.

Well, what of that? All of us are taxpayers. If we really get stirred up about the way our money is being wasted and our future mortgaged, we can be the most formidable pressure group of all.

The answer to the taxers' and spenders' question is simple:

Cut everything.

Cut the farm subsidies. Reduce all subsidies. Cut the rivers and harbors and highway and housing appropriations. Curb the lending powers of Government corporations. Reduce the amounts the Army and Navy and Air Force can spend. Pare down European aid. Cut the pay rolls. Put an economy and efficiency team to work in the Veterans' Administration to cut out the obvious wastes and abuses in administering the GI bill of rights, and empty the hospital beds of nonservice-connected cases.

We could fill this page listing places and activities where money can be saved without diminishing any really essential Government service, and without weakening the national defense.

There is excess fat in the Federal budget from the Agriculture Department and Atomic Energy Commission all the way through the alphabet. The Government habitually hires at least three people to do what could be done better and at less cost by two.

The toughest place to cut will be in the $5,000,000,000 annual interest bill on the public debt. But we can cut that, too. We can do it by taking the money saved by stopping waste elsewhere, and using that money to start reducing the quarter-of-a-trillion debt. As we shrink the principal, we shrink the interest bill.

We cannot do all this by saying, "We're for economy, but * * *." What we must say is, "We're for economy, period." And that must mean cutting all the way down the line. We must stop spending money we haven't got for things we cannot afford.

THE COAL SITUATION IN SOUTH DAKOTA

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD several telegrams I have received from South Dakota dealing with the desperate coal situation existing there. As everyone who has looked at the weather map knows, we have had in South Dakota subzero temperatures, 29 below, 20 below, 15 below, and generally very cold weather. An emergent condition exists in South Dakota, as proved by these sample telegrams, only half a dozen of which I offer for the RECORD.

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

ABERDEEN, S. DAK.,
January 15, 1950.

CHAN GURNEY,
Senator, Senate Office Building,
Washington, D. C.:

Coal shortages due to strike have reached an emergency stage in our city and surrounding territory and conditions most serious. Survey by our mayor shows coal supply so low that he has called for rationing of fuel. School board advise that they have a 3-day supply on hand, and if not replenished schools will have to close. Hospital which serves entire northeast quarter of State advise they have enough coal on hand or in transit to carry them through; but if railroads have to further curtail service, will the coal arrive? We urge you to do everything in your power to see that President Truman makes use of the Taft-Hartley Act in this serious emergency. As you know, we have had extremely cold weather. It was 15 below this morning and has been below zero for days.

P. A. BRADBURY,
President,
Aberdeen Chamber of Commerce.

MOBRIDGE, S. DAK.,
January 16, 1950.

CHAN GURNEY:

What can be done about coal situation? None on hand; 25° below; blizzard conditions. Need help; desperate. Wire answer today.

MAYOR HIMRICH AND CITY COUNCIL.

YANKTON, S. DAK., *January 13, 1950.*
Hon. CHAN GURNEY,
Senate Office Building,
Washington, D. C.:

The morning papers announced that President Truman continues his refusal to consider a national emergency existing in the coal situation. The drastic curtailment of trains into this area because of coal shortage is resulting in inefficiency in our wholesale and retail operations and a 25-percent increase in plant labor. To us and thousands of other small manufacturers and processors such a condition is most emphatically an emergency. May we respectfully request your assistance in obtaining immediate action to correct this intolerable situation.

KEATING CREAMERY CO.

YANKTON, S. DAK., *January 14, 1950.*
Hon. CHAN GURNEY,
United States Senator,
Senate Office Building:

Truman's refusal to consider the coal situation an emergency resulting in delays, inefficiency, needless costs in our business. Rail curtailment extremely disadvantageous to us. Respectfully urge that you lend your weight to immediate efforts to prevent coal miners from jeopardizing the national interest.

THE MEANS CO.,
M. L. MEANS.

VERMILLION, S. DAK., *January 7, 1950.*
Hon. CHAN GURNEY,
United States Senator,
Washington, D. C.:

For the second time in recent months we are now obliged to endure restricted railroad service on account of coal shortages. This is inconveniencing our people, interfering with our mail service, and hampering our business. Vermillion people are sick and tired of being at the mercy of the whims of John L. Lewis. We call on our Government to carry out their obligations to put a prompt end to this preposterous situation.

VERMILLION CHAMBER OF COMMERCE,
H. G. MOELLER, *President.*

SIOUX FALLS, S. DAK., *January 17, 1950.*
Hon. CHAN GURNEY,
United States Senator,
Senate Office Building:

Prolonged coal strike creating hardship here with supplies for schools and hospitals nearing exhaustion. Impairment of train schedules causing some inconvenience. We hope steps can be taken to resume production.

SIOUX FALLS CHAMBER OF COMMERCE,
A. G. PATTON, *Executive Vice President.*

YANKTON, S. DAK., *January 13, 1950.*
Hon. CHAN GURNEY,
United States Senator,
Senate Office Building,
Washington, D. C.:

Just wired Truman urging invoking of Taft-Hartley in coal situation. Rail curtailment costing our businessmen money. Delay and inconvenience daily. Hope you will push it too.

YANKTON CHAMBER,
SMITH.

SIOUX FALLS, S. DAK., *January 19, 1950.*
Senator CHAN GURNEY:

Sioux Falls College only 1 day ahead of empty coal bins. Health and program of 350 students jeopardized.

A. E. GODFREY,
Chairman of the Board of Trustees.

Mr. GURNEY. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD a copy of a letter which I wrote to the President on the subject of the coal shortage in South Dakota, a few days ago.

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

JANUARY 16, 1950.

President HARRY S. TRUMAN,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The shortage of coal in South Dakota has created an emergency condition, and unless remedial action is taken immediately, actual human suffering will result. Business has been generally disrupted, and the threat of cold schools and hospitals within the new few days is very real.

From Aberdeen, S. Dak., a city of approximately 20,000, comes the following information:

"Survey by our mayor shows coal supply so low that he has called for rationing of fuel. School board advises that they have a 3-day supply on hand and if not replenished, schools will have to close. Hospital which serves entire northeast quarter of South Dakota advises they have enough coal on hand or in transit to carry them through, but if railroads have to further curtail service, will the coal arrive? It was 15 below this morning and has been below zero for days."

From the Mayor of Mobridge, S. Dak., a city of 5,000 wholly dependent on coal for all heating purposes, comes the following:

"What can be done about coal situation? None on hand. Twenty-five degrees below. Blizzard conditions. Need help desperately. Wire answer today."

The president of the chamber of commerce in Vermillion, S. Dak., a city of 5,000 in the southeastern corner of the State, wires:

"For the second time in recent months we are now obliged to endure restricted railroad service on account of coal shortages. This is inconveniencing our people. Interfering with our mail service and hampering our business. Vermillion people are sick and tired of being at the mercy of the whims of John L. Lewis. We call on our Government to carry out their obligations to put a prompt end to this preposterous situation."

The foregoing are typical of many telegrams that I have received over this weekend. I urge you to take whatever action is necessary to correct a situation that is

approaching disaster proportions in South Dakota and other northwest States.

Sincerely yours,

CHAN GURNEY.

Mr. GURNEY. Mr. President, something must be done quickly and adequately in order to relieve the emergency in my State. The coal emergency is worse in other States, because, believe it or not, it is colder in other States than it is in South Dakota. It is 42 degrees in North Dakota. Trains are being cut off. There is not adequate mail service there. The desperate coal-shortage situation makes it mandatory that prompt action be taken to alleviate conditions.

AMENDMENT OF THE HATCH ACT

The Senate resumed the consideration of the bill (H. R. 1243) to amend the Hatch Act.

Mr. HAYDEN. Mr. President, yesterday the Senate adopted the motion to make the bill (H. R. 1243) to amend the Hatch Act, the unfinished business of the Senate. Subsequently the junior Senator from Washington [Mr. CAIN] moved to take up another bill on the calendar relating to excise taxes. In order that the Senate may be advised as to what is being proposed to be set aside, I should like briefly to discuss the bill.

As it passed the House the bill provided for an amendment to section 9 (b) of the Hatch Act. Section 9 (a) of that act provides that—

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects—

And candidates.

The bill does not change that part of section 9. It merely modifies the penalty provision, which reads:

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

The result of that drastic penalty is that throughout the United States there have arisen a number of instances of persons guilty of merely a technical violation of the law being summarily removed from office, and there is no law which will permit them to be reinstated under any circumstances.

So the House of Representatives passed this bill amending the penalty clause by providing that—

(b) If in the case of any person violating the provisions of this section it is found by the United States Civil Service Commission that such violation warrants removal he shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person. If the Commission—

The Senate committee has amended the House bill at that point by inserting the words "by unanimous vote"; and then the bill as passed by the House continues, as follows—

finds that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided*, That in—

And this is a further committee amendment—

no case shall the penalty be less than a 15-day suspension from duty without pay: *And provided further*, That in—

Then the bill as unanimously passed by the House continues, as follows—

the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request reopen and reconsider the record in such case. If it shall find—

As a further amendment by the Senate committee, we insert at this point the words "by a unanimous vote." Then the House version of the bill continues, as follows—

that the acts committed were such as to warrant a penalty of less than removal it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified.

This bill passed the House unanimously, Mr. President. It came to the Senate and was referred to the Committee on Rules and Administration. A hearing was held on the bill by the full committee on April 13, at which time the president of the Civil Service Commission, Harry B. Mitchell, appeared and urged that the bill be enacted, citing numerous instances which appear in the committee report and records, in which for very minor offenses the Commission was compelled to remove persons from the service.

In support of his statement, he read a letter addressed to him by the author of the Hatch Act, which is included in the record. This is what Senator HATCH said:

UNITED STATES SENATE,
COMMITTEE ON PUBLIC LANDS AND SURVEYS,
September 12, 1945.

Hon. HARRY B. MITCHELL,
President, United States Civil Service Commission, Washington, D. C.

MY DEAR MR. MITCHELL: I have a carbon copy of your letter of September 7 addressed to Senator MCCARRAN concerning the case of the post-office clerk in the Philadelphia Post Office who is about to be dismissed for a violation of the so-called Hatch Act.

As I have told you on previous occasions, I favor the granting of discretionary power as contained in the Magnuson bill, and I agree with you that this bill should be reported favorably and hope it will be done promptly.

I am sending a copy of this letter to Senator MCCARRAN.

As you suggest in your letter, the passage of this law would not benefit the employee whose case you mention unless the bill were made retroactive. I wish you would have your legal department draft and prepare, if possible, an amendment to the Magnuson bill granting authority to the Commission to authorize the employment or reinstatement of all employees who have been dismissed under the Hatch Act where that dismissal constituted a penalty out of proportion to the offense committed.

Very truly yours,

CARL A. HATCH.

That letter was written in 1945, when the Senator from Washington [Mr. MAGNUSON] had pending a bill to accomplish the same purpose.

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

Mr. HAYDEN. I yield.

Mr. TAFT. As I understand this bill is an attempt to remove or reduce the penalty for violation of the main feature of the Hatch Act. In other words, the Hatch Act says—and this is a statement of what the offense is:

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects.

I suggest to the Senator that a 15-day suspension from duty without pay is merely a slap on the wrist, and that the effect of such a change would be absolutely to nullify the Hatch Act. If we are to pass this measure, we might just as well agree that there will not be any Hatch Act left, so far as the main provision which I have just read is concerned.

Mr. HAYDEN. If the Senator from Ohio will listen to a reading of some of the cases which have arisen, I am quite sure he will feel that the act should be modified in some degree.

In the form in which the bill passed the House of Representatives, there would be no penalty at all; that is to say, if the Commission determined that the offense did not warrant complete removal from the service, the employee could be reinstated. That provision has been amended by the Senate committee to require a unanimous vote of the Commission, so that a political majority of the Commission could not restore such an employee. That is one improvement the committee has made in the bill as passed by the House. The other improvement the committee has made is to provide that there shall be a penalty of at least 15 days of suspension or removal.

Mr. TAFT. Does the Senator from Arizona know of any other case in which the Civil Service Commission is given the power to act as a court and to conduct an extensive hearing on the question of whether a Federal Government employee has been engaged in political activity? If it is desired to substitute some other penalty for the rather drastic penalty now imposed by the act, should not it be a criminal penalty, with the matter to be taken before a court, rather than to be left to the Civil Service Commission, which it seems to me is the wrong body to decide such cases.

Mr. HAYDEN. Let me read a résumé of some of the cases which have been decided by the Commission. For instance:

1. Post-office clerk, 58 years of age, with over 14 years of service in the Philadelphia post office. Complaint was received alleging that this clerk had circulated a nominating petition to qualify a candidate on the Democratic ticket for the office of magistrate.

Investigation established that the complaint was true. However, it was also established that the candidate in question was himself a retired post-office clerk and a life-long friend of the accused employee, and that petition was circulated because of this long-standing friendship and not as a political party service. Supervisors, neighbors, friends, and local political leaders stated that the accused was an efficient Federal employee, an extremely good citizen, and established that he was not a politician in any sense of the word and was not prominently identified with any political party or political faction. Employee admitted activity, and in view of the mandate of section 9 (b) of the Hatch Act was removed even though he was less than 2 years from retirement age.

2. Clerical employee in Army hospital in New Jersey was the widowed mother of three minor children and had been in the service as a war-service appointee for only a short period of time. Inquiry was received by the Commission reporting that this employee was a candidate for election as member of county Republican committee. Investigation established that employee had long been active in civic affairs and was interested in better local roads, improved tax assessment methods, and other normal civic association activities. Investigation established that the accused had been informed by friends that she could do more toward improving the local situation if she were to become a member of the Republican committee in this normally Republican county. At the solicitation of these same friends, the employee became a candidate and was elected to the county committee. However, upon hearing that there was some question of the propriety of this action by a Federal employee, she immediately resigned without attending any committee meetings other than the one at which she submitted her resignation. Employee admitted the candidacy for the partisan office and her removal under section 9 (b) of the Hatch Act was mandatory.

3. Veteran of World War I: Former Virginia State policeman, father of four children (three minors) was released from the State police because of his poor health and accepted a war-service appointment in a low-paying civilian position at the United States Marine Corps air station at Quantico, Va. This man had been interested in becoming local sheriff for some time, and shortly after receiving his Federal war-service appointment filed in the Democratic primary for sheriff. Investigation established that this employee had no knowledge of the restrictions of the Hatch Act, that he did not conduct an extensive campaign, and that he was defeated in the primary election. Employee readily admitted all details of his political activity and his removal was required, even though he had been in the service for less than 1 year at the time of filing his declaration of candidacy in the primary.

4. War Department contract negotiator, employed in Massachusetts, with 3 years of Federal service. Complaint received that employee was Republican candidate for the office of town water commissioner. Investigation established that in this particular town the water commissioner's office was filled on a partisan ballot. However, the same investigation also established that in the neighboring towns throughout the area water commissioners were designated at nonpartisan town meetings and that under the circumstances Federal employees could seek election as water commissioners in these neighboring towns. Employee readily admitted that he was a candidate for water commissioner and stated that he thought this was permissible as no active campaign was necessary. This employee was removed from the service even though he had no Democratic opposition in the election and, of course, was not required to conduct an extensive campaign.

5. Civilian patrolman employed by an Army air base in Montana: This man was a veteran of World War II and after less than 9 months of Federal employment filed as Democratic candidate for sheriff. Investigation established that this man had not been fully instructed on the political activity restrictions of the Hatch Act and was under the impression that he could be a partisan candidate if he took leave from his Federal job during the campaign period. This employee readily admitted his candidacy and voluntarily resigned as soon as he heard that his activity during his period of leave was questionable. Under section 9 (b) of the Hatch Act this veteran had to be removed even though he acted on an erroneous interpretation of the law and had been employed in the Federal service for less than 1 year.

Mr. TAFT. When the distinguished Senator from New Mexico, Mr. Hatch, wrote this law, he knew of that situation. It was absolutely known when the Senate passed the bill. The Congress chose to impose that drastic penalty because the Members of Congress felt it was the only way by which political activity on the part of Federal employees could be stopped.

It certainly seems to me that to leave the entire matter to the discretion of the Civil Service Commission, which is practically what the bill proposes, would be to go from one extreme to the other, from the extreme of too drastic a penalty to something which will be no penalty at all and will not operate as a restriction upon political activities by Federal employees.

Mr. HAYDEN. I have read the letter from Senator Hatch, the author of the bill, in which he stated that the provision was too drastic, and that he favored not only giving discretion to the Civil Service Commission in cases of this kind, but making the change retroactive in the cases of employees heretofore dismissed.

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

Mr. HAYDEN. I yield.

Mr. ROBERTSON. I wish to call the attention of the distinguished senior Senator from Ohio to the fact that the pending bill is a stronger bill than was the bill in the form in which it was unanimously passed by the House of Representatives.

The bill as recommended to be amended by the Senate committee provides that the Civil Service Commission in taking such action must be unanimous in holding that the violation does not warrant removal from office.

There are two types of violations under the Hatch Act. One is where a Federal employee uses his official position to influence an election. If he does that, I would say that undoubtedly the Commission would not be unanimous in deciding that he did not deserve removal. To the contrary, I would say the Commission would be unanimous in deciding that he should be removed. But even if the Commission were not unanimous in that ruling, the employee would have to be removed, under such circumstances.

The other type of violation, and the one sought to be relieved by this bill, is where a Federal employee engages in some minor type of political activity, primarily in a municipal or local or county election, where Federal officials are not involved. We have such a situation in Maryland and also in Virginia. The Civil Service Commission has ruled that if a civil-service employee operates by calling himself an independent, he can do what he pleases; he can agitate; he can electioneer; he can run for office. But the Commission has held that if a civil-service employee calls himself a Republican or calls himself a Democrat, he is beyond the pale.

I say to my distinguished friend that the Democrats as well as the Republicans in Virginia do not like that kind of discrimination. We have it in Arlington County. We have it in Montgomery County, Md. The independents have formed there to exclude both the Democrats and the Republicans from control of local affairs.

The distinguished Senator wanted to know whether the Civil Service Commission had ever gone into the question of political activity. I can tell him of an instance in Virginia, in Madison County, with respect to a fourth-class postmaster, who was a Democrat. An aspirant for that office learned that a Republican post office inspector was coming to inspect the post office, so the man who aspired to hold that office slipped into the post office and tacked under the delivery window a picture of the distinguished colored Member of the House of Representatives from Chicago, Mr. de Priest. Then the post office inspector looked in, and said, "Why do you put this up in the post office?"

The postmaster replied, "I did not put it up; I don't know anything about it."

The inspector said, "Oh, yes, you do; and you have been engaging in pernicious political activity."

The postmaster appealed to the Civil Service Commission. The Commission investigated his activity, and held that he was engaged in pernicious political activity, removed him from office, and put in that office a good Republican who would not violate the civil-service law.

Mr. TYDINGS and Mr. LANGER addressed the Chair.

The VICE PRESIDENT. The Senator from Arizona has the floor.

Mr. ROBERTSON. Mr. President, if the Senator from Arizona will yield to me for a minute, I should like to suggest to the distinguished Senator from Ohio, who I know is always fair and wants to take a broad-gage view of the situation, that we have here a stronger bill than the one passed by the House. We have a bill which only seeks to do justice in cases involving minor infractions, such as when a civil-service employee, unwittingly perhaps, steps over the line a little bit, and engages in a local election. Certainly in Virginia and Maryland, if more than 10 percent of the locality is comprised of civil-service employees, are we to disfranchise them completely with respect to their local elections? That is all the amendment seeks to accomplish. The amendment comes from a bipartisan committee, with a unanimous recommendation that it be adopted.

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

Mr. ROBERTSON. I yield the floor back to the Senator from Arizona.

Mr. HAYDEN. I yield first to the Senator from North Dakota.

Mr. LANGER. Mr. President, I understand the distinguished Senator from Maryland wishes to catch a train, and I therefore yield to him first.

Mr. TYDINGS. I thank the Senator. I simply want to make the observation that Montgomery County, Md., in which county Silver Spring, Bethesda, and Chevy Chase are located, does not elect Democrats all the time. The present State senator from Montgomery County is a Republican. Many of the offices have been held by Republicans. The county went about eight or ten thousand for Mr. Dewey in the last Presidential election. There is absolutely no desire on my part or on the part of the Senator from Virginia to make this a partisan matter.

Mr. ROBERTSON. Mr. President, if the Senator will yield at that point, I may say the Republican leaders of both Montgomery County and Arlington County endorsed the pending bill.

Mr. TYDINGS. I should like to point out that the present government of Montgomery County is nonpartisan. The Democratic organization of the county, and some elements of the Republican organization, fought the present charter form of government there, and the independent citizens voted it in. Therefore, I think the Senator from Maryland is fully within the facts when he says that there cannot be in the great area around Washington any partisan advantage to either party. The amendment is simply designed to give American citizens the right to participate in local elections where the 10-percent factor is present. At present many of our best citizens are precluded from taking part in political campaigns and the cause of good local government suffers by it. In the case of Montgomery County, which contains the second largest city in Maryland, the elections are frequently Republican, and in national elections they are almost always Republican. Therefore, when we ask for this bit of justice for the people who live in that area, I hope no one will consider it is for purely partisan purposes. It is in the interest of good citizenship, nothing more and nothing less; and it is only for the local offices, with respect to which civil-service employees ought to have the right to assert their voice and influence, in the interest of good government.

Mr. HAYDEN. I now yield to the Senator from North Dakota.

Mr. LANGER. I wonder whether the distinguished Senator from Arizona is aware of the fact that after Senator Hatch wrote the letter in 1945 to the Senator from Nevada [Mr. MCCARRAN], who was then chairman of the Committee on the Judiciary, the Senator from Nevada had the staff study the question, and a bill was prepared; and that when it came before the committee, Senator Hatch himself voted against the bill. The bill was very similar to the one now before the Senate for consideration.

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

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Washington?

Mr. HAYDEN. I yield to the Senator from Washington, who is the author of the bill.

Mr. MAGNUSON. I do not know what Senator Hatch did in the Committee on the Judiciary. I can only corroborate the letter that has been written to the distinguished chairman, the Senator from Arizona. The bill was introduced in 1945, and subsequently became a committee bill. It did not involve any particular case in the State of Washington. A distinguished Member of the House of Representatives called my attention to two cases in the State of Massachusetts involving technical violations and injustice, because the employees involved had to be removed. He asked me whether I did not think this law ought to be amended so as to allow some flexibility in the matter of punishment, and whether I would not speak to the Senator from New Mexico about the matter.

I spoke to the Senator from New Mexico, calling his attention to this particular case. He made some investigation. He came to me on many occasions afterward, saying informally, "I think the original provisions of the law are too drastic, and therefore I should be glad to endorse such a bill." I introduced a bill, and the Senator from New Mexico, on many occasions, publicly and privately endorsed it, as he does now in his letter addressed to the distinguished Senator from Arizona.

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

The VICE PRESIDENT. Does the Senator from Arizona yield further to the Senator from North Dakota?

Mr. HAYDEN. I yield.

Mr. LANGER. Is it not true that in 1945 and 1946 Senator Hatch was a member of the Committee on the Judiciary, and, of course, attended the meetings, and that when the bill which was drawn up was before the committee, the Senator from New Mexico himself voted against it?

Mr. HAYDEN. I do not have access to the records of the committee. I should be very curious to find a yea-and-nay vote in the committee to that effect.

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

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

Mr. HAYDEN. I yield.

Mr. DONNELL. Did I correctly understand the Senator to indicate that he thinks the bill is improved by the provision inserted by the Senate committee, namely, that in order that a lesser penalty may be imposed, the United States Civil Service Commission must by unanimous vote find that the violation does not warrant removal?

Mr. HAYDEN. That is correct.

Mr. DONNELL. Does the Senator regard the provision which has been inserted by the Senate committee, requiring a unanimous vote on the part of the Civil Service Commission in order to make the lesser penalty become effective, quite an important addition made by the Senate committee?

Mr. HAYDEN. I think so. I think it is important, and that the provision should be worded in exactly that way.

Mr. DONNELL. I should like further to ask the Senator whether he thinks its importance is somewhat diminished by the fact that, under the Federal law, while the President is authorized to appoint three persons, not more than two of whom shall be adherents of the same party, the President may remove any commissioner? I amplify the question by asking the Senator whether, in view of the fact that each of the commissioners receives a salary of $10,000 per annum, and that the President has absolute power without any requirement, so far as I can find, that the removal must be for cause, he does not think that the zeal of the minority member of the Civil Service Commission to insist that the offense should involve the maximum penalty, would be somewhat diminished by the fact that if he so votes, that is, if he votes for the maximum penalty being retained, he is subject to instant dismissal by the President without cause?

Mr. HAYDEN. Let me ask the Senator, has he ever known of a President who has removed a member of the Civil Service Commission? It has never been done so far as I know.

Mr. DONNELL. I may say to the Senator, I do not know the history of that, but it appears to me that this particular insertion by the Senate committee, that is to say that the Commission can act only by unanimous vote, is not by any manner of means a guaranty that the Civil Service Commission will exercise a wise discretion in the matter, when the President, if one member should not concur, has the authority to remove that member of the Commission.

Mr. HAYDEN. That recommendation was made by a subcommittee which I, as chairman of the Committee on Rules and Administration, appointed. The subcommittee consisted of the Senator from Mississippi [Mr. STENNIS], the Senator from Iowa [Mr. GILLETTE], and the Senator from California [Mr. KNOWLAND]. They conducted hearings on the bill, and the President of the Civil Service Commission and the Special Assistant to the Commissioner appeared, along with the Senator from Minnesota [Mr. HUMPHREY]. The subcommittee then held a second hearing, at which time there was considered the second section of the bill, which relates to political activities of residents of communities in the vicinity of Washington, where 10 percent or more of the voters are Federal employees. The bill was favorably reported to the main committee. My recollection is there was some further amendment made in the committee, and that it was then reported to the Senate without opposition.

The bill has been on the calendar for a long time. I am satisfied that some of those who have looked at it believe, simply because the Hatch Act is mentioned, that there must be something of political significance in connection with the bill, and therefore that it should not pass. However, if Senators will examine its terms, as it stands, it seems to me they will agree with me it is a perfectly reasonable regulation.

Mr. ROBERTSON. Mr. President, will the Senator yield to me for an observation?

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

Mr. HAYDEN. I yield.

Mr. ROBERTSON. First, I want to call attention to the harshness of the penalty. Let us assume a man is 55 years of age, and that he is making $5,000 a year; he commits a minor infraction of the rule; he is dismissed. At the age of 55 he cannot get employment in industry anywhere. He has been in the Government all his life. It is equivalent to imposing upon him a penalty of $50,000 because of a minor infraction of an election restriction.

Now, so far as giving Democrats favors, I may say to my distinguished friend from Missouri that I have had 17 years' experience with the Civil Service Commission. I do not know the membership; but never, in 17 years, have I been able to get a single favor of any kind from them. I shall refer to one incident. The Commission insisted on disqualifying a postmaster whose appointment I had recommended. He was a past postmaster, and he had been approved. He automatically moved up to a third-class postmastership. The Commission went back and dug up evidence of things they claimed happened when he was a fourth-class postmaster, and said, "We will not approve him to be a third-class postmaster." I tried for over a year to get them to do what I thought was merely simple justice to the man, but they would not do it. What happened? The Congress passed a law to take care of his situation by providing that when a man has been a fourth-class postmaster and has been approved by the Civil Service Commission, and the receipts of his office increase, so that he would automatically be confirmed as a third-class postmaster, the Civil Service Commission cannot kick him out in the second round. In that particular case the Civil Service Commission absolutely would not confirm that man, although, on the same evidence, they had previously confirmed him.

Any Senator who thinks the Civil Service Commission will not enforce the law should wait until his party comes into power and see how many favors he will receive from the Commission. I have never received a favor, from a strictly party standpoint, from the Civil Service Commission in 17 years.

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

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

Mr. TAFT. I should like to ask the Senator if it is not true that practically every postmaster in the country today, under the civil service, is a Democrat. Is it not inevitable, under the law, that whichever party is in control tends to acquire all the positions?

Mr. HAYDEN. There are at this time Republican postmasters in many States. The difficulty from the political angle is that where there is a choice under the civil-service laws, going back to the time of the late President Harding, any applicant among the top three on the list could be considered and appointed. The late President Wilson placed all postmasters under the civil service, and the high man had to be selected. President Harding changed that, and since that time there has been a rule that anyone among the top three could be selected. If the Democrats were in power, the man selected would be a Democrat, and if the Republicans were in power, the man selected would be a Republican.

Mr. TAFT. Have there not been cases of applicants failing to qualify and Civil Service Commission ordering and holding another examination?

Mr. HAYDEN. There have been instances of that kind; but what has that to do with a minor infraction of the law, such as that of an employee who without adequate knowledge of the drastic penalty that might be imposed upon him, circulates a nominating petition, or is guilty of some other minor act of that kind? If he does that, out he goes, and the Civil Service Commission has no discretion whatever.

Mr. TAFT. My question has this bearing. I do not think the Civil Service Commission is the proper body to determine the question. The bill provides that the United States Civil Service Commission has to find that such violation warrants removal. The law provided originally that a violator should be removed. I think that what will happen will be that the Civil Service Commission will say, "There is no offense warranting removal," and it will assume in every case to determine the exact penalty to impose. I think that would entirely kill the remedy of removal.

So far as a 30- or 60-day suspension is concerned, the violator will be paid by the political party for which he is working. He has nothing to lose. Once the Commission has taken the position that it does not think the violation warrants removal, it will take that position as to all offenses.

Mr. HAYDEN. This bill does not change the law in that respect. It merely changes the penalty to be imposed under the law.

Mr. TAFT. I suggest that if we want to substitute another penalty it should be a penalty to be imposed by a court, such as a fine or imprisonment. It should not be left to the discretion of the Civil Service Commission.

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

Mr. HAYDEN. I yield to the Senator from Washington.

Mr. MAGNUSON. Does the Senator mean to say that a violator should be put in jail for a minor violation?

Mr. TAFT. Not for a minor violation; but if there are other unlawful acts I think there should be the usual form of penalty, so the offenders can be prosecuted in court and so that the court can impose whatever penalty it may think is fair. I am willing to leave such judgment to a court, but not to the Civil Service Commission.

Mr. MAGNUSON. Here is another example which is in the unanimous report of the committee:

An outstanding example noted was that of a young girl, a minor, employed in a Midwest post office. Her father, a friend of a candidate for political office, asked her to distribute some 20 cards for this candidate. She asked the postmaster, her superior, whether it was proper for her to do so. He informed her that there would be no objection so long as she did not distribute them in the post office. Relying on this statement, and with no intention to violate the Hatch Act, a law of which she had no detailed knowledge, she distributed the cards. A complaint was made to the Civil Service Commission that by this action she had violated the Hatch Act. After investigation, the penalty imposed, as required by section 9 (b), she had to be removed from her position.

It seems to me that when cases such as that occur, there should be some flexibility. A young girl such as that could not go to court. It would cost a great amount of money. She would have to employ lawyers. She would be subject, as the Senator from Ohio suggests, to a fine, or possibly she would be sent to jail. I do not know whether the girl was a Republican or a Democrat, but, under the Civil Service Commission, which has jurisdiction over civil-service employees, she could, by merely writing a letter, have her case reviewed. I think that is only fair to employees who, in many cases, are in technical violation because they do not understand the act, and in some cases they feel that the law is a violation of their constitutional rights.

In my State there is a town called Richland, with approximately 25,000 inhabitants. Of the 25,000 persons in that town, 20,000 are Federal employees. They would like to be incorporated as a township, because they want to reside there permanently. They want to pay taxes and to be a part of the State of Washington. If this bill should be enacted into law any of them could run for office. Under the present conditions it would be a violation of the Hatch Act and any violator could be sent to jail or fined.

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

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I should like to bring up for discussion and opinion the second section of the bill, which has not yet been discussed. As I understand, it would permit a Federal employee not only to take part in a political campaign in a locality, but to become a candidate for office. That is going much further than the present Hatch Act. Section 1 of the Hatch Act allows a Federal employee to take part in political campaigns wherever the United States Civil Service Commission permits it. It substantially provides that it is not lawful for Federal employees, with a few specific exceptions, to take part in a campaign. By this bill we would allow a person to become a candidate for a local office. If such a person is permitted to become a candidate for a local office, what about towns in the western part of the country, where atomic energy is now being manufactured and where almost everyone in the town is a Federal employee?

Mr. HAYDEN. Would the Senator say that in a town where practically all the inhabitants are Federal employees none

of them should participate in the city government?

Mr. SALTONSTALL. I do not object to their taking part in politics, but if they are to become candidates themselves, would it not completely change the whole principle of the law?

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

Mr. HAYDEN. I should like to reply to the Senator from Massachusetts.

As I understand the situation, under the present law, as shown on page 4 of the committee report, the Commission has discretion to permit Federal employees, if they are not candidates on a Republican or Democratic ticket, to become active in local affairs. These questions were raised in a letter from a lady in Arlington, Va.:

"1. May Federal employees subject to the Hatch Act become members of political groups, irrespective of the name used, which nominate or endorse candidates and actively participate therein to any greater extent than a Government employee may participate in the affairs of the recognized political parties or the clubs of such political parties?"

No such Federal employees are permitted to participate in the affairs of State or National political parties or in the management of clubs of such parties beyond mere membership. Under the privileges of section 16 of the Hatch Act such employees may become members of a local group not affiliated with a State or National political party even though such group may sponsor or endorse independent candidates for local office. Further, any Federal employee subject to the Hatch Act may become a candidate for local Arlington County office provided that he runs as an independent candidate and does not seek endorsement by one of the State or National political parties.

As I understand the situation, in the counties adjoining Washington, if a person runs for office as an independent candidate, it is perfectly proper, but if he is a candidate on either the Democratic or Republican ticket, it is illegal. It seems to me that either such a person should not be permitted to be an employee at all or should not be permitted to hold any political office whatsoever, and the discretion Congress has given the Commission heretofore should be revoked, or it should be expanded as provided in the pending bill.

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

Mr. HAYDEN. I yield.

Mr. LUCAS. Does the Senator agree with me that as a result of what the Civil Service Commission holds with respect to permitting civil-service employees to run on an independent ticket, they are destroying to some extent the two-party system, which we on this side of the aisle and those on the other side of the aisle are constantly saying should be maintained? I have heard that said by both Democrats and Republicans. But as a result of the Civil Service Commission's ruling civil-service employees are encouraged to go into different kinds of independent parties. In other words, "splinter" parties are encouraged as a result of the Civil Service Commission's ruling, and the proposed amendment of the law would take care of that.

Mr. HAYDEN. The Senator is correct in that respect.

Mr. ROBERTSON. Mr. President, if the Senator from Arizona will yield, I believe I can give some information requested by the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. HAYDEN. I yield.

Mr. ROBERTSON. I wish to call to the attention of the Senator from Massachusetts the fact that the 10-percent provision is restricted to Virginia and Maryland. I framed an amendment with the 10-percent provision, but after the subcommittee considered places like Oak Ridge, where the workers are all Government employees, and where the activity is run by an employee commission, subject to some little participation, nonpartisan, they thought that the provision should be restricted to where two known situations existed.

I do not know what percentage of the citizens in Arlington County are Government employees, but it may be 20 or 30 percent. If one of the Government employees runs for a full-time position, of course he is out of his Government position. When I say, full-time position, I refer to such offices as county treasurer or county clerk. The counties like to get the benefit of first-class people for the school boards and for county boards, and they are the positions for which the Government employees run.

Strange to say, the Civil Service Commission has ruled, as the Senator from Arizona has said, that if such a person does not call himself a Republican or does not call himself a Democrat, but says, "I am an independent," it is all right, that is pro bono publico. The Commission says, "Go ahead and do what you please." So in Arlington County enough of them got together and called themselves independents to take charge and fill the places on the county board. Now they want to take charge and fill all the places in the county, not by Republicans, not by Democrats, but by hybrids who call themselves independents. They have the blessing of the Civil Service Commission.

I, myself, believe in the two-party system. Of course, I would not prohibit the existence of other parties, but I find that the responsibility imposed on a party in charge has been a great blessing to our Nation, especially when I have had the privilege of going to Europe and finding that so many countries there cannot have a stable government because they do not have the two-party system. I think that in France there are more than 30 parties. I do not know how many parties there are in Italy. But many of the small countries of Europe have as many as 5 or 10 or 15 parties, and the government, if it is to be at all stable—and none of them are very stable—has to be a coalition government. In some of those countries Communists have to be taken into the government. There are in the Parliament of France, mind you, 182 Communists who, when they once get in, worm themselves into key positions, and learn all the Government secrets. It has been a bad thing for those countries, and I hope we can avoid that here. I should like to see in charge of running our Government, and responsible for it, either Democrats or Republicans, one or the other. I think it has been a great thing through the years that we have adhered to the two-party system.

This bill is designed to turn back an entering wedge that has been thrust forward by an illogical ruling of the Civil Service Commission, so that if a civil-service employee calling himself a member of one of the established parties takes part in politics, he is to be held as engaging in pernicious political activity, but if he says, "I have no affiliation, I am an independent," he can do what he pleases.

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

Mr. HAYDEN. I yield.

Mr. DONNELL. Along the line of the questions I asked the Senator a few minutes ago, as I understand, when this bill came from the House it provided that if the United States Civil Service Commission finds that a violation does not warrant removal, a lesser penalty may be imposed by direction of the Commission. Is that correct?

Mr. HAYDEN. That is correct.

Mr. DONNELL. That would have left the determination of that question to the majority vote of the Commission.

Mr. HAYDEN. That is correct.

Mr. DONNELL. Am I correct in understanding that the Committee on Rules and Administration felt that it would be a mistake to leave it to a majority vote of the Commission, because a majority might be motivated by partisan considerations, and so act. Am I correct in that understanding?

Mr. HAYDEN. It is my understanding, that the committee desired to make sure that no case would be acted upon unless all the members of the Commission were agreeable. They think that would be a greater safeguard against any undue or precipitate action.

Mr. DONNELL. Am I correct in understanding that therefore, in order to insure against decisions that violations shall not warrant removal being made on a partisan basis, it was provided by the Senate committee that unanimous action of the Commission would be essential to find that such a violation did not warrant removal?

Mr. HAYDEN. Yes; and the same provision is made with respect to the restoration to office of those who had been removed on trivial charges.

Mr. DONNELL. If I may ask the Senator another question, I assume he agrees with the sentiments expressed on page 2 of the report, which reads, "The provision for a unanimous vote of the members of the Commission will in the opinion of the committee preclude possibility of political considerations entering into the penalties determined upon by the Commission." Does the Senator agree with that statement?

Mr. HAYDEN. That was the opinion of the committee.

Mr. DONNELL. To take a concrete case, suppose a series of facts was presented to the Commission, and the majority of the Commission should say, "This does not warrant removal. It is a minor matter, and we think it does not warrant removal." Does not the Sen-

ator think, first, that the minority member of the Commission would be very apt to be largely influenced by his constant association with the majority of the Commission, and thereby might very readily be induced to vote with the majority? Does not the Senator further think that the minority member of the Commission would be apt to be somewhat alarmed, if he should disagree in a series of cases, at any rate, with the majority, by reason of the fact that under the statute the President has absolute authority to remove any member of the Commission, as I understand, with or without cause, from the $10,000 position which the member holds? Therefore, would not the minority member be very reluctant, first, because of his association with the majority members over a period of time, and, second, because of the possibility of risking his very important and lucrative position, to put his own judgment against that of the majority, if there were any basis for debate in the matter at all?

Mr. HAYDEN. Mr. President, I cannot concede that that would be the case, for the reason that the Senator's assumption is that the Commissioner holding the minority position is so anxious to hang on to his job that he will not exercise the judgment and discretion imposed upon him by law.

As for the Commission, I have never favored it. I have always favored a single executive authority, because, as I am sure the Senator found when he was Governor of Missouri, whenever a commission of three is established, there is always one who does not get along with the other two and who stands up for what he thinks is right. There is more confusion and discussion and disagreement in a commission than there can possibly be where there is one executive, when one man can render a decision. I do not think men in offices of that kind would yield their honest judgment in a case. I do not believe it.

Mr. DONNELL. Does not the Senator think that this sentence I quoted from the report, namely: "The provision for a unanimous vote of the members of the Commission will, in the opinion of the committee, preclude the possibility of political considerations entering into the penalties determined upon by the Commission" is something strong, and perhaps exaggerates the absolute insurance the provision inserted by the Senate committee would bring about?

Mr. HAYDEN. It certainly does convey the impression, however, that where there is a Commission consisting of two members of one political party and a third of another political party, sitting as members of the Commission representing their parties, they might act in a partisan manner if the two of them who were in the majority could control; whereas if three were required, the liability of partisan action would certainly be reduced.

Mr. DONNELL. But the Senator does not think, does he, that, to quote the language of the report, "the provision for a unanimous vote" will preclude possibility of political considerations entering into the penalty?

Mr. HAYDEN. "Possibility" is a very large word, of course.

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

Mr. HAYDEN. I yield to the Senator from Illinois.

Mr. LUCAS. As I understand the amendment, it deals only with minor offenses of Federal employees, and not with major offenses.

Mr. HAYDEN. The Senator is mistaken. It is entirely possible for a Senator to imagine that the Commission would not apply the law to minor cases, but he might imagine that in certain instances they might use it in a minor case, and if he lets his imagination run wild enough, he could conceive any sort of circumstances.

Mr. LUCAS. I agree with the Senator on that point. If he fires his imagination to the extent the Senator has indicated, he could make a major case out of a minor case. The real purpose of the amendment, as I understand, is to take care of the minor infractions.

Mr. HAYDEN. That is correct.

Mr. LUCAS. I wish to make one observation because of what the distinguished Senator has been saying. To me it is most fantastic to think that the great and distinguished Senator from Missouri would lean upon such a weak reed, as is indicated when he says that he is afraid that a member of the Civil Service Commission, appointed by the President of the United States, will not do his duty for fear the President of the United States might remove him because of the action taken by him in the case of one of these minor infractions.

It is simply absurd and ridiculous to think that anyone could believe such a thing. If a Senator does not have more confidence in that part of the executive branch of the Government than the Senator from Missouri has, then, Mr. President, in the opinion of the Senator from Illinois, we are moving far down the stream. I am surprised at what the Senator from Missouri says.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. HAYDEN. I yield.

Mr. McMAHON. Unfortunately, I have an important engagement to lunch with an official of the Government with whom I am going to discuss some official business. I hope the Senator from Arizona, who is in charge of the bill, will suggest the absence of a quorum, so Senators can get to the Chamber and register their opinions on the bill. Before I leave, to be absent for about 40 minutes, I should like to suggest that I have been sitting here trying to figure out how I could further purify the political situation in this country. I am sorry the Senator from Ohio [Mr. TAFT] is not present because I know he stands for pure government, as we all do, and certainly as the Senator from Missouri does. I am thinking about offering the following amendment:

Add to section 16 of the Hatch Act the following:

"No corporation, any officer of which contributes to the political campaign fund of a candidate for Federal office or to a political party campaign fund, shall for a period of 5 years thereafter be eligible to bid for, negotiate for, or receive any contract with the Federal Government."

I think an amendment such as that might do a great deal more good than inflicting what the Constitution itself prohibits, which is cruel and inhuman punishment upon an ordinary citizen who is working for $2,000 or $2,500 for the Federal Government, and who, by reason of the fact that he distributes 20 cards advocating a friend's election, shall be forever barred from service to the Federal Government. I say it is time to look at this matter realistically.

We do not say to our judges, "You must put everyone in jail for 5 years who, while working in the post office, takes a $5 post-office money order. Yes; it is true a person guilty of such an offense can be put in jail for 5 years. Some persons who have done such things have been put in jail for considerable terms. On the other hand, I point out that we also trust our Federal judges. We trust them to say, "Well, John took $5 worth of money orders out of the till, but he had a wife who was sick with cancer, and he had two kids who needed shoes. He should not have done what he did, but I am not going to send him to jail."

Yet we say to the Civil Service Commission that a Federal employee cannot hand to his friends cards advocating support of a friend for office. We heard cited the case of a post-office employee who had been working in the post office for some 25 years, who was within 2 years of his retirement. What was his great offense? A friend of his, a close friend, had been working alongside of him and had retired about 6 months before. The retired man became interested in politics. The man who retired stood for office, and his friend had some nominating petitions signed in behalf of the candidate. In spite of the fact that the testimony showed he had been a loyal Government worker, that he had rendered excellent service to the Federal Government, and although he was within 2 years of retirement, he was discharged. The Commission said they regretted it, but that under the law they could do nothing else.

It seems to me we would be using good judgment to pass the bill which has been reported by the committee, with the amendments suggested to it, a bill which was passed unanimously by the House without a yea-and-nay vote and without a single objection having been made to it.

I should like to know from the Senator from Missouri, and perhaps the request may also come to the attention of the Senator from Ohio [Mr. TAFT], whether he will join me in sponsoring the suggested amendment I just read.

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

Mr. HAYDEN. I yield.

Mr. DONNELL. The Senator doubtless heard the expression of surprise uttered by the Senator from Illinois at the position taken by the Senator from Missouri. The Senator from Illinois in substance said that because of some trifling, minor infractions, and some rulings that

will be called forth by reason of them, there is no danger that the minority member of the Commission will be fearful of losing his job. I ask the Senator from Arizona whether it is not a fact, as I understood the Senator from Arizona to say to the Senator from Illinois, that the amendment proposed by the committee is not limited to minor matters but, as the Senator from Arizona has said, it is conceivable that it could apply to any matters, and that it is merely left to the determination of the Commission as to whether the specific violation is or is not one which warrants removal.

Mr. HAYDEN. I think the discretion is in the Commission, just as it is in a judge on the bench, to pass on the case upon its merits. If there is a deliberate violation of the law, certainly the full penalty should be imposed. If a Federal employee, knowing the law and knowing the regulations, deliberately engages in political activity, he should be removed from office, and a Civil Service Commission of any account at all would remove him.

Upon the other hand, in a minor case of the kind referred to in the committee report—and cases vary in degree—the Commission is given discretion, either as a minimum penalty to say that the girl in question, who was guilty of a minor infraction, shall lose 15 days' pay as a warning, which would have been entirely proper in the case of the little girl who distributed a few cards, or in the case of other minor infractions to lay off an individual for 6 months or a year, or whatever the time considered to be justified, according to the nature of the offense.

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

Mr. HAYDEN. I yield.

Mr. DONNELL. However, the section proposed by the Senate committee, the one to which we are now addressing ourselves, is not confined by its terms to minor infractions, is it? It provides that—

> If the Commission by unanimous vote finds that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission.

This provision does not say that it is limited in its operations to minor infractions, but leaves it to the Commission to determine whether or not the infraction is minor.

Mr. HAYDEN. Exactly as a judge on the bench determines whether or not the person before him for sentence is a real villain, who deliberately committed a heinous crime and should be severely punished, or one who has merely gone astray for a little while, and should have a suspended sentence.

Mr. DONNELL. Did not the committee itself, by inserting the language "by unanimous vote," requiring that the Commission must make such a finding in the case of minor infraction by unanimous vote, recognize that there was at least some basis for fear that if it were left to a majority vote the matter would be determined on the basis of political considerations? Is it not true, therefore, that the committee took the view, as I quoted from the report:

> The provision for a unanimous vote of the members of the Commission will in the opinion of the committee preclude possibility of political considerations entering into the penalties determined upon by the Commission.

Mr. HAYDEN. The Senator will agree with me, I am sure, that it does reduce the possibilities of political considerations.

Mr. DONNELL. I think it reduces them, but, if I may say so, it still leaves it subject to possibilities. One is that when a closely associated Commission is working along year after year, two members of one party and one of the other, it is easily possible that those men may become very much in the same groove, and regard things very much along the same line, and that when the majority members decide one way the minority member may, particularly if he is not a very strong personality, yield to the other two. I think it is probable that in a series of cases which might come before the Commission, not necessarily matters the minority member believes to be minor infractions, but in a series of cases that come before the Commission, the minority member is very apt to think twice, and with great reluctance, before he votes against the majority members, when he is subject not only to their displeasure and to the discomfort of working with them, but is subject under the law to immediate dismissal by the President from a $10,000-a-year position.

Mr. HAYDEN. My experience in dealing with commissions is that there is no hesitancy on the part of a minority member to disagree with the majority. There are more rows and troubles on commissions than can possibly occur under any other system.

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

Mr. HAYDEN. I now yield to the Senator from California, who was on the subcommittee which reported the bill.

Mr. KNOWLAND. Mr. President, I should like to make this contribution to the discussion today: I am no longer a member of the Committee on Rules and Administration, but was at the time this measure was before that committee during the last session of Congress, and I served as a member of the subcommittee which heard the testimony in regard to this matter. If my recollection serves me correctly, it was the junior Senator from California who suggested the amendment requiring unanimous vote of the Civil Service Commission so that there would not be, at least, much danger of a purely partisan decision. I think the point raised by the Senator from Missouri that it does not eliminate the possibility of a purely partisan decision, is well taken, although I think it greatly lessens the possibility of such a decision.

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

Mr. HAYDEN. I yield to the Senator from Missouri.

Mr. DONNELL. The Senator, then, thinks that this statement in the report is a little bit strong, does he not?—

> The provision for a unanimous vote of the members of the Commission will in the opinion of the committee preclude possibility of political considerations entering into the penalties determined upon by the Commission.

Mr. KNOWLAND. Yes, I think the Senator's point is well taken on that. I do not believe it precludes it, but I think it lessens the likelihood of it.

Mr. DONNELL. I agree with that.

Mr. KNOWLAND. In hearing the testimony, it seemed to the Senator from California, who was a member of the subcommittee, that there are a number of these cases which are of a minor nature, and that removal and barring from office was rather an extreme penalty in view of the character of the offense. I did not eliminate from consideration, of course, the danger of opening the barn door and letting all the horses out.

Nevertheless, I felt that with the Commission charged by the Congress and the country with the enforcement of the law, the Commission would not abuse the discretionary power which would be vested in it by the bill as proposed to be amended.

It was also my feeling that even in the case of minor infractions, there should be some penalty. That is why the amendment provides for a 15-day suspension.

Mr. SALTONSTALL. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from California yield to the Senator from Massachusetts?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I should like to ask the Senator a question which I was going to ask the Senator from Arizona. All of us know that in criminal law some penalties, because of the nature of the case, are made very severe, with no discretion vested in the court to lessen them. Such a situation applies in cases of murder, for instance.

But in this case, the amendment proposed by the committee would have us go from one extreme to the other; it would leave in the law the severe penalty, but would provide a minimum requirement. All of us know that in court cases, if a good case is made, the minimum penalty generally is imposed.

I wonder whether in this case, if there is to be any minimum—and we feel that a minimum of 15 days' suspension is a very low one—would it not be better to increase the minimum to, let us say, 30 days or 45 days?

Mr. KNOWLAND. Of course, I cannot speak for the committee, because the Senator from Arizona [Mr. HAYDEN] is handling the bill on the floor. But personally I feel that the point the Senator from Massachusetts has made is well taken. If the minimum were increased from 15 days to 30 days, I think it would put all Federal employees on notice that they should not violate the law, because the penalty would be a little stiffer; but at the same time we would remove what seems to me to be an inequitable situation, namely, forever barring such employees from holding Federal office.

Were I in charge of the bill, I would accept such a suggestion, namely, to increase the minimum from a 15-day suspension to a 30-day suspension.

Mr. HAYDEN. Mr. President, if the Senator from Massachusetts will offer such a modification of the amendment, I will accept it.

Mr. SALTONSTALL. Mr. President, is such an amendment now in order to be offered?

The PRESIDING OFFICER. No; the motion of the Senator from Washington is the pending question; amendments are not now in order to the bill.

Mr. SALTONSTALL. When it is proper to offer such an amendment, I shall do so. The purpose is to increase the minimum penalty from suspension of 15 days to suspension for 30 days.

Mr. HAYDEN. I shall accept that as a modification of the amendment, Mr. President, on behalf of the committee.

Mr. BYRD. Mr. President, the Senator from Massachusetts has raised a point with regard to the participation of Federal employees in local elections. I should like to attempt to clear his mind, if possible, as well as that of the Senate as a whole.

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

Mr. BYRD. I yield.

Mr. SALTONSTALL. The point I raised was presented in the form of a question.

Mr. BYRD. I understand.

Mr. President, when the Hatch Act was first passed, the Senator from Virginia offered an amendment to give to the Civil Service Commission the right to promulgate rules and regulations so that in counties having a large proportion of Federal employees, such Federal employees, under conditions established by the Civil Service Commission, could participate in local elections. I think that is a matter which is of supreme importance, because, for example, in Arlington and Fairfax Counties, Va., and in Montgomery County, Md., there are communities in which perhaps a majority of the residents are employees of the Federal Government. They are not Virginians or Marylanders primarily, in many cases; many of them come from various other sections of the United States, and are located in those counties because of their proximity to Washington. There is not sufficient room in the city of Washington for those Federal employees; there is not sufficient housing in Washington for them.

When the Senator from Virginia offered that amendment, as appears in the CONGRESSIONAL RECORD, volume 86, part 3, page 2976, the Senator from Virginia said:

> Mr. President, in certain areas of the country, and especially adjacent to Washington, a majority of the residents of certain towns and counties are employees of the Federal Government. My amendment is for the purpose of giving the Civil Service Commission the authority to permit a Federal employee to take part in purely local elections when it is considered in the interest of the public welfare to do so.

I was referring, of course, to the election of school trustees and other elections purely of local interest.

I further said at that time:

> If that is not done, Mr. President, those Federal employees will be denied the right even to hold a nonprofit office, such as member of the school board or member of the town council; and, in my judgment, serious injury to the cause of good government will be done unless those Federal employees are permitted, under regulations adopted by the Civil Service Commission, to take part in purely local affairs.

Senator Hatch accepted that amendment. He said:

> Inasmuch as the amendment which the Senator now offers merely restores to the Civil Service Commission the power it had, and which it exercised before the passage of the act last year, I thought perhaps it was wise to give general authority to meet local or domestic situations—

And so forth. For the information of the Senator from Massachusetts, let me say that the Civil Service Commission made the ruling under discussion. I think that ruling was entirely out of line and did not deal properly with the situation at all. It permitted Federal employees to become candidates on nonpartisan nominations and in nonpartisan elections. In Arlington County, for example, what are called town meetings are held, and at those meetings certain nominees are selected; and they are opposed by the regular Democratic nominees and the regular Republican nominees. I hold in my hand a clipping from the Washington Star of June 5, 1949, which refers to a Miss Martin, who is employed by the Bureau of the Budget as an economist. The article states that she became a candidate for the Arlington County Board, at a town meeting. However, she could not become a candidate for that position as a Democrat or as a Republican. But under the Civil Service Commission's regulations she could become a candidate of some nonpartisan organization.

I think that situation is destructive of the method by which we conduct our Government, which is carried on largely through the regular parties. However, under its present ruling, the Civil Service Commission does not permit any Government employee to become a candidate of any of the regular political parties; but if such Federal employees run for office as independents, they can participate in elections, can run for office, can speak in election campaigns, can serve in office, and so forth.

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

Mr. BYRD. I yield.

Mr. McKELLAR. I simply wish to call the Senator's attention to the fact that the same kind of condition exists in some of the towns where Government plants, some of them wartime plants, recently have been established. For instance, let me refer to Oak Ridge, Tenn. I am informed that approximately 75 or 80 percent of the people living there are nonresidents of Tennessee who came there to work, coming there from various other parts of the United States. Quite a little city has grown up at Oak Ridge. However, instead of the residents of that city having anything to do with their local government, through local elections, the situation is that under the leadership of that great statesman and purist, Mr. Mr. Lilienthal, a New York corporation has been given the duty of governing the city. The Federal Government employees who live there have nothing to do with running that city, though most of the residents of the city are employees of the Federal Government. A New York corporation conducts all the city's public affairs. That is something very unusual, Mr. President. It should not exist in this free country.

So I hope very much this bill will pass. It should pass. The Hatch Act should be amended so as to allow local self-government, even if the persons engaging in the local government are Federal employees. Service as a Federal employee does not make a miscreant of a man. After all, several of us are Federal employees. We should not adopt a rule of that sort, it seems to me.

So, Mr. President, I say that this bill, which has been carefully studied by the committee and has been reported by it to the Senate, should be passed, and should be passed at once.

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

Mr. BYRD. I yield.

Mr. SALTONSTALL. I did not realize from reading the act that, under it, Federal employees are permitted to be independent candidates. If that is so, the act should be amended so as to permit all Federal employees to be candidates for local office.

Mr. BYRD. Mr. President, many of the Federal Government employees in the counties I have mentioned are splendid citizens and have lived in those sections for years and years. However, at the present time they cannot even take part in an election of a school trustee, unless they are nonpartisan. Why the Civil Service Commission should make such a ruling, I am unable to understand, because the purpose of the amendment which I offered to the bill in the Seventy-sixth Congress was to permit Federal Government employees to participate in elections for purely local offices, such as school trustees and other offices having to do with the education or welfare of the children of the communities, and so forth. However, the Civil Service Commission has said that Federal employees cannot become candidates for such offices if they run on the regular party tickets—either Democratic or Republican—but can do so if they run on an independent ticket. That is the situation now existing in the counties surrounding Washington. In those counties, under the Commission's ruling, if Federal Government employees are to be candidates for local office, they must do so as nonpartisan candidates, but must not follow the usual procedure of alining themselves with some established party.

So, Mr. President, I hope this amendment will be adopted. There is nothing political about it. In a political sense, from my standpoint, I feel I would not gain anything by the adoption of the amendment. But I believe the citizens in the localities to which I have referred, who are connected with the Federal Government, have a right to take part in purely local affairs, and to do so without having their jobs taken away from them or without being penalized by fines, and so forth.

So I hope this amendment will be adopted.

Mr. HAYDEN. Mr. President, the parliamentary situation is, as I understand,

that the bill has been made the unfinished business of the Senate, but that a motion is pending to displace it.

The PRESIDING OFFICER. The pending question before the Senate is on agreeing to the motion of the Senator from Washington [Mr. CAIN] that the Senate proceed to the consideration of the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, Calendar No. 644.

Mr. HAYDEN. Must that motion be disposed of, before this bill can be proceeded with?

The PRESIDING OFFICER. That is correct.

AMERICAN FOREIGN POLICY IN THE FAR EAST

Mr. KNOWLAND. Mr. President, I have certain documents I should like to place in the RECORD. Apropos of the reports released yesterday on the summary of the Wallace report on China, I wish to have printed in the body of the RECORD at this point a copy of a letter which I addressed to the Secretary of State under date of April 19, 1948, as follows:

APRIL 19, 1948.

Hon. ROBERT A. LOVETT,
Acting Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: As a member of the Senate Appropriations Committee, which will soon be taking up the European and China relief bill, I would like to have a copy of the Wallace report on China made by Mr. Henry Wallace to President Roosevelt in 1944.

With best personal regards, I remain,
Sincerely yours,
WILLIAM F. KNOWLAND,
United States Senator.

I also wish to have printed in the body of the RECORD at this point a copy of a letter which I wrote on the same date to the Senator from Michigan [Mr. VANDENBERG], who was then chairman of the Foreign Relations Committee, telling him that I had written to the Secretary of State; a copy of the Senator's reply to me; and a copy of the letter I received under date of April 24 from Mr. Robert A. Lovett, Acting Secretary of State.

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

APRIL 19, 1948.

Senator ARTHUR H. VANDENBERG,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Enclosed is a copy of a letter that I have today written to Mr. Robert Lovett, Acting Secretary of State, requesting a copy of the Wallace Report on China issued in 1944.

It seems to me that the time has come when constructive action by the Congress of the United States depends upon members of the Foreign Relations and Appropriations Committees of the Senate having access to information which is the basis of certain policies we are following in Europe and the Far East. In a short while the appropriation bill for European and China aid will be before the Appropriations Committee.

I hope you may be able to use your good offices to get the report in question released for the information of the Members of the Senate.

With best personal regards, I remain,
Sincerely yours,
WILLIAM F. KNOWLAND,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 20, 1948.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Thanks for your note of April 19.

I shall be glad to urge Secretary Lovett to release the China report you request. I think I understand the significance of your suggestion.

With warm personal regards and best wishes,
Cordially and faithfully,
A. H. VANDENBERG.

APRIL 24, 1948.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: The receipt is acknowledged of your letter of April 19, 1948, in which you request a copy of the Wallace Report on China made by Mr. Henry Wallace to President Roosevelt in 1944.

A thorough search of the records of this Department has failed to reveal the existence of a Wallace Report on China. As you will recall, in the early summer of 1944 Mr. Wallace, who was then Vice President, visited China at the behest and as the personal representative of the President. It seems that Mr. Wallace reported directly to President Roosevelt. In any event, the Department of State is not aware of any report prepared by Mr. Wallace.

Very sincerely yours,
ROBERT A. LOVETT,
Acting Secretary.

Mr. KNOWLAND. Mr. President, I also wish to call the attention of the Senate to the footnote on page 549 of the so-called white paper entitled "United States Relations with China," which footnote reads as follows:

The files of the Department do not contain any indication of the existence of a report in written form made by Mr. Wallace to President Roosevelt or of the nature of any oral report made.

I also wish to have printed as a part of my remarks, and following the statements I have just made, the text of the summary of the Wallace Report as released yesterday by the Senator from Maryland [Mr. O'CONOR], who had received it from Mr. Wallace, and merely to observe that it is a very strange thing that in dealing with our foreign policy, an important matter in the Far East, the right hand of the Government apparently did not know what the left hand was doing.

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

Our first stop in China was at Tihua (Urumchi), capital of Sinkiang Province. The Governor, Gen. Sheng Shih-tsai, is a typical war lord. The government is personal and carried out by thorough police surveillance. Ninety percent of the population is non-Chinese, mostly Uighur (Turki). Tension between Chinese and non-Chinese is growing with little or no evidence of ability to deal effectively with the problem. General Sheng, 2 years ago pro-Soviet, is now anti-Soviet, making life extremely difficult for the Soviet consul general and Soviet citizens in Sinkiang.

There seems little reason to doubt that the difficulties in the early spring on the Sinkiang-Outer Mongolia border were caused by Chinese attempts to resettle Kazak nomads who fled into Outer Mongolia, were followed by Chinese troops who were driven back by Mongols. The Soviet Minister in Outer Mongolia stated that Mongolian planes bombed points in Sinkiang in retaliation for Chinese bombings in Outer Mongolia. He did not appear concerned regarding the situation now.

AREAS WILL BEAR WATCHING

Soviet officials placed primary responsibility on General Sheng for their difficulties in Sinkiang, but our consul at Tihua and our Embassy officials felt that Sheng as acting as a front for Chungking, willingly or unwittingly. Singkiang is an area which will bear watching.

Due to bad weather at Chungking, we stopped for 2 hours at the large Twentieth Bomber Command (B-29) airfield near Chengtu. The first bombing of Japan had taken place only a few days before. We found morale good but complaint was freely made of inability to obtain intelligence regarding weather and Japanese positions in North China and leak of intelligence to the Japanese.

Summary of conversations with President Chiang Kai-shek is contained in a separate memorandum. Principal topics discussed were: (1) Adverse military situation, which Chiang attributed to low morale due to economic difficulties and to failure to start an all-out Burma offensive in the spring as promised at Cairo; (2) relations with the Soviet Union and need for their betterment in order to avoid possibility of conflict (Chiang, obviously motivated by necessity rather than conviction, admitted the desirability of understanding with U. S. S. R., and requested our good offices in arranging for conference); (3) Chinese Government-Communist relations, in regard to which Chiang showed himself so prejudiced against the Communists that there seemed little prospect of satisfactory or enduring settlement as a result of the negotiations now under way in Chungking; (4) dispatch of the United States Army Intelligence Group to North China, including Communist areas, to which Chiang was initially opposed but on last day agreed reluctantly but with apparent sincerity; (5) need for reform in China, particularly agrarian reform, to which Chiang agreed without much indication of personal interest.

SOONG CONCERNED

It was significant that T. V. Soong took no part in the discussions except as an interpreter. However, in subsequent conversations during visits outside of Chungking he was quite outspoken, saying that it was essential that something "dramatic" be done to save the situation in China, that it was 5 minutes to midnight for the Chungking Government. Without being specific he spoke of need for greatly increased United States Army air activity in China and for reformation of Chungking Government. He said that Chiang was bewildered and that there were already signs of disintegration of his authority. (Soong is greatly embittered by the treatment received from Chiang during the past half year.)

Conversations with Ambassador [Clarence E.] Gauss and other Americans indicated discouragement regarding the situation and need for positive American leadership in China.

Mr. Wallace and Mr. Vincent [John Carter Vincent, director of Far Eastern Office of the State Department] called on Dr. Sun Fo and Madame Sun Yat-sen. Dr. Sun had little to contribute. He was obviously on guard. Mme. Sun was outspoken. (Mme. Sun Yat-sen is now an official of the Communist regime.) She described undemocratic conditions to which she ascribed lack of popular support for government; said that Dr. Sun Fo should be spokesman for liberals who could unite under his leadership; advised Mr. Wallace to speak frankly to President Chiang who was not informed of conditions in China. Mme. Sun's depth and sincerity of feeling is more

impressive than her political acumen but she is significant as an inspiration to Chinese liberals. Dr. Sun Fo does not impress one as having strength of character required for leadership but the fact that he is the son of Sun Yat-sen makes him a potential front for liberals.

Mr. Vincent talked with Dr. Quo Tai-chi, former Foreign Minister and for many years Ambassador in London, and to K. P. Chen, leading banker. They see little hope in Chiang's leadership. Dr. Quo spoke in support of Sun Fo under whom he thought a liberal coalition was possible. Quo is an intelligent but not a strong character. K. P. Chen said that economic situation had resolved itself into a race against time; that new hope and help before the end of the year might be effective in holding things together.

LITTLE OF NEW INTEREST

Conversations with other Chinese officials in Chungking developed little of new interest. The Minister of Agriculture (Shen Hung-Lieh, who incidentally knows little about agriculture) showed himself an outspoken anti-Communist. General Ho Ying-chin, chief of staff and minister of war, also an anti-Communist, is influential as a political rather than a military general. Dr. Chen Li-fu, minister of education, a leading reactionary party politician, also had little to say. Ironically, he took Mr. Wallace to visit the Chinese industrial cooperatives, which he is endeavoring to bring under his control to prevent their becoming a liberalizing social influence.

Conversations with provincial government officials were also without much significance. As an indication of political trends, there were unconfirmed reports that the provincial officials in Yunnan, Kwangsi, and Kwangtung Provinces were planning a coalition to meet the situation in the event of disintegration of central government control. In Szechwan Province the governor, Chang Chun, is a strong and loyal friend of President Chiang. The loyalty of military factions, however, is uncertain. In Kansu Province the governor, Ku Cheng-lun, is a mild appearing reactionary who, during his days as police commissioner in Nanking, earned the title of "bloody Ku."

Developments subsequent to conversations with General [Claire L.] Chennault and Vincent in Kunming and Kweilin have confirmed their pessimism with regard to the military situation in East China. There was almost uniform agreement among our military officers that unification of the American military effort in China, and better coordination of our effort with that of the Chinese, was absolutely essential. It was also the general belief that, the Japanese having during recent months made China an active theater of war, it was highly advisable to take more aggressive air action against such Japanese bases as Hankow, Canton, Nanking, and Shanghai. However, the factor of loss of Chinese life at those places was recognized as an important consideration. It was the consensus that Chinese troops, when well fed, well equipped, and well led, can be effectively used. A number of Chinese generals were mentioned as potentially good leaders. Among them were Gens. Chen Cheng, Chian Fa-kwei, and Pai Chung-hai.

MONGOLS IN CONTROL

In Outer Mongolia there is considerable evidence of healthy progress, military preparedness, and nationalistic spirit. Soviet influence is without doubt strong but political and administrative control appear to be in the hands of capable Mongols. Any thought of resumption of effective Chinese sovereignty would be unrealistic. On the contrary, it is well to anticipate considerable agitation in Inner Mongolia for union with Outer Mongolia after the war.

Specific conclusions and recommendations regarding the situation in China were incorporated in telegrams dispatched from New Delhi on June 28.

We should bear constantly in mind that the Chinese, a nonfighting people, have resisted the Japanese for 7 years. Economic hardship and uninspiring leadership have induced something akin to physical and spiritual anemia. There is widespread dislike for the Kuomintang government. But there is also strong popular dislike for the Japanese and confidence in victory.

Chiang, a man with an oriental military mind, sees his authority threatened by economic deterioration, which he does not understand, and by social unrest symbolized in communism, which he thoroughly distrusts; and neither of which he can control by military commands. He hoped that aid from foreign allies would pull him out of the hole into which an unenlightened administration (supported by landlords, warlords, and bankers) has sunk him and China.

Chiang is thoroughly eastern in thought and outlook. He is surrounded by a group of party stalwarts who are similar in character. He has also, reluctantly, placed confidence in westernized Chinese advisers (his wife and T. V. Soong are outstanding examples) with regard to foreign relations. Now he feels that foreign allies have failed him and seeks in that and the Communist menace a scapegoat for his government's failure. His hatred of Chinese Communists and distrust of the U. S. S. R. cause him to shy away from liberals. The failure of foreign aid has caused him to turn away from his uncongenial western advisers and draw closer to the group of eastern advisers for whom he has a natural affinity and for whom he has been for years more a focal point and activating agent of policy than an actual leader.

At this time, there seems to be no alternative to support of Chiang. There is no Chinese leader or group now apparent of sufficient strength to take over the Government. We can, however, while supporting Chiang, influence him in every possible way to adopt policies with the guidance of progressive Chinese, which will inspire popular support and instill new vitality into China's war effort. At the same time, our attitude should be flexible enough to permit utilization of any other leader or group that might come forward offering greater promise.

Chiang, at best, is a short-term investment. It is not believed that he has the intelligence or political strength to run postwar China. The leaders of postwar China will be brought forward by evolution or revolution, and it now seems more likely the latter.

POSSIBLE POLICY LINE RELATIVE TO LIBERAL ELEMENTS IN CHINA

Our policy at the present time should not be limited to support of Chiang. It is essential to remember that we have in fact not simply been supporting Chiang, but a coalition, headed by Chiang and supported by the landlords, the warlord group most closely associated with the landlords, and the Kung group of bankers.

We can, as an alternative, support those elements which are capable of forming a new coalition, better able to carry the war to a conclusion and better qualified for the postwar needs of China. Such a coalition could include progressive banking and commercial leaders, of the K. P. Chem type, with a competent understanding both of their own country and of the contemporary Western World; the large group of western-trained men whose outlook is not limited to perpetuation of the old, landlord-dominated rural society of China; and the considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry.

The emergence of such a coalition could be aided by the manner of allotting both American military aid and economic aid, and by the formulation and statement of American political aims and sympathies, both in China and in regions adjacent to China.

The future of Chiang would then be determined by Chiang himself. If he retains the political sensitivity and the ability to call the turn which originally brought him to power, he will swing over to the new coalition and head it. If not, the new coalition will in the natural course of events produce its own leader.

AMENDMENT OF THE HATCH ACT

The Senate resumed the consideration of the bill (H. R. 1243) to amend the Hatch Act.

Mr. SCHOEPPEL. Mr. President, it is my belief that the bill, H. R. 1243, before the Senate today strikes directly at weakening and detracting from a law which has had force in holding in check—to some degree at least—corrupt political practices in our country.

It has become accepted fact that a person who is employed by the Federal Government, or who receives all or part of his salary from the Federal Government, may not actively engage in a political campaign or influence votes for a political candidate.

I was not a member of the Senate Rules and Administration Committee when the bill, H. R. 1243, was considered by it. But I have had the opportunity since to read the testimony taken on it, and the deliberations preceding its report to the Senate. I think the amendments made by the Senate Rules Committee, with respect to section 9 (b) of the Hatch Act, are an improvement to the measure which came to us from the House.

But I cannot agree that we should consider, in any broad way, weakening the mandatory provisions of the original act. Nor should we further confuse the issue by providing a new amendment to grant an exception to a certain group of Federal employees who happen to reside in counties adjoining the National Capital. I am not unaware that there are some inequities developing which should receive some attention in that respect.

But it seems to me that there is more reason today even than in the past 10 years since the passage of the Hatch Act, for adhering to its concept and intents, rather than to seek loopholes through its structure, or weaken the purposes for which it was created.

There are today in the direct employ of the administrative services of the Federal Government some 2,000,000 employees. Many millions more are engaged in contracting for Government work, or are working on State or local projects where their salaries are partially or wholly paid by the Federal Government.

Though all may not be subject to the provisions of the Hatch Act, it is a matter for consideration to realize that 14,416,000 American citizens today are receiving direct, regular payments from the Federal Government. Another 5,000,000 are on State and local pay rolls, partially supported by Federal funds.

Twenty years ago there was 1 Government employee to about 40 of the population. Today there is 1 Government employee to about every 22 of the population. And if we use only the

working population in the comparison, there is one Government employee for every eight employed in other fields.

Twenty years ago, persons directly or indirectly receiving regular moneys from the Government—that is, officials, soldiers, sailors, pensioners, subsidized persons, and employees of contractors—represented about 1 person in every 40 of the population. Today—and our population has vastly increased—about 1 person out of every 7 in the population is a regular recipient of Government moneys. If those of age are all married, they comprise about one-half of the voters in the last presidential election.

Let us think that over. To bring the comparison in direct relation with one of the amendments in the bill we are considering, I am told that in Arlington County, immediately adjacent to the National Capital, out of 140,000 population in the area, 40,000 are Federal employees.

The Hatch Act, after setting forth what it means by political activities, requires, in section 9 (b), as it now stands, that a Federal employee shall be dismissed, and not rehired, if he is found to have engaged in political activities.

There is no shilly-shallying in the present law. It leaves no leeway for interpretation. It should perhaps provide specifically for hearing cases of violation instead of leaving that function to the Civil Service Commission. But if a case is proved, involving political activity, no matter whether committed in innocence or through lack of knowledge of the law, the employee must be dismissed.

This seems to me to have had a salutary effect, even though it may have resulted in injustice in a few isolated cases. I would be interested in knowing just how much injustice has been done. I have seen no presentation of such facts. Only a few isolated instances were presented to the Rules Committee by the Civil Service Commission.

I should be more interested to know with what vigor the Civil Service Commission is able to pursue a program of surveillance of Hatch Act violations—which must be numerous—than I am in hearing of a few instances of punishment for trivial offenses, on the basis of which the Civil Service Commission is seeking to be relieved of its responsibility for dealing out mandatory expulsion.

I think the Congress is not above blame. The present Congress is undoubtedly at fault for not providing adequate funds for compliance action under the Hatch Act. The Civil Service Commission admits that it can do little more than investigate the cases which are brought to its attention voluntarily.

It seems to me that fact presents a more serious consideration to the Senate than the pending bill, which proposes to weaken the mandatory provisions of the law.

Here we have the instance of a law already weakened by lack of funds for its enforcement, and it is proposed further to detract from its effectiveness by setting up a number of exceptions or processes to relieve offenders under the act from the weight of its hand.

The amendment to section 9 (b) of the Hatch Act contained in the bill, H. R. 1243, proposes to recognize offenses under the Hatch Act which may warrant a lesser penalty than mandatory expulsion. It proposes to bring back for consideration those expulsions which may have warranted a lesser penalty in the past and to reopen their cases, leading to possible reinstatement and reemployment in the Federal service.

Mr. President, this seems to me to place a tremendous responsibility upon the Civil Service Commission, which already admits that it cannot carry out a compliance program under the existing requirements of the law. The proposed amendment would create a diversity of new responsibilities, adding to present decisions upon dismissals, the job of setting up penalties less than dismissal, and of acting upon the reinstatement of persons heretofore dismissed.

In my opinion, Mr. President, it is opening the gates for wide discretionary action by an executive agency, and I am opposed to relaxing, to this or any other degree, the provisions of the existing law, as proposed by the amendment.

I think, seriously, as I view it, that it is opening the opportunity for token resistance only. If we must consider having the dignity of the Hatch Act lived up to, then the mandatory provisions for the lesser penalties certainly should not be as low as 15 days' suspension. I realize that injustices and inequities develop. I understand that almost any person seeking a Federal job at the present time must make application and must meet the requirements of the civil-service system. I am not willing to admit that in this great body politic and all over this great country there are people seeking Federal employment who are not able to know the rules and regulations of the act. The Hatch Act, harsh as it may be, has been an important part of our governmental processes for a good many years and should be respected and lived up to.

Mr. President, I do not take with too great a degree of sympathy the argument that persons seeking employment in any Government service and meeting the requirements of the Civil Service Commission examination, do not know of the hazards they are facing. I feel that to chip from the act here and there would weaken its entire structure and cause disrespect for the general purposes intended to be accomplished.

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT RELATING TO EVALUATION OF FISCAL REQUIREMENTS OF EXECUTIVE BRANCH

Mr. McCLELLAN. Mr. President, out of order, I ask unanimous consent to introduce for appropriate reference, a bill and I request that the bill may be printed in the body of the RECORD as a part of my remarks, because I should like to take a few minutes of the Senate to discuss it.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, the bill will be received, printed in the RECORD, and appropriately referred, and without objection, the Senator from Arkansas may proceed. The Chair hears no objection.

The bill (S. 2898) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, introduced by Mr. McCLELLAN, was read twice by its title, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 138 of the Legislative Reorganization Act of 1946, as amended, is hereby amended to read as follows:

"JOINT COMMITTEE ON THE BUDGET

"SEC. 138. (a) There is hereby created a joint service committee to be known as the Joint Committee on the Budget (hereinafter in this section called the "joint committee") to be composed of 10 members as follows:

"(1) Five Members who are members of the Committee on Appropriations of the Senate, three from the majority party and two from the minority party, to be chosen by such committee; and

"(2) Five Members who are members of the Committee on Appropriations of the House of Representatives, three from the majority party and two from the minority party, to be chosen by such committee.

"(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee from which he was chosen, except that the members chosen by the Committee on Appropriations of the House of Representatives who have been reelected may continue to serve as members of the joint committee notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection, except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than 2 weeks, the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled from the Committee on Appropriations of the House of Representatives, the members of such committee who are continuing to serve as members of the joint committee, may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives, to serve until his successor is chosen by such committee.

"(c) The joint committee shall elect a chairman and vice chairman from among its members at the first regular meeting of each session: *Provided, however*, That during even years the chairman shall be selected from among the members who are Members of the House of Representatives and the vice chairman shall be selected from among the members who are Members of the Senate, and during odd years the chairman shall be selected from among the members who are Members of the Senate and the vice chairman shall be selected from among the members who are Members of the House of Representatives.

"(d) A majority of the Members of each House who are members of the joint committee shall together constitute a quorum for the transaction of business, but a lesser number, as determined by the joint committee, may constitute a subcommittee and be authorized to conduct hearings and make investigations. Any member of a subcom-

mittee so designated shall constitute a quorum for the conduct of any hearing or investigation, but the concurrence of a majority of the members of such subcommittee shall be necessary before any report or findings may be submitted to the joint committee.

"(e) It shall be the duty of the joint committee—

"(1) (A) to inform itself on all matters relating to the annual budget of the agencies of the United States Government, during and after the preparation thereof; (B) to provide the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate with such information on items contained in such budget, and the justifications submitted in support thereof, as may be necessary to enable said committees to give adequate consideration thereto; and (C) to consider all available information relating to estimated revenues, essential programs, and changing economic conditions, and, on the basis thereof, report to said committees findings relating to necessary adjustments or revisions in appropriations as may be required to balance the budget;

"(2) to recommend to the appropriate standing committees of the House of Representatives and the Senate such changes in existing laws as may effect greater efficiency and economy in government;

"(3) to make such reports and recommendations to any standing committee of either House of Congress or any subcommittee thereof on matters within the jurisdiction of such standing committee relating to deviations from basic legislative authorization, or in relation to appropriations approved by Congress which are not consistent with such basic legislative authorization, as may be deemed necessary or advisable by the joint committee, or as may be requested by any standing committee of either House of Congress or by any subcommittee thereof.

"(f) The joint committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the Congress is in session or has adjourned or is in recess; to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192–194) shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(g) Employees of the joint committee, upon the written authority of the chairman or vice chairman, shall have the right to examine the books, documents, papers, reports, preliminary and other estimates of budget requirements, or other records of any agency of the United States Government within or without the District of Columbia: *Provided, however,* That such employees shall not be permitted access to books, documents, papers, reports, estimates, records, or any other thing containing information classified for security purposes unless specifically authorized by the joint committee to receive such types of classified information.

"(h) At the request of any member of the Committee on Appropriations of either House or of any member of a subcommittee thereof, or at the request of any member of the staffs of such committees or subcommittees, professional employees of the joint committee may be detailed to advise and assist such committees or subcommittees or the staffs thereof during consideration of any appropriation bill or part thereof.

"(i) The joint committee shall, without regard to the civil-service laws or the Classification Act of 1949, as amended, employ and fix the compensation of a staff director and such other professional, technical, clerical, and other employees, temporary or permanent, as may be necessary to carry out the duties of the joint committee, and all such employees shall be appointed without regard to political affiliation and solely on the ground of fitness to perform the duties to which they may be assigned: *Provided, however,* That such appointment may be terminated by the concurrence of a majority of the members of the joint committee. No person shall be employed by the joint committee until a thorough investigation as to loyalty and security shall have been made by the Federal Bureau of Investigation and a favorable report on said investigation submitted to the chairman or vice chairman.

"(j) It shall be the duty of each agency of the Government to supply to the joint committee duplicate copies of any budgetary request submitted to the Bureau of the Budget, either for regular or supplemental appropriations required for each fiscal year, with the detailed justifications in support thereof.

"(k) When used in this section, the term 'agency' means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term includes the Comptroller General of the United States and the General Accounting Office, and includes any and all parts of the municipal government of the District of Columbia except the courts thereof.

"(l) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section. Appropriations for the expenses of the joint committee shall be disbursed by the Secretary of the Senate upon vouchers signed by the chairman or vice chairman."

Mr. McCLELLAN. Mr. President, the bill which I have just introduced bears the title, "A Bill To Amend the Legislative Reorganization Act of 1946 To Provide for More Effective Evaluation of the Fiscal Requirements of the Executive Branch of the Government of the United States."

This bill, if enacted, will repeal the provisions of section 138 of the Legislative Reorganization Act of 1946 which established the Joint Committee on the Legislative Budget. That provision of the Legislative Reorganization Act, as we all know, has proved unworkable. The joint committee established by that provision of law under the Eightieth Congress, with the Republican Party in the majority and in control of the Congress, was unable to function in accordance with the provisions of that statute. Likewise, Mr. President, in the Eighty-first Congress under the leadership of the Democratic Party, that joint committee has not been able to function, and I think it may now be assumed that this provision of the statute is a dead letter and should be repealed or so revised as to give it some practical operating effect. I propose, Mr. President, to repeal that provision of the law and to substitute in lieu of that section of the Legislative Reorganization Act the provisions of the bill which I have today introduced.

Under the Constitution the Congress has the responsibility and duty of appropriating public funds for the support of all branches of the Federal Government. The Chief Executive, as the head of the executive branch, submits to the Congress a budget of estimated revenues, anticipated expenditures, and recommendations for appropriations to meet the operating cost of the Government. The President's budget is not mandatory upon the Congress, but it is most persuasive and is largely accepted by the Congress as a yardstick to guide it in making annual appropriations, and particularly so with respect to appropriations for all agencies of the executive branch of the Government. Under our system, the President recommends, but the final responsibility and duty with respect to appropriations are vested in the Congress.

To aid and counsel the President in his budgetary recommendations to the Congress, there has been created an agency known as the Bureau of the Budget established within the Executive Office of the President. The Bureau of the Budget has a staff and personnel of some 531 employees. Its work and duties continue the year around, and I regard it as an indispensable adjunct to the Office of the President and to the executive branch of the Government. Among other duties it is charged with the duty of screening requests for appropriations that are submitted by the different departments, bureaus, and agencies of the executive branch of the Government. Its services are of great value to the President in preparing his annual budget and in paring requests for funds by administrative agencies, and holding down the operating costs of the executive branch of the Government. Therefore, Mr. President, I do not have in mind, and I want to stress that it is not the purpose of the legislation which I propose to in any way hinder, obstruct, impair, or detract from the functions of the Bureau of the Budget. But, Mr. President, the Congress has the final responsibility for appropriating the funds requested by the several agencies of the Government and by the President in the budget he submits to us, and to enable the Congress to more intelligently and adequately meet this responsibility is the purpose of the bill I have introduced.

The President's initial estimate of expenditures for the present fiscal year was $41,900,000,000. Supplemental requests increased estimated and requested expenditures to $43,300,000,000 for the fiscal year 1950. Meanwhile, anticipated receipts had declined from an originally estimated $41,000,000,000 to a revised estimate of $37,800,000,000. This resulted in an anticipated deficit of some $5,500,000,000 for this fiscal year. On January 9, 1950, the President submitted his budget to Congress for 1951, the next fiscal year, in which he recommends total expenditures of $42,400,000,000 as against anticipated revenues of $37,300,000,000.

Thus the President's budgetary recommendations for fiscal 1951 at present envisions another deficit for 1951

in excess of $5,000,000,000. When the 1950 budget was submitted, the President envisioned a deficit of some $900,000,000, but it develops that the deficit for this fiscal year will be 6 times greater than the President anticipated or estimated when he submitted the 1950 budget 1 year ago. I trust that ratio of error will not hold true for 1951. But I think we can assume that, unless the Congress meets its responsibility to reduce the expenditures recommended by the President in the present budget, the deficit for 1951 will very likely greatly exceed the amount of $5,000,000,000, plus, which the President acknowledges will accrue if the Congress conforms to his wishes with respect to expenditures.

So, Mr. President, notwithstanding the excellent services rendered by the Bureau of the Budget in an administrative and advisory capacity to the President, we are confronted, it seems, with perpetual and increased deficit spending unless the Congress puts a stop to it and materially reduces the present tremendously swollen and rapidly growing annual cost of the Federal Government.

To establish and maintain sound fiscal policies, to prevent waste and unnecessary and excessive expenditures of the public funds, to keep the Government solvent and generally operating on a balanced-budget basis is the final duty and inescapable responsibility of the Congress itself. This is no easy task, Mr. President. It is a job that will require not only courage of individual Members of Congress, but one where the greatest of wisdom and skill should be employed—a job that Congress cannot adequately perform without securing the ablest technical assistance and counsel that can possibly be made available to it. That, Mr. President, is what I propose to do in this legislation.

This measure, Mr. President, would establish within the Congress a Joint Committee on the Budget, composed of five members of the Appropriations Committee of the House of Representatives and five members of the Appropriations Committee of the Senate, with an adequate technical staff, to serve as an agency of the Congress. It is to be a service committee to the Appropriations Committee of both Houses of Congress, with authority to study and further screen budgetary requests that come to us from the executive branch of the Government.

Mr. President, it might be asked, why not simply increase the staffs of the two Appropriations Committees of Congress? If that course were followed—and I think possibly the same results could be achieved by it—there would be absolutely a duplication of effort. To adequately staff one committee would cost as much as the expense of a joint staff.

Furthermore, Mr. President, the plan would enable the members of the Budgetary Committee to work together as a joint committee of the two Appropriations Committees, with a staff under its direction making an all-year-round study of budget requests.

As I proceed, I shall point out how the proposed legislation would make it possible for that to be done.

This committee will be adequately staffed with technical and professional personnel, and will have the job—an all-year-around job, Mr. President—of studying budget requests and expenditures in the various departments and agencies of the executive branch of the Government, with a view of eliminating unnecessary expenditures and in aiding—not supplanting—the Appropriations Committees and the Congress to make cuts and reduce appropriations in every instance where it can possibly be done without impairing essential and necessary services of the executive branch of the Government.

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

Mr. McCLELLAN. If the Senator will wait for a moment until I make one further statement, I shall be very happy to yield to the distinguished chairman of the Appropriations Committee.

So that proper studies can be made by this committee and its staff, it would also require that all agencies of the executive branch of the Government submit to the committee a duplicate of all budget requests for expenditures that they submit to the Bureau of the Budget. This would enable the committee and staff, Mr. President, to make studies along with the Bureau of the Budget; and, so, where the Bureau of the Budget or the executive branch of the Government fails to make reductions that can or should be made, on the basis of factual information that the studies and work of this committee may provide, the Congress certainly will be in a better position to make such reductions.

I am now very happy to yield to the distinguished chairman of the Appropriations Committee.

Mr. McKELLAR. I am very much interested in the Senator's proposal. It must be evident to everyone that we should take steps to balance the budget. The question I wish to ask the Senator is whether he has had any estimate made as to the cost of the proposal he makes.

Mr. McCLELLAN. I have had no estimate made, I will say to the able Senator, because the Congress can itself control it. We have had no estimate made, anymore than we have had estimates made of what it would cost to staff any other committee. But I may say to my distinguished friend that I cannot conceive that it would be necessary for us to provide a staff for this committee comparable to the staff which is provided for the Budget Bureau. They have 531 employees working the year round to prepare the budget which the President submits. With the limited staff with which we undertake to operate in the Appropriations Committee, as the Senator knows, it is an absolute physical impossibility for the present staff to begin to make the checks and the analyses of the budget and of all the requests which I believe to be essential if we are to reduce expenditures in a sound, businesslike way, and do it discreetly and with judgment, so as not to impair actual services of the Government which are needed, which are indispensable, and which are essential to a proper functioning of the executive branch of the Government.

As I pointed out a moment ago, I think the staff could well be limited, but if we provide, as our proposal would require, that the executive agencies of the Government, when they submit their budget requests to the Bureau of the Budget, be required at the same time to submit them to an agency of the Congress which would be prepared to work the year round, we would have information in advance of the hearings before the Appropriations Committee as to whether the requests had been properly screened, whether they had been reduced, what the requests were originally, and what action was taken on them. The budget comes to us now at the beginning of a session of Congress, when appropriation bills are being introduced. With the limited facilities we now have, it is a physical impossibility for the Congress to be certain it is doing the work which could and should be done.

I do not maintain, Mr. President, that what is proposed is the only approach or the only solution. It may not be. But I believe this bill will serve as a basis for the appropriate committees of the Congress and for the Members of the Senate to study this problem, to hold hearings, and to try to find some means, some vehicle, which we can employ to fortify and equip the Congress to do the job of reducing Federal expenditures. That ought to be done, and ultimately, Mr. President, in my judgment, it must be done.

The joint committee proposed by this bill will be specifically a service committee, having no authority granted to standing committees, nor would it be authorized to report directly to Congress. It will report to the Appropriations Committees of both Houses, and to their subcommittees, or, in certain instances, to other standing committees. It will have a staff director and be staffed by an adequate number of professional budget and technical experts who will be assigned to work with the agencies of the Government during the preparation of their annual budget in the same manner as the Bureau of the Budget now works with those agencies on behalf of the President. It will have access to the same information. There will then be available to the Appropriations Committees of both Houses of the Congress, at the time the President's budget message is received, detailed factual information on all items contained in the budget.

Again, Mr. President, I emphasize that I am not trying to set this up for the Senate alone, because if this service is worth while and needed, I feel that a joint committee and one staff could serve both Appropriations Committees, rather than to have a separate staff for each committee.

In this way the Congress can better, more fully and intelligently discharge its duty to the American people by reducing the cost of Government without at the same time crippling essential activities.

Mr. President, if after a thorough study of the bill it is determined, in the wisdom of the Congress, that it would cost more to service and to operate this staff and this committee than the anticipated savings would amount to, such a committee should not be established. But if

by establishing such a committee we can reasonably expect to reduce the costs of Government, and have a proper and adequate check upon the executive agencies of the Government with reference to their expenditures, then, Mr. President, for each dollar of the cost of operating and servicing this committee we should get returns of many, many dollars in Federal savings.

It is further believed that this procedure will expedite and in some instances eliminate the necessity for formal hearings on certain titles of the appropriation bills which now require a great deal of the time of the Members of Congress and the officials of the executive departments. Through utilization of factual, detailed data compiled by its service committee, the Committees on Appropriations would be in immediate possession of information that must now be developed through long and tedious hearings. This new procedure cannot help but speed up the legislative process in the appropriation field.

Any investigation of the budget items will necessarily require a knowledge of the manner in which past and current appropriations have been and are being expended. The bill, therefore, proposes to grant to the new joint committee the additional responsibility of reporting to the appropriate standing committees of the Houses of Congress any matters which relate to the improper expenditure of funds, and areas in which economies might be effected through cutback of programs by legislative action.

Finally, as this proposed committee will have useful, detailed information in the formulation of the legislative budget, it is charged with the duty of submitting to the Appropriations Committees suggestions for adjustments or revisions in appropriations which may be made to balance the budget, or hold deficits to the minimum.

It is also contemplated that the joint committee, through its staff of experts, will obtain information as to estimated revenues and the general economic condition of the country from all available sources and submit such information to the Appropriations Committees.

Mr. President, one reason why section 138 of the Legislative Reorganization Act has not been found practical, is that the committee was not staffed, it was not equipped to do the job. So far as I know, no attempt to operate under it has ever actually been consummated. It has been found impossible for the Ways and Means Committee and the Appropriations Committee and the Finance Committee simply to say, "The revenues are going to be so much and the expenditures should not be more than so much," because the information has not been made available to them, and because the joint committee was not equipped and staffed with the talent necessary to acquire the information and make it available to the Budget Committee.

This function is a modified form of the duties imposed on the Legislative Budget Committee established in the Legislative Reorganization Act of 1946 and, therefore, section 138 of that act is repealed and the enlarged powers of the new joint committee substituted therefor. Senators are well aware of the fact that the Joint Committee on the Legislative Budget was unable to accomplish its duties primarily because it had no adequate information upon which to base a major policy decision on the maximum amount which should be spent for the operation of our Government. Its estimates, based on information supplied by the executive branch, failed to accomplish the purpose for which it was created.

This new budget committee and procedure to be established by this proposed legislation, in my judgment, will greatly improve our legislative appropriation processes. The establishment of this committee and this service will enable both the House and the Senate Committees on Appropriations to be provided with continuous, factual and detailed information relative to the various appropriation items and programs contained in the budget. By having its own facilities, a committee created by and responsible to it, the Congress will no longer be compelled to rely upon wholly ex parte evidence of need for expenditures by the administrative agencies of the Government that want to spend the money.

In my brief period of service on the Appropriations Committee, Mr. President—and I think this statement can be verified by all other members of the Appropriations Committee—we have had the situation that the President has had the Bureau of the Budget within the Executive office. The Bureau serves him. Members of the Bureau come before committees of Congress, together with the heads of the agencies of the executive branch of the Government and present their side of the matter. They support the budget. They come to committees of Congress prepared with statistics and other persuasive material and arguments to induce the Appropriations Committees and the Congress to grant them the money they say they want and need to spend. Under our present system we are simply having to take what is presented to us, or, in most instances, arbitrarily act to the contrary. The proposed system and procedure, however, would enable us not to be compelled, as we are now, even to act arbitrarily if we are to cut expenses, but would enable us to act intelligently on the basis of reliable information.

With about 1,800 items of recommended appropriations in the President's budget I think I can say without challenge from any source that no Member of the Senate or of the Congress, even though he may be a member of the Appropriations Committee, can possibly have the detailed knowledge or the time personally to examine each item separately and be satisfied in each instance that the item of expenditure itself is necessary or that the amount requested is the minimum required to do the job. In fact no single individual without any other responsibilities could perform that stupendous task, and certainly Members of Congress, already burdened with other tremendous legislative and official duties, can give the President's budget and the appropriation bills the time required for necessary screening of budgetary requests so as to be fully informed and thoroughly satisfied that the particular item and amount requested are fully justified. Every Member of the Senate knows that to be so. I dare say not a Member of the Senate would stand upon this floor and say he is familiar with every item in the budget and is satisfied that this or the other expenditure is essential and necessary to be made. It is physically impossible for each Member of this body, in the course of the performance of the heavy duties laid upon him today, so to inform himself through his own efforts.

This year, Mr. President, we are undertaking to process a single, omnibus appropriation bill. That means, Mr. President, that this measure will likely be retained in the House for quite a long time before it reaches the Senate. Certainly, it will take much longer to get an omnibus appropriation bill over from the House than it has in the past for the House to get over to the Senate separate appropriation bills for the different departments. Thus the Senate Appropriations Committee will experience this delay and cannot and will not know what the House bill contains until it has passed the House and reaches the Senate. We can well anticipate, therefore, that the time after receipt of the bill from the House until the end of this fiscal year will be comparatively short, and likely not sufficient for the Appropriations Committee of the Senate to give thorough and adequate consideration to the measure before the beginning of the next fiscal year.

I favor the single appropriation bill. I hope the experiment will prove advantageous and that it will be an improvement over the system of considering separate appropriation bills, which has been the practice in the past. But even if we continued the past procedure of having some 12 or 13 separate appropriation measures, the need for this service of a budgetary committee would exist, but with this change to a single, omnibus appropriation bill, the need is further accentuated.

I know that the present occupant of the Chair, the distinguished chairman of the Appropriations Committee of the Senate, the Senator from Tennessee [Mr. McKELLAR] realizes the difficulties under which we are compelled to labor with a single appropriation bill, and that if we wait until after the House acts and sends its bill to the Senate before we undertake to make a study, or make any preparation toward passing an appropriation bill, we will find it impossible to give adequate consideration to the bill and study it and make the checks which ought to be made, in time to pass the bill before the end of the fiscal year.

For that reason I believe the chairman of our Appropriations Committee has, very wisely—I do not know that a decision has been made yet—proposed to begin hearings immediately on the basis of the budget, without knowing what action the House will or will not take. I believe that if we had in effect a system whereby we required the executive agencies of the Government to submit to the joint committee of the Congress the same request it submits to the

budget, we also could make a year-around study, just as the President's advisers do, so we could be prepared to act when the time came, and act without the necessary delay which occurs under our present system.

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

Mr. McCLELLAN. I yield.

Mr. McCARRAN. What the Senator from Arkansas is now discussing is a matter of vital importance to the Senate. In the judgment of the Senator from Nevada the Senate should take its place in the appropriation facilities of the Government. It was never intended by the Constitution, so far as I can determine, that appropriations must of necessity arise in the House. Be that as it may, this body must sustain its position in the matter of appropriating for the Government. With that in mind we have held several meetings of the Appropriations Committee. I am not at all certain, and I express only my own views, that the omnibus bill will be a success. But it is certainly worthy of trial. To that extent, we are entirely content to go forward and try to work it out successfully.

In keeping with that, let me say that as chairman of a subcommittee having charge of the appropriation bill for the State Department, the Department of Commerce, the Department of Justice, and the Judiciary, I have called a meeting of the subcommittee on the 31st of this month, and have requested the representatives of those agencies to appear before the committee at that time, with a view to going forward independently, hoping that we may have the printed copies of the House hearings, if they are then available, and may avail ourselves of such information as the House committees have been able to obtain, but also going forward independently ourselves, looking to our independent position in making appropriations for those agencies.

Mr. McCLELLAN. Mr. President, I thank the able Senator from Nevada. I may say that I believe that if this proposal were now in effect and if the committee were now functioning, the Senate Appropriations Committee could go forward with facts and information which would enable it to act intelligently and to expedite the work the committee will be compelled to do.

Through the utilization of fully developed information made available to them at the time when the budget is submitted, the Appropriations Committees of both the House and Senate would be better prepared to pass on appropriation items when the bill is under consideration, since much information and detail would have already been ascertained by the Joint Committee on the Budget and its staff, and made available to the Appropriations Committees.

Mr. President, this pyramiding cost of the Federal Government, which entails continuing and increasing deficit spending, causes many of us grave concern. I have felt that, as one Member of the Senate, I have a personal duty and obligation, as does every other Member of this body, to do something about this problem—not just talk about it and say I favor economy in government, but to do everything within my power to correct this situation. At least, Mr. President, I intend to make the effort. In fact, Mr. President, I started or attempted to secure action of that sort during the last session of Congress. Other Members of this body, having the same deep concern that I have about the policy of deficit spending, likewise undertook to take action at the last session of Congress to materially reduce Federal expenditures and balance the budget, or at least hold the deficit to a very practical minimum.

It will be recalled that during the last session of Congress various joint resolutions were introduced, by Senators from both sides of the aisle, calling for cuts of different dimensions in the appropriations, cuts that were definitely under the budget estimates and recommendations. Those resolutions were referred to the Committee on Expenditures in the Executive Departments, of which I am chairman. The committee conducted extensive hearings, in an effort to report a resolution designed to bring about a sizable reduction in Federal expenditures.

The Committee on Expenditures in the Executive Departments finally reported Senate Joint Resolution 108, which would have required the President to make reductions of from 5 to 10 percent in the total appropriations made during that session. One reason for that method of approach to this problem—and, Mr. President, it was an unorthodox method; I admit that was because some of the appropriations measures at that time had already passed both Houses of Congress. Others had been passed by the House and were then pending in the Senate. We could not recall the bills that had already been passed and enacted into law. In fact, the Congress was not prepared, it had not equipped itself with adequate facilities, Mr. President, to make the cuts wisely and discretely on the individual items in each appropriation bill that would have been required to bring about a reduction sufficiently large to balance the budget. The situation too, Mr. President, was considerably aggravated because the President's budget estimate of revenues was so inaccurate and because additional and supplementary budget requests so increased the amount of proposed expenditures that it had become apparent that the $900,000,000 deficit which the President's original budget for 1950 estimated was a great understatement of the reality. In those circumstances, it appeared to many of us that Congress had no other alternative except to pass a resolution on the order of Senate Joint Resolution 108, and to delegate to the President the power to reduce appropriations and cut expenditures between 5 and 10 percent, in the hope that the budget might be balanced, or at least that the deficit would be held to the lowest practicable minimum.

We know, Mr. President, the parliamentary obstacles and the administration opposition which that joint resolution encountered. Some 63 Senators, representing both political parties and more than 40 States in this Union, signed a petition urging the leader of the majority party to bring up the joint resolution in the Senate for a vote. That request was denied by the policy committee and the leadership of the majority. Therefore, Mr. President, the Senate was never given an opportunity to consider that resolution in its own right and upon its individual merits. Those of us who sponsored and favored it had to resort to the tactic of offering it as an amendment to an appropriation bill. Because it was offered as legislation on an appropriation bill, the rules of the Senate required, as all of us know, a two-thirds majority vote for suspension of the rule, so that the amendment might be offered for adoption. It was not adopted, Mr. President, I regret to say, although on that vote 49 Senators, a constitutional majority of this body, voted in favor of suspending the rule, so as to permit the resolution to be offered as an amendment, and only 28 Senators voted against doing so. Obviously, Mr. President, a majority of the Senate during the last session of Congress favored a reduction in Federal expenditures, but that parliamentary obstacle was resorted to and was interposed to defeat the will of the majority of this body.

Having met defeat, under the above circumstances, in an effort to pass Senate Joint Resolution 108, which could have resulted in a balanced budget, I tried to do something a little more modest. I introduced Senate Joint Resolution 131, which would have left untouched and unimpaired the present requirements of existing budget law, but would have added an additional requirement, namely, that the 1951 budget to be submitted include revised expenditure figures so reduced as to be in balance with estimated revenues. That would have given Congress the full picture of what the President wanted to spend and what he was willing to say he would spend if the Congress was unwilling to continue the policy of deficit spending, and insisted upon a balanced budget.

Mr. President, we are here confronted with a budget of expenditures, which the President wishes to make next year, in excess of $5,000,000,000 more than the anticipated revenues will be. Had that joint resolution become law, we would have had this budget with just another column of figures added to it. It would have shown what the President would have eliminated from the budget if the Congress insisted upon balancing the budget. That would have been helpful to us. It would not have been any more binding than the President's other budget recommendations, but it would have been helpful to a Congress that is economy-minded in response to the publicly expressed sentiment of the American people, who want government costs reduced and want to get the Government back on a sound fiscal basis.

Senate Joint Resolution 131 met with no opposition when I offered it as an amendment to the executive pay bill, relating to salary increases for officials of the executive branch of the Government. In fact, I thought the administration accepted it. No opposition was expressed to it in the Senate. As I re-

call, it was adopted without a dissenting vote. Being a Senate amendment, of course it went to conference. Although I do not know what occurred in conference or before the conferees met, I do find in the CONGRESSIONAL RECORD of October 13, 1949 (p. 14442), the following statement by Representative EDWARD H. REES, a member of the conference committee:

> The bill, as passed by the other body—

He was referring to the bill providing for salary increases for personnel of the executive branch of the Government—

> included a provision that would require the President to submit a balanced budget in addition to his regular budget. * * * I thought the provision had merit and sound reasoning. The President objected to this provision of the legislation. He opposed it so strenuously that he followed the unusual procedure of calling the conferees of both Houses to the White House, before they had opportunity to consider the measure, so he could tell the conferees he wanted that particular provision removed from the legislation.

So, Mr. President, Senate Joint Resolution 131, passed by the Senate, did not become law. It was stricken from the bill in conference.

Let me pause to remind my colleagues that I think it is now perfectly obvious that we are not going to get any help from the present Bureau of the Budget in respect to balancing the budget, because it is under the direction of the President; and I am quite certain that the President will contend this year, as he did last year, that the budget he has submitted is one he has pared down to the very minimum. We must either accept it or we must meet what many conceive to be our responsibilities as Senators and as representatives of the people by undertaking to find a way to reduce it, where and if it can be reduced, without destroying or unduly impairing essential services of the Government.

I have said that the final responsibility for fiscal policies rests with the Congress of the United States, but, Mr. President, the initial responsibility is and shall remain with the President of the United States. It is his duty to give consideration to and be concerned about the solvency of the Government and the pursuit of sound fiscal policies of the Government. He has the duty and responsibility of requesting appropriations of the Congress. The Congress has provided him with a staff of experts in the Bureau of the Budget to enable him to study the financial conditions of the Government, to screen requests for expenditures that come to him and, through him, to the Congress, from the different agencies of the executive branch of the Government. Thus, the Congress, in great measure, relies upon the President of counsel and guidance in the matter of Federal expenditures and, while the Congress has the final responsibility to say yes or no to budgetary requests of the President, this does not relieve the President from the duty to cooperate with the Congress in establishing and pursuing sound fiscal policies, in attaining and keeping a balanced budget, and in keeping the Government solvent. The President of the United States has just as solemn a duty as has the Congress to formulate sound fiscal policies, to the end that the Government may keep on a safe and sane course and not go down the road to insolvency, notwithstanding the fact that the final power is reposed in the Congress itself to prevent such a course.

I do not care to rehash all the arguments I made in support of Senate Joint Resolution 108 and Senate Joint Resolution 131 when those resolutions were offered as amendments to other bills at the last session of Congress, but I should like to point out the divergent views entertained and expressed by myself and by the majority leadership with respect to Senate Joint Resolution 108, as reflected by the debate when that measure was under consideration.

The majority leader, speaking in opposition to the resolution, as shown by the CONGRESSIONAL RECORD of June 21, 1949, at pages 8043–8045, stated:

> I maintain with all the sincerity I possess that the Congress of the United States has the responsibility for cutting appropriations. The President of the United States submits his budget to the Congress, and under the Constitution and laws of the country it is the duty of the Congress to say whether or not it will approve funds requested in that budget, whether it will cut the budget, or whether it will increase the budget. It is our responsibility; and in my judgment we should not shift the responsibility to the President of the United States and tell him to cut the budget 5 or 10 percent after we ourselves refused to do so in the Senate. For that reason, in view of what has happened in connection with appropriation bills which have come before us, certainly the majority leader is not going along with that kind of a resolution. We should have the courage to reduce appropriations if we desire to do so. If we do not have the courage to do it, we should not shift our responsibility to the Executive.

I pause to say I have confidence in the Congress. I believe the Congress has the courage to do it. I question that the Congress has equipped itself with the proper facilities and technical help to enable it to reduce it at all times intelligently. That is what I think is needed. That is what the bill I have introduced seeks to do.

A little later in the same speech, the able majority leader further stated:

> But, Mr. President, the Senate cannot do what is attempted to be done by the joint resolution, simply pass the buck to the President of the United States, and hope to convince the American people that we are doing our duty and accepting our responsibility as Senators. I say it is ridiculous to place that responsibility on the President, after he himself has said that he has had his experts work on the budget, that he has cut it to the bone; and then has sent it to us either to reduce or to increase. Now some Senators propose that we send the problem right back to him, that we delegate to him the power to appropriate for the Congress of the United States.

Like others, constituting a majority of the membership of this body, I did not accept what I conceived to be an unsound argument on the part of the majority leadership of this body. After listening to the able, but what I conceived to be the unsound, argument of our distinguished majority leader, I stated, as shown by the CONGRESSIONAL RECORD of August 29, 1949, at page 12391, as follows:

> I do not care who shouts that the passing of this resolution is an act of political cowardice. The President of the United States cannot escape his share of either the blame or the legal and moral responsibility for any deficit that occurs either great or small so long as the Congress does not appropriate in excess of his budget recommendations.
>
> No, Mr. President, this is not an act of political cowardice. On the contrary, it is sound legislation necessary in the public welfare, and failure to balance the budget or to hold the deficit to the minimum this legislation makes possible may well prove to be a stupid and dangerous blunder. The risk is too great. This living beyond our means in government must be stopped. It often takes courage to do our duty, and the duty to maintain sound fiscal policies now is so impelling—the safety and security of the Nation is involved.

I reiterate, with even stronger emphasis than then, that the necessity for maintaining sound fiscal policies is now so impelling as to involve the safety and security of the Nation.

When this resolution was defeated by a vote of 49 yeas to 28 nays, to which I have already alluded, certain newspapers—I believe one of them was the New York Times—on September 2, 1949, quoted the President of the United States as saying:

> The Senate has done the right thing. It was the duty of Congress to analyze all appropriation bills, and to pass them or not. It was not a function that they could transfer to the President.

I do not agree with all the President said, but let us accept this much of his statement:

> It was the duty of the Congress to analyze all appropriation bills.

I can agree with this, Mr. President. It is our duty to analyze them, and it is our responsibility to make the final decision. That is what the bill I have introduced today seeks to do—to better equip the Congress with necessary and adequate facilities to do just what the President says it is the duty of the Congress to do—to "analyze all appropriation bills." After having equipped ourselves to do a thorough job of analyzing appropriation bills and the President's budget, then the Congress can better meet its responsibility of voting the appropriations which the President requests of it, eliminating some items entirely and making reductions in others where reductions can and should be made.

Pursuing the argument that was made against Senate Joint Resolution 108, that it is the full responsibility of Congress to cut appropriations, and the President's statement that it is the duty of Congress to analyze all appropriation bills, it is obvious that unless the Congress adequately equips itself to do this, it definitely cannot adequately or fully meet that responsibility. If the Congress simply accepts the ex parte evidence submitted at hearings of the Appropriations Committees by the executive

branch of the Government, including its Bureau of the Budget, and votes appropriations accordingly, for all practical purposes and effect it will simply be abdicating the power of appropriation to the Chief Executive of the Nation.

If we are going to follow the Budget plan, if we are going to take the evidence adduced before the Appropriations Committees from the heads of the executive agencies of the Government, if we are going to take that evidence without any question or check against it, then we are, in effect, absolutely delegating to the executive branch of the Government the writing of the "ticket" for appropriations.

Too long already the Congress has labored under the handicap of an outmoded system of checking against the executive branch of the Government with respect to budget requests for appropriations. This course cannot be continued in the face of the challenge that now confronts us. Deficit spending has already reached a down-hill momentum. The deficit for 1951, if the President's program is followed, will be greater than the deficit of $5,000,000,000 in 1950, and there is every indication that each succeeding year deficits will increase unless the Congress itself puts on the brakes. The American people want the brakes applied. The Congress is the instrumentality of the people that has the power to apply the brakes.

The urgency of action by Congress in this area has been stressed by many outstanding authorities who have joined in the large chorus of protests against unbalanced budgets in these times of high national income, high taxes, and a high level of prosperity. Speaker of the House RAYBURN is reported to have stated recently that "A prudent man pays his debts when he has the money."

Similarly, Dr. Edwin G. Nourse in a recent speech, which was followed shortly by his resignation as Chairman of the President's Council of Economic Advisers, stated:

> I am not happy either when I see Government slipping back into deficits as a way of life when production and employment are high, instead of putting its fiscal house in order and husbanding reserves to support the economy if less prosperous times overtake us.

Dr. Nourse reiterated his position in a speech at Richmond on January 13, in which he asserted that every effort should be bent toward getting the spending policies out of the red if the Nation is to avoid cracks in its economic structure, and stated that he told the President that—

> The administration has resorted again to inflationary short-cuts, and I think that the deliberate launching of a program for false prosperity is a grave mistake. * * * And I don't think the program is either sound or progressive.

I have not seen the article, Mr. President, and cannot vouch for the accuracy of it, but I am in receipt of a letter from one of my constituents, Mr. M. F. Sloan, a farmer of Pocahontas, Ark., from which I quote as follows:

> I have just read Senator Capper's The Reddest Menace to America is Government Red Ink.

Then he says, "I believe there is a lot of truth in it," and he quotes again from the article as follows:

> The flood of red ink can overwhelm and destroy us as individuals, as family units, and as a nation. It can be as devastating as an atomic bomb explosion. We had better stop it and the inevitable inflation that follows it, before it is too late.

Mr. President, I subscribe to those sentiments, and I resolve to do everything in my power to stop it. I intend to vote accordingly in this session of Congress.

In closing I remind my colleagues of what President Franklin D. Roosevelt said, before he became President, in a speech he delivered at Pittsburgh on October 18, 1932:

> If a nation is living within its income its credit is good. If in some crisis it lives beyond its income for a year or two, it can usually borrow money temporarily on reasonable terms. But if, like the spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing up to the limit of the people's power to pay and continues to pile up deficits, it is on the road to bankruptcy.

Mr. President, I do not propose by my vote and by my services here to help America travel down that road.

Mr. President, in conclusion, I wish to invite my colleagues to study this proposed legislation, and I urge them to give to me and to the committee to which the bill will be referred the benefit of their study, their counsel, and their suggestions, to the end that we may all work together to do something about this problem which I think may well prove to be a challenge, a definite threat, and a danger to our future security and liberty.

Mr. McCARRAN. Mr. President, I wish to join in the expressions of the able Senator from Arkansas. I entered the Chamber during the course of his presentation. I take this opportunity to join in the expressions he has made, to which I have listened. From observations made in a study throughout Europe a little while ago, I found, as have others, that today the American dollar is the only sound currency in the world. If anything should occur which would impair the integrity and strength of the American dollar, I do not know where civilization might go, nor where, indeed, the American way of life might go. So I join with the able Senator from Arkansas in expressing the hope that the Congress of the United States may take unto itself that which belongs to the Congress, and see to it that deficit spending shall be ended.

Mr. McCLELLAN. I thank the Senator from Nevada.

THE WORK OF THE SENATE COMMITTEE ON THE JUDICIARY

Mr. McCARRAN. Mr. President, I sought recognition so that I might speak for a moment of the committee of which I have had the privilege for some time of being the chairman, namely, the Senate Committee on the Judiciary. That committee has as many members on its staff as has any other committee of the Senate, if not more than has any other committee of the Senate.

Hence, I think it entirely appropriate that I speak of the work of that committee. The Judiciary Committee, as the record will show, has presented to the Senate for consideration and has itself considered more legislation, more bills, more resolutions, and more matters of vital importance than has any other committee.

I do not say that with the idea of speaking disparagingly of other committees, but rather to show to the Senate of the United States the load which, through the Reorganization Act, was placed on the shoulders of the Judiciary Committee.

With that in mind I have had prepared a complete statement and summary of the work done and accomplished by the Committee on the Judiciary of the Senate during the first half of the Eighty-first Congress, and I ask unanimous consent now that the clerk may read and that there may be inserted as a part of my remarks a statement prepared from the records of the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

SENATE JUDICIARY COMMITTEE WORK AND WORK LOAD, FIRST SESSION, EIGHTY-FIRST CONGRESS

The work load of the Senate Judiciary Committee during the first session of the Eighty-first Congress consisted of 39.2 percent of all Senate bills and resolutions introduced; 45 percent of all House bills and resolutions presented in the Senate; 40.5 percent of all bills and resolutions, irrespective of origin.

Not only did the Judiciary Committee get a far larger share of the work load than any other standing committee of the Senate; it also performed a larger share of all committee work than any other committee. Of 1,203 written reports filed in the Senate by all committees, the Judiciary Committee filed 524, which presented 43.5 percent.

The total of reports filed to the Senate does not give the whole picture of committee activity, because committee consideration of many bills resulted in adverse action and indefinite postponement. Furthermore, the committee handled and disposed of more than 3,000 individual immigration cases, involving suspension of deportation. Each immigration case is equivalent to a bill.

During the first session the Judiciary Committee received 1,244 Senate bills and resolutions and 402 House bills and resolutions, making a total of 1,446 bills and resolutions.

By the end of the session the committee has disposed of 498 Senate bills and resolutions and 352 House bills and resolutions, or a total of 850 bills and resolutions.

Of the bills thus disposed of, 122 were general bills other than claims or immigration; 498 were private relief bills; 210 were private immigration bills; 9 were general claims bills; and 11 were general immigration bills.

Committee approval was granted to 241 Senate bills and resolutions and 290 House bills and resolutions, or a total of 531 bills and resolutions of both Houses.

(It will be noted that written reports were filed by the Committee with respect to all but 7 of the 531 bills and resolutions approved.)

Of the bills and resolutions acted upon favorably, 75 were general bills other than claims or immigration; 302 were private relief bills; 138 were private immigration bills; 9 were general claims bills; and 7 were general immigration bills.

Bills indefinitely postponed by the committee included 257 Senate bills and resolutions, 62 House bills and resolutions, or a

total of 319 bills and resolutions of both Houses.

Of the bills thus acted upon unfavorably, 47 were general bills other than claims or immigration; 196 were private relief bills, 72 were private immigration bills; and 4 were general immigration bills.

Measures pending before the committee at the end of the session included 746 Senate bills and resolutions and 50 House bills and resolutions, or a total of 796 bills and resolutions of both Houses.

Of these bills, 119 are general bills other than immigration and claims; 164 are private relief bills; 449 are private immigration bills; 24 are general claims bills; and 40 are general immigration bills.

It will be noted the committee disposed of 352 House bills and resolutions out of 402 such measures referred to it, leaving only 50 House bills and resolutions pending at the end of the session.

In comparison, out of 1,244 Senate bills and resolutions referred to it, the committee acted upon 498, leaving 746 Senate bills and resolutions pending.

(In this connection it should be noted the committee received 294 Senate bills and 117 House bills subsequent to June 30.)

Suspensions of deportation by the Attorney General, under authority delegated by the Congress, are submitted in groups; but in the committee, each such individual case requires separate investigation, appraisal, and action. At the beginning of the first session, there were pending in the committee 1,501 cases of suspension of deportation, to which were added 2,926 additional cases submitted during the session, making a total of 4,427 cases; of which 2,966 were approved, 38 were rejected, 85 were "screened out" and held for further consideration, and 4 were withdrawn by the Attorney General; leaving 1,334 cases "in process" at the end of the session.

(The Chief of the Adjudication Division of the Immigration and Naturalization Service estimates that during the second session of this Congress, approximately 5,000 additional cases of suspension of deportation will be transmitted to the Congress for approval. These 5,000 cases will include cases for the adjustment of the status of displaced persons, pursuant to the displaced persons law. No such cases of adjustment were included in the suspensions reported during the first session.)

During the first session, the committee received 138 executive nominations, of which 63 were Federal judges, 30 were United States district attorneys, 33 were United States marshals, 1 was Attorney General of the United States, 2 were assistant attorneys general, 3 were members of the Displaced Persons Commission, 3 were members of the War Claims Commission, and 3 were members of the Motor Carrier Claims Commission.

At the end of the session, nominations not yet acted upon totalled 29, of which 23 were nominations submitted within less than a week of the end of the session.

During the session, the committee and its subcommittees conducted 91 hearings, which involved 198 separate hearing sessions. The record of these hearings total 20,220 folios.

Mr. McCARRAN. Mr. President, I file this report with the Senate as a compliment to the members of the Committee on the Judiciary of the Senate, 13 members in all. Twelve of the thirteen, regardless of party lines, have devoted their time, their energy, and their best efforts to a collossal load which has been given to the committee. With our best efforts we have accomplished the result that is set out in this report.

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

Mr. McCARRAN. In a moment. I desire at this time to pay my personal respects and to offer my sincere gratitude and my compliments to the members of the committee, who, regardless of political lines, served with me on the committee.

I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator referred to 12 out of the 13 members of the committee. I assume he was, in modesty, eliminating himself.

Mr. McCARRAN. That is correct.

Mr. DONNELL. If I may have the privilege of saying just a word with respect to the activities and work of our distinguished chairman, to my mind, as the chairman of the Judiciary Committee, he has made himself a place for many, many years in this great body, whether he be here in person or in memory, by reason of the great and outstanding service which he is rendering and has rendered as chairman of the Committee on the Judiciary of the Senate. I take pleasure in saying this very brief word of tribute to him, and giving this expression of my admiration for his fine qualities, integrity, and ability.

Mr. McCARRAN. I am, indeed, grateful for the kind remarks of the Senator from Missouri.

At this time, Mr. President, I wish to draw the attention of the Senate to a highly important phase of the work of the Committee on the Judiciary. Having taken occasion to make an intimate study of the matter of immigration, and especially an intimate study of the matter of displaced persons as that phase of immigration comes to the committee of which I have the honor of being chairman, I draw the attention of the Senate to the colossal load of immigration matters which are referred to the committee. It is estimated that 5,000 cases will be referred to the committee during the second session of the Eighty-first Congress. The record shows the disposal of thousands of cases during the first session.

Mr. President, there are being brought into this country unlimited thousands of immigrants about whom there is a question as to whether or not they fit into our ideology. Indeed, no more vital question can come before the Senate and before the Congress than whether or not there are being brought into this country those who are enemies of our form of government. If that is the case, then the load that is placed on the shoulders of the Committee on the Judiciary and on the Congress of the United States becomes all the more burdensome, all the more important, all the more colossal.

I draw the attention of the Senate to the fact that it is estimated that 5,000 cases will come before the Judiciary Committee during the second session of the Eighty-first Congress, including the question of displaced persons. If that shall follow, then it is for the Senate and for the Congress to be alert every minute to every one of the immigration cases that comes before this body.

The staff of the Committee on the Judiciary, the membership of the Committee on the Judiciary, yea, indeed, the staff of the whole Senate, must be called into play in order that we may to the best of our ability determine whether or not any and every individual who comes here seeking admission to our land, or citizenship, is worthy of citizenship. If the screening that is taking place abroad is ineffective, unworthy, and incompetent, then it is time for us to devise another method of screening, another method of determination as to whether or not there are being brought into our country enemies to our form of government, and if that is so, then we must stop it.

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

Mr. McCARRAN. I yield to the Senator from Arizona.

Mr. HAYDEN. I appreciate the great burden that is placed upon the Senate Committee on the Judiciary by a requirement in the law—why it was ever enacted I am not quite clear—that the Committee on the Judiciary shall pass upon deportation cases. Obviously that is purely an executive function. Why should a committee of the Senate be required to pass upon the question of whether or not a person is lawfully in the United States? It would be just as reasonable to expect a congressional committee to go to Europe and screen every person who is proposed to be brought to the United States under any immigration law. That is clearly an executive function. Has the Senator ever considered the advisability of repealing that provision of the statute which burdens his committee with 5,000 cases?

Mr. McCARRAN. In answer to the inquiry of the Senator from Arizona, I will say that that has been a matter of consideration. So far as I am concerned, I would not advocate repeal, because it might appear that the committee is trying to shirk its duty. I am not one who will shirk his duty. I shall try to perform the duty as best I can.

Mr. HAYDEN. I am quite sure that whoever initiated that statute had no idea that a Senate committee would be required in one session of Congress to pass upon 5,000 deportation cases. It is perfectly obvious that Senators, along with their other duties, cannot individually look into cases of this kind. The function is purely an executive one. Congress enacts statutes providing who can and who cannot come into the United States. It enacts statutes providing for deportation of persons who are in the United States in violation of our laws. Why a committee of Congress should be required to perform an executive function I cannot understand. It is utterly illogical to me.

Mr. McCARRAN. I voted against the Reorganization Act; but it is the law. So long as it is the law, the Committee on the Judiciary will attempt to carry out its duties under the law. Let me say to the Senator from Arizona and to the Senate that it is almost impossible to carry it out as it should be carried out. It is almost impossible to carry it out with the staff we have. If that staff were augmented many times, it would still be highly questionable whether we could properly carry it out. However, I am not ready to shirk the duty, and I never shall. So long as the provision remains in the law we will carry it out to the best of our ability. We have not

been able to meet all the obligations, but we are going to meet them as best we can. I wish to say to those who are critical, if there be those who are critical of the acts of the Committee on the Judiciary in passing upon deportation cases, that I want Senators to be more critical, because they cannot be too critical of those who are permitted to remain in this country and obtain citizenship, for that will make those persons more alive to their duties as citizens, and more willing to take part in carrying on the Government of the United States.

Mr. President, today of all times in the world, when our country is the pivot country of the world, we must maintain integrity in our citizenship, and that is true also with respect to those who have come here to make this their haven, their safe harbor, their hope for the future.

DELIVERED - PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES

Mr. KEFAUVER. Mr. President, it is my understanding that under a previous order of the Senate the conference report on Senate bill 1008 is to come up for consideration tomorrow. Inasmuch as the conference report differs substantially from the original bill, and as it was amended in the House and in the Senate, and also since there has been a change of members of the Federal Trade Commission, I made a written request of the Federal Trade Commission for their opinion on the proposed legislation. In response to that request I received a letter dated January 18, 1950, which represents the majority opinion of the Federal Trade Commission, and under date of January 19, 1950, I received a separate view by the Chairman of the Federal Trade Commission, Mr. Lowell B. Mason. I ask unanimous consent that the two opinions be printed at this point in the body of the RECORD.

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

FEDERAL TRADE COMMISSION,
Washington, January 18, 1950.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: This is in further response to your letter of January 11, 1950, and the request therein for an analysis of S. 1008 as reported by the conference committee, and a statement of the Commission's position with respect to the bill in its present form.

The Federal Trade Commission believes that S. 1008 in the form in which it was reported from conference will greatly weaken, if not destroy, the effectiveness of section 2, of the Clayton Act as amended, as well as jeopardize and probably similarly affect other sections of that act. Two features of the bill are of paramount importance in this conclusion: (1) the definition of "the effect may be" contained in section 4–D of the bill and (2) the conflict between sections 2–B and 3 of the bill upon the issue of whether or not meeting the equally low price of a competitor in good faith shall constitute a complete defense to charges of price discrimination.

As introduced by Senator O'MAHONEY, Section 4–D of the bill defined "the effect may be" as meaning a showing of reasonable probability of the specified effect. For more than 20 years the courts consistently interpreted "may be," as used in the Clayton Act, as meaning reasonable probability. This interpretation expressed a declared intent of the Congress to use the Clayton Act to curb monopolistic practices in their incipiency. This definition was changed during debate in the Senate, but the original version was restored by the Committee on the Judiciary of the House. It is believed that this definition was intended to make sure that the meaning of "reasonable probability" should continue and to settle any doubts raised by the use of the term "reasonable possibility" in the decision of the Supreme Court in *Federal Trade Commission* v. *Morton Salt Company*.

The bill as reported by the conference committee provides, however, that the term "the effect may be" shall mean that there is reliable, probative, and substantial evidence of the specified effect. This definition requires evidence of an effect which cannot be obtained until after the effect has appeared. It therefore amounts to a provision that the words "may be" shall be read as "is." The definition would therefore no longer rest upon the standard of reasonable probability, and the Commission would not be able to proceed against a price discrimination because of its probable effects, or even its certain future effects, but could only proceed after the effects had actually occurred.

It has been said that the conference committee definition of "may be" was intended to affirm the standards of proof set forth in the Administrative Procedure Act. This purpose could have been accomplished by defining the term as a reasonable probability determined from reliable, probative, and substantial evidence, though this would have been repetitious of the standard presently applicable.

The conference committee's definition of "the effect may be" applies directly to the language of section 2 of the Clayton Act. The defined term also appears, however, in section 3 of the Clayton Act, prohibiting exclusive-dealing and tying contracts, and also in section 7, prohibiting corporations from acquiring the stock of other corporations when the effect may be substantially to lessen competition. Similarly, the defined term appears in the bill to amend section 7 of the Clayton Act which has been passed by the House, and which the President has just recommended that the Congress enact. Since it is unlikely that the courts would give one meaning to the term in one section of the statute and a quite different meaning in other sections of the same statute, the enactment of section 4–D of the bill would destroy the test of reasonable probability in section 2 of the Clayton Act and would seriously jeopardize, if not destroy, it in other sections of that act.

The principal question raised by the bill in its original form was whether or not meeting an equally low price of a competitor in good faith shall be a substantive defense to charges of illegal price discrimination. As introduced, the bill answered this question in the affirmative; as passed by the Senate this question was answered in the negative; as reported by the Committee on the Judiciary of the House it was answered in the affirmative; as passed by the House it was answered in the negative; as reported by the conference committee the bill does not meet, but only confuses, the issue.

Section 2–B of the bill provides that it shall not be an unlawful price discrimination "to absorb freight to meet the equally low price of a competitor in good faith (except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition), * * *" Section 3 of the bill, which relates to any form of discrimination in price, provides:

"That a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

Thus, section 2–B of the bill invites the institution of proceedings when injury to competition results from freight absorption, while section 3 provides that the establishment of "good faith" in meeting an equally low price of a competitor shall be a complete defense to the charge of illegal price discrimination. The two sections point in opposite directions and, taken together, can only create confusion as to the legality of freight absorption.

Turning to the sections of the bill other than those just discussed, they do not accomplish any presently important public purpose. Section 1 of the bill is apparently intended to be declaratory of existing law and to write into statutory form what the Commission has repeatedly said is the meaning of the present statute. Section 2–A of the bill declares that postage-stamp pricing is not to be regarded as unlawful price discrimination. There has never been a case in which this Commission or the courts have found the use of this type of pricing to constitute illegal discrimination in price. Section 4–A defines the word "price"; section 4–B defines the term "delivered price"; and section 4–C defines the term "absorb freight." None of these definitions is seriously controversial or represents any departure from existing law.

It seems clear that any new statutory language, however innocent, or intended to be simply declaratory of existing law, will nevertheless entail long delays and much litigation, with all the attendant uncertainties, before it is interpreted by the courts with finality. These inevitable costs appear warranted only when they are outweighed by countervailing public advantages. Whether or not there was need for clarification of these matters at the time the bill was introduced, the Commission believes that the passage of time and the march of events has greatly reduced any public uncertainty as to the meaning of the law thus sought to be defined. A substantial contribution was made by the decision of the United States Court of Appeals for the Fourth Circuit on August 22, 1949, in *Bon Crown & Cork Co.* v. *Federal Trade Commission*. To the results of new legislation must be added the destructive effects of section 4–D upon the effectiveness of the Clayton Act as amended. There must also be added the fact that the only important substantive issue raised by the bill in its original form had to do with the status to be given a defense based upon good faith in meeting an equally low price of a competitor in a proceeding charging unlawful discrimination in price, and the fact that the bill as reported from conference confuses without solving this question. It is therefore believed that the over-all effect of the bill will be seriously destructive.

For the reasons stated, the Commission is of the opinion that S. 1008 as reported by the conference committee will seriously weaken the Clayton Act.

The above does not reflect the views of Mr. Mason.

By direction of the Commission, and with personal regards, I am,

Sincerely yours,

LOWELL B. MASON,
Acting Chairman.

JANUARY 18, 1950.

N. B.—The Commission has not yet had an opportunity of ascertaining from the Bureau of the Budget whether its position in this matter is in accord with the legislative program of the President.

LOWELL B. MASON,
Acting Chairman.

FEDERAL TRADE COMMISSION,
Washington, January 19, 1950.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR: As I noted in the letter to you transmitting the Commission's report that my own views were not in accord with the majority, I beg leave to present herewith my own evaluation of the conference report version of S. 1008.

Assuming as I do, that it is the legislative intent to make clear that the law shall not be construed so as to prohibit a concern from selling its products at delivered prices, nor for such a company to absorb freight to meet equally low prices of a competitor in good faith, and that it is desired to preserve the right of an individual seller to meet at the buyer's place of business competitive prices in good faith, it is my judgment that S. 1008, read in the light of its legislative history, will accomplish those purposes, and I am prepared to endorse the bill's objectives and to recommend its passage with an amendment of section 4 (D) as hereinafter suggested.

Those who would avoid the strong guiding hand of Congress upon our shoulders claim that there is no need for Congress to concern itself with our actions because the Court in the Bond Crown & Cork Co. case upheld the right of an individual seller to absorb freight, and that, therefore, such a practice was not now unlawful; hence no present legislation was required.

As far as the Crown & Cork case is concerned, a close examination of the Court's opinion will disclose that the Court said that the practice of freight equalization individually followed was not in issue, and the decision of the Court was limited to passing upon the question as to whether or not there had been conspiracy among the respondents to use the basing-point system. In considering the practice of freight equalization, the Court said:

"It should be noted in this connection, however, that the question in this case is, not whether such practice may be enjoined as constituting of itself an unfair trade practice, but whether it may be considered along with the other facts and circumstances to which we have adverted as tending to establish the conspiracy and combination in restraint of trade, which is the only charge in the complaint."

The Court further held:

"We need not decide, however, whether the freight equalization practice here involved constitutes of itself an unfair trade practice or whether it may be condemned as systematic price discrimination in violation of section 2 of the Clayton Act as amended by the Robinson-Patman Act, * * * as was held of the multiple-basing-point system in the Cement Institute case, as those questions are not before us. The practice unquestionably constitutes evidence to be considered, along with other facts and circumstances, as tending to establish the conspiracy charge; and that was the only purpose for which it was considered by the Commission."

It is apparent from the above that the Court in the Bond Crown & Cork Co. case did not pass upon the question of individual freight absorption or delivered prices independently arrived at, which are the subject matter of S. 1008. For this reason, in my judgment this case does not clarify the existing confusion. The Court left open the question as to what its holding would have been had the Commission attempted to prohibit the individual use of a freight equalization system by each particular respondent.

It is to be noted that there are cases pending in the Commission in which the independent use of freight absorption is challenged as being unlawful. It would be impossible, as well as improper, for me to forecast what our decision will be in these pending cases. However, you should be advised that the Commission some time ago authorized the filing and is presently prosecuting before it the following complaints which, if sustained, will condemn the independent, nonconspiratorial use of freight absorption: D. No. 4878, Chain Institute, Inc., et al.; D. No. 5253, National Lead Co., et al.; D. No. 5483, Clay Products Association, Inc., et al.; D. No. 5484, Clay Sewer Pipe Association, Inc., et al.; D. No. 5502, Corn Products Refining Co., et al.

The complaints in the above cases each contain a second count charging the individual respondents with unlawful price discrimination because of differences in net prices received after deductions of actual freight costs. These differences in net prices accruing to each individual seller, thus attacked as being unlawful, are inherent in any independent system of freight absorption, freight equalization, uniform delivered prices, or basing-point quotations. You will recall that count II of the Conduit case (affirmed by an equally divided Supreme Court) held nonconspiratorial freight absorption to be an illegal unfair method of competition.

Last June we advised the House Committee on the Judiciary that all of the Commissioners believe that on balance it is preferable to make the good faith meeting of a competitor's equally low price a full defense. No action has been taken by the Commission to change this view. The letter sent you yesterday over my signature indicates that the majority of the Commission take exception to the results of the amendments offered to sections 2 and 3. (These are the Kefauver amendments in the Senate, the Carroll amendments in the House, and the conference committee's compromise thereof.) While I agree it would have been preferable if these amendments had not been offered, I do not believe that they move in opposite directions.

The amendment to section 2 refers to good faith competition which will not substantially lessen competition. The amendment in section 3 refers to good faith competition that is not monopolistic or oppressive. These are relatively similar terms. In any event, however, it is not necessary that these restrictions be identical because section 2 refers to what is required for the Commission to prove its case, while section 3 relates to what is required for a respondent to affirmatively prove his defense if the Commission has made out a case. These amendments in sections 2 and 3 of the act appear to be adequate safeguards.

In section 4 (D) I would prefer the House version which defines the words the "effect may be" as meaning reasonable probability.

In my judgment, it can hardly be denied that there is at the present time widespread confusion as to the legality of the use of delivered prices by one seller, independent of conspiracy, the absorption of part or all of the transportation costs and the meeting of lower competitive prices, and that this confusion should be dispelled by legislative action. With the above amendment S. 1008 seems to be adequate to accomplish this purpose.

Sincerely yours,

LOWELL B. MASON.
JANUARY 19, 1950.

N. B.—I have not yet had an opportunity of ascertaining from the Bureau of the Budget whether my position in this matter is in accord with the legislative program of the President.

LOWELL B. MASON,
Acting Chairman.

Mr. KEFAUVER. Mr. President, I also wish to present for the consideration of the Senate a rather detailed anaylsis of the bill. But, first, I should like to acknowledge my indebtedness to the distinguished Senator from Oregon [Mr. MORSE] for an anaylsis he presented in the Senate on October 18, covering sections 2, 3, and 4 of the bill. This was an analysis with which I wholly agree. Using the distinguished Senator's analysis as a base, I have expanded it to include an analysis of section 1 of the bill and to include a somewhat more extensive analysis of section 4B of the bill. Likewise in other sections, I have expanded the analysis to develop several related ideas. On the other hand, I have condensed, revised, or omitted materials on other points which seem now to be better understood than they were last October. The distinguished Senator from Oregon is to be held in no way responsible for the faults of the final product, especially since he is not in the Chamber to defend himself. I simply express my indebtedness to him for an analysis which has been very helpful to several of us who have been giving particular study to this legislation.

Mr. President, I ask unanimous consent that the analysis may be printed in the body of the RECORD for the benefit of Senators when they are considering the report tomorrow.

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

ANALYSIS OF THE BASING-POINT BILL, S. 1008 (AS REPORTED BY THE CONFERENCE COMMITTEE OF THE SENATE AND HOUSE)

SUMMARY

Section 1 of S. 1008 would amend section 5 (a) of the Federal Trade Commission Act. Sections 2 and 3 would amend sections 2 (a) and 2 (b) of the Clayton Act, as amended by the Robinson-Patman Act. Section 4 provides definitions of certain key phrases which appear in section 5 (a) of the Federal Trade Commission Act and in sections 2 (a), 2 (b), 3, and 7 or the Clayton Act, as amended by the Robinson-Patman Act. The detailed analysis below may be summarized as follows:

Section 1

The language of section 5 (a) of the Federal Trade Commission Act is brief and general, but has a clear statutory purpose. Its purpose is to make unlawful "unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." The proposed amendment to this law is also in brief and general language, so much so that the courts would necessarily have to refer to the record of this legislation in order to find the congressional intent of the language. The legislative history of this proposed amendment provides no clear record of congressional intent.

Consequently, passage of this section would at best merely add confusion to the law. It is expected that at least 10 years of new litigation would be required to clear up the confusion and yield new guide posts. In the meantime, monopolistic pricing systems now in practice would go unchecked, and those recently broken up would be reestablished.

What the courts would ultimately take this amendment to mean is a matter of speculation. If the courts take as their guide the simultaneous action of the Congress in passing sections 2 through 4 of the bill, they will conclude that Congress intended to legalize any and all pricing practices, except those systems maintained by open agreement among competitors.

Section 2A

This section would exempt, without qualification, the postage-stamp price system and

the limited-zone price system from possible illegality under the law governing price discriminations. If steel or any other heavy industry, should adopt one of these pricing methods, extensive dislocations of industry could be expected to result.

Section 2B

This section confers exemptions upon freight absorption to meet the equally low price of a competitor. It thus exempts from possible illegality the Pittsburgh-plus system, the multiple-basing-point system, and the freight-equalization system.

The exemptions of this section are qualified to the effect that freight absorption is not to be exempted if it will be to substantially lessen competition. This qualification fails to adopt the standards of the present law in two respects: First, only one of the effects upon competition is named—"injury to competition," as under the present law, is omitted. Second, the present law is stated in terms of "effect may be"—the judicial criterion of which is "reasonable probability." Adoption of the word "will" renders the qualifying clause a nullity, since the future effect of a current act or practice cannot be proved in advance.

Section 3

This section would reestablish the good-faith defense as a complete and final defense against a charge of illegal price discrimination and would thus nullify the Robinson-Patman Act amendment to section 2 of the old Clayton Act.

The good-faith defense may be established in either of two ways. First, by a showing that two or more sellers are meeting, or offering to meet, one another's price. Second, that a seller can show evidence which would lead a reasonable person to believe that a competitor was offering the same price, although no competitor was in fact doing so. Sellers discriminating in price among their various buyers are in good faith so long as two or more sellers meet one another's price to the favored buyers, and the Federal Trade Commission could not issue an order terminating the discrimination, no matter what the effect of the discrimination upon competition.

The good-faith mechanism will work to destroy small business in two ways. First, there is a widespread tendency among sellers to make, in favor of large buyers, discriminations which are not justified by differences between the costs of serving the large buyers and the costs of serving the smaller buyers. (Differences in prices which are justified by differences in the costs of serving the various buyers would be legal—as they are under the present law.) Such favorable prices afforded large buyers enable them to put smaller competing buyers out of business without respect to the question of efficiency in the economic system. Moreover, when one seller offers a large buyer a special price, another seller usually will do so, with the result that both sellers would be in good faith under this bill. Even though the Federal Trade Commission could determine which seller made the discrimination first, it could not issue an order stopping the discrimination.

The second way in which the "good faith" mechanism would work to destroy small business is that whereby large sellers would destroy small competing sellers. A large seller with sales outlets over several areas or territories can usually destroy his small competitors whose outlets are confined to single territory, simply by cutting the price to cost—or below cost—in one territory at a time. This technique always enables the large seller to win out, and it thus destroys smaller business firms to the advantage of the larger firms without respect to the question of which is the more efficient. When one seller makes a special price cut in a particular territory, one other seller will usually follow suit—thus both sellers would be in "good faith" under this bill.

Section 4

This section provides definitions for certain key phrases appearing in the other sections. It does not, however, provide a definition of certain key terms—which happen to be new terms to the law—appearing in section 1. These terms are: "monopolistic" and "oppressive" practices. The definitions provided in subsections 4A through 4C make no substantive change in law, other than those changes indicated where the terms appear in sections 1 through 3. Section 4D would, however, make a substantial change in law. It provides that the term "'effect may be' shall mean that there is reliable, probative and substantial evidence of the effect."

The decision of the Commission or the courts that a given act or practice may have, will have, or has had, a specified effect is necessarily an interpretation, conclusion, or judgment drawn from fact.

Thus this definition, which ordinarily applies to the procedure for admitting facts to the record, would also require that the Commission and the courts prove the accuracy of their conclusions by reliable, probative, and substantial evidence.

ANALYSIS OF SECTION 1

Section 1 of S. 1008 would amend section 5 (a) of the Federal Trade Commission Act. Any proposal to amend this act raises peculiar problems with the judicial branch of the Government and, in brief, any amendment which would successfully clarify this act must go to some pains to instruct the courts in their duties under the act. This may be explained as follows:

First of all, it should be noted that section 5 (a) is the very heart of the Federal Trade Commission Act. Other sections of this act relate to the organization and internal procedures of the Commission, the salaries of the Commission, procedures in taking evidence, investigatory powers, and such matters. Later sections of the statute forbid false and misleading advertising in "food", "drugs", "devices", and "cosmetics", and provide for the Commission's enforcement. But the legal prohibitions covering the broad field of unfair methods of competition—that is, business methods and practices which are sometimes described as "monopolistic"—are all contained in section 5 (a). Yet, this language is quite brief and in quite general terms. It prohibits what are called unfair methods of competition, but nowhere in the law are the acts and practices to be regarded as unfair methods defined. It may be quoted as follows:

"Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

The legislators who drafted this law in 1914 first considered the question of writing into the law precise definitions of the acts and practices that were to be condemned as unfair, but decided to assign this task to the Commission and the courts. The act was passed, therefore, with a clear record of legislative intent by which it was understood that the term "unfair methods of competition" was to include not only the acts and practices condemned by the then existing common law, but that as a better understanding of other practices was gained, or new practices were invented, those that contravened the general purpose of the act were to be defined as coming within its prohibitions.

The Supreme Court, speaking through Mr. Chief Justice Stone, made a complete review of the legislative history of this act in *Federal Trade Commission* v. *R. F. Keppel Bro., Inc.*, and concluded in part as follows (291 U. S. 304, 310-312):

"Neither the language nor the history of the act suggest that Congress intended to confine the forbidden methods to fixed and unyielding categories. The common law afforded a definition of unfair competition and, before the enactment of the Federal Trade Commission Act, the Sherman Anti-trust Act had laid its inhibition upon combinations to restrain or monopolize interstate commerce which the courts had construed to include restraints upon competition in interstate commerce. It would not have been a difficult feat of draftsmanship to have restricted the operation of the Trade Commision Act to those methods of competition in interstate commerce which are forbidden at common law or which are likely to grow into violations of the Sherman Act, if that had been the purpose of the legislation.

"The act undoubtedly was aimed at all the familiar methods of law violation which prosecutions under the Sherman Act had disclosed. See *Federal Trade Comm'n* v. *Raladan Co.*, supra (283 U. S. 643 (649, 650).) But as this Court has pointed out it also had a broader purpose, *Federal Trade Comm'n* v. *Winsted Hosiery Co.* (258 U. S. 483, 493); *Federal Trade Comm'n* v. *Raladam Co., supra* (648). As proposed by the Senate Committee on Interstate Commerce and as introduced in the Senate, the bill which ultimately became the Federal Trade Commission Act declared unfair competition to be unlawful.[1] But it was because the meaning

[1] The Senate Committee on Interstate Commerce, in recommending the bill in its original form, seems to have adopted the phrase "unfair competition" with the deliberate purpose of giving to the Commission some latitude for dealing with new and varied forms of unfair trade practices. The committee said in its report of June 13, 1914, S. Rept. No. 597, 63d Cong., 2d sess, p. 13:

"The committee gave careful consideration to the question as to whether it would attempt to define the many and variable unfair practices which prevail in commerce and to forbid their continuance or whether it would, by a general declaration condemning unfair practices, leave it to the Commission to determine what practices were unfair. It concluded that the latter course would be the better, for the reason, as stated by one of the representatives of the Illinois Manufacturers' Association, that there were too many unfair practices to define, and after writing 20 of them into the law it would be quite possible to invent others.

* * * * *

"It is believed that the term 'unfair competition' has a legal significance which can be enforced by the Commission and the courts, and that it is no more difficult to determine what is unfair competition than it is to determine what is a reasonable rate or what is an unjust discrimination. The committee was of the opinion that it would be better to put in a general provision condemning unfair competition than to attempt to define the numerous unfair practices, such as local price cutting, interlocking directorates, and holding companies intended to restrain substantial competition."

Senator NEWLANDS, in introducing the bill for the committee, emphasized this feature. In answering the criticism that the phrase "unfair competition" lacked definition he said, 51 CONGRESSIONAL RECORD 11084:

"Our answer to this is that it would be utterly impossible for Congress to define the numerous practices which constitute unfair competition and which are against good morals in trade, for we are beginning to realize that there is a standard of morals in trade or that there ought to be. Germany does not hesitate by law to condemn practices in business that are contra bonos mores. It leaves their tribunals to determine what practices are against good morals.

* * * * *

"It is the illusive character of the trade practice that makes it, though condemned today, appear in some other form tomorrow. If we should attempt to define all the trade practices that can be devised, that would create dishonest advantage in competition, we would undertake a hopeless task."

which the common law had given to those words was deemed too narrow that the broader and more flexible phrase 'unfair methods of competition' was substituted.[2] Congress, in defining the powers of the Commission, thus advisedly adopted a phrase which, as this Court has said, does not admit of precise definition but the meaning and application of which must be arrived at by what this Court elsewhere has called the gradual process of judicial inclusion and exclusion. *Federal Trade Comm'n* v. *Raladam Co., supra,* compare *Davidson* v. *New Orleans* (96 U. S. 97, 104).[3]"

As a result of the outcome of some of the recent cases decided by the courts under this act, the cry has been heard that the courts are usurping the legislative functions in deciding what are "unfair methods of competition." Yet, the record is clear that this is precisely the job Congress assigned to the courts. This was not an unusual assignment nor an impractical solution to a problem which the House managers of the conferees on the Federal Trade Commission bill described as "practically impossible to define unfair practices so that the definitions will fit business in every part of the country," and as "what is harmful under certain circumstances may be beneficial under different circumstances."

It was also not an impractical method of keeping the definitions sufficiently flexible to embrace newly invented unfair methods, where, as the same report said, "There is no limit to human inventiveness in this field." Business conduct which is newly condemned under this law appears in the record of judicial decisions, so that other businessmen may see what specific acts and practices are condemned and under what specific circumstances, and so judge their own conduct accordingly. It was undoubtedly because this procedure of defining "unfair methods of competition" was adopted in lieu of specific definitions written into the statute that no fines or penalties for violation of section 5 of the act were provided.

Section 1 of S. 1008 now proposes to amend section 5 (a) of the Federal Trade Commission Act by inserting certain broad language which purports to describe certain business practices that would henceforth be exempted from the law. Passage of this bill will make it pointedly clear that Congress disapproves of the way the courts have recently exercised their assigned duties in defining "unfair methods of competition." Yet, at the same time, the enactment of the highly generalized language of this amendment would not indicate any disposition on the part of Congress to supply the precise definitions itself. Moreover, unlike the legislative record of the original act, the record of this bill provides no clear guide of congressional intent by which the courts could determine how and in what ways they are deemed to have gone wrong. The history of this legislation to date does not show which of the recent court decisions are disapproved by Congress, nor does it indicate in which specific features of these decisions Congress considers that the courts have gone too far.

Clearly, there are only two cases under section 5 of the Federal Trade Commission Act which can have been at issue in this legislation. These are the Cement Institute case and the Rigid Steel Conduit case—this much the courts could determine. But where would they turn for further light?

When the courts came to test the theory that by section 1 of this bill Congress meant merely to clarify the law, and not to make any substantive change in law, they would have to conclude, tentatively, that Congress did not object to these two decisions, as such, but rather that Congress was condemning as confusing the opinions in which these decisions were announced. In testing this theory, the courts would find in the one existing committee report which offers amplification, that the Supreme Court's opinion in the Cement Institute case is severely criticized for what the report calls confusing obiter dictum. At page 3 of the report submitted by Mr. Walter on the part of the House Committee on the Judiciary (H. Rept. No. 869), the following statement may be found:

"Language in the opinion in the Cement Institute case indicating that individual absorption of freight and individual selling at delivered prices may be illegal is considered to be obiter dictum, but its effect has been very persuasive in promoting the confusion."

But no hint is given in this report which would guide one to the specific passages of the opinion which Mr. Walter considers to indicate that "individual absorption of freight and individual selling at delivered prices may be illegal." Indeed, many who have studied this opinion say they are unable to find language of such import.

It is manifest that the stated objective of this bill to clarify will not be accomplished by enacting a rebuke to the Supreme Court, without also enacting some clear guides as to how Congress wishes the statute to be interpreted.

On the other hand, when the courts began to explore the legislative history of this bill in search of the congressional intent behind section 1, they would find an indication that some Senators, at least, sought to cancel the law of the Rigid Steel Conduit case while, at the same time, to retain the law of the Cement Institute case. No doubt there is in the minds of some a distinction which can be drawn between the two. But if this is so, then the distinction clearly ought to be drawn. Many lawyers who have studied these cases are unable to see any distinction between the law of the two, and it is quite possible that the courts will be unable to do so. At least the Court of Appeals for the Seventh Circuit was unable to see a distinction. It said that the legal issues before the court in the Rigid Steel Conduit case were identical with those before the Supreme Court in the Cement Institute case. (*Triangle Conduit & Cable Co.* v. *Federal Trade Commission,* 168 F. 2d 175, 181 (C. C. A. 7, 1948).)

If, however, Congress has found that such a distinction does exist, section 4 of this bill fails to provide a clue whereby the courts can share in this discovery.

Finally, when the courts came to test the theory that Congress intended by section 1 of the bill to make a substantial change in the Federal Trade Commission Act, they would find a great deal of evidence to support this theory.

Section 1 of S. 1008 would amend the Federal Trade Commission Act to add the following:

"It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided,* That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption."

If it were not for the qualifying language following the word "provided," the preceding language would clearly legalize the Pittsburgh-plus system, the multiple-basing-point system, and any other delivered-price system, irrespective of the question of its "dangerous tendency unduly to hinder competition or create a monopoly." In view of the qualifying language, however, it is not certain what meaning the courts would ultimately construe this amendment to have. It is clear that pricing systems which are proved to be maintained by overt agreement and conspiracy among competitors would be illegal—as they are under the Sherman Act. What effective powers would be provided by this law for terminating such illegal systems are, however, not clear.

The terms "monopolistic, oppressive * * * practices" are new terms to the law. They are also highly general terms, and, consequently, it would be necessary in future litigation for the courts to explore the legislative record underlying their adoption in order to decide what the Congress meant by them. Here again the one committee report which provides amplifying language—the report of Mr. Walter—may be noted. In this report the entire qualifying clause, "monopolistic, oppressive, deceptive, or fraudulent practices" is defined as "practices designed illegally to drive a competitor out of business." If the courts should come to adopt Mr. Walter's definition of this qualifying clause, the result would be twofold. First, the phrase "deceptive and fraudulent practices" would be divested of its ordinary meaning, and in lieu thereof it would come to mean "practices designed illegally to drive a competitor out of business." Second, section 5 of the Federal Trade Commission Act—insofar as it applies to pricing practices—would be limited in meaning to "practices which are designed illegally to drive a competitor out of business." The act would then no longer apply to the broad field of practices which are designed to protect competitors from competition or to confront the general public with monopoly prices.

This definition of Mr. Walter's is far different from the meaning of the term "unfair methods of competition" which Mr. Justice Brandeis referred to in *Federal Trade Commission* v. *Gratz* (253 U. S. 421, 427), as practices "against public policy because of their dangerous tendency unduly to hinder competition."

It is also far different from the meaning of the Federal Trade Commission Act Mr. Justice Black had in mind when he referred to the basing-point system in cement as "an effective instrument which, if left free for use of the respondents, would result in complete destruction of competition and the establishment of monopoly in the cement industry" (*Federal Trade Commission* v. *The Cement Institute, et al.* (333 U. S. 683, 720–721)).

It is not the purpose of this analysis to weigh the various purposes and understandings which the sponsors of this bill seem to have in mind, and thereby attempt to draw a net balance of the underlying congressional

[2] The phrase "unfair methods of competition" was substituted for "unfair competition" in the conference committee. This change seems first to have been suggested by Senator Hollis in debate on the floor of the Senate in response to the suggestion that the words "unfair competition" might be construed as restricted to those forms of unfair competition condemned by the common law (51 CONGRESSIONAL RECORD 12145), The House managers of the conference committee, in reporting this change, said, House Report No. 1142, Sixty-third Congress, second session, September 4, 1914, at page 19:

"It is impossible to frame definitions which embrace all unfair practices. There is no limit to human inventiveness in this field. Even if all known unfair practices were specifically defined and prohibited, it would be at once necessary to begin over again. If Congress were to adopt the method of definition, it would undertake an endless task. It is also practically impossible to define unfair practices so that the definition will fit business of every sort in every part of this country. Whether competition is unfair or not generally depends upon the surrounding circumstances of the particular case. What is harmful under certain circumstances may be beneficial under different circumstances."

[3] References showing the details of the legislative history of the act may be found in Handler. The Jurisdiction of the Federal Trade Commission Over False Advertising, 31 Col. L. Rev. 527; Montague, Unfair Methods of Competition, 25 Yale L. J. 20; Henderson. The Federal Trade Commission, ch. I.

intent. It is reasonable to assume, however, that the guide which the courts would be most likely to adopt for interpreting what Congress meant by section 1 of the bill, would be that provided by its simultaneous action in enacting sections 2 through 4 of the bill. If this should be the case, then the courts must conclude that Congress intended to legalize everything, except open and overt agreements in restraint of trade.

A law which would exempt all monopolistic practices except those maintained by overt agreement would be tantamount to legalizing monopolistic agreement and conspiracy. In this modern, sophisticated industrial age, it is well nigh impossible for the antitrust agencies to find evidence of overt conspiracy. Business policies do not change from day to day; once adopted, they tend to remain stable over long periods. In short, the conspiracy of the old-fashioned variety, whereby exuberant entrepreneurs needed to get together from week to week or month to month in order to patch up their agreements, is an antique in the current-day business community.

Whatever interpretation the courts ultimately came to put on section 1 of this bill, the effect of its passage would create a prolonged moratorium on the law which it would amend. The past record of litigation under this law indicates that at least 10 years of new litigation would be required to clear up the uncertainties and provide business and the Commission with new guideposts. In the meantime, the monopolistic pricing system now practiced, as well as those recently suspended, would continue unchecked. Among the latter, it may be noted, are multiple-basing-point systems in milk and ice-cream cans, cement, steel, rigid steel conduit, and bottle caps; and, in addition, the Chicago-plus system in glucose (corn sirup), and the Tulsa-plus system in gasoline—the last-mentioned having been voluntarily abandoned in the summer of 1949.

Moreover, it is to be expected that under the extensive moratorium which this bill would provide, other industries which have not previously employed monopolistic pricing systems would take them up. In its final report, the temporary national economic committee included the following:

"Extensive hearings on basing-point systems showed that they are used in many industries as an effective device for eliminating price competition.

"During the last 20 years basing-point systems and variations of such systems, known technically as zone-pricing systems and freight-equalization systems, have spread widely in American industry."

It seems quite reasonable to assume that, since these monopolistic systems "spread widely in American industry" during the 20 years prior to World War II, they would continue to spread during the next 10 years. An effective moratorium upon these systems for such a period would, moreover, not only constitute a hardship upon the public interest, but would bring about a degree of hardship upon the industries themselves which came to adopt such systems—assuming that by the end of this period Congress could and would restore the law.

The Temporary National Economic Committee gave a persuasive answer to the argument that those who have been practicing monopoly should not suffer disturbances, in the following statement:

"The committee is not impressed with the argument that a legislative outlawing of basing-point systems will cause disturbances in the rearrangement of business through a restoration of competitive conditions in industries now employing basing-point systems. Such disturbances may be costly to those who have been practicing monopoly. But the long-run gain to the public interest by a restoration of competition in many important industries is clearly more advantageous."

Nevertheless, the truth still remains that monopolistic positions gained by default of Government action to preserve the public interest acquire forceful practical arguments for their continuance. Those who question Congress' practical power to restore the public interest now must conclude that such power would be sadly diminished by the time it came to consider legislation to correct this bill several years hence.

INTRODUCTION TO SECTIONS 2, 3, AND 4

Sections 2, 3, and 4 of S. 1008 would make far-reaching changes in sections 2 (a) and 2 (b) of the Clayton Act, as amended by the Robinson-Patman Act. Each of these sections of the bill deals with questions of price discrimination, and each section is closely interrelated with all the others. For instance, although an individual section seems to modify existing law with respect to particular forms of price discrimination, actually each successive section makes still further modifications with respect to the forms dealt with in the previous section.

Because of the interrelationships between each of the sections, it may be well to take up first a change which would be brought about by section 4 (d) in the definition of certain key words which appear in the other sections. The key words are "the effect may be." The significance of a law which would define these words in a manner contrary to their usual meaning may be explained as follows:

Under the present law all price discriminations are not illegal. On the contrary, only those discriminations are illegal which have the specified effects set out in section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act. A discrimination is illegal, in the language of the law, where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition. The legislative history of the Clayton Act is unmistakably clear that the central purpose which the Congress of 1914 had in mind in framing this act was that of providing a law to stop certain practices before the adverse consequences which could reasonably be expected to follow such practices were in fact brought about. The term "effect may be" was used throughout several sections of the act, and as early as 1920 the Supreme Court recognized the intent of the term in deciding a question under section 3. In *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346, 356), the Supreme Court, speaking through Mr. Justice Day, spoke of this term as follows:

"Section 3 condemns sales or agreements where the effect of such sale or contract of sale 'may' be to substantially lessen competition or tend to create monopoly. It thus deals with consequences to follow the making of the restrictive covenant limiting the right of the purchaser to deal in the goods of the seller only. But we do not think that the purpose in using the word 'may' was to prohibit the mere possibility of the consequences described. It was intended to prevent such agreements as would under the circumstances disclosed probably lessen competition, or create an actual tendency to monopoly."

The effect of section 4 would be to substitute a law which would prohibit price discriminations which had already resulted in a substantial lessening of competition. Such a law might be compared to a traffic law which made it illegal for motorists to run through stop signs only if, after having run through a stop sign, the motorist had caused a substantial accident. Only after the accident had occurred could the effect of the violation be established by reliable, probative, and substantial evidence.

Analysis of section 2 (a)

The present law, in prohibiting discriminations of certain specified effects, makes no distinction between discriminations appearing directly in the quoted prices of goods, and those made indirectly by the seller's paying varying amounts of the freight charges for the different buyers. Changes in the present law which would be brought about by section 2 (a) may be summarized as follows:

1. Delivered prices which are identical at all delivery points would be legal under any circumstance, no matter what their effect upon competition. Delivered prices coming under this heading are of two types. The first is the so-called postage-stamp price, whereby a commodity is sold at one delivered price all over the country. The second type is a limited form of the zone price system. Such zone prices are those which come about when the sellers located in various parts of the country establish a single delivered price throughout the particular zone in which each seller markets his products. This form of zone price is distinguished from other zone prices only in that no individual seller, or no individual mill of a seller, sells in more than one zone.

Thus, if the bill should be passed into law, any commodity at all could be sold on either the postage stamps or limited-zone system; and such selling would not be subject to legal challenge, no matter how great the freight costs and no matter how much the adoption of such a practice might disrupt industrial location. For instance, if the steel companies should decide to designate the whole country as a single zone and quote one delivered price throughout the country, this practice would not be open to legal challenge—except, of course, upon the possible grounds that the various sellers had conspired to adopt this practice. But even as to the latter possibility, it might be observed that if one of the largest corporations in this industry, having mills in various parts of the country, should adopt such a method of selling, the other producers could hardly avoid following suit. If it should happen that the postage-stamp method of pricing became the practice in this industry, or the practice in any of several other basic industries, the disruptive effects upon the location of industry in the country could hardly be foretold.

2. Delivered prices which are different at different delivery points would be subject to legal challenge if they are discriminatory and if the effect may be that specified by the present law. But in such situations the restrictive definition of the term "the effect may be," as contained in section 4D, has a particular bearing. Such discriminations would be subject to a cease-and-desist order, provided the specified effects could be proved by reliable, probative, and substantial evidence. Thus, unlimited-zone prices, basing-point prices, and other variations of these systems would not be subject to a charge of illegal price discrimination until after a sufficient number of businesses had been destroyed to provide the reliable, probative, and substantial evidence which would be necessary before a cease-and-desist order could be issued.

ANALYSIS OF SECTION 2B

After conferring, in section 2A, exemptions upon freight absorption as practiced in a variety of zone price systems, the bill would confer in section 2D, exemptions upon freight absorption in general. This section would legalize, insofar as the law on price discrimination is concerned, "Pittsburgh plus" systems, multiple basing-point systems, and freight equalization systems.

The language of section 2B may be cited as follows:

"B. to absorb freight to meet the equally low price of a competitor in good faith (except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition), and this may include the maintenance, above or below the price of such competitor of a dif-

ferential in price which such seller customarily maintains."

This language would make two drastic changes in existing law. First, it would limit possible illegality to only one of the effects specified in section 2 (a) of the present law—namely, "to substantially lessen competition." Thus, the decision in the *Corn Products Refining Co.* case (324 U. S. 726), decided by the Supreme Court in 1945, would be set aside. In this case, the Corn Products Refining Co.'s "Chicago plus" system used in the sale of glucose was found to be illegal on the ground that it resulted in a substantial injury to competition. This company has a plant manufacturing glucose at Chicago and another at Kansas City. Under its "Chicago plus" system, it charged buyers located in Chicago the Chicago base price, and it charged all other buyers the Chicago base price plus freight from Chicago to point of destination, even though shipments were made from its Kansas City plant. The Federal Trade Commission found that competition was injured among candy manufacturers—a business in which glucose is an important raw material. Several Kansas City candy manufacturers, for example, had been forced to move their plants to Chicago in order to take advantage of the lower price of glucose offered to their competitors in that city.

The language of section 2B would further exempt basing point and other pricing systems from illegality by the introduction of the new term "will be." Thus, if this language should become law, the Federal Trade Commission could issue no cease-and-desist order against discriminations carried out through freight absorptions, unless it could prove as a positive certainty that the discriminations will have the future effect of substantially lessening competition. Since it is not within the province of mankind to prove that any prospective event will certainly take place in the future, the effect of this language would be to legalize any and all discriminations carried out by means of freight absorption, irrespective of either the past or the reasonably probable future effects of such discriminations.

By this time it should be well understood that a law which confers upon freight absorption an exemption from the law on price discrimination must necessarily confer a corresponding exemption upon phantom freight. Should it not be clear, however, the matter may be illustrated as follows:

In the Corn Products Refining Co. case, the Commission found that the company in question received phantom freight on some shipments from its Kansas City plant and absorbed freight on others. The Supreme Court, speaking through Mr. Chief Justice Stone, declared that:

"In the case of all shipments from Kansas City to purchasers in cities having a lower freight rate from Kansas City than from Chicago, the delivered price includes unearned or phantom freight, to the extent of the difference in freight rates. Conversely, if the freight from Kansas City to the point of delivery is more than that from Chicago, petitioners must absorb freight upon shipments from Kansas City, to the extent of the difference in freight."

Since there is no ruling on how high a seller may set his price, the Kansas City plant could, under the language of section 2B, avoid the definition that it was taking phantom freight by the simple expedient of announcing a convenient plant price. The convenient plant price would be the Chicago base price plus the freight from Chicago to Kansas City. Thereafter, sales made f. o. b. plant at this price would not include phantom freight, and all sales yielding a mill net return less than the announced plant price would be accounted for by freight absorption. Yet, as it may be seen, delivered prices from the Kansas City plant would be the same as under the company's Chicago plus system.

Still a third change from existing law appears quite probable under the language of section 2B. A literal interpretation of this language would mean that a seller would be free to absorb part or all of the freight charges for some customers, while refusing to absorb any freight charges for other customers in the same locality. For example, a steel mill in Chicago could absorb all of the freight charges on shipments to a favored customer in Denver, while refusing to absorb any freight charges to other customers located in Denver. Since freight charges constitute a major item in the delivered cost of steel, one may well imagine that such a discrimination as between competing buyers would soon put the unfavored buyers out of business.

REVISION OF NATIONAL TRANSPORTATION POLICY

Two of the incidental effects of section 2 of S. 1008, upon the National Transportation Policy are worthy of note.

Under this bill, the Federal Government would continue the exercise of regulation over common-carrier rates paid by sellers of goods. It would, on the other hand, relinquish regulation over the rates which buyers of goods would pay for common-carrier services, wherever sellers chose to exercise the privilege here extended them of reallocating the freight charges among the various communities to suit their fancy.

Similarly, the Federal, State, and local Governments presumably will continue to allocate the expenditures of public funds for transportation facilities. But, here again, instead of a consequent division of the benefits of such public expenditures accruing to both the buying and selling communities, the seller may arrogate all of the benefits of the public expenditure to himself, reallocate the benefits among other communities, or determine whether individual public facilities shall be used at all. It is a matter of record that under the basing-point systems recently practiced in the steel and cement industries, the producers would generally not allow these materials to be shipped by other than rail carrier. Moreover, in those instances where shipment by water or highway carrier was practiced, it was usually the custom of these producers to charge buyers the rail rates. These privileges would be legalized by section 2.

ANALYSIS OF SECTION 3

Section 3 of S. 1008 nullifies the Robinson-Patman Act amendment to section 2 of the Clayton Act. Thus it would restore the so-called good-faith defense to the status of a complete and final defense against a charge of illegal price discrimination, such as was its status under the old Clayton Act prior to 1936. The distinction between the exemption from the general rule against harmful price discrimination which would be provided by this section and the exemption which would be provided by section 2 of S. 1008, may be stated as follows:

Section 2 of S. 1008 would exempt illegally those price discriminations which are accomplished through the seller's manipulations of freight charges. Thus, these exemptions relate, for the most part, to discriminations between buyers at different geographic locations, and the amount of the individual discriminations so exempted is limited to the amount of the freight charges involved.

Section 3, on the other hand, would provide a more general exemption, relating to discriminations as between buyers in the same community as well as to buyers located in different communities. Where sellers could make the so-called good faith defense, their discriminations among buyers in the same community would be legal without reference to any question of their effect upon competition. Neither the question of how much the discriminations might injure or lessen competition or tend to create a monopoly, nor the question of how far these effects had already been advanced could raise any legal challenge to the discriminations. Similarly, discriminations as between buyers in different communities would likewise be legal, irrespective of whether the amount of the discrimination exceeded the amount of the freight charges involved in shipping the goods discriminated in.

Here it may be noted that section 3 of the bill drafted by the conferees differs from the corresponding section of S. 1008 as it was first passed by the House in that the conferees have removed the so-called Carroll amendment. Similarly, the bill drafted by the conferees differs from the bill previously passed by the Senate in that the conferees have eliminated the so-called Kefauver amendment. In lieu of the language of the Carroll amendment, on the one hand, or the Kefauver amendment on the other, the conferees have substituted a general qualifying clause which reads as follows:

"except that this shall not make lawful any combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice."

This is in part the same language which section 1 of the bill would put into the Federal Trade Commission Act. While the meaning of this language would not be clear, should it be put into the Federal Trade Commission Act, it cannot be said to be wholly irrelevant to that act. Similarly, it might be relevant if included in an amendment to the Sherman Act. But it is wholly irrelevant in extraneous language insofar as the Clayton Act is concerned. Moreover, it is in no sense a substitute for either the Carroll or Kefauver amendments, both of which proposed to retain some restraint upon price discrimination.

WHAT IS THE GOOD-FAITH DEFENSE?

Section 3 of S. 1008 provides that a seller may justify his discriminatory price by showing that it is made in good faith to meet the equally low price of a competitor. The burden of showing good faith would be upon the person charged with an illegal price discrimination, just as is the burden of showing justification under the present law. But what is this burden of showing good faith? What would a seller have to do in order to show that his price discrimination is in good faith to meet the price of a competitor and is, therefore, legal?

Under current judicial interpretations, the seller charged with an illegal price discrimination may show good faith in either of two ways: First, he may show that his discriminatory price did in fact meet the price of a competitor. Second, he may establish good faith by showing that he acted upon the belief that his discriminatory price would be meeting the lower price of a competitor, although the lower price of the competitor did not in fact exist. That is to say, if the seller charged with an illegal discrimination can show the existence of facts which would lead a reasonable person to believe that a competitor's lower price did exist, he can establish good faith.

These requirements for establishing good faith were made clear in the Supreme Court's decision in the Staley case. Referring to the good-faith defense, Mr. Chief Justice Stone said:

"Section 2b does not require the seller to justify price discriminations by showing that in fact they met a competitive price. But it does place on the seller the burden of showing that the price was made in good faith to meet a competitor's."

In order to establish good faith, according to this decision, the seller is merely required "to show the existence of facts which would lead a reasonable and prudent person to believe that the granting of a lower price would in fact meet the equally low price of

a competitor." (*Federal Trade Comm'n* v. *A. E. Staley Manufacturing Company and Staley Sales Corporation* (324 U. S. 746, 759, 760).) This is the whole length and breadth of the seller's burden of establishing good faith. Neither the past nor future consequences of the discrimination, nor the seller's belief concerning these consequences enters into the question of good faith. The seller establishes that his discriminatory prices are made in good faith merely by showing that they meet the price of a competitor, or that he has evidence for believing that they do so.

Of course, if the Federal Trade Commission can show that discriminations in prices are made as a result of an illegal agreement or conspiracy among competitors, then the good-faith defense is overruled. Such, for example, was the outcome in the Cement Institute case. In this case, the Supreme Court held that, since the discriminations in cement prices were inherent in a pricing system maintained by illegal agreement and collusion among the cement manufacturers, the discriminations could not be said to have been made in good faith. But the seller's burden of showing good faith does not include the task of proving that his discriminatory price is free from conspiracy or collusive agreement. On the contrary, the burden of proving conspiracy—and therefore the absence of good faith—must necessarily be borne by the Commission. It is for this reason that the language concerning "combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice" which the conferees wrote into section 3 of the bill, in lieu of the Carroll or Kefauver amendments, neither adds nor detracts anything from the other language contained in this section of the bill. The most that this extraneous language could mean is that price discriminations which substantially lessen competition, could be found to be illegal under the Clayton Act, provided sellers practicing such discrimination are also proved to be in illegal agreement in violation of the Sherman Act or the Federal Trade Commission Act. Conversely, it would also mean that where two or more sellers are meeting one another's discriminatory price, or have good faith reason to believe that they are so doing, such sellers could never be in violation of the Clayton Act, unless they are first shown to be in violation of either the Sherman Act or the Federal Trade Commission Act. This raises the question, of course, why the conferees proposed to retain on the books a semblance of the law against monopolistic price discrimination when the presumption of their bill is that the Sherman Act and the Federal Trade Commission Act are adequate to prevent all practices which "substantially lessen competition or tend to create a monopoly, or to injure, destroy, or prevent competition."

The death warrant for small business

By establishing the good-faith defense as a complete and final defense, S. 1008 would exempt sellers from section 2 (a) of the Clayton Act—no matter how great their discrimination and how destructive of small business—so long as two or more sellers met, or offered to meet, one another's price. Thus, if two or more sellers quote a low price to a large buyer, while demanding a high price from a small competitor of the big buyer, their discrimination would be legal and exempt from a cease-and-desist order, irrespective of all other questions (except the question whether the sellers were engaged in an illegal agreement).

Where a single seller made a discrimination having the monopolistic effects specified in section 2 (a) of the Clayton Act, and did not meet the price of another seller in so doing, the Federal Trade Commission could issue a complaint with some possibility that a cease and desist order might eventuate—provided the Commission could find out about the discrimination and issue its order before another seller met, or offered to meet, the discriminatory price. But once a second seller met, or offered to meet, the discriminatory price, the discrimination of neither seller could be stopped, even if it were possible for the Commission to discover which of the several sellers had initiated the discrimination. The fact that a second seller is currently meeting, or currently offering to meet, the discriminatory price would make the discrimination of both sellers currently legal.

It is apparent that the Congress which passed the Robinson-Patman Act was primarily concerned with correcting the nullity which the "good faith of defense" had made of the prohibitory language of Section 2 of the old Clayton Act. In reviewing the legislative history of this act in the Standard Oil (Indiana) case, the United States Court of Appeals for the Seventh Circuit pointed out the position of the "good faith defense" under the old Clayton Act, and observed: "But since large buyers could always get such price meeting by suppliers to justify a discrimination in price in their favor, the purpose of the act to avoid such discrimination was easily evaded." *Standard Oil Co.* v. *Federal Trade Commission* (173 F. 8d 210, 215.) This court also pointed out that the chairman of the house conferees on the Robinson-Patman bill had explained the purpose of modifying the old "good faith defense," and quoted his explanation on the floor of the House as follows:

"It is to be noted, however, that this does not set up the meeting of competition as an absolute bar to a charge of discrimination under the bill. It merely permits it to be shown in evidence. This provision is entirely procedural.

* * * * *

"If this proviso were construed to permit the showing of a competing offer as an absolute bar to liability for discrimination, then it would nullify the act entirely at the very inception of its enforcement, for in nearly every case mass buyers receive similar discriminations from competing sellers of the same product." (CONGRESSIONAL RECORD, June 15, 1936, p. 9418.) (*Standard Oil Co.* v. *Federal Trade Commission*, supra (215).)

What was then said of the ability of large buyers to obtain from two or more suppliers discriminatory price quotations in their favor is no less true today. The tendency of sellers to grant special price concessions to large buyers is one of the most widely observed characteristics of business behavior.

This tendency, moreover, goes far beyond sellers' prospects of effecting cost savings in dealing with large buyers. The present law is not intended to discourage price discriminations which are justified by differences in the costs of supplying different buyers; on the contrary, the cost defense is always a complete and final defense against a charge of price discrimination.

The price discrimination which is philosophically indefensible on any grounds is that which goes beyond cost savings and permits large buyers to drive small buyers out of business. The individual seller may well reason that the prospect of an increase in volume of business which would result from his sales to a large buyer—or to any buyer whose business he does not already have—will result in cost savings by a further spreading of his overhead costs. But it is the total volume of business—the orders of all sellers, both large and small—which justifies overhead costs and permits the economies of mass production. It is not just the orders of the large buyers which do these things.

Just as the good-faith defense would legalize price discriminations by which large buyers put small buyers out of business, it would also legalize discriminations by which large sellers put small sellers out of business. A large seller with national sales outlets usually can, by making a special low price in one particular territory, destroy the small sellers whose established outlets are confined to that particular territory. This is true even though the unit costs and operating efficiencies of the smaller sellers may be the same or even more advantageous than those of the larger seller. When a large national seller makes a special territorial price cut, moreover, at least one other seller will usually follow suit. In such cases the good-faith defense would exempt the discriminations from a cease and desist order, irrespective of the destructive effects upon small business.

In commenting on the conference report on S. 1008, the Wall Street Journal of October 13 expressed the opinion that the real relief for industry contained in this bill lies in the good-faith defense which would be established by section 3. It is of pointed significance that this journal, which is conceded to be in touch with certain segments of business thinking, should look upon such a modification of the law as this as relief for industry. Since a modification of the law on price discrimination that would bring relief for some members of industry must necessarily place strictures on other members, the first question raised by this proposal is, Which members are to gain the relief and which to suffer the stricture?

ANALYSIS OF SECTION 4

Section 4 provides definitions of certain key phrases introduced elsewhere in the bill. Unfortunately, some of the new phrases introduced in section 1—namely, monopolistic, oppressive, practice—are not so defined. The definitions provided in sections 4A, 4B, and 4C appear to make no substantive change in law, other than those indicated in sections 1, 2, and 3, where the key phrases appear.

Section 4D would, however, effect quite a sweeping change in existing law. Here it is provided that:

"The term 'the effect may be' shall mean there is reliable, probative, and substantial evidence of the specified effect."

This definition would take away the normal legal meaning of the term "effect may be" and substitute a new meaning. It would, therefore, radically alter the meaning of the prohibitory language of section 2 (a) of the Clayton Act, as it probably would alter sections 3 and 7 of the Clayton Act.

The cited definition doubtless reflects an off-hand notion to conform the language of section 4D with that of the Administrative Procedure Act and may be counted—as may the other sections of the bill—an error of hasty and ill-considered legislation.

The Federal Trade Commission is governed by the Administrative Procedure Act. The relevant portions of section 7 (c) of this act may be cited as follows:

"Except as statutes otherwise provide, the proponent of a rule or order shall have the burden of proof. * * * no sanction shall be imposed or rule or order be issued except upon consideration of the whole record or such portions thereof as may be cited by any party and as supported by and in accordance with the reliable, probative, and substantial evidence."

This language describes established legal procedure and must be taken to mean, in ordinary language, two things: (1) The party instigating the suit has the burden of proof; obviously, a law-enforcement agency cannot allege a violation of law and call upon the defendant to prove himself innocent. (2) Facts alleged by either party, if they are to be admitted to the record and given consideration, must be supported by reliable, probative, and substantial evidence.

It is recognized, however, that decisions of the administrative agencies and the review-

ing courts must of necessity be based upon interpretations, conclusions, and expert judgments drawn from the facts, and that such interpretations, conclusions, and expert judgments cannot themselves be proved by reliable, probative, and substantial evidence to be correct. Herein lies the distinction between the Administrative Procedure Act and the proposed amendment to the Clayton Act as contained in section 4D of S. 1008. The question raised under section 2 (a) of the Clayton Act is whether the effect of a given discriminatory practice will, if the practice is continued, be "substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition." "It thus deals with consequences to follow," as the Supreme Court said of the term "effect may be," speaking through Mr. Justice Day in *Standard Fashion Company* v. *Magrane-Houston Co.* (258 U. S. 346, 356). The courts may use their intelligence and past experience to conclude that, under the circumstances shown, certain consequences may be expected to follow a given act or practice, but there is no "reliable, probative, and substantial" evidence that these consequences will follow.

The term "substantially" will serve to emphasize the distinction between fact and conclusion drawn from fact. The courts have had before them many times a question whether there had been a substantial lessening of competition, and have always been able to decide the question one way or the other. Yet, given all the facts and quantities which could conceivably be relevant to the question, the decision that a given quantity is substantial is ultimately a conclusion or judgment drawn from the facts, and is not itself a fact which can be proved by reliable, probative, and substantial evidence.

ANALYSIS OF PARTY PLEDGES

The elementary injustice to small business which S. 1008 proposes should be obvious to all Members of Congress, whether or not the portent to our political system is so. Any such drastic curtailment of the antitrust laws as this bill offers should, however, be considered in the light of the most recent pledges of the two major political parties.

The Republican convention, in the summer of 1948, wrote into its party platform the following:

"Small business, the bulwark of American enterprise, must be encouraged through aggressive antimonopoly action, elimination of unnecessary controls, protection against discrimination, correction of tax abuses, and limitation of competition by governmental organizations."

The Democratic Convention adopted in its platform, in July 1948, the following:

"We recognize the importance of small business and a sound American economy. It must be protected against unfair discrimination and monopolies, and be given equal opportunites with competing enterprises to expand its capital structure.

"We favor nondiscriminatory transportation charges and declare for the early correction of any inequalities in such charges.

* * * * *

"We pledge an intensive enforcement of the antitrust laws, with adequate appropriations.

"We advocate the strengthening of existing antitrust laws by closing the gaps which experience has shown have been used to promote the concentration of economic power. We pledge a positive program to promote competitive business and to foster the development of independent trade and commerce."

REDUCTION AND REPEAL OF EXCISE TAXES

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Aiken	Hill	Malone
Anderson	Hoey	Martin
Benton	Holland	Maybank
Brewster	Humphrey	Millikin
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Robertson
Cordon	Kefauver	Russell
Darby	Kem	Saltonstall
Donnell	Kerr	Schoeppel
Douglas	Kilgore	Smith, Maine
Downey	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Eastland	Leahy	Taft
Ecton	Lehman	Taylor
Ellender	Lodge	Thomas, Okla.
Flanders	Long	Thomas, Utah
Frear	Lucas	Thye
Fulbright	McCarran	Tobey
George	McCarthy	Vandenberg
Gillette	McClellan	Watkins
Graham	McFarland	Williams
Gurney	McKellar	Withers
Hayden	McMahon	Young
Hendrickson	Magnuson	

The PRESIDENT pro tempore. A quorum is present. The question is on agreeing to the motion of the Senator from Washington [Mr. CAIN] that the Senate proceed to the consideration of the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code.

Mr. CAIN. Mr. President, the argument to be presented by the junior Senator from Washington in support of the motion he offered yesterday to call up House bill 3905, a bill which includes an amendment to reduce some of the wartime-created excise taxes, is to be so simple and clear that it can be understood by every Member of the Congress and by every citizen throughout the United States. Because the argument will consist only of what is obvious and factual, it will not take long to present.

As everyone knows, war excise taxes were imposed for three basic reasons, and at a time when our Nation was fighting for its life. The American people willingly accepted the burden of war excise taxes and acknowledged a justification of the need for imposing them.

The prime results of war excise taxes were that the American people traveled less, communicated less with each other, and purchased fewer consumer goods. Our Nation's economy was being devoted to energizing and feeding a war machine, for the protection of our Nation and that of our allies throughout the world. Our citizens everywhere gladly and knowingly accepted the sacrifices required through war-created excise taxes.

When the Congress and the President imposed war excise burdens on the American people, they were careful to explain to the people why the taxes were necessary. They made it clear to everyone that the taxes would be reduced and repealed when the war was over.

Mr. President, this is the 19th day of January 1950. The fighting war came to an end in 1945. Five long years have passed since World War II was concluded. This fact constitutes the most obvious and the simplest reason why I press a motion for the Senate to take action on a measure designed to reduce war-created excise-tax rates.

On July 11, 1949, the Senate Committee on Finance reported House bill 3905 to the Senate Calendar. That date was more than 6 months ago. The Senate Committee on Finance recommended to the Senate that war excise taxes be reduced for two pressing reasons. The committee maintained, and I assume every Senator agrees, that prevailing war excise taxes add unreasonably to the cost of doing business and materially reduce consumer purchasing power. If those reasons were valid 6 months ago, as I am convinced they were, they are more valid and pressing today.

The President of the United States has spoken glowingly about a trillion-dollar national income to be achieved in the second half of our twentieth century. The goal is both worth while and highly desirable, but it can only be approached and fought for if our people are encouraged and helped to buy more, communicate more, and travel more. The prevailing war-created excise taxes are a concrete restriction against each of these demanding needs. Why then, Mr. President, do we not agree to take action on H. R. 3905, which would be a constructive step in the direction of a trillion-dollar annual income, and do it now?

The majority leader [Mr. LUCAS] is vehemently resisting the motion offered by the junior Senator from Washington. What, may I ask, is the basis for his resistance? Yesterday he said—and it will be found on page 560 of the RECORD:

> The distinguished Senator from Georgia has assured the Senate he will call up this bill at the proper time. I have attempted to reassure the Senate, as majority leader, that we shall consider excise taxes.

What the senior Senator from Illinois said yesterday amounted to absolutely nothing, for his assurance was but a meaningless generality. On page 553 of the RECORD, the Chairman of the Finance Committee, the senior Senator from Georgia [Mr. GEORGE], speaks for himself. He said:

> I am not against the lifting of the excise taxes. Many months ago I said they should be lifted. There is a bill on the calendar, very high up on the calendar, known as House bill 3905, which deals with these specific taxes, and that calender number can be taken up on motion at any time. If it is not taken up with the agreement of the leaders on this side, I myself propose, as I have already stated, to move to take it up at some reasonably early date.

In the face of these two comments by the Senator from Illinois and the Senator from Georgia, can any Senator forecast a date on which the subject of excise taxes will be debated by the Senate of the United States? If we do not want to debate the question, that is one thing, but if we are anxious to dispose of the matter we must agree on a beginning date for the debate. Should my motion carry, we shall immediately have the question before us. If the majority leader is serious, and if he does not want H. R. 3905 to remain dangling on the Senate Calendar as a juicy but unfulfilled political promise, I think he ought to agree to a specific date, which

will bring the excise-tax question before the Senate. If the majority leader thinks it is not the proper time to take action on the excise-tax question, let him offer a definite date, in order that we and the country may know what he actually has in mind.

The majority leader took the junior Senator from Washington to task late yesterday afternoon on the charge that the latter was attempting to play politics. If one plays politics through an attempt to provide tax relief for the American people, then I happily plead guilty. If one plays politics by trying to secure action, which most people agree is needed, then I again plead guilty. If trying to proceed with a responsibility which the majority leader seemingly avoids for reasons of his own constitutes an attempt to take over the majority leader's leadership then, for the third time, I plead guilty.

All the majority leader has to say is to say something which is positive and which can be understood by everyone. If we are going to debate this question in this session, the second session of the Eighty-first Congress, let us promptly agree on a target date. The majority leader has only said up to this moment that he has attempted to reassure the Senate that we shall consider excise taxes. He knows and every Senator knows that the majority leader's attempt to reassure the Senate has failed utterly. An assurance without a do-date is no assurance at all.

There is no reason to believe that we will remain in session as long as we did in 1949. Both sides of the aisle will be anxious to take part in the coming elections. I think the majority leader will be foremost among those who desire to explain their assurances in person to their constituencies. On this assumption that the majority leader will help to see that the Senate recesses in early summer we must move much more rapidly and aggressively from now on than we did a year ago.

Should H. R. 3905 be brought up for consideration at this time and if it quickly passes it must then be returned to conference. All of this will take time. The sooner we approve the measure the sooner the House can be given an opportunity to support our action and the American people will the sooner be given that relief which they have been patiently waiting for throughout the past several years.

The American people, Mr. President, have been told by the President of the United States, by the majority leader of the Senate, and by most Senators, that they could expect some war-excise-tax relief. The people are now doing a perfectly natural thing. They are holding back from buying what they need and want until the Congress and the President has given them the promised relief. This situation is confusing and bad for both the consumer and for business. Is not it the best kind of good politics to take action on and satisfy the promises we have made to the American people about war excise taxes? I think it is and that is the reason I offered a motion yesterday to take up H. R. 3905.

Mr. President, I think that H. R. 1243, the pending business and a bill to amend the Hatch Act, is a deserving measure, but I hope that the majority leader will not tell us or the country that it can be favorably compared with the importance of the war-excise-tax question at this time. The Hatch Act does concern itself with politics. The excise-tax question concerns itself with the health and the strength of the American economy. Where relatively few persons either understand or are interested in the Hatch Act, almost every American has an impelling interest in our Nation's struggle to maintain the integrity and health of our economic structure. Why must we quibble and quarrel and waste time talking about what we automatically ought to undertake without argument.

Yesterday afternoon the chairman of the Finance Committee said that the war-excise-tax provisions in H. R. 3905 represented a saving or tax reduction for the American people in the sum of $670,000,000. Six months ago the committee recommended that these savings, and this amount of additional purchasing power, be granted to the American people at the earliest possible moment. Six months have passed since the Finance Committee urged the Senate to take action. After 6 months all the majority leader can do is to say that he has attempted to reassure the Senate that we shall consider excise taxes. The American people, Mr. President, are getting restless about these continuing but meaningless assurances. The American people want some action. The American people expect their Congress to get rid of those types of taxes which have completely outlived their justification.

The very least we ought to do, Mr. President, is to vote House bill 3905 up or down. We must not let it remain longer to mildew on the Senate Calendar.

Yesterday the majority leader, the senior Senator from Illinois, offered a series of reasons why the excise-tax amendment to the oleomargarine bill should not pass. He will shortly offer reasons why the motion offered by the junior Senator from Washington should not prevail. Listen carefully to the reasons he offers. His reasons today will be different from the reasons he offered yesterday. The substance of all his reasons will merely consist of a further delaying action against taking action to reduce war-created excise taxes. If the majority leader wishes to reassure the country that what I have said about his position is not true, let him, let all other Senators agree today on a given date for taking action on repealing excise taxes.

I trust, Mr. President, that the motion which has been offered, without pride of authorship, by the junior Senator from Washington, will prevail.

Mr. LUCAS. Mr. President, if the parliamentary system of free government is to function with a modicum of expedition and dispatch, some member of the political party in power must be chosen to carry on the duties and obligations imposed upon the Senate by law and by rule. Every Senator knows that the party in power organizes for the majority of the Senate. I have the honor to represent the majority party in the Senate as majority leader. That great honor was bestowed upon me by my colleagues in a Democratic conference, by a unanimous vote. As a result of the power placed in my hands, I have a tremendous responsibility, not only to the Senate but to the country as a whole.

Mr. President, there is on this side of the aisle what is known as the Democratic Policy Committee, composed of some of the most distinguished Senators in this body. Once a week the policy committee meets, and at such times we make a careful examination of the bills on the calendar and arrange a schedule for their consideration in the Senate accordingly. As every Senator knows, the first bill the policy committee brought up for the consideration of the Senate was the bill to repeal the tax on margarine. The policy committee agreed to follow that with House bill 1243, to amend the Hatch Act. That was the considered judgment of every member of the policy committee, and that bill is the one which is before the Senate, in charge of the chairman of the Committee on Rules and Administration.

Mr. President, the question of excise taxes is not involved in the motion of the Senator from Washington at all. The sole question before the Senate is simply whether the majority party, duly constituted and organized, shall be permitted to carry out the obligations and duties of the Senate of the United States in a way which the majority believes is best for the Senate and for the country. The question in this debate is not excise taxes; the question is whether a Senator on the opposite side of the aisle can take the leadership away from the majority party and advise the Senate and the country that from now on, any time the Senator from Washington desires to make a motion for the consideration of some measure in which he is interested, the majority of the Senators must go along with him.

It is a most unusual and unique motion which the Senator from Washington has made. The Senator is not a member of the Finance Committee. I do not know whether he is a member of any of the policy-making committees on the other side of the aisle. But the Senator who is responsible for offering the amendment to the Revenue Act which came over from the House of Representatives, the distinguished Senator from Colorado [Mr. JOHNSON] has not seen fit to attempt to do what the Senator from Washington now wants to do. No other member of the Finance Committee, whether a Democrat or a Republican, has seen fit to rise on the floor of the Senate and make the kind of motion which the Senator from Washington has made, to lay aside the unfinished business of the Senate, brought forward for consideration not only by the majority leader but also by the policy committee of the Democratic Party, take it out of our hands, and from now on permit any Senator who so desires to rise and offer a motion to displace the pending business and secure consideration of some measure, im-

portant or otherwise, in which he is interested.

Mr. President, I have the greatest respect for every Member on the Republican side of the aisle. I believe ordinary fairness and the custom which exists in the Senate will convince all my good Republican friends that the Senator from Washington is not in order in making this kind of motion. After all, Mr. President, it is the responsibility of the majority to make the determination as to when excise-tax matters shall be presented to the Senate. As I stated yesterday, the distinguished and eminent chairman of the Finance Committee [Mr. GEORGE] has definitely given his assurance to the Senate that in due course, after a fair and full determination of the facts in connection with this important question, he will see to it that the Senate has an opportunity to consider the subject of excise taxes.

I reassure the Senate, as majority leader, that that will happen. There will be no question about it. But I repeat, Mr. President, that at this hour the question of excise taxes has absolutely nothing to do with the point I am making.

I think the Senators on this side of the aisle who unanimously selected me as majority leader will support the position taken by the majority leader and the policy committee.

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

Mr. LUCAS. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Can the majority leader give us any more definite assurances than he has given as to when the matter of excise taxes, which is of interest to a great many persons throughout the country, will be presented for debate?

Mr. LUCAS. The Senator makes a very fair inquiry, and I wish I could tell him definitely the date when excise taxes will be taken up. But I think the able Senator from Massachusetts, who is always fair in all his dealings with his fellow Members of the Senate, will agree with me that, at least, we should have an opportunity to see what the President of the United States has to say in his tax message, if we want orderly government so far as dealing with taxes is concerned. The distinguished Senator from Massachusetts knows full well that the Senate, as a general rule, never considers a revenue measure until it comes from the House of Representatives. In fairness to the Ways and Means Committee, where revenue bills are initiated, it seems to me that we should wait a little while longer to ascertain whether the distinguished Members of the House who serve on the Ways and Means Committee will act with sufficient speed to satisfy the Senator from Massachusetts and the country as a whole.

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

Mr. LUCAS. I shall be very happy to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I point out to the Senator from Illinois—and I am confident he agrees with me—that while it is advisable to wait to hear what the President may have to say, and while it is customary to have revenue measures come from the House of Representatives, since we have pending in the Senate a bill on which the tax question can be debated and on which it can be voted, it would be helpful to have it voted sufficiently early so that it will not die in conference or die through inaction in either branch of the Congress. Does the Senator agree with that?

Mr. LUCAS. I wholly agree with the Senator from Massachusetts, and I can assure him, as the Senator from Georgia has assured the Senate, that House bill 3905, which is pending on the calendar, and which the Senator from Washington seeks to call up now and thus displace the unfinished business, will be taken up. To have attached the amendment affecting excise taxes to the margarine bill would have been a clumsy way to proceed because, as the Senator from Georgia well explained, when that bill goes to conference the conference will be with members of the Agricultural Committee of the House, the committee which reported the margarine bill. When we take up excise taxes the Senator from Georgia and other members of the Finance Committee would like to discuss them with the members of the Ways and Means Committee who handle revenue measures.

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

Mr. LUCAS. I yield.

Mr. CAIN. May I point out to the Senator from Illinois that the bill to which I addressed myself, H. R. 3905, does not come under the Committee on Agriculture in the House of Representatives. It originated in the Ways and Means Committee of the House. It is a revenue measure. The Finance Committee of the Senate saw fit to add——

Mr. LUCAS. The Senator from Washington is absolutely correct.

Mr. CAIN. I thank the Senator.

Mr. LUCAS. I accept the statement of the Senator from Washington. I was still thinking of the margarine bill, which passed the Senate yesterday. The Senator from Washington is correct.

Mr. SALTONSTALL. Mr. President, may I ask the majority leader one more question?

Mr. LUCAS. Yes.

Mr. SALTONSTALL. I listened with a great deal of interest and sympathy and accord to what the Senator said in regard to his duty and in regard to the duty of the majority party.

I should like to suggest to the Senator, and I think he will agree with me, that any Member of the Senate, whether he is of the majority party or the minority party, has the responsibility and the right to bring a matter to the attention of the Senate, as forcefully as he can, in any way in which he thinks it best, and at any time, as part of his duty, whether or not he is successful. Does the Senator agree with that?

Mr. LUCAS. Precisely. Any Senator has the right to do exactly what the Senator from Washington is doing. I am not questioning the right. I am only questioning the propriety of the Senator from Washington attempting to pursue such a course against the overwhelming opinion of the Democrats on this side of the aisle.

I mean to say, Mr. President, that we have a program. Some Senators may not like it. Some of the Senators on this side of the aisle will not like the program when we bring up FEPC. But it is going to be the program. Some Senators did not like it when we brought up minor amendments to the Hatch Act this afternoon, but it is a part of the program.

We formulate a program, and we try to carry it through. That is the way the Senators on the other side of the aisle proceeded when they were in power. We never attempted to take that power away from them at any time. I challenge any Republican to show that at any time any Democrat attempted, during the 2 years the Republicans were in power, to make a motion comparable to the motion made by my distinguished friend from Washington.

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

Mr. LUCAS. I yield to the Senator from Maine. He is smiling, and I always fear him when he starts to smile.

Mr. BREWSTER. The only such episode I recall—and I think this was under Democratic control and when the distinguished Vice President was majority leader—was when the Senator from Montana moved adjournment one night without the presence or the approval of the distinguished majority leader at that time. It aroused considerable commotion, even to the point of expressions such as one the Senator from Illinois indulged in, that if such motion were approved it would amount to practically a vote of no confidence. That came from the Democratic side, and I should like to cite that as an illustration.

I did not hear all that the Senator from Illinois said, but I gather from his remarks that he assumes full responsibility for the program which we are to consider, and that if any particular measure in which many Senators may be interested is not brought up, it is not the fault of an individual Senator, so far as the Senator from Illinois is concerned.

Mr. LUCAS. That is correct.

Mr. BREWSTER. The failure last year for 6 or 7 months to bring up any civil-rights measure was a responsibility fully assumed by the Senator from Illinois. Is that correct?

Mr. LUCAS. The Senator from Maine will form his own judgment as to what happened last year concerning civil rights, and no doubt he will try to place the responsibility for it on my shoulders. My shoulders are broad, and I have taken responsibility for a long, long time, and I will take much more responsibility. Whatever the Senator from Maine desires to say, either on the floor of the Senate or on the hustings, he is perfectly free to say.

Mr. BREWSTER. I merely wanted to have the record clear.

Mr. LUCAS. The record is always clear after the Senator speaks. I might remind my friend from Maine that perhaps there should be a little rejoinder to that, because the Republicans in the Eightieth Congress lingered a long, long time, and did little or nothing about

civil rights, even though they had some bills on the calendar.

Mr. BREWSTER. Will the Senator yield further?

Mr. LUCAS. Yes.

Mr. BREWSTER. Is it not a fact that bills were brought up, and that the discussion which ensued on the Senator's side of the aisle made it seem impracticable to continue the discussion?

Mr. LUCAS. Yes; I recall when the Republicans moved the consideration of a civil-rights measure at the special session of Congress which the President of the United States called, and my friends on the other side of the aisle discussed the civil-rights measure instead of the various measures which the President wished to have considered and acted upon.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I do not believe anyone in this Chamber is any more interested in the early repeal of the excise taxes than is the Senator from Colorado. I have been very active in trying to have something done along that line for many months. But I realize the situation which is facing us. The Senate is not in a strong position in the present parliamentary situation. H. R. 3905 came over from the House of Representatives. It is not an important measure. The excise-tax repeal amendment which was placed on the bill in the Senate Finance Committee, by a divided vote of 7 to 6, is a far more important matter than the original bill. That puts us in a very weak position when we stop to think that the Senate alone cannot enact legislation. It takes the two Houses to enact legislation.

The Senator from Illinois has stated several times that we are anticipating a message from the President on the subject of taxes. I do not think the message, whatever it may say, will influence my desire for repeal of the wartime excise taxes. I think that no matter what the message may say, I shall still feel as I do about repealing those excise taxes. But I am only one Member of the Senate. There are 435 Members of the House, and some of the Members of the House may be extremely interested in what the President may say.

The senior Senator from Georgia [Mr. GEORGE] has stated several times that he desires to talk with the chairman of the House Committee on Ways and Means, and the chairman of that committee is certainly entitled to that courtesy and that consideration. What I want is to see the excise taxes repealed. I am not interested in what record we may make in the Senate. So, in the interest of reaching results, it occurs to me that we had better move cautiously, though as rapidly as we can, work the matter out in a courteous way with the Members of the House Committee on Ways and Means, and try to enact an effective piece of legislation.

Mr. President, when the motion is voted on, even though the bill contains an amendment which I sponsored in the Committee on Finance, I shall have to vote to go along in an orderly way, in a sensible way, in a practicable way, in order to get some results. In my opinion that is the course the majority leader is following in this instance. So he may depend fully upon whatever support I can give him.

Mr. LUCAS. Mr. President, I am very grateful to my distinguished colleague and friend from Colorado for the valuable contribution he has made to the debate. After all, as I said in my previous remarks, he is the author of the amendment dealing with excise taxes. He realizes the delicate position in which we find ourselves, and I dare say he is much more interested in the repeal of the excise taxes than is the distinguished Senator from Washington, yet he is going to vote to lay the motion on the table, or to defeat it, whichever way the issue shall be presented.

Mr. President, I understand the Senator from Delaware [Mr. WILLIAMS] desires to make a few remarks, and I now yield the floor.

Mr. WILLIAMS. Mr. President, at the time the bill H. R. 3905 was reported by the Senate Finance Committee on July 11, 1949, I voted in committee against the measure. At that time I made the statement that I did not think it was consistent with sound economics to vote a tax reduction in view of the fact that we were then confronted with a deficit of approximately $5,000,000,000. However, I recognize the fact, since there has been so much said by Members on both sides of the aisle in favor of repeal of the excise taxes, that some action should be taken at the earliest date possible either to repeal these taxes or else reject the proposal in order that customers will cease withholding their purchases. At the time the bill was reported to the Senate I called attention to the fact that I did not think that at that late date, in July of last year, there would be any effort made to bring the bill before the Senate for action; and the results during the months that followed have proved the correctness of the position I took.

Yesterday when the amendment to repeal the excise taxes was offered by the Senator from Nebraska [Mr. BUTLER] to the oleo bill, I again voted against it, because I agreed with the Senator from Illinois [Mr. LUCAS] that that was not the proper bill on which to put an excise tax repeal provision. I thought that it should be handled only on a bill which would go to the Ways and Means Committee of the House of Representatives.

I am not at all sure now, when a vote is taken on the question of excise-tax repeal how I shall vote, because I strongly feel that a balanced budget should come first. However, I am going to vote for the motion of the Senator from Washington [Mr. CAIN] this afternoon, because I think that it is important that we take some action at the earliest date possible, and either repeal the excise taxes or notify the customers and the merchants that they are not going to be repealed.

I also call attention to the fact that the bill as reported to the Senate calls for repeal of about $600,000,000 in taxes, yet there is not a Senator on this floor who does not recognize the fact that when we get through amending the bill it is going to call for a reduction of at least a billion dollars or more. There are now thirty-some-odd amendments which are scheduled to be offered.

Many Senators feel that if we are going to repeal excise taxes in certain fields, excise taxes on other items should likewise be repealed. I may offer some amendments of my own if the bill is brought before the Senate, although on the question of final passage I may vote against the bill, depending upon its scope and effect upon the budget.

Mr. President, I am seriously concerned with the program we have been following for the past 20 years of deficit financing. If Senators will read the Democratic platform of 1932, they will find that the Democratic Party pledged economy to the country and a balanced budget. In 1948, in Philadelphia, the Democratic Party in their platform were still pledging economy and a balanced budget. Yet it is a matter of record that during the past 36 years the Democratic Party has had control of the Government for 24 years, and during those 24 years they have never balanced the budget but once, unless they want to take credit for the balanced budget in 1947 and 1948; but the President of the United States said that that was not the result of any effort on the part of the Democratic Party, but that the Republican Party, which controlled the Eightieth Congress, were responsible for everything that happened during those 2 years. So surely we of the Republican Party are going to get the credit for the balanced budget during those 2 years, 1947 and 1948.

The only period the Democratic Party has ever balanced the budget, since the year 1912, was in 1916, when they did show a small surplus.

The truth of the matter is that the present Democratic administration have no intention of ever balancing the budget. They have deliberately launched on a program of deficit spending. I do not believe the members of the Democratic Party nor the President of the United States have the courage to tell the people of the United States the cost of the welfare program they are launching nor the courage to levy a tax bill of sufficient size to pay for that program.

It is time the American people realize that they are not going to receive any net reduction in taxes until first we reduce the cost of government.

Everyone is expressing concern at the $5,000,000,000 deficit last year. There is nothing surprising about that. During the calendar year 1949 we spent $5,340,000,000 more than was spent by the last session of the Eightieth Congress in 1948. So there is nothing at all surprising about the fact that today we are confronted with a deficit.

When we stop to consider that on June 30, 1949, we had a deficit of $1,800,000,000 and then that the Congress last year authorized expenditures of five billion more than the year previous there was nothing else to expect except a huge deficit.

That was the time, when huge appropriations were being authorized, to take pity on the taxpayer. Yet the truth is

that only a small minority of us voted for the cuts. Unless we cut the proposed budget this year by at least from five to seven billion dollars we are again going to have a deficit.

Furthermore unless the cost of government is reduced, for every dollar of excise taxes taken off certain articles which the housewife is watching, they are planning to stick two or three dollars of taxes in some other place less conspicuous. This administration has no intention to reduce taxes, and I think the fact should be told to the American people in plain language.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article published in the Wall Street Journal of January 18, 1950, defining the President's program on taxes.

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

TAX REPORT—A SPECIAL SUMMARY AND FORECAST OF FEDERAL AND STATE TAX DEVELOPMENTS

Truman's message on taxes, due on Capitol Hill late this week or early next, will please few taxpayers or lawmakers.

White House advisers are now going over the final wording of the message, and the Treasury is busy writing legislation to follow up the President's proposals. Businessmen who hope Mr. Truman will propose lots of tax changes which would stimulate business will feel let down.

According to the latest list, the President will ask cuts in these seven excises only: The four 20-percent retail levies on furs, jewelry, luggage, and toilet preparations, to be 10 percent; the 15-percent tax on passenger tickets, to be 10 percent; the 25-percent rates on telegrams and long-distance phone communications, to be 15 percent; and the 3-percent tax on freight, to be repealed. The Treasury would stand to lose about $755,000,000 a year, unless the cuts stimulate sales and make up some of the loss due to lower rates.

Another crumb of tax relief will also be held out to businessmen.

Congress will be asked to spread tax credits for business losses over a 7-year period, instead of the present 5-year span. Under existing law, a company that suffers a net loss in 1950, can apply this against its taxable income previously reported for 1948 and 1949 and obtain refunds of taxes paid in those years. Then it can use any unrecovered balance of the loss to reduce taxable income in 1951 and 1952. After 1952, the company gets no further credit for the loss.

The Treasury wants the loss carry-back limited to 1 year, but it proposes to stretch the carry-forward out to 5 years. This would mean, for a company suffering a loss in 1950, a refund of part or all of 1949 taxes, and any balance of the loss still unused could be credited against tax liabilities in 1951–55, inclusive. Businessmen generally approve this change. Initially it might deprive them of some refunds but it would give them more time to offset their losses against profits.

Some investors with money in businesses overseas would benefit from the President's program. He will suggest that Congress allow corporations with branches abroad to treat them as separate subsidiaries, even if they are not set up in this fashion. The home office could then defer counting foreign income except when it is received here in dollars. Under present law, the branches' earnings are supposed to be counted, even if they're in blocked foreign currency.

Mr. Truman is not expected to propose any costly tax changes that would stimulate business, however. There has been talk of bigger depreciation allowances, special tax-free reserves for investment, and relief of double taxation of corporate profits which are hit once as corporate income and again as individual income when they're distributed as dividends to stockholders. But all these would involve substantial revenue losses.

The other points in the President's tax program will be complicated.

Much of the message will be devoted to tax changes designed to bring a moderate amount of additional revenue in the 1950–51 fiscal year which begins July 1, and to pave the way for bigger gains later on. This part of the message is a closely guarded secret, but officials say there is no way to offset $755,000,000 in excise cuts and still increase receipts in 1950–51 without tapping personal income taxes.

The President has repeatedly attacked the COP's 1948 income-tax cut for giving too big a break to upper bracket individuals.

Other revenue-raising proposals under discussion would increase the tax on corporate profits; tax corporations which are now operated tax-free by nonprofit institutions; tax interest on State and local bonds; increase levies on capital gains and on estates and gifts. There has also been talk of (1) decreasing the special deductions which are allowed mining and oil-drilling concerns to make sure they recover their investments before mineral reserves give out and (2) changing the tax formula for mutual life-insurance companies which have escaped taxes on investment income the past 3 years.

Does Truman want any tax bill?

It's hard to see how the administration could concoct a set of proposals less likely to fire congressional enthusiasm and be enacted. And even if the President's program isn't accepted, he can always say he wanted to cut excises and reduce the budget deficit.

Suspicion that this is all the President wants is fairly widespread. Experts at the Council of Economic Advisers say frankly they would rather see nothing done about taxes for another 6 months. By then, these men argue, business activity may be easing down again and a tax cut, rather than an increase, might be better economics. Treasury officials are certainly not enthusiastic about their program. They think excise-tax cuts at a time when business conditions are good aren't worth all the trouble this bill is likely to cause in Congress.

Congress wants to cut far more than the seven excises on the President's list.

On Capitol Hill, most guesses on the extent of excise trimming are about double $755,000,000. "Why discriminate in favor of these seven levies?" Congressmen will want to know. The Treasury is collecting over 50 excises and about 20 of these were started during the war, theoretically for the duration of the emergency.

But the more excises Congress cuts, the more increases Mr. Truman will want in other taxes. Congress will not swallow many of the revenue-raisers he's about to propose. In the end it will probably have just two choices: Either just cut excises and run the risk of a veto, or cut excises and boost the rates on corporate profits. This is an election year and corporations don't vote. A higher corporate tax would be simpler to draft, it would appeal to prolabor Congressmen and wouldn't hike the lawmakers' personal tax bills.

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

Mr. WILLIAMS. I yield.

Mr. AIKEN. The Senator said he thought there might be a loss of $1,000,000,000 resulting from repeal of the excise taxes. Has the Senator any estimate of how much of that $1,000,000,000 would be recovered through increased income-tax receipts? Certainly when an excise tax is paid three or four times over by three or four different people, as it is in the case of the transportation tax, that must materially affect the amount of income tax which those people pay.

Mr. WILLIAMS. That is true.

Mr. AIKEN. There is bound to be considerable recovery from the loss of the excise taxes by way of increased income taxes which many people would pay.

Mr. WILLIAMS. I think that is true. I have heard it estimated that about one-third of any reduction would be recovered in additional income taxes. I do not know how accurate that estimate is. But unquestionably some of it would be recovered.

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

Mr. WILLIAMS. I yield.

Mr. KEM. Is it not true that repeal or reduction of excise taxes will also greatly stimulate business, and in that way increase the profits of business enterprise? The Senator from Delaware has already pointed out that the fact that a reduction or elimination of the excise taxes as expected by the people is causing goods to pile up on the shelves of merchants and manufacturers. If these taxes are eliminated or reduced, will not the increased prosperity go all the way down the line throughout our business system?

Mr. WILLIAMS. To a certain extent it will. Yet there is a limit beyond which we cannot go in reducing taxes just as there is a limit beyond which we cannot go in increasing taxes, without reaching the point of diminishing returns. That was my reason for voting in 1948 for a tax reduction plus the fact that even after the reduction we had a balanced budget. It resulted in a stimulation to business. The over-all net loss to the Government in 1948 by the tax reduction was not so large as the amount by which taxes were reduced. Some of it came back to the Treasury in the way of increased income taxes resulting from increased business.

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

Mr. WILLIAMS. I yield.

Mr. AIKEN. I wonder if, in the course of his study of the tax situation, the Senator from Delaware has discovered how many persons are employed in handling and collecting the excise taxes, and what saving could be made in that field if we did not have to employ, let us say, several thousand persons and pay their expenses as employees of the Government.

Mr. WILLIAMS. The Senator from Vermont has raised a very interesting point and it should work that way. But my experience is that the less work we give any of these agencies the more men they hire. In 1948 we took 7,000,000 taxpayers off the rolls. Yet the Treasury Department now has more employees on the pay roll than it ever had before in the history of the country; and at the same time it claims they do not have half enough employees. So instead of working out as it should, and as the Senator from Vermont pointed out, it works in directly the opposite manner.

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

Mr. WILLIAMS. I yield.

Mr. BUTLER. Is the Senator from Delaware aware of the fact that some of the taxes embodied in the amendment under discussion were definitely placed, not for the purpose of raising revenue, but for the purpose of discouraging the purchase of certain articles?

Mr. WILLIAMS. The Senator from Nebraska is correct and I have stated there should be a study made of these taxes and some reductions made, although I do not think the floor of the United States Senate is the place to write a tax bill. That is the reason I voted as I did last July. I think the revision should have originated in the House after hearings had been held.

However, I wish to call attention to the fact that the reason Senate bill 3905 is on the calendar is because the deciding vote on reporting the bill was cast by the then Senator from Rhode Island, Mr. McGrath, who, at that time, was chairman of the Democratic National Committee. That is the reason it is here on the calendar. If it is a political question, it is a Democratic political question, because the chairman of the Democratic National Committee voted against the Democratic chairman [Mr. GEORGE] to report the bill to the floor.

I quite agree with the Senator from Illinois that we should follow orderly procedure on the floor, although I am not so concerned today as he is, because I remember it was only last year, when he himself signed a petition trying to discharge the Committee on the Judiciary from further consideration of a bill, in order to bring that bill to the floor of the Senate. The chairman of the Committee on the Judiciary was at that time absent in Europe. What was then attempted is something which I understand has never before been done upon the floor of the United States Senate, yet the senior Senator from Illinois was the spearhead of that action. So, apparently, the question of following parliamentary procedure depends entirely upon how we feel concerning measures before the Senate.

Mr. President, as I stated before, I shall support the motion of the Senator from Washington [Mr. CAIN], although I am not sure at this moment how I shall vote on the bill.

Mr. GEORGE. Mr. President, I wish to make a short statement. I have been chairman of the Finance Committee for quite a long time. I have never been disposed to hold back any measure of merit, or one upon which any considerable number of Senators wished to vote. That is my record. I give the Senate my assurance that as soon as the complications involved in this particular matter can be ironed out with the opposite committee in the House, I shall then myself call up a bill to which a suitable amendment dealing with the excise taxes can be attached.

The question here involved is whether the majority party is to be allowed to function. If my friends on the other side of the aisle think they are playing good politics, please let me assume, for a moment, the role of a prophet, and say to them that they never were so sadly mistaken. The American people expect us to function in the normal way. There is a way by which legislation can be enacted. There are other ways which will impede and ultimately defeat the enactment of legislation. But for this motion, Mr. President, today I would already have been in conference with the chairman of the Ways and Means Committee and with representatives of the Treasury in an effort to work out this problem in such a way that there would be some assurance that we could obtain effective action upon the excise taxes.

That is all I have to say, Mr. President. There has never been any disposition on my part to prevent a vote by the Senate on this issue. When this bill was reported from the Finance Committee, although I thought it inadvisable to report it, I said I would bring it up in the Senate, if possible. There is not a Senator here who does not know what we had to contend with last July and in August and September and October, up to the date of adjournment of that session of the Senate. We had before us such measures as the Reciprocal Trade Agreement Extension Act, the European aid program, and the North Atlantic Pact, followed by an appropriation to implement that pact. It was utterly impossible to bring this bill to the floor of the Senate then. The bill was called on about three or four successive calendar calls, but each time objection was made. I could not move to have the Senate take it up then; with the parliamentary situation what it was at that time, it was impossible to do so.

If we have any respect for a parliamentary system of government, under which responsibility must rest upon those who have the direction of the parliamentary body, I do not believe those of us on this side of the aisle, at least, can afford to do anything but sustain the position taken in this case by the majority leader.

Mr. HENDRICKSON. Mr. President, will the distinguished Senator from Georgia yield to me?

Mr. GEORGE. I yield.

Mr. HENDRICKSON. Mr. President, I have heard a great deal of discussion today about orderly procedure. I should like to ask the distinguished Senator from Georgia whether the motion of the Senator from Washington violates any rule of order of either the Senate or the House of Representatives?

Mr. GEORGE. No; I do not think it violates any rule of order. But I have never seen any responsible movement made to restrict the authority of the chairman of a committee and to disregard the order of business as fixed by a majority leader, unless there was a disposition on the part of those in charge not to permit the Senate to act upon such matters.

Mr. President, the program does not suit me altogether. However, I am not on the policy committee. I do not fix the order in which the measures are presented to the Senate. Undoubtedly some measures which will be presented will be ones on which I do not wish to vote affirmatively, and on which I shall not vote affirmatively. But there is no possible occasion for any Senator to say that the chairman of the Finance Committee has acted in bad faith or is now acting in bad faith. Unless that situation were to arise, as a responsible Member of this body, I would never move to have the Senate proceed to the consideration of a bill which came from a committee of which I was not a member.

I am not critical of any Senator as having violated a rule of the Senate. Nevertheless, there is such a thing as propriety and there is such a thing as orderly procedure. If Senators wish to obtain results, they must observe those rules, as they should be observed everywhere. We cannot force results by any such tactics.

Mr. CAIN. Mr. President, I should like to make only a brief comment for, I think, primarily, the information of the majority leader, the senior Senator from Illinois [Mr. LUCAS], and, in part, for the information of the distinguished senior Senator from Georgia [Mr. GEORGE].

A few minutes ago the majority leader expressed some surprise that a Senator would offer a motion which would test the feeling of the Senate of the United States on a pressing public question. He suggested that certainly during the Eightieth Congress, when the Republicans were in the majority, no such motion on any subject had ever been offered by any member of his party. I should only like to point out—and to ask the distinguished senior Senator from Illinois to tell me the difference—that on June 15, 1948, the Senator from Arkansas [Mr. FULBRIGHT] made a motion, in opposition to what was then the program as laid down by the majority party, that the Senate proceed to the immediate consideration of the oleomargarine tax-repeal bill. Some 57 Senators, both Republicans and Democrats, thought it proper to vote "yea," so as to bring that question before the Senate for consideration, over and against the so-called orderly procedure, to which the Senator from Illinois has so quaintly addressed himself this afternoon. I notice, merely from the record, that among those then voting "yea"—meaning to say, "Yes, let us tell the majority leader that we want to take action on the measure," which was one which the majority leader and those on his policy committee thought should be delayed a little while—was the senior Senator from Illinois [Mr. LUCAS]. The Senator from Georgia [Mr. GEORGE] was absent on that occasion; but it was announced, in his name, that had he been present, he, too, would have voted in favor of the immediate consideration of the oleomargarine tax-repeal question, an important question. Fifty-seven of the 96 Senators said, in effect, "Let us consider it"; and their action did, as should have been the case, upset the program that certain other Senators thought should be undertaken at the moment.

I suggest to the Senator from Illinois that we seek only to test this question. It is time to tell America who is and who is not in favor of doing away with war excise taxes. We have spent a great deal of time talking about it. Let us

now proceed to call the roll. If there are Senators on both sides of the aisle who wish to do something about the wartime excise taxes, that is precisely what we are Senators for. If a majority of us wish to vote "yea" on any measure which we think is good for the United States of America, let me say, with all respect for the senior Senator from Illinois, the majority leader, that is what we should promptly do. I am anxious to determine the wishes of individual Senators, in order that the Senator from Georgia, the chairman of the Finance Committee, may discover the degree of interest within the Senate on the question of beginning to get rid of taxes which have outworn both their usefulness and their moral justification.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Washington that the Senate proceed to the consideration of House bill 3905.

Mr. MILLIKIN. Mr. President, since I have been in the Senate I have never been more embarrassed than I am at the present time. When the distinguished chairman of the Finance Committee states to us now, as a matter of good faith, that he will do everything he can to bring this matter before us under other vehicles or in different ways, that is 100 percent with me, and I think it should be with everyone else.

I find myself in this position: I have told my constituents repeatedly that I would take hold of any and every horn which presented itself to get many of the excise taxes reduced or eliminated. So I find myself embarrassed, as between my pledge to my constituents and the great respect and desire which I have to cooperate closely with the distinguished chairman of the Finance Committee.

Under all these circumstances, Mr. President, I think I must vote for the motion to bring up this measure.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Washington [Mr. CAIN] that the Senate proceed to the consideration of House bill 3905.

Mr. CAIN, Mr. HENDRICKSON, and other Senators requested the yeas and nays, and the yeas and nays were ordered.

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

The VICE PRESIDENT. The Chair is advised that no business has been transacted since the last quorum call was had, and therefore a quorum call is not now in order.

The yeas and nays have been demanded and ordered on the question of agreeing to the motion of the Senator from Washington, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll; and Mr. AIKEN voted in the affirmative when his name was called.

The VICE PRESIDENT. The Chair desires to state that, under the advice of the parliamentary clerk, the mere ordering of the yeas and nays is the transaction of business which would justify a quorum call. The Chair was under the impression that nothing had been done since the last quorum call, except the making of speeches, which, under the parliamentary rules of the Senate, is not the transaction of business in that sense.

Under the circumstances, the Chair feels that, in view of the suggestion of the absence of a quorum, the quorum call should be proceeded with.

Mr. AIKEN. Mr. President, let me ask what happens to my vote in that event. Do I get two votes?

The VICE PRESIDENT. The Senator will get another one, but it will not be added to this one.

The absence of a quorum having been suggested, the clerk will call the roll.

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

Aiken	Hendrickson	McMahon
Anderson	Hill	Magnuson
Benton	Hoey	Martin
Brewster	Holland	Maybank
Bricker	Humphrey	Millikin
Bridges	Hunt	Murray
Butler	Ives	Myers
Byrd	Jenner	Neely
Cain	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Darby	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kerr	Smith, Maine
Downey	Kilgore	Smith, N. J.
Dworshak	Knowland	Sparkman
Eastland	Langer	Taft
Ecton	Leahy	Taylor
Ellender	Lehman	Thomas, Okla.
Flanders	Lodge	Thomas, Utah
Frear	Long	Thye
Fulbright	Lucas	Tobey
George	McCarran	Watkins
Gillette	McCarthy	Williams
Graham	McClellan	Withers
Gurney	McFarland	Young
Hayden	McKellar	

The VICE PRESIDENT. A quorum is present. The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Wisconsin would vote "yea."

The Senator from Texas [Mr. CONNALLY] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Oregon would vote "yea."

The Senator from Rhode Island [Mr. GREEN] is paired on this vote with the Senator from Michigan [Mr. FERGUSON]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Michigan would vote "yea."

The Senator from Florida [Mr. PEPPER] is paired on this vote with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Iowa would vote "yea."

The Senator from Mississippi [Mr. STENNIS] is paired on this vote with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Nevada would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from South Dakota [Mr. MUNDT]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from South Dakota would vote "yea."

The Senator from Maryland [Mr. O'CONOR], who is unavoidably detained on official business, would vote "nay" if present.

Mr. SALTONSTALL. I announce that the Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea," and the Senator from Florida [Mr. PEPPER] would vote "nay."

The Senator from Nevada [Mr. MALONE], who is necessarily absent, is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea," and the Senator from Mississippi [Mr. STENNIS] would vote "nay."

The Senator from Oregon [Mr. MORSE], who is absent on official business, is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea," and the Senator from Texas [Mr. CONNALLY] would vote "nay."

The Senator from Michigan [Mr. FERGUSON], who is necessarily absent, is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "yea," and the Senator from Rhode Island [Mr. GREEN] would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "yea."

The Senator from Wisconsin [Mr. WILEY], who is absent on official business, is paired with the Senator from Kentucky [Mr. CHAPMAN]. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea," and the Senator from Kentucky [Mr. CHAPMAN] would vote "nay."

The Senator from South Dakota [Mr. MUNDT], who is necessarily absent, is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea," and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The result was announced—yeas 35, nays 45, as follows:

YEAS—35

Aiken	Butler	Darby
Brewster	Cain	Donnell
Bricker	Capehart	Dworshak
Bridges	Cordon	Ecton

Flanders	Lodge	Smith, N. J.
Gurney	McCarran	Taft
Hendrickson	McCarthy	Thye
Ives	Martin	Tobey
Jenner	Millikin	Watkins
Kem	Saltonstall	Williams
Knowland	Schoeppel	Young
Langer	Smith, Maine	

NAYS—45

Anderson	Holland	McKellar
Benton	Humphrey	McMahon
Byrd	Hunt	Magnuson
Douglas	Johnson, Colo.	Maybank
Downey	Johnson, Tex.	Murray
Eastland	Johnston, S. C.	Myers
Ellender	Kefauver	Neely
Frear	Kerr	O'Mahoney
Fulbright	Kilgore	Robertson
George	Leahy	Russell
Gillette	Lehman	Sparkman
Graham	Long	Taylor
Hayden	Lucas	Thomas, Okla.
Hill	McClellan	Thomas, Utah
Hoey	McFarland	Withers

NOT VOTING—16

Chapman	Malone	Tydings
Chavez	Morse	Vandenberg
Connally	Mundt	Wherry
Ferguson	O'Conor	Wiley
Green	Pepper	
Hickenlooper	Stennis	

So Mr. CAIN's motion to proceed to the consideration of the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code was rejected.

AMENDMENT OF THE HATCH ACT

The Senate resumed the consideration of the bill (H. R. 1243) to amend the Hatch Act.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The committee amendments have not yet been disposed of, and, therefore, the Senator's amendment is not in order at this time.

Mr. McCARTHY. Mr. President, I should like to talk approximately 2 minutes, in order to explain my amendment. I hope the Senator from Arizona [Mr. HAYDEN] will accept it. I ask that it may be read for the information of the Senate. I think it is an amendment which the Senator will accept.

The VICE PRESIDENT. It is not in order to offer it at this time.

Mr. McCARTHY. I ask only that it be read.

The VICE PRESIDENT. The clerk will read the amendment offered by the Senator from Wisconsin.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 3. Section 612 of title XVIII, United States Code, is amended by adding at the end thereof the following new paragraph:

"Whoever places or causes to be placed in any post office or authorized depository for mail matter, any such publication, card, pamphlet, circular, poster, dodger, advertisement, writing, or other statements which violates any provision of the foregoing paragraph, to be sent or delivered by the Post Office Department, shall be fined not more than $5,000 or imprisoned not more than 2 years, or both."

Mr. McCARTHY. Mr. President, the amendment simply makes it a criminal offense to mail, in a political campaign, any material which does not contain the name of the individual who authorizes or pays for the particular material. I shall not dwell on it at any great length. I know that all Members of the Senate have at some time been the subject of attack, and I think, in fairness to the voters and to the candidates, we should do everything possible to make sure that when anyone issues any campaign material it shall be made very clear who is doing the issuing and who is paying for it. My amendment merely provides that if anyone places in the mail any such unsigned material it is a violation of postal laws and regulations, and he will be liable to a $5,000 maximum fine or 2 years in the penitentiary, or both.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. McCARTHY. I yield.

Mr. HAYDEN. Mr. President, it so happens that the chairman of the Committee on Rules and Administration is not a lawyer. I do not know what the effect of this amendment would be. I thought, on the face of it, it would be entirely proper, but it seems to me that if we impose a $5,000 fine on someone, the Judiciary Committee should first pass upon it, rather than for the Senator to ask me to accept the amendment on the floor of the Senate.

Mr. McCARTHY. I do not object to having a vote on it. I have talked to a number of Senators, and up to this time every Senator with whom I have talked is in favor of it. I have no objection to putting it to a vote, although I thought the Senator might care to take the amendment to conference. If he thinks that a $5,000 fine is too great, it may be cut down, and if a 2-year term in a penitentiary is too long, it might be cut down. If the Senator does not want to take the responsibility of accepting the amendment, I shall ask for a vote on it at the proper time.

Mr. HAYDEN. The amendment is not really germane to the bill.

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

Mr. McCARTHY. I yield.

Mr. KILGORE. I am curious to know whether the amendment refers to matter in newspapers.

Mr. McCARTHY. No; it would not refer to matter in a newspaper. There is a provision in practically all State laws, at least there is in my State, and I think there is such a provision in the law of the Senator's State, covering newspapers. There is also a provision in the Federal law covering newspapers. My amendment merely provides that if certain matter is placed in the post office it is a violation of postal laws and regulations.

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

Mr. McCARTHY. I yield.

Mr. SALTONSTALL. Is it not really a question for each State to determine in connection with its Corrupt Practices Act and its Election Code? I know there is such a law in Massachusetts. It would seem to me that this is a question for the States, and if we begin to place such a provision in a Federal statute we shall bring about a dispute between the States and the Federal Government as to what is legal and what is not legal.

Mr. McCARTHY. Section 612 of title XVIII of the United States Code already covers this subject. It provides for a fine of $1,000 and for a jail sentence for anyone putting out advertising or any material which does not contain the name of the sponsor, but there is no provision in the Federal law which makes it a criminal offense to send such material through the mail.

As to whether it is a matter the States should cover, I frankly do not know. There is a question of how much power a State has in dealing with the election of the President and Members of the House and Senate. We are not establishing any new precedent when we have the Federal Government deal with a particular problem. We are merely tightening up the law to make it more difficult for persons to send through the mail unsigned and anonymous material.

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

Mr. McCARTHY. I yield.

Mr. AIKEN. Does the Senator from Wisconsin understand that the States have any jurisdiction over the type of material which goes through the mail? The States would not have any authority to determine the type of material which may go through the United States mail.

Mr. McCARTHY. I think the Senator from Vermont makes an excellent point, which is an answer to the Senator from Massachusetts [Mr. SALTONSTALL]. For the benefit of Senators who did not hear the Senator from Vermont, let me say he has pointed out that the States have no power whatsoever to pass any laws regulating the type of material which can go through the post office. Only the Federal Government can do that.

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

Mr. McCARTHY. I yield.

Mr. ANDERSON. The question of the use of the United States mails is worrying a great many people. In a recent campaign in which I participated I tried very hard to find the source of certain material which was sent through the mail and which was extremely damaging to me. It was not subject to the States laws applying to the publication of advertisements. If the Senator from Wisconsin has anything making it unlawful for persons to send that sort of material through the mails, sometimes containing a fake campaign address, which is made to appear to come from the candidate himself, which it does not, he has my blessing.

Mr. McCARTHY. I know of many other States which have the same problem. Sometimes it is not entirely a case of being protected from the opposition. Sometimes we must be protected from our overzealous friends who take it upon themselves to send out campaign material.

The VICE PRESIDENT. The Secretary will state the first committee amendment to House bill 1243.

The first amendment was, on page 2, line 2, after "mission", to insert by unanimous vote."

Mr. CORDON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CORDON. I have in preparation an amendment which I desire to offer which would be in lieu of section 1 of the bill as it is before the Senate, which contains several committee amendments.

If the committee amendments should be agreed to, would it then be in order to strike the entire section 1, and insert a substitute in lieu thereof?

The VICE PRESIDENT. It would be in order, after all perfecting amendments to the section had been disposed of.

Mr. CORDON. Before considering the committee amendments, and because I believe that as soon as the amendments are taken up, there may be a possibility of getting a substitution without too long delay, I should like to present the substance of an amendment which I intend to offer.

I may say, in preface to my explanation, that I am in sympathy with the purpose of the proposed legislation, and I believe, Mr. President, that the present penalty for a minor violation of section 9 of the Hatch Act may in many instances be too severe. I think that somewhere there should be lodged discretion to impose some type of penalty less than absolute discharge from employment. On the other hand, I agree with the Senators who feel that the bill, as reported, provides no standard whatever to guide or circumscribe the actions of the Civil Service Commission. I think some standards should be provided. I am in agreement with the feeling that every possible safeguard should be thrown around authority granted to an administrative body as distinguished from a judicial tribunal.

The amendment which I shall propose will be, substantially, that section 9 of the present act be amended by striking out the period at the end of paragraph (b) and adding certain provisos and paragraphs, the substance of which will be that persons who are found guilty of violating the section shall be dismissed from the service of the United States, and so on, as now provided, but adding a proviso that if the Civil Service Commission, after hearing, shall find by unanimous vote that such violation was not willful, a lesser penalty may be imposed; then a provision that in no case shall the penalty be less than 90 days suspension from duty without pay. That would mean, if that portion of the amendment were adopted, that there would be established a standard to guide the Commission, namely, an affirmative finding by a unanimous vote that the violation was not willful.

If my understanding of the criminal law is correct, the term "willful" comprehends, first, a knowledge of the wrongfulness of the act, and, second, an intent to perform the act despite the knowledge that it is wrong.

Mr. President, there will follow in the amendment which I intend to propose, with respect to consideration of cases where dismissal has already occurred, a provision that reconsideration may be had upon request to the Commission, and that in that event there must also be a finding that the original violation was not willful, in which case the remedy provided in the pending bill may be applied, namely, that the individual involved may be subject to reemployment by the Government.

There would follow then, Mr. President, in a separate paragraph, a provision requiring the Commission at the end of each month to report to the Senate and to the House of Representatives the names, addresses, and nature of employment of all persons with respect to whom action had been taken by the Commission under this section, together with a statement of the facts upon which action had been taken, and the penalty imposed.

Another paragraph, which I believe should be in any law of this character, would provide that the proceedings of all hearings should be transcribed and the transcript should be held available to any committee of either House upon request.

In substance, the amendment, which I hope will be on the floor within a very few minutes, will, first, carry the present penalty of expulsion from service, but, second, will also carry provision that where the violation was not willful, consideration may be given by the Civil Service Commission to the imposition of a lesser penalty, with a minimum penalty, which in any event must be imposed.

Then, in order that the Congress and the country may be apprised of what takes place in connection with this particular provision of section 9 of the Hatch Act, a provision is added that the Congress shall be kept currently informed of all the facts, and shall have access to the testimony itself upon which the Commission acted. That will have two results. It will serve to keep the Commission always conscious of the fact that its actions are subject to careful consideration and appraisal at all times by the Congress, and it will give to the Congress an opportunity, by studying the reports, to effect any correction which it may find necessary in the act as it will then be on the books.

Mr. ROBERTSON. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I am happy to yield to the Senator from Virginia.

Mr. ROBERTSON. I am very much interested in the passage of the bill, and I have no objection at all to getting reports on the cases arising, but I wish to raise with my distinguished colleague from Oregon, the question of the construction of the word "willful" he is proposing to insert.

The Senator from Oregon is a very fine lawyer.

Mr. CORDON. The Senator thanks the Senator from Virginia for his generosity.

Mr. ROBERTSON. The Senator, of course, knows that the courts have uniformly held that a man intends the necessary and probable consequences of his voluntary acts. So, if we wrote the word "willful" into the law, a man would have to prove that he was too drunk to know what he was doing, or had no will, in order to escape the very heavy penalty sought to be written into the bill. If the Senate agreed to the Senator's amendment and the word "willful" were written into the law, we might as well leave the law as it stands. I can not see that we would be getting anywhere at all in taking care of the clear hardship cases, when the equivalent of a fine of $50,000 could be imposed for a very minor infraction of the election laws.

Take the case cited in the report, of a postal employee who lacked only 6 months of reaching the retirement age, who wanted to help a friend with whom he had served for some 29 years, who had retired and was a candidate for office. He took a petition and got 2 or 3 signatures, and he was dismissed and lost his retirement pay and all his benefits, and was forever excluded from Government employment. But that penalty would still be possible under the proposed amendment because he could not say, "I did not know how to circulate the petition. I did not know my friend was running for office. I did not know what I was doing."

If the Senator really desires to perfect the bill, in my opinion he should eliminate the provision of his amendment to which I have just referred, and leave the provision which calls for the reports, so that Congress may know what cases had been handled, and just what had been done.

Mr. CORDON. Mr. President, I appreciate the remarks of the Senator from Virginia, but I utterly disagree with his position with reference to the definition of the term "willful" as it is used in the criminal law. The term "willful" as used in the criminal law—and I am sure I could bring to the Senate floor a handful of decisions on the subject, with the weight of opinion throughout the United States in criminal case decisions—first, imports a knowledge on the part of the individual that the thing he does is unlawful, and it also imports a guilty intent to commit the unlawful act. Both are included in the term "willful."

Mr. ROBERTSON. Mr. President, will my colleague yield?

Mr. CORDON. I am happy to yield.

Mr. ROBERTSON. In the Senator's course on torts he, of course, remembers the firecracker case, in which a man threw a firecracker about to explode at the feet of another man, who picked it up and in trying to get rid of it threw it toward a second man, and it blew up in his face. The last man who threw it was not intending to blow up the man toward whom he threw it. He was acting under an emergency.

Let us consider a traffic violation. One may be temporarily looking one way and drive through a red light. The law is violated, but it is not willfully done, because the driver did not notice the red light.

But a difference exists between "willful," as applied to a violation of the election laws, and as applied to negligence cases, because in an election case a man cannot say or plead that he did not know what he was doing. If he did not know what he was doing his act would still be willful. If I circulated a petition accidentally, did not intend to do it, and did not willfully do it, but I simply circulated it, the defense that the act was not willful would not stand up for a minute. We are dealing with a case in which someone solicits the vote of another. He hands out election cards. He circulates petitions. He goes to a meeting and stands up in that meeting and perhaps he says, "The candidate is my candidate. I hope everybody will

vote for him." It cannot be pleaded that such action was not willful.

I say, with all due deference to my friend from Oregon, that when dealing with election laws there is no such thing as not intending or not being willful in what one does. But there is a difference in degree in what is done.

Mr. CORDON. Mr. President, I think it would serve no particular purpose to continue the discussion between my friend and myself, inasmuch as we do not agree. I am sure I cannot convince him, and I am equally certain that in this instance he cannot convince me. I regret that I must leave it in the end to the Senate to determine.

I call the Senate's attention to the fact, however, that the term "willful" is used in many instances in the criminal law. It is used in many instances in cases where technically there is no crime in the sense that crime must exist only when there is a statutory provision and penalty attached. But it is used in cases of this character where, while the penalty is not imprisonment or assessment of a fine, it nevertheless is a statutory penalty for affirmative action, with the light of knowledge of the action an indispensable part of the offense, and in this instance I feel that the protection of the employees will be had if the language be used as indicated.

Mr. President, I do not care to impose further on the Senate's time.

The VICE PRESIDENT. The question is on the first committee amendment on page 2, line 2, after the word "Commission," to insert "by unanimous vote."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The LEGISLATIVE CLERK. In line 4, after the word "in", it is proposed to insert "no case shall the penalty be less than a fifteen-day suspension from duty without pay: *And provided further*, That in."

Mr. SALTONSTALL. Mr. President, earlier in the debate I asked that the words "fifteen-day" be changed to "thirty-day." I understood the Senator from Arizona [Mr. HAYDEN] agreed to accept that amendment. I believe a 15-day suspension is too small. I think a 30-day provision would be more fair. I offer that amendment.

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 4, it is proposed to strike out the words "fifteen-day" and insert "thirty-day."

Mr. CAPEHART. Mr. President, I wish to amend that by striking out the word "thirty" and inserting the word "ninety." I offer that as an amendment.

The VICE PRESIDENT. That amendment is not in order. The amendment offered by the Senator from Massachusetts is an amendment to the committee amendment, and the Senator's proposed amendment would be in the third degree.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Arizona if there would be a willingness to get together on the figure, say at 60?

Mr. HAYDEN. If the two Senators on the other side can agree on 60, I will accept it.

Mr. CAPEHART. I agree.

Mr. SALTONSTALL. Very well.

The VICE PRESIDENT. The Senator from Massachusetts modifies his amendment so as to make it read "60" instead of "30." The question is on the modified amendment offered by the Senator from Massachusetts to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was on page 2, line 10, after the word "find" to insert "by a unanimous vote."

The amendment was agreed to.

The next amendment was on the same page, after line 14, to insert a new section 2, as follows:

SEC. 2. Section 16 of such act is amended to read as follows:

"SEC. 16. Whenever, in any municipality, county, or political subdivision of a county in the immediate vicinity of the National Capital in the State of Maryland or the State of Virginia, 10 percent or more of the qualified voters are persons employed by the Government of the United States or by the municipal government of the District of Columbia or, in any municipality, county, or political subdivision of a county of any State, the majority of the qualified voters are persons employed by the Government of the United States, it shall be lawful for any person to whom the provisions of this act are applicable, and who is a resident of such municipality, county, or political subdivision of a county, to participate actively as an individual, candidate, or manager in elections for offices which are filled only by the voters of such municipality, county, or political subdivision of a county, including participation in primaries, conventions, caucuses, or mass meetings sponsored by political parties and including participation as a candidate seeking office as the nominee of any such party."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments. The bill is still open to amendment.

Mr. HAYDEN. As I understand, the Senator from Oregan [Mr. CORDON] desires to offer a substitute for section 1, but that should not prevent us from considering section 2 of the bill which is in the nature of an amendment.

The VICE PRESIDENT. The Chair will state to the Senator from Arizona that that has already been agreed to. All committee amendments have been agreed to.

Mr. CORDON. Mr. President, I send to the desk an amendment in the nature of a substitute for section 1 of the committee bill, as amended, and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. Beginning with line 3, on page 1, it is proposed to strike out down to and including all of line 14, on page 2, and insert in lieu thereof the following:

That section 9 of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, is hereby amended by changing the period at the end of subsection b to a colon and adding the following: "*Provided*, That if the Civil Service Commission after hearing shall find, by unanimous vote, that such violation was not willful, a lesser penalty shall be imposed by the Commission: *Provided further*, That in no case shall the penalty be less than 60 days' suspension without pay: *Provided further*, That in the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request reopen and reconsider the record in such case. If it shall find by a unanimous vote that the violation committed was not willful it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified.

"(c) At the end of each calendar month the Commission shall report to the Senate and the House of Representatives the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of this section, with a statement of the facts upon which action was taken, and the penalty imposed.

"(d) Testimony in all hearings had pursuant to the terms of this section shall be transcribed and made available to either the Senate or the House of Representatives upon the request of any committee thereof."

Mr. CORDON. Mr. President, I desire to modify the amendment in one respect. I modify my amendment in the third line of the proviso, after the word "penalty", by striking out "shall" and inserting "may."

The VICE PRESIDENT. The Senator may modify his amendment.

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

Mr. CORDON. I yield.

Mr. ROBERTSON. Would not the word "willful," as the Senator uses it in his amendment, be clarified if he were to add the words "with malice aforethought"?

Mr. HAYDEN. Mr. President, let me suggest to the Senator from Oregon and the Senator from Virginia, who are able lawyers, that the subcommittee which reported the bill to the full committee consisted of the Senator from Mississippi [Mr. STENNIS], the Senator from Iowa [Mr. GILLETTE], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from California [Mr. KNOWLAND]. The Senator from California is no longer a member of the committee, but the Senator from Kansas [Mr. SCHOEPPEL] is. They will be the conferees on the bill. They are three very able lawyers. I should like to ask the two Senators who have been discussing the matter if they agree that when the bill goes to conference we can trust those lawyers to straighten out the difficulty about "willful." If we can come to an accord in that regard, the matter can be taken care of in conference.

Mr. ROBERTSON. I shall not seriously object. I want to see the bill passed today. But I do not want it passed without registering my belief that if the word "willful" is retained, it will not apply to every offense that is committed, although a strict construction of it might make it difficult to find an exception. Perhaps in conference the conferees can change the wording to make that clear. Otherwise I hope the

Senator from Oregon will agree with me that it is not his intention to make it apply to every offense.

Mr. CORDON. Mr. President, I have endeavored to make that clear. I have no pride of authorship. I had hoped that we could provide a sound procedure, one which would give protection to the orderly processes of government, on the one hand, and, on the other, would give a break to the man in Government employ who has made an unintentional mistake. I think the language accomplishes that objective. Yet, if better language can be found, I would be the first to adopt it.

Mr. HAYDEN. I like the idea, Mr. President, of reports to the Congress with respect to these cases. That appeals to me. I am inclined, therefore, to accept the substitute offered by the Senator from Oregon.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oregon [Mr. CORDON] as a substitute for section 1 of the bill, as amended.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. McCARTHY. Mr. President, I call up my amendment, and ask to have it stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 3. Section 612 of title 18, United States Code, is amended by adding at the end thereof the following new paragraph:

"Whoever places or causes to be placed in any post office or authorized depository for mail matter, any such publication, card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement which violates any provision of the foregoing paragraph, to be sent or delivered by the Post Office Department, shall be fined not more than $5,000 or imprisoned not more than 2 years, or both."

Mr. McCARTHY. Mr. President——

Mr. GILLETTE rose.

Mr. McCARTHY. I am glad to yield to the Senator from Iowa.

Mr. GILLETTE. I want the floor in my own right before the amendment is voted on.

Mr. McCARTHY. I have not yielded the floor.

Mr. President, in case there are any Senators present who were not present at the time when I previously discussed my amendment, I will say that the amendment simply makes it a criminal offense—and the penalty is set forth—to put in the mails during a campaign, campaign material which does not show the source thereof, who is paying for it, and who authorized it. Practically all the States have laws making it a criminal offense to circulate such matter. However, the States have no authority to pass laws providing that it shall be an offense to pass such matter through the United States mails. In that respect, I think there is a gap in our Federal laws, and I believe we should fill the gap.

There may be some question as to whether the penalty provided by the amendment is too severe, whether $5,000 is too large a fine or whether imprisonment for 2 years is too great a penalty. I suggest that the amendment be adopted and taken to conference; and if the conferees feel that the fine is too large or the penalty is too great, they can be reduced.

Mr. GILLETTE. Mr. President, I wish to say that I have no objection to the purpose the distinguished Senator from Wisconsin has in mind; in fact, in the past I have sponsored proposed legislation of this kind before the Senate, but unsuccessfully, I may say. But I should like to say to the distinguished Senator from Wisconsin and to the other Members of the Senate that the pending measure is not the place to which to attach amendatory matter of this kind. The pending measure has for its purpose the lessening of a drastic penalty which would be imposed by the Civil Service Commission under regulatory authority conferred upon it by the Hatch Act. The proposal the distinguished Senator from Wisconsin has presented in his amendment is amendatory of the Criminal Code, and has no reference to the Hatch Act or to the regulatory matter or authority of the Civil Service Commission, as sought to be covered by the pending measure. The portion of the Criminal Code which the amendment of the distinguished Senator from Wisconsin would amend is a definite fixing of what constitutes a crime and of the penalties for committing it.

Section 612 of the Criminal Code, which the Senator from Wisconsin seeks to amend by having his amendment added to the pending measure, provides that—

Whoever willfully publishes or distributes any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President, or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names of the persons, associations, committees, and corporations responsible for the publication or distribution of the same, and the names of the officers of each such association, committe, or corporation shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

That provision of the Criminal Code establishes as a crime the distribution, under those circumstances, of campaign documents which do not carry the name of the sponsor, and imposes a penalty of $1,000. On the other hand, the Senator by his amendment, if I correctly understood the amendment as it has been presented, seeks to change the penalty to one of $5,000—in other words, a greatly increased penalty—for merely depositing such material in a post-office box or in a mail box.

Mr. President, it is altogether too vital, too intricate, and too judicial a matter—to attempt to amend the Criminal Code by adding an amendment of this kind to a regulatory measure which merely goes to authority delegated to a commission of the United States Government.

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

Mr. GILLETTE. I yield.

Mr. McCARTHY. I submit to the Senator that there is nothing intricate about the amendment. It simply provides that if a person sends such material through the mails, he will be in violation of the postal regulations.

We are now proposing to enact, as an amendment to the Hatch Act, a measure lightening the severity of the provisions of the Hatch Act, which has to do with elections. By the pending measure we propose to make it easier for people to violate the Hatch Act. I think all of us agree that it is improper for anyone to issue material in a campaign without showing the source of the material. In other words, anyone who has something of a derogatory nature to say about a Senator or candidate for Senator in a campaign should be required to sign his name to such material. We know that in the last campaign Senators had some very unpleasant experiences; we know that in various parts of the Nation there are some unscrupulous persons who do not hesitate to write libelous articles about candidates, but do not have the courage to sign their names to such articles.

This amendment simply provides that such persons, if they pass such material through the mails, will be guilty of a crime.

The $5,000 fine provided by the amendment is to be the maximum fine, not the minimum. The judge trying the case will, of course, have discretion in that matter. The provision of imprisonment for 2 years is to be the maximum penalty, not the minimum.

If the amendment is adopted and taken to conference, and if the conferees believe the penalties provided by the amendment are too severe and that it should not be added to the measure we are now considering, of course, they can agree to a conference report providing for the elimination of this amendment. But certainly there is no rule to prevent us from passing such a very sensible measure.

Mr. GILLETTE. Mr. President, let me repeat what I have already said, namely, I have no particular issue at all with the distinguished Senator from Wisconsin in regard to the goal he seeks to attain, because there have been scores and scores of instances of the abuses to which he has referred, not only within my own personal experience, but in the experience of many other persons. I may say that I happened to be chairman of the Campaign Expenditures Committee in 1940, and we had literally hundreds of complaints about abuses such as those the Senator from Wisconsin seeks to reach by his amendment, abuses which should be stopped.

So I would join with the Senator from Wisconsin in favor of an amendatory provision. If the present section 612 of the Criminal Code is not sufficient, I shall join the Senator from Wisconsin in seeking to secure its amendment.

Again I say the question of germaneness arises here. The question now before us is that of seeking to minimize a

drastic penalty imposed by the Civil Service Commission, under delegated authority. However, the Senator's amendment would amend the Criminal Code.

So, Mr. President, I hope the amendment will not be adopted as an amendment to the pending measure, because certainly the amendment is not in accordance with the legislation we are seeking to enact at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wisconsin. [Putting the question.]

The "noes" appear to have it.

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McCARTHY. Mr. President, I have just been informed that there is to be a reception this evening for one of the Members of the Senate, and of course Senators wish to attend it. Some Senators, I am informed, already have left the Chamber for that purpose, on the assumption that no record vote would be taken or no quorum call had tonight.

So I ask unanimous consent that my suggestion of the absence of a quorum may be withdrawn.

The VICE PRESIDENT. Without objection, the Senator's suggestion of the absence of a quorum will be withdrawn.

Mr. McCARTHY. Mr. President, I ask for a division on the question of the adoption of the amendment.

On a division, the amendment was agreed to.

The VICE PRESIDENT. If there be no further amendments to be proposed, the question is on the endorsement of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 1243) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. STENNIS, Mr. GILLETTE, and Mr. SCHOEPPEL conferees on the part of the Senate.

Mr. CORDON. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona wish to have the bill printed with the Senate amendments to the bill numbered?

Mr. HAYDEN. Mr. President, of course the amendments the Senate has adopted simply provide for striking out certain House language and inserting certain new language. Nevertheless, I ask that the bill be printed with the Senate amendments numbered.

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

EQUAL RIGHTS FOR MEN AND WOMEN—PROPOSED AMENDMENT TO THE CONSTITUTION

Mr. GILLETTE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 119, Senate Joint Resolution 25.

The VICE PRESIDENT. The Secretary will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 25) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

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

The motion was agreed to.

FEDERAL JUDGESHIPS—LETTER FROM PEYTON FORD, ASSISTANT TO THE ATTORNEY GENERAL, TO SENATOR KNOWLAND

Mr. KNOWLAND. I ask unanimous consent to have printed in the body of the RECORD a letter I have received from Mr. Peyton Ford, the Assistant to the Attorney General, giving certain statistical information on Federal judgeships.

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

JANUARY 12, 1950.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: With further reference to your letter of August 24, addressed to the Attorney General, making certain inquiries concerning Federal judges, the information you have requested is set forth below:

1. Total number of Federal judges having life appointments, including 35 who are retired: 308.

2. Total number of present incumbent judges who have been appointed since the close of 1932, to include—

(a) United States	213
(b) Territories	24
(c) Lower courts of the District of Columbia	14
Total	251

3. Total number of Republicans appointed to judgeships since the close of 1932, to include—

(a) United States	21
(b) Territories	7
(c) Lower courts of the District of Columbia	2
Total	30

4. The number and names of the Republican judges appointed since 1933 to the Federal appeals courts: 7.

James M. Proctor, United States Court of Appeals for the District of Columbia.

D. Lawrence Groner, Chief Justice, United States Court of Appeals for the District of Columbia.

Harris Brigham Chase, second circuit.
Robert P. Patterson, second circuit.
William Clark, third circuit.
Wayne G. Borah, fifth circuit.
Walter G. Lindley, seventh circuit.

5. Total number of Federal judicial vacancies created by act of Congress since March 1933: 91.

Relative to the foregoing statistics, the following is also noted:

1. Total number of Federal judges having life appointments as of March 4, 1921: 167.
(a) Number who were Republicans, 83.
(b) Number who were Democrats, 79.
(c) Unknown affiliation, 5.

2. Total number of Federal judges receiving life appointments between 1921 and 1933: 214.
(a) Number who were Republicans, 191.
(b) Number who were Democrats, 20.
(c) Unkown affiliation, 3.

3. Total number of Federal judges having life appointments as of March 4, 1933: 231.
(a) Number who were Republicans, 172.
(b) Number who were Democrats, 57.
(c) Unkown affiliation, 2.

4. Total number of Federal judges receiving life appointments between 1933 and 1950: 289.
(a) Number who were Republicans, 17.
(b) Number who were Democrats, 272.

5. Total number of Federal judges having life appointments as of January 10, 1950: 308.
(a) Number who were Republicans, 84.
(b) Number who were Democrats, 224.

Hence, it is observed that there were apparently more Republicans than Democrats holding life appointments at the end of the last Democratic administration, and that there is approximately the same proportion of Republicans holding life appointments today as there were Democrats holding life appointments at the end of the last Republican administration, that is, approximately one-third of the total number of Federal judges holding life appointments at the respective times.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

PREFERENCE ACCORDED FOREIGN MERCHANDISE

Mr. BUTLER. Mr. President, the Government has started this week the purchase of a number of pork products, under the terms of our farm legislation, in order to maintain a reasonable price to producers. The program is strictly according to law, and is one which I support heartily. Without such a support program the prices of hogs might go down to disastrously low levels.

Not all the surplus hogs come from American farms, however. A substantial proportion of our market surplus is the result of the importation of Polish hams, which started a few months ago, and which has now reached a rate of hundreds of thousands of pounds a month. Our price-support policy, of course, encourages imports of Polish hams. The Government may not actually purchase at import any Polish hams, but it clears the way for the Polish ham to be imported by holding the domestic price up, and by taking part of the domestic hams off the market. Tariff rates are negligible as a result of substantial tariff reductions and foreign devaluation. This development must be pleasing to our State Department, since administration leaders have been pleading for increases in imports for some time. Recently they have even attacked our traditional policy of the Government's buying for our representatives abroad diplomatic products from our own producers. It is getting so that a citizen who prefers to buy products made in America is shamed by those who prefer to buy abroad, even from countries dominated by the Communists.

A glaring example of this has come to my attention. I call it to the attention of Senators, not because of any sub-

stantial injury that is occurring in the State of Nebraska but because it indicates the present policy of the State Department.

The United States produces as fine a chinaware as any country. It can produce sufficient quantities for our consumption at a very fair and reasonable price. It cannot produce average chinaware as cheaply as some countries, where wage rates and living standards are one-third, one-fifth, or one-eighth those of this country. Import duties have been reduced, and devaluation has aided the foreign producer. Unemployment, the cancellation of orders, and a slowing down of domestic production is occurring.

In the face of this situation it might be expected that the domestic chinaware industry could hope for some relief from the State Department. No such relief has been granted, however. On the contrary, the State Department has added insult to injury by decreeing that even our own embassies abroad shall use German chinaware rather than American chinaware.

I have in my hand articles from reputable publications that reveal this situation. They indicate that the purchases of German chinaware were made without even giving American producers an opportunity to bid for the business. They were negotiated secretly with the favored representative of a German manufacturing firm. The deals that have already been made were quite substantial. Over $280,000 was the cost of just the first batch.

At this point I desire to read two very short articles which appeared in the Retailing Daily. The first is entitled "United States Embassies to Dine from German China—State Department Contracts for Dinnerware Through New York Firm." It was written by John T. Norman, and reads as follows:

WASHINGTON, September 26.—Bypassing domestic chinaware manufacturers, the State Department has completed two contracts—and soon will negotiate a third—for the purchase in Germany of gold-trimmed dinnerware for use in American embassies and consulates throughout the world, Fairchild News Service learned today.

One contract, dated May 16, 1949, was made by the State Department with William Graham, identified as president of the Royal York China Co., New York City, for the purchase of 100 sets of dinnerware—service for 12—for 259,820 German marks. Another contract, completed August 23 this year, covered the following:

Fifty sets of service for 12, priced at 129,-910 German marks.

Fifteen sets of service for 24, priced at 68,648.25 German marks.

Fifteen sets of service for 36, priced at 124,459 5 Germans marks.

Reserve stocks, priced at 17,636.3 German marks.

THIRD CONTRACT

Officials of the State Department's division handling foreign building operations said that the third contract with Mr. Graham would be about the same size as the August 23 order. At the current official rate of exchange, the German west mark still is worth 30 cents, although Government fiscal experts expect that the west mark will be devalued shortly to bring its value into line with other European currencies.

In each case, it was explained, the contracts with Mr. Graham specify that payment shall be made in west German marks, rather than dollars, for the chinaware manufactured for this Government by the Hutchenreuther China Co. in Germany.

The second article is headed, "State Department turns to foreign supplies for dinnerware," is dated Washington, September 29, and reads as follows:

WASHINGTON, September 29.—The State Department has turned to foreign suppliers to get fancy, gold-trimmed dinnerware for United States embassies and consulates throughout the world, because blocked currencies owned by this Government abroad can be used for purchase of everything from tableware to real estate, Government officials explained today.

Allen Donaldson, of the State Department's Foreign Building Operations Division, refused to explain, however, how contracts were made with one New York businessman for large purchases of official State Department dinnerware, manufactured by the Hutchenreuther China Co. in Germany.

"The reason why we didn't advertise this thing," he said, "was because we didn't want commission men to come down here from New York."

Mr. Donaldson said that further details on business arrangements between his office and William Graham, of the Royal York China Co., New York—under which Mr. Graham already has received two contracts to supply dinnerware to the State Department and soon may get a third contract—will have to come from Mr. Graham.

At first the excuse offered was that these 200 sets of chinaware could be purchased more cheaply abroad. After being criticized severely for these purchases, however, the State Department made some further explanations. "The orders were not actually placed because of lower prices," the Department said, "but because certain laws permitted them to utilize foreign credits." The letter from the Department to a representative of the domestic chinaware industry went on to say very frankly that the program "is being vigorously pursued in the public interest." Further on, the State Department letter states that no dollars have been expended for this purpose, and promises that "when the buildings and furnishings program is again on a dollar basis the Department will make domestic purchases of American materials and furnishings."

The letter goes on to claim there was nothing secret about the foreign deals. It seems they just did not tell anyone about them. It has been proved to my satisfaction that no bids were called for. There were no advertisements, and no domestic supplier was approached. The whole arrangement reached the light only as the result of the initiative of an alert reporter.

Mr. President, I wonder what high officials of a foreign government think when, at an embassy function, they discover that our Government thinks so little of our own chinaware that they purchase and use chinaware from other countries. I wonder what foreign governments would think if we suggested to them that their embassies use chinaware made in this country. It happens that I have here an exchange of letters which I should like to read, which show very clearly what the British thought when such a suggestion was made to them. They laughed. I am reading from a letter addressed to the British Embassy by the executive secretary of the Vitrified China Association, Inc., Washington, D. C., and the reply thereto. The letters reads as follows:

VITRIFIED CHINA ASSOCIATION, INC.,
Washington, D. C., October 31, 1949.
COMMERCIAL COUNSELOR,
British Embassy,
Washington, D. C.

DEAR SIR: Because of the prestige involved, it may be possible, in spite of devaluation and payment in sterling, to supply fine American china for your and possibly other British Embassy services at an attractive price. I would, therefore, appreciate it if you would inform me as to the proper steps to be taken to have this proposal considered.

Sincerely yours,

ROBERT F. MARTIN,
Executive Secretary.

BRITISH EMBASSY,
Washington, November 8, 1949.
Mr. ROBERT F. MARTIN,
Vitrified China Association, Inc.,
Washington, D. C.

DEAR SIR: I have to acknowledge receipt of your letter of the 31st of October, and would point out that, as the United Kingdom is itself the manufacturer of some of the finest chinaware in the world, we are not in the market for china manufactured elsewhere; nor do I think that any of the other embassies in the British Commonwealth would be interested in your proposal.

Yours very truly,

F. A. DE MOLEYNS.

This country—our country—has a surplus of pork products, just as we have a surplus of china. The Government is buying up the surplus pork in order to maintain the price of hogs. Nevertheless, it will not surprise me greatly if the State Department follows through and we see the day when Polish hams embellish the German chinaware in our embassies all over the world.

DRAFTS IN THE SENATE CHAMBER

The VICE PRESIDENT. The Chair would like to call the attention of the Architect of the Capitol, the engineers, and others involved, to the fact that for the last day or two a very disagreeable draft has been blowing across this rostrum, which has given everyone at the desk a cold. The Chair hopes that some steps will be taken to remedy the situation.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of John M. Cabot, of Massachusetts, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary to Finland, which was referred to the Committee on Foreign Relations.

The VICE PRESIDENT. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of John F. Floberg to be Assistant Secretary of the Navy.

The VICE PRESIDENT. Without objection, the nomination is confirmed. Without objection, the President will be notified forthwith.

Mr. LUCAS. The nomination of Admiral Forrest P. Sherman will go over.

The VICE PRESIDENT. That completes the calendar.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Friday, January 20, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate January 19 (legislative day of January 4), 1950:

DIPLOMATIC AND FOREIGN SERVICE

John M. Cabot, of Massachusetts, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Finland.

CONFIRMATION

Executive nomination confirmed by the Senate January 19 (legislative day of January 4), 1950:

DEPARTMENT OF THE NAVY

John F. Floberg to be Assistant Secretary of the Navy.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 19, 1950

The House met at 12 o'clock noon.

Rev. Father John J. Keahane, St. John the Evangelist Roman Catholic Church, Cambridge, Mass., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost.

O Almighty and Eternal God from whom all blessings flow, we ask Thee to bless this country of ours—at present the hope of freedom-loving people throughout the world—that it may be faithful to its trust.

We ask Thee to bless the President of these United States in his unparalleled task of guiding the destinies of our beloved country in these difficult times.

We ask Thee to endow the Congress with wisdom and understanding so they can frame and enact laws for the prosperity and peace of our people.

We ask Thee to assist the Speaker and Members of this House and direct their deliberations according to Thy holy will through Christ our Lord.

For these ends we will say the Lord's Prayer:

Our Father, who art in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done, on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil.

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2023. An act to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–13.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House on Tuesday next for 30 minutes, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a statement made by Hon. George N. Craig, national commander of the American Legion, before the Committee on Veterans' Affairs.

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

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

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

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

WHEN WILL THERE BE PEACE?

Mrs. BOSONE. 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 Utah?

There was no objection.

Mrs. BOSONE. Mr. Speaker, since the last bullet was fired in Europe and since the last prisoner of war was released in the Pacific the imponderable hanging over all of us has been, "When will there be peace?"

Believe me, nothing is going to matter much until the minds of men are quieted on the fear of combat. We may speak of building the greatest projects on earth, of creating the greatest mass production, educating the greatest number of people, protecting the health of the millions, procuring financial security, but nothing is going to matter unless there is peace on this earth. The next war, if it comes, will prove not who is right, but who is left.

Underlying all that we do in Congress is the thought of "When will we have peace?"

The United Nations, I believe, has done a magnificent job, and its work has not been in vain. Hundreds of groups have been stimulated to further their work in organizing for world good will. But time moves on rapidly, and fear becomes so huge and powerful that its grotesqueness chokes our prospects for a joyous, prosperous, and happy world.

Any move in the direction of peace is worth trying. When I read in the Washington Evening Star on January 9 the article by Mr. Thomas L. Stokes—and I always read Thomas L. Stokes, for I think he is one of the finest and most humane columnists in America—I was particularly impressed with his reference to Mr. Irving Pflaum, foreign editor of the Chicago Sun-Times, who has made the suggestion that the people of the United States present to the people of Russia a statue of peace and brotherhood to be paid for by popular subscription by our people. His thought is much the same as that which inspired the people of France to give to the United States that glorious Goddess of Liberty which stands in New York Harbor.

The little people of Russia—the little people of the world, I am convinced, are not interested in war. They have suffered too much; they are tired. I feel sure that the little people of Russia would appreciate a gift from the little people of America. At least Mr. Pflaum's idea is well worth trying.

I should like to expand upon Mr. Pflaum's idea. I have long since believed that the women of the world should declare a strike on war. It is about time they did something about it. Women everywhere feel the same about war—regardless of the type of government under which they live or the language they speak. Any woman who has ever borne a child will fight in every way she can to keep war from coming to her country and perhaps taking her child from her. No woman, anywhere, wants

to see her son, or her husband, or her father, or her daughter sent into battle.

I am wondering, therefore, if the women who live in America—this great country where women are free to express their opinions in their own way—should not pick up Mr. Pflaum's idea and give a statue of peace and brotherhood to the women of Russia. I feel sure that our women's organizations in America would spearhead the movement and stimulate women of this country to offer such a statue of peace to the Russian women. Surely the Government of the Soviet Union would not refuse to allow the entry and acceptance of such a gift.

I believe this gesture of good will and desire for peace would be very tangible evidence, not only to the women of Russia, but to women all over the world, of the sincerity and earnest desire of the American people to seek peace among nations.

EXTENSION OF REMARKS

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

Mr. KEOGH (at the request of Mr. CLEMENTE) was given permission to extend his remarks in the RECORD and include a magazine article.

PEANUTS AND THE ACREAGE ALLOTMENT PLAN

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

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

There was no objection.

Mr. BONNER. Mr. Speaker, there has been reported from the Agricultural Committee of the House an amendment to the existing law dealing with the 1950 cotton acreage. I shall not discuss this, but the difficulty that is being experienced by those who have been allocated acreage is due to the fact that the State committee and the county committee in the majority of cases failed to carry out the law, the directives, or regulations issued by the Department of Agriculture as to the allocation of acreage, that is, to reserve 10 percent for State adjustments and 15 percent for county or farm adjustments, or vice versa. The additional acreage that is proposed in the amendment will only be that much more additional cotton for the Government to purchase. The subject I desire to bring before the House is the amendment dealing with peanuts. It is a fact that the Commodity Credit Corporation purchased in 1948, 85 percent of runner-type peanuts grown, and yet, in this additional amendment it provides for the growing of additional runner-type peanuts which will mean that the Commodity Credit Corporation will have to purchase more of this type peanut. In addition to this, I am informed that in the Spanish-type area farmers are diverting from Spanish to runner-type which will further confuse this situation, whereas in the Virginia-type area there is today not a sufficient amount of this type peanut produced to meet the great market demand, and the cost to the Commodity Credit Corporation in handling this type peanut program has been negligible. Therefore, instead of reporting out this amendment, the entire peanut program should be revised so as to divide the peanut-producing areas into types similar to the tobacco program; that is, there should be the Virginia-type area, the runner-type area, and the Spanish-type area. In the light of the facts above, it is my present intention to oppose the resolution presented to the House from the Committee on Agriculture for further increasing the production of cotton and peanuts in the face of a great surplus in the market today in both crops. I am interested in saving the entire farm program—not destroying it through patchwork.

UNITED STATES CRIMINAL CODE

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

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

There was no objection.

Mr. FRAZIER. Mr. Speaker, on Wednesday, I introduced a bill (H. R. 6848) to authorize the judges of the Federal courts to use their discretion in imposing either a fine or imprisonment, or both, for certain offenses.

For 10 years or more, at nearly every conference of United States attorneys, composed of men who represent the great law-enforcement branch of the Federal Government, a resolution was adopted urging the repeal of the mandatory provisions of the internal revenue statutes pertaining to the manufacturing of illicit liquor and empowering the judges of the Federal courts to use their discretion in imposing fines or imprisonment in such cases. The amendments proposed in nowise change the maximum penalties heretofore provided in such cases.

The exercise of such discretion by the courts is a recognized judicial function and existing statutes which assume to curtail it by requiring the court to impose both a fine and imprisonment should be amended.

During my years of service as United States attorney for the eastern district of Tennessee, I prosecuted many cases for illicit distilling and similar offenses. In each case, where the defendant was found guilty, the court was obliged by the terms of the law to impose both a fine and imprisonment. Almost without exception, the defendant was financially unable to pay the fine imposed with the result that millions of dollars of fines were uncollected and uncollectible. If the court in those cases had been authorized to exercise its proper discretion it would not have imposed such fines.

In 1946 when Congress enacted the revision of the Criminal Code, it abolished the requirement for mandatory fines and imprisonment in scores of cases and substituted the generally accepted language permitting the court to impose either a fine or imprisonment, or both. The few provisions relating to liquor offenses which still require both fine and imprisonment were not incorporated in the Criminal Code and consequently were not amended by the act revising that code.

The Committee on the Judiciary of the House of Representatives in its report on the revision—House Report 304, Eightieth Congress—in commenting upon the change in punishment provisions, stated that "legislative attempts to control the discretion of the sentencing judge are contrary to the opinions of experienced criminologists and criminal-law experts. They are calculated to work manifest injustice in many cases."

In the light of that statement, my bill also eliminated minimum punishments in these cases. The court could, by exercising the power it has to suspend sentence, avoid the imposition of any fine or imprisonment at all, and should have the authority to impose fines or imprisonments to a limited extent. As a matter of fact, the elimination of the minimum will enable the court to impose a just penalty where otherwise it would have suspended the imposition of any penalty.

Mr. Speaker, I urge prompt action upon my bill, H. R. 6848, so that the intention of the Congress in this matter will be extended to those few instances where the courts are still hampered by being required to impose both a fine and imprisonment.

GEN. ROBERT E. LEE

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

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

There was no objection.

Mr. BRYSON. Mr. Speaker, this being the birthday of Gen. Robert E. Lee and in view of the increasingly high esteem for this outstanding Christian military and educational leader, it is fitting that we should call attention to the occasion.

It was my privilege last night to speak before the Sidney Lanier Chapter of the United Daughters of the Confederacy at Confederate Memorial Hall here in the city of Washington, on the lives and characters of Gen. Robert E. Lee, Gen. Thomas J. Jackson, and Commodore Matthew Fontaine Maury, all of whose birthdays fall within the week.

I ask leave to extend my remarks in the Appendix of the RECORD and include therein a copy of my address.

The SPEAKER. Without objection, is is so ordered.

There was no objection.

THE BUDGET OF THE UNITED STATES

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

The SPEAKER. Is there objection?

There was no objection.

Mr. CURTIS. Mr. Speaker, I arise to make a suggestion concerning the budget of the United States. I believe if this

suggestion were carried out, it would please a great many people back home.

Our present tax structure will bring in a little more than $37,000,000,000 this year, it is estimated.

Why not, then, give Harry Truman twice the spending money that was given Franklin Roosevelt in any peacetime year? This would require $22,000,000,000.

The remaining fifteen billions could be divided—seven and one-half billions applied on the national debt and seven and one-half billions to reduce taxes.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an article, and in the other a newspaper article.

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

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

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

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include newspaper articles.

SPECIAL ORDERS GRANTED

Mr. MASON asked and was given permission to address the House on Monday next, after the disposition of the regular business of the day and any special orders heretofore entered, for 5 minutes, on the subject John L. Lewis versus Samuel Gompers.

Mr. ANGELL asked and was given permission to address the house today for 15 minutes at the conclusion of the legislative business and any other special orders heretofore entered.

STATE SEALS

Mrs. BOLTON of Ohio. 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 gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, we have had a great deal of discussion about the beautiful old traditional glass seals that many of us understood were to be put where these almost invisible and rather indistinguishable seals have been placed by the Architect of the Capitol.

It happens that in London there is being built a chapel, a memorial to the American men who died in England for the freedom of the world. This chapel is to be reached from St. Paul's Cathedral through beautiful wrought-iron gates overshadowed by several stained-glass windows. The reports that come to me advised that the suggestion has been made to make these windows out of the seals of the States.

The British are a people who have a deep regard for tradition; they know its value. It has occurred to me that we might well find out whether the beautiful old seals under which the laws of this great country have been drafted for some 90 years, which have been rejected by those responsible for the changes in this Chamber, might be acceptable to those who are building this memorial chapel. Should this be the case—and no other suggestion for a suitable use of these traditional bits of American glass be forthcoming—I feel sure that we can feel certain of the respect and care that will be given these rejected seals on into the dim future.

REPEAL OF EXCISE TAXES

Mr. EDWIN ARTHUR HALL. 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 New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, cameras and films are not luxury items in my home city of Binghamton, N. Y., the home of 8,000 Ansco workers who make film and cameras. The Ansco plant is one of the largest of its kind in the world. From time to time they have called upon me to urge the Congress to remove excise taxes once and for all. I am carrying out their demand here today and express the hope that this House will be given the opportunity to vote down excise taxes so that the workers in the Ansco plant in Binghamton will have the chance to make a livelihood and continue with their jobs. Their jobs are being threatened because production is down.

Personally, I do not look upon cameras and photographic equipment as luxuries. They are simply a part of the advanced American standard of living. They should be within the reach of the pocketbook of every American. The 25-percent addition to these prices, which is the excise tax, is exorbitant and unnecessary. The public has the right to enjoy these films and cameras at a reasonable cost, and I think the tremendous excise tax upon them is outrageous and should be taken off.

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

THE POWER OF THE RULES COMMITTEE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from one of my colleagues.

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, a letter from a colleague reads as follows:

JANUARY 17, 1950.

DEAR COLLEAGUE: There is pending before the House at this time an issue of transcendent importance to the American people: Shall a majority of the House of Representatives retain control of the legislative processes or shall this control be returned to a small group of willful men in the Committee on Rules?

The move by the Committee on Rules to seize anew its former arbitrary power to block legislation favorably reported by other standing committees of the House is a grave threat to representative government.

The issue is far more important than any measure against which the rules change is purportedly directed. Regardless of party, can any Member who really believes in democracy deny to a majority of the House the right even to decide whether a given bill shall be taken up for debate?

To abolish the 21-day discharge rule can only result in deterioration of legislative processes that, as a matter of fact, need strengthening. This is not a partisan issue. The rules of the House affect all parties. When the 21-day rule was adopted, earnest cooperation by Members of both parties resulted in the final action that was hailed throughout the press of this land as a major achievement in good government.

A vote on this important issue is probable before the week end. I appeal to you to come forth and confirm the faith of the people in the Congress.

Sincerely,

HERMAN P. EBERHARTER,
Chairman, Informal Rules Reform Committee.

I wish to call attention to one paragraph. Let me read:

Regardless of party, can any Member who really believes in democracy deny to a majority of the House the right even to decide whether a given bill shall be taken up for debate?

It is my hope that if and when the distinguished gentleman ascends the bench, becomes a Federal judge, that he go a little deeper in his research to ascertain the facts and then be a little more accurate in the conclusions which he expresses from the bench than he is in this letter. Anyone who ever paid any attention to the House rules and procedure knows that the House has never been gagged as to legislation which it wished to consider.

Whenever 218, a majority of the Members, want to vote on a bill, they have the power to bring it to the floor.

EXTENSION OF REMARKS

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

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the RECORD in two separate instances and in each to include extraneous matter.

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

THE POWER OF THE RULES COMMITTEE

Mr. HOLIFIELD. 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 California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I wish to reply to the statement just made by my friend the gentleman from Michigan.

On January 3, 1949, this Congress, by an overwhelming vote of 275 to 143, voted for a rule which would permit legislation to come from any committee whose

chairman desired to stand on the floor after a certain period of time and ask that the legislation be considered by 435 Members of the House. In the last analysis, each Member of Congress owes his responsibility to the people in his district and the Nation to show where he stands on controversial legislation. So far as I am concerned, I am not willing to go back to the Dark Ages when six men on the Rules Committee could decide arbitrarily on the merits of legislation. I believe that it is an individual responsibility for every Member of Congress to decide whether a piece of legislation has merit or does not have merit, and I, as one Member, do not need six men to sit as a superjury and exercise judicial opinion as to whether I shall be allowed to vote upon any piece of legislation. I say that any man who does not have the guts to decide for himself on controversial measures needs a wet nurse in place of six men on the Rules Committee to help him out.

I understand that a motion to adjourn will be made just before consideration of the Cox resolution, House Resolution 133, which is to be considered Friday. In my opinion, any attempt to postpone consideration of this measure is dilatory and without justification.

The Member who votes to adjourn on Friday puts himself on record as being unwilling to vote on probably the most important matter which will face the Eighty-first Congress.

Unless the Cox resolution is defeated, every piece of legislation passed by the House, which is now pending in the Senate or in conference, is jeopardized by the possibility of possible adverse action of the Rules Committee through blocking the report of conference reports to the House. Please note that I said "possible adverse action."

Future legislation such as the National Science Foundation bill, legislation for middle-income housing, hospital and medical scholarship aid, as well as other progressive legislation, may be denied legislative consideration.

The failure to defeat the Cox resolution will be regarded as a key vote to kill every progressive measure to which the Democratic Party is pledged.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include a speech he made before the Junior Bar Association of Milwaukee, Wis.

PROPOSED CHANGE IN RULES OF THE HOUSE

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

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

There was no objection.

Mr. BIEMILLER. Mr. Speaker, there are strange rumors afloat that our Republican colleagues have succumbed to the wiles of the gentleman from New York [Mr. MARCANTONIO], and, following his leadership, are going to attempt to adjourn the House when it convenes tomorrow.

I think these gentlemen might be interested to know that I have just received a telegram from the National Association for the Advancement of Colored People urging that the House meet tomorrow, stay in session and vote down the proposed change in the rules tomorrow and not do any monkeying around with further parliamentary procedure.

The telegram reads:

Hon. ANDREW J. BIEMILLER,
House Office Building:

We urge that the House remain in session on Friday, January 20 and vote down the Rules Committee's proposal to change the 21-day rule.

ROY WILKINS,
Acting Secretary, National Association for the Advancement of Colored People.

The duration of this strange affair between the Republicans and Mr. MARCANTONIO is unpredictable, but its existence cannot be doubted.

How else account for his strange insistence that we adjourn Friday without whipping the attempt to rescind the 21-day rule? The Republicans are in favor of this device, but are squirming on the hook as the result of a wire each of the minority Members received from the NAACP this morning which read in part—and I quote:

The entire civil-rights program is endangered by the proposal of the Rules Committee to abandon the present 21-day rule. We urge you to be present at all sessions to vote against this dangerous backward step.

Remember the same group has specifically stated it wants the vote on this motion to come tomorrow on the single and clearcut issue of the rule.

If the gentleman from New York thinks he can get the whole Republican Party off the hook, he will find himself sadly mistaken.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, this week will go down in the history of the Congress as the week of rank hypocrisy. If the gentleman from Wisconsin [Mr. BIEMILLER] who has been protesting so vociferously his love for FEPC wanted the FEPC bill enacted, his first obligation would be to see to it that the resolution which makes it impossible to bring up FEPC on Monday would not come up tomorrow, so that on Monday next we could vote on FEPC.

The gentleman from Wisconsin [Mr. BIEMILLER] has been here long enough to know that if the resolution comes up tomorrow and if it is adopted we will not have a chance to vote on FEPC on Monday next. Why take the risk? He loves FEPC when he does not have a chance to vote on it; when he has a chance to vote on it that love fades far, far away.

He may as well face it. Despite his glib talk, the people will know that his vote against adjournment tomorrow will be a vote against FEPC.

Mr. EBERHARTER. 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. EBERHARTER. Mr. Speaker, the gentleman from New York [Mr. MARCANTONIO] is proceeding on an altogether wrong premise. This resolution to amend the rules of the House, in my opinion, will not prevail. I have always been a supporter of FEPC. I am also, and have been, a supporter of President Truman's program. I want Mr. Truman's program, including the FEPC, to win. That is the reason I want this resolution to amend the rules defeated on Friday. I want it out of the way. The gentleman is also proceeding in his interpretation of the rules on a wrong premise. I can tell him I have that on competent authority.

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

Mr. EBERHARTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is interesting to note the relationship on adjournment Friday between the gentleman from New York [Mr. MARCANTONIO] and the Republican leadership.

Mr. EBERHARTER. Mr. Speaker, I understand the suggestion was first made by the gentleman from New York [Mr. MARCANTONIO] to offer a motion to adjourn tomorrow, and I understand also the minority leader, the gentleman from Massachusetts [Mr. MARTIN] has accepted that suggestion from him. So they are working together.

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

Mr. EBERHARTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. If the gentleman really wants FEPC, why take a chance on bringing up this resolution tomorrow, which may kill FEPC? He cannot get away from that. He can cover it with all the baloney about the Republicans he wants to, but he cannot escape the fact that bringing up this resolution tomorrow endangers FEPC.

Mr. EBERHARTER. If the gentleman wants to sacrifice votes so that the Truman Fair Deal program will be defeated, that is up to him.

Mr. MARCANTONIO. That is what the Democratic leadership is doing when it calls up the resolution tomorrow. It is just double talking.

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

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an address he will deliver today to the Daughters of the Confederacy in Constitution Hall.

KOREAN AID ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 368 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5330) to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order the Korean aid bill, known as H. R. 5330, reported by the Committee on Foreign Affairs. It has the approval of the President and the Secretary of State.

The Committee on Rules has heard the considered evidence of gentlemen who have spent 2 and 3 years in that new Republic. They are of the opinion, and firmly believe, that this legislation is absolutely necessary to aid Korea, and that without this aid it would be impossible to bring about the conditions and improvements they are seeking in the interests of the people of that country. Of course, it calls for an authorization of $150,000,000, but, Mr. Speaker, we already have expended in aid to Korea about $360,000,000. Unless this bill is passed, I fear that the $360,000,000 that has been heretofore expended will be lost. Of course, there are some who believe that the appropriation of $150,000,000 provided for in this bill may also be lost because of the danger that Russia may step in and take over. But, I have it on very good authority from people who know, who are informed, and who have made a thorough investigation, that there is no such danger. So, therefore, the argument that this might be lost, is not well founded and not supported by real facts.

Personally, I am for economy and I am willing to reduce appropriations everywhere possible or feasible. Our friends on the other side advocate economy, but unfortunately every time they have a chance to vote for increased appropriations, they do so. Therefore in this instance the charge that the authorization of $150,000,000 should not prevail or should not be granted, on the theory that we should reduce the deficit, is not well founded. We have appropriated billions and billions of dollars for countries nowhere near as deserving as Korea, and I do not know of any better investment we have ever made than by granting this rule. Therefore, after hearing the evidence of those who know, the Committee on Rules reported this rule, and I am going to ask for its adoption making in order the bill providing that much-needed relief.

The Committee on Foreign Affairs has filed a very comprehensive report on this measure, tracing the genesis of the present situation from its early beginnings, through the period of liberation of the Korean people from Japanese control and domination, and the development of the impasse with Soviet Russia regarding the political future of Korea. It has developed, in this report, the various stages by which the United States now finds itself with an obligation to the Korean people and the Republic of Korea—the direct obligation upon which this bill is passed.

In the very short period of time since the Republic of Korea was established, democratic elections have been held and a government of, by, and for the people has been established.

Bolstered by the love of freedom and independence that has kept it a liberty-seeking nation under 40 years of Japanese rule—retaining this same spirit of determination for self-rule during 3 years of division and occupation following the end of hostilities in the Far East, the people of Korea have not faltered during the difficult first year or more of the republic. They have met the challenge of establishing a new government of their own. They have woven together the traditions of their 4,000 years of history with modern democratic theory into a solid pattern of successful government. This has all been accomplished in the face of a threat as great as that faced by any nation on the face of the globe—the Communist threat and operation in the northern section of that land.

Through American military cooperation in the defense program and the economic support granted through ECA, Korea has been enabled to establish itself as a free nation and to make the fullest possible contribution in the global struggle to safeguard democratic freedom against the aggressive drive of totalitarian communism. Korea has constantly reiterated its intention to stand shoulder to shoulder with the friends of freedom against every totalitarian threat.

The present bill presents the first full effort by Congress to place in the form of legislation a definite policy toward Korea. All other assistance to Korea has been in the form of appropriations requested by the President. The policy established by this legislation carries out the principles of the Charter of the United Nations as part of United States foreign policy.

There is also an indirect relation to the security of the United States in this Korean program. If Korea falls, the Communists are just that much closer to Japan. For us to withdraw from Korea today, as far as this assistance is concerned, without giving these people who have placed their entire trust in us for survival, is just not an honorable American action to expect. We owe it as much to the indomitable Korean people, as we do to our friends across the Atlantic, to give them all the financial, moral, and military support we can, if not more so.

Mr. Speaker, for the information of the House, I submit herewith a detailed estimate by projects of the proposed program of assistance under this bill for fiscal year 1950 as follows:

	Total cost estimate
Food:	
Vegetable oil	$160,000
Salt	630,000
Total	790,000
Fertilizer and agricultural supplies:	
Nitrogenous	24,640,000
Gross tonnage	
Superphosphates	5,090,000
Insecticides and fungicides	600,000
Total	30,330,000
Petroleum products	9,870,000
Coking coal	300,000
Medical supplies	550,000
Raw and semifinished materials:	
Raw cotton	9,389,000
Manila fiber	412,000
Chemicals	3,587,600
Hides and skins	499,000
Textiles (marine)	770,000
Lumber	7,380,000
Wood pulp	590,000
Special petroleum products	476,000
Construction materials	409,000
Iron and steel	1,780,000
Tin plate	83,000
Nonferrous metals	270,000
Crude rubber	1,371,000
Total	27,016,000
Equipment and supplies:	
Iron and steel products	2,128,000
Electrical apparatus	526,000
Mining equipment	989,000
Marine equipment	896,000
Total	4,539,000
Items in specific recovery projects:	
Roads and bridges	2,228,000
Irrigation and reclamation	1,950,000
Salt production	210,000
Electric power	5,733,000
Signals and communications	1,400,000
Coal and other mining	2,804,000
Silk manufacture	400,000
Railroad building	3,010,000
Pig-iron plant	300,000
Coal cargo vessels	3,000,000
Fishing vessels	6,080,000
Processing of coal	775,000
Cement plant	3,950,000
Total	31,840,840
Surveys and contracts:	
Operation of 2 power barges	700,000
Marine repair base	150,000
Coastwise shipping	715,000
Surveys	650,000
Total	2,215,000
Technical assistance:	
Training Koreans in United States	272,000
Technical training in Korea	400,000
Supplies and equipment	1,100,000
Mission advisory staff	2,174,000
Total	3,946,000

	Total cost estimate
Ocean freight:	
Food products	$1,265,000
Fertilizer and supplies	15,938,000
Petroleum products	4,444,000
Coking coal	455,000
Medical supplies	11,000
Raw and semifinished materials	6,450,000
Equipment and supplies	385,000
Recovery projects	1,640,000
Technical assistance	80,000
Relief packages	125,000
Army 1949 procurement	5,800,000
Total	36,593,000
Kimpo Airport	730,000
Administration	1,280,400
Grand total	150,000,000

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, a short time ago a Member of the House made the statement that one of the colored organizations is opposed to the adjournment of the House tomorrow before taking up the resolution to amend the rules. Since that time I have had a message conveyed to me to the effect that the National Negro Council supports adjournment and urges its friends to vote for adjournment tomorrow.

Mr. HERTER. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I am in favor of the rule on this bill, but I have very serious doubts with regard to the bill itself. It is a bill that brings up some extremely important considerations dealing with the foreign policy of the United States.

Testimony will be given here at a later date to the effect that Korea is militarily untenable, that under none of our defense plans as such could we consider trying to hold Korea in the event of aggressive action north of the thirty-eighth parallel by either Communist-trained Korean troops or by Russian troops.

On the other hand, Mr. Speaker, Korea is an independent republic. It became an independent republic as a result of our military action and as a result of the United Nations recognition of it as a newly created independent republic, an independence which it had not had for a long period of time since it had been under Japanese domination.

That republic is today struggling in the southern half of what constituted the old territory of Korea to maintain itself from an economic point of view in the face of a very serious and difficult economic situation. We have spent nearly half a billion dollars in military occupation costs in that country. We have already spent some $60,000,000 since the independent republic was established in trying to give it economic aid so that it can stand on its own feet.

The main objection that I have to the bill that will be before us is to its statement of purpose at the outset, which commits us to what in effect is a long-range aid-to-Korea program. In the uncertain Far East today, I think it would be a great mistake for us to make a commitment of that kind. On the other hand, we are faced by this situation.

If we withdraw aid from Korea, no witness can possibly testify that there will not be economic chaos in a comparatively short time and that then the standard technique which Russian communism has used everywhere is sure to step in, namely to develop in that chaos a strong Communist cell which would begin a revolution which would get its support from the Communist Koreans north of the 38th parallel and eventually from the Soviet Government.

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

Mr. HERTER. I am glad to yield.

Mr. RANKIN. As a matter of fact, is it not true that the United States now owes more money than all the rest of the countries of the world put together? Is that your understanding?

Mr. HERTER. I would assume so.

Mr. RANKIN. You talk about chaos in Korea. If we keep pouring the money of the American taxpayers down the rat-holes of Europe, Asia, Israel, Africa, and Japan, how long will it be before we will be in economic chaos?

Mr. HERTER. I do not agree with the gentleman's statement with regard to rate-holes. I think we have a security interest of the first order in trying to maintain the free peoples of this world. We are not strong enough militarily or financially or in any other way to live in a world which is completely dominated by the Communists on every side of us.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. WHITE of Idaho. Korea is a small country among the vast population of China, is it not?

Mr. HERTER. It is. The area that we are talking about, I think, embraces about 21,000,000 people.

Mr. WHITE of Idaho. If Korea were armed according to our standards, as we are today, could it maintain its independence against an onslaught from the rest of China and Russia?

Mr. HERTER. I would think probably not.

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

Mr. HERTER. I yield.

Mr. KEATING. Did I understand the gentleman to say that since the establishment of the Republic of Korea we have spent $60,000,000 there?

Mr. HERTER. We have done that through appropriations in one form or another, but without any formal authorization. The Congress, as I understand it, has never made any commitment of any kind by legislation for continuing Korean aid.

Mr. KEATING. Unless I am in error, the total expenditures set forth on page 26 of the report, which have been made in Korea to date, are $385,000,000.

Mr. HERTER. Those figures include the military occupation costs before the Independent Republic of Korea was set up, while we were the occupation authority.

Mr. KEATING. I see. The $60,000,000 you speak of is only a portion of that $385,000,000?

Mr. HERTER. The $60,000,000 is what has been spent since the independence of the Republic was proclaimed and recognized by the world.

Mr. KEATING. Is that in addition to the $385,000,000 to which I have referred?

Mr. HERTER. That is in addition.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I am glad to yield to the gentleman.

Mr. ALLEN of Illinois. Is it not a fact that the United States Government now owes more than the total assessed valuation of all the property west of the Mississippi River?

Mr. HERTER. I am not sure of the figure. The gentleman is undoubtedly correct.

Mr. ALLEN of Illinois. It is very close to it, if not exactly that. Is it not a fact that during the past 2 years the Federal Government collected more in taxes than at any time in the history of the Government, and we still went into the red?

Mr. HERTER. The gentleman is correct.

Mr. ALLEN of Illinois. Is it not a fact that if we give these $130,000,000 to Korea we will have to borrow the money, or else raise the national debt?

Mr. HERTER. It will certainly increase the deficit. There is no question about that. I think that is a very important consideration. I had hoped that this Korean matter could be cared for on a different basis from that which is provided for in this bill. Actually, you will hear testimony to the effect that this bill makes an authorization, or will, after an amendment offered by the committee, for only $60,000,000 additional. However, the statement of intent, at the beginning of the bill, will make for a moral commitment which would certainly carry over a very much longer period of time.

However, Mr. Speaker, as this is a matter of real major policy in connection with our over-all world policy, I feel the rule should be adopted and that both sides ought to have a full opportunity to be heard.

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

Mr. HERTER. I yield.

Mr. RANKIN. I would like to call the gentleman's attention to the fact that we are trying to get funds to build some veterans' hospitals which are very necessary. We are told that the opposition is opposing it on the ground of economy. Yet here they come along and propose to give out of the taxpayers' money, out of the pockets of many of these disabled veterans themselves, not only $150,000,000 provided in this bill, but probably it will run to half a billion before it is through. I cannot see the consistency.

Mr. HERTER. I think the gentleman is correct in his statement. On the

other hand, I think we have a major problem that comes ahead of any other problem, and that is the problem of our own security.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield for one further question?

Mr. HERTER. I yield.

Mr. ALLEN of Illinois. Has it come to the gentleman's attention that many, many Members on both sides of the aisle went back to their districts this last summer and got up and told how they were for economy; that we were spending too much, and that we could not continue to do what we were doing. Is that not true?

Mr. HERTER. I am very sure of that.

Mr. ALLEN of Illinois. Today some of those people who have been talking economy will have a chance to vote, and we will see whether they will back up the promises they made to the people back home.

Mr. HERTER. Mr. Speaker, I reserve the remainder of my time.

Mr. SABATH. Does the gentleman from Massachusetts desire to use any additional time?

Mr. HERTER. I yield 15 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I oppose this bill and I oppose this rule. Considered in the light of our policy in the Far East, this program, which is not a one-hundred-and-twenty-million-dollar program but a permanent policy which involves a present program of $385,000,000, is, to use General Marshall's words, a "piecemeal palliative" that I think we just cannot afford.

We are not going to get enough light on our far-eastern policy, with reference to China and the rest of Asia, from the published hearings or in 1 hour of general debate to make an intelligent decision. Remember, this is not a 1-year proposition. True, the authorization is for 1 year, but if you will look at the bill, section 2 provides:

> It is hereby declared to be the policy of the people of the United States to continue to assist the people of Korea—

And there is no termination date put on it.

Since this is such a long-range policy, your committee last June decided to obtain testimony on our whole far-eastern situation from Secretary Acheson, Under Secretary Webb, George Kennon, and Assistant Secretary Butterworth for the Far East. You will find hardly any of that testimony, however, in the hearings. I tried to find out from the Department of State the reason for this suppression of testimony, and I received a letter from the Secretary of State last night, in which he said:

> We followed the principle of including in the testimony cleared for release, only information which pertained to the subject of aid to Korea, the issue involved in this legislation.

However, on page 115 of the hearings, you will find a statement by Mr. Webb, Under Secretary of State, of the Administration's story on the whole situation in China. If you will look, however, on pages 149 and 150 you will find no indication that Mr. Butterworth, when it came to his testimony, deleted not only what he said but what the gentleman from Minnesota [Mr. JUDD] and I said, and you will find no indication that there has been a deletion or suppression.

Mr. HERTER. Mr. Speaker, will the gentleman yield for a moment?

Mr. VORYS. I yield.

CALL OF THE HOUSE

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

The SPEAKER. The Chair will count. [After counting.] Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 4]

Abbitt	Green	Phillips, Tenn.
Allen, Calif.	Heffernan	Powell
Barrett, Pa.	Hobbs	Sasscer
Bennett, Fla.	Hoffman, Ill.	Scudder
Bland	Irving	Simpson, Pa.
Blatnik	Jensen	Smathers
Buckley, N. Y.	Judd	Smith, Ohio
Bulwinkle	Keogh	Stanley
Burdick	Kilburn	Stigler
Cavalcante	King	Taylor
Celler	McGrath	Vursell
Davenport	McSweeney	Wadsworth
Davies, N. Y.	Macy	White, Idaho
Dingell	Moulder	Wier
Dondero	Murphy	Withrow
Durham	Noland	Wolcott
Fugate	Pace	Wolverton
Fulton	Pfeiffer, William L.	Woodhouse
Gilmer		

The SPEAKER. On this roll call 376 Members have answered to their names, a quorum.

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

KOREAN AID ACT OF 1949

Mr. VORYS. Mr. Speaker, I did not ask for a quorum. But there were those who thought some of you who were absent might like to hear something about this Korean aid bill. I am opposed to the bill and opposed to the rule. The rule provides 1 hour of debate. I think in the light of our total far eastern policy—or lack of policy—this permanent policy of assisting Korea with a program, not of $120,000,000, that is only the first installment, but of $385,000,000, and leaving Korea in the red $35,000,000 after 3 years, is—to use General Marshall's words—a "piecemeal palliative." To use a more common expression, this is strictly rat-hole money which we cannot afford.

You cannot consider this intelligently without considering our whole far-eastern policy, but you will not get our far-eastern policy out of the hearings printed in this bill.

When this bill came up in committee on June 8, last summer, with orders that it must be through the Congress by June 30, the committee wanted to know about our whole far-eastern policy, of which Korea and its policy is a small part, and called for administration witnesses and held hearings for 9 days. But you will not find all that in this book. The State Department has suppressed almost all of the hearings that would give the background of this matter. However, not quite all.

I have been attempting for 6 months to find out what military or diplomatic secrecy justified the suppression, not only of the testimony of departmental witnesses, but statements of mine and Mr. JUDD's before the committee. I received a letter from Secretary Acheson on that, last evening, and this is what he said:

> I have given careful consideration to your request that certain testimony given in executive session in June 1949 be released for publication and I regret that I cannot agree with your proposal.
>
> It will be recalled that at the inception of the hearing in question, it was agreed that no departmental testimony would be made public without the consent of the Department. In making our recommendations to the committee last year as to which testimony should be made public, we followed the principle of including in the testimony cleared for release only the information which pertained to the subject of aid to Korea, the issue involved in this legislation—except for a small portion thereof which, for security reasons, we felt should not be made public.
>
> Officials of the Department discussed very frankly with members of the committee in executive session many other matters. To publish a discussion of this nature, extraneous to the main issue involved, or to publish excerpts from it out of context, would, in my opinion, not be consistent with the kind of continuing confidential relationship which, of necessity, must exist between officials of the Department and members of the committee on matters handled in executive session.

However, you will find a statement read by Under Secretary of State Webb on the whole Chinese situation on page 115 of the hearings. That was apparently not considered extraneous. That was information which pertains to the subject of aid to Korea. But you will not find any cross-examination of Mr. Webb, Mr. Kennan, or Mr. Butterworth on the background of the Chinese policy. Anything the committee asked was apparently "extraneous."

These hearings were such as are conducted on appropriations and by other committees. They were in executive session, in this case to prevent any inadvertent leak of military or diplomatic secrets. But there was to be prepared a record to come to the floor so that the rest of the Congress would know something about what went on. The Department officials were permitted to edit the statements of their own witnesses and to take out anything of military or diplomatic secrecy. I will not disclose what any administration witness said in the hearing. I do feel justified, however, in telling you not what some witness said, not what I asked but what I said there, so as to ask you whether or not you can conceive that what I referred to was a diplomatic or military secret. I said:

> Mr. VORYS. The gentleman is so highly erroneous and distorts the history of the legislation so shockingly that I feel I should correct him.
>
> I want to read from the conference report. The Senate does not have a conference report, but by tradition and usage, uses the House conference report to explain the thing on the floor of the Senate:

"Of the total authorization it was agreed that $125,000,000 should be provided under the language of the Senate bill, allowing for aid of military character, with $338,000,000 remaining for the economic reconstruction type of aid. In making this adjustment the allotment for military aid is slightly larger in proportion to purely economic aid than in the original House bill. These changes are embodied in section 404 of the agreed bill."

It was at the insistence of the Department of State, their entreaties and insistence during that conference, that the words "military aid" were not inserted into the bill, and the same thing happened on the Senate bill. But the House report shows quite clearly that the net result of the conference was to raise the military aid as it said here:

"The allotment for military aid is slightly larger in proportion than in the original House bill."

So any deletion of the word "military," and insistence that it should be put in solely as an appropriation to the President, was solely at the insistence of the State Department, in opposition to the views of both Houses and the conferees of both Houses, and therefore to take that as a statement of the intention of Congress, in view of the contemporary statements outside the statute, that this was to be military aid, is shockingly inaccurate history.

Here is what Mr. JUDD said that was deleted from the published hearings:

Mr. JUDD. It is worse than subterfuge to come down and ask Congress to agree to language that would be less provocative and then take our agreement as indicating we did not want you to carry out the purpose that was in the original language.

Mr. JUDD later furnished for insertion in the Korean aid hearings the following from the hearings before the Committee on Appropriations, United States Senate, June 10, 1948, page 527:

Mr. THORP. May I make sure that my answer to the question of our attitude on this legislation is clear, that we in the State Department question the desirability of the proviso which was placed by the House Appropriations Committee in connection with this expenditure which would tie it into the objectives and limitations in the act for assistance to Greece and Turkey. At that point we feel that there should be a change in the legislation.

* * * * *

Mr. BUTTERWORTH. May I make one statement, sir? The Secretary of State, who I believe is appearing before the committee shortly, did authorize me to state that he is opposed to the provision regarding the inclusion of China in Greek-Turkish legislation.

This quotation from a public hearing, furnished for the record by a member of the Foreign Affairs Committee, Mr. JUDD, was deleted from the purported hearings on Korean aid by the State Department.

The statement of Mr. W. W. Butterworth on June 20, contained on pages 149 and 150 of the printed hearings does not indicate that there was any omission or deletion of any kind in his own testimony, nor does it show the suppression of these statements by two committee members.

As I say, the full story of our Far Eastern policy is suppressed in the hearings, and this story cannot be presented adequately under a rule that permits only 1 hour of debate.

However, using such light as we have, viewed in the perspective of our Far Eastern policy, let us look at this Korean-aid proposition. I want to take my text from General Marshall in his famous Harvard speech of June 5, 1947. We had gone through a lot of piecemeal, stop-gap foreign-aid legislation, and Congress and the country were getting tired of it; so at Harvard General Marshall said, as to future aid policy:

Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop; any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

I believed that, and that is the policy I have been attempting to follow ever since. It is the policy that is not followed here. In this legislation there is no direct benefit to our military security; our troops are out; the Soviets can come into southern Korea whenever they wish. I call your attention to page 170 of the hearings.

This is no economic cure, but a palliative. The program was ably and honestly presented by ECA. Mr. Hoffman himself testified, and you will find his testimony at page 15 of the hearings and in the report at pages 27 and 28, that 25 percent of this money is to go for freight. The first part of the program is to last 3 years and to cost not $120,000,000, but $385,000,000. At the end of that period Korea will be out of balance $35,000,000. So it cannot be justified as an economic cure for the ills of Korea.

There is no commitment, no agreement, no obligation. If you will turn to page 182 of the hearings you will find that Mr. Claxton from the Department of State, said:

This is not a commitment in the sense of an international treaty, an international agreement; it is not as much as a promise.

Why, therefore, do we go forward with this program which does not involve our military security, which does not help solve our own economic problems and will not solve Korea's economic problems, with half of Korea under Communist control, and for which we have no obligation, no commitment? Why? Because we helped Korea secure independence. How about Indonesia? We helped Indonesia secure independence in the United Nations and outside. How about Israel? We helped Israel secure independence in the United Nations and outside. How about India, Finland, Burma, Austria, and other countries whose independence and membership in the family of nations we aided and welcomed? Are we to continue to assist them, or is Korea to be a special case?

The Koreans are fine people, a gallant people who are making a magnificent struggle. We have helped them to the tune of $445,000,000 already. They may, however, have to do as we did after we achieved our independence—get along without outside help.

On June 23, Secretary Acheson stated before our committee in summing up his argument for Korean aid—hearings, page 192:

There is no assurance that the thing is going to be successful; there is complete assurance that Korea will go in 2 or 3 months if you do not do this.

Last June the Secretary said:

There is complete assurance that Korea will go in 2 or 3 months if you do not do this.

Six months later, Korea is still holding her head up as an independent nation and we have not done this; we have not passed this bill. When it comes to the Far East, our Secretary of State shows as much ability in predicting the future as he does in explaining the past.

We cannot justify this as conscience money. There are those who would vote for it because their consciences hurt them for what they have done, or not done, about China and Formosa. My conscience does not hurt me as to what I have advocated for Asia, China, Formosa.

There are those who want to vote for this on an "iffy" basis; on the basis that if we had done what we should have in China, Manchuria, Formosa, at Yalta, and so forth, Korea would now be a sound economic and military part of our policy. I cannot justify a vote based on something that did not happen, merely because I wish it had happened. We must face the situation as it is, regardless of how it got that way.

There are those who will vote for this as a vote of confidence in the policy or lack of policy of their administration and the Secretary of State. I have no such confidence.

There are those who are voting for this on a sympathy basis. Congress voted money for Finland back in 1940 out of sympathy. I voted against it. I felt then about them as I do about this. I feel a great sympathy for the Republic of Korea and will show it in my own voluntary way; but I do not think Congressmen have any right to be sympathetic or charitable with other people's money.

I have given a good bit of thought, as we get closer to the deadline in our own financial status, as we go deeper into the red, to this whole matter. This is a goodwill, humanitarian, charity measure. Of all human virtues, the greatest is charity, but it is an individual virtue, and it must be voluntary. You cannot be charitable with somebody else's money. I have come to the conclusion that Congress has no right to appropriate money, to take it from American taxpayers by involuntary means, to give to foreign countries for solely charitable purposes.

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

Mr. HERTER. Mr. Speaker, I yield the gentleman the balance of the time on this side.

Mr. VORYS. Mr. Speaker, not only has Congress no right under our Constitution to give away taxpayers' money solely for charitable purposes, but foreign countries do not believe us when we say we are giving them something just because we love them. They look for the "gimmick."

Mr. Speaker, I hope our people continue to be big-hearted, charitable, and humanitarian. I hope that our great voluntary agencies, our churches, continue the fine work they have carried on

so magnificently during the 160 years of our existence. But whatever our Government does should serve our own purpose and policies and we should say so.

Under present circumstances and in view of our present policies in Asia, we are not justified in adding to our deficit any further by voting money for this permanent policy of economic aid to Korea. It may be that in the future as we develop a new policy, as we develop legislation which is now before our committee, Korea will receive aid under some mutual aid plan, some far eastern plan that makes sense and conforms to some sensible policy. I hope that day will come. But in the present state of our policy or lack of policy, we should not vote money down the Korean rat hole that will not save them militarily, that will not add to our military security, that will not help us economically, but will be, on the contrary, an economic drain, that will not solve their economic problem, a program for which we have made no promise, no commitment, no obligation.

Mr. Speaker, this rule should be voted down. If it is not voted down, I shall offer a motion to recommit this bill for further study and hearings so that it may be brought in here later in order that we may know what we are doing.

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

Mr. VORYS. I yield to the gentleman from Nebraska.

Mr. STEFAN. I do not know what rules the gentleman has in his committee in the taking of testimony in hearings, but I have never yet heard in our committee that departments are given permission to edit or delete any of the questions propounded by a Member of Congress on the committee. However, in case of security we have an understanding that the testimony is always available to all of the committee, and there is no deletion.

Mr. VORYS. Up to this Korean aid bill that was, so far as I remember, the practice in our committee. In this instance not my questions, but my statement as well as that of the gentleman from Minnesota [Mr. JUDD], to the committee—not on any military or diplomatic question but on what the China Aid Act of 1948 meant—was deleted, and I have been unable to get it back in, and I have been trying for 6 months.

Mr. STEFAN. Under the rule of our committee when that happens in a department, the original transcript is returned to the committee with the original statement and the questions, and no deletion is allowed. But, it is not made public. However, if it is of a secret nature it is left in the committee for the information of the members of the committee, of course. But, that statement had something to do with security, did it?

Mr. VORYS. No. It had nothing to do with security. My statement and the statement of the gentleman from Minnesota [Mr. JUDD], had to do with the construction of the China Aid Act of 1948.

Mr. STEFAN. That ought to be corrected in the gentleman's committee by a rule set up in that committee.

Mr. VORYS. It certainly should.

Mr. STEFAN. The gentleman quoted the Secretary of State. If the gentleman will read further in the statement of the Secretary of State he said that if nothing is done, Korea will be lost within 2 or 3 months. What would the gentleman say to that?

Mr. VORYS. On June 23 the Secretary of State said—and it is in the hearings—"There is no assurance that the thing is going to be successful. There is complete assurance that Korea will go in 2 or 3 months if you do not do this." That was 6 months ago. I submit that his ability as a prophet is equal to his ability as an apologist for our policy in the Far East.

The SPEAKER. The time for the gentleman from Ohio has expired.

Mr. SABATH. Mr. Speaker, I followed closely the remarks of the gentleman from Ohio [Mr. VORYS], and with a great deal of interest. I appreciate the fact that he has spent considerable time in China and that he has an active interest in Chinese affairs.

Of course, we have two or three other gentlemen, who, like the gentleman from Ohio [Mr. VORYS], seem to be, for reasons unknown to me, continually assailing the administration policy and urging the support of the corrupt and vicious Chiang Kai-shek government. This latter government has been misruled for many years by a most tainted clique, whom the United States has aided, in the last few years, with three to four billion dollars and with millions upon millions of dollars worth of supplies and war materials. Yes, with air power, naval power, vehicles, and ammunition, notwithstanding the reports of such men as Gen. George Marshall and General Wedemeyer, who reported to the people of the United States that Chiang and his dishonest group refused to bring about any agreement for peace between the Chinese Nationalists and the revolutionary forces. Not only these two great generals, but many others have made clear the fact that our aid to China could not and has not saved the crooked Chiang government from defeat. Witness the Chinese white paper that was published last year by our State Department.

In the last three or four months we have come to generally recognize and realize that the days of the Chiang regime are gone forever and are far beyond any hope of being retained. Witness the moving of Chiang Kai-shek and his capital city from one place to another until now, they have abandoned the Chinese mainland and have retreated to Formosa.

Now comes the gentleman from Ohio [Mr. VORYS] and objects to the authorization of this small amount to Korea and to aid the new Korean Republic. Korea is pleading and urging us to aid them so as to enable them to maintain themselves and retain their hard-won freedom and independence which they gained about a year ago. The gentleman from Ohio concedes that the Koreans are a splendid people, and I concur. Although I am interested in economy, I feel that by our aiding the Koreans and helping them maintain their freedom, it is well worth the amount called for in this bill as opposed to the spending of billions of dollars to aid the old Chinese clique in Formosa and their lust for returned power, as the gentleman from Ohio [Mr. VORYS] and others urged. It is comparable to sinking money into a rat hole, for certainly that is what has happened to the billions of dollars that we have spent and that the gentleman from Ohio would like us to spend on China and Formosa.

Of course, there are several other gentlemen on his Republican side who preach economy and yet advocate the spending of billions of dollars on the lost cause of China. All this because they were in China for a short time and sympathize with China, but not with the poor, unfortunate, oppressed common people of China who have been fighting valiantly for many years to overthrow the corrupt Chiang government so that they can obtain better social and economic conditions for themselves and their families.

However, other well-informed men, in addition to our State Department, which seems to be possessed of all the facts, know what is for the best interests of the United States—certainly more so than the gentlemen who are appealing for aid to the Chinese and Formosa.

I personally believe that the appropriation provided for herein will be of tremendous help in strengthening the Koreans in their desire to retain their independence, and the Koreans do not fear any Russian threats. I have been at all times in favor of aiding all peoples and countries who are seeking their freedom and independence. Consequently, after talking with many people who know the true facts, as I said before, although I was first opposed to this bill, I came to the conclusion that it will be of tremendous aid and benefit to the Koreans and to the United States as well.

Since I have not observed any real opposition to the rule, and as the House is well-informed on the subject, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5330) to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5330, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

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

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

Mr. Chairman, it should be understood in the beginning that this bill (H. R. 5330) has, in the form of S. 2319, already passed the Senate. As passed in the other body it authorized an appropriation of $150,000,000 for Korean aid. That happened the first session of the Eighty-first Congress. The bill before you today, H. R. 5330, failed of consideration in the House at the last session of this Congress and is now called up at this session for the consideration of the Members of the House.

I am glad to say, however, that when the bill is read under the 5-minute rule I will offer an amendment reducing the amount called for in the authorization clause of the bill from $150,000,000 to $60,000,000. This reduction is authorized and justified by the fact that because of the failure of the last Congress to provide sufficient funds to carry the work in Korea on through the fiscal year 1950, the director of this aid in Korea was unable to do many things which could have been done had the money been available.

In other words, when the bill was first introduced in this House, the director of ECA operations in Korea was about out of money. He had very little available from former appropriations. He asked for $150,000,000 to carry him through the fiscal year 1950. This means from July 1, 1949, on through June 30, 1950. He failed to receive, and the Congress failed to authorize, the appropriation; but from time to time, in order to carry on operations in Korea that it was necessary to carry on, there was appropriated in piecemeal sections to this project the sum of $60,000,000 throughout the course of a few months.

The first appropriation amounted to $17,500,000. There was a second appropriation which I believe amounted to something like three to four millions. There was another appropriation which amounted to $30,000,000, and to the latter appropriation was credited or charged the former appropriations which had been given piecemeal. Altogether during the course of the last year, up until February 15th of this year, they had available for aid to Korea $60,000,000, which was insufficient to carry on the program to its full and complete extent.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. WHITE of Idaho. That brings me to the very question I was going to ask the gentleman at the beginning of this discourse. As I am informed the $60,000,000 that you propose to authorize by this bill was spent without an authorization, is that right?

Mr. KEE. This $60,000,000 is in addition to what has been authorized and appropriated heretofore.

Mr. WHITE of Idaho. In other words they spent $60,000,000 which was unauthorized and when you use the word appropriation, it would be more appropriate to use the word allocation. They have allocated from time to time money which was unauthorized and have spent it.

Mr. KEE. No, the gentleman is mistaken. It was appropriated.

Mr. WHITE of Idaho. I wish the gentleman would explain what he means. Was the $60,000,000 which has been spent appropriated or authorized?

Mr. KEE. It was appropriated. It was not authorized through any operation or act of a legislative committee. But it was authorized on the appropriation bill which was passed by the Congress. Every cent which has been expended in Korea was appropriated before it was expended.

Mr. WHITE of Idaho. I beg the gentleman's pardon. This is an authorization and not an appropriation, is that not correct?

Mr. KEE. This is an authorization we are asking for today—an authorization of $60,000,000 in addition to what has been expended.

Mr. WHITE of Idaho. If the gentleman proposes to cut this authorization from $120,000,000 to $60,000,000, why would that be necessary if they have already been authorized $60,000,000? Why bring in an authorization bill at this time?

Mr. KEE. We have no authorization for $60,000,000, none whatever. That is what we are asking for now.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. BROWN of Ohio. If the original $60,000,000 was actually authorized by the Congress——

Mr. KEE. It was appropriated.

Mr. BROWN of Ohio. That is the $60,000,000 which has been spent?

Mr. KEE. Yes.

Mr. BROWN of Ohio. Then why is it necessary to bring this bill in asking for a total appropriation of $120,000,000, which would include the $60,000,000 which the gentleman just said had been authorized. The facts are that the $60,000,000 has already been spent.

Mr. KEE. Will the gentleman permit me to answer the question? I know what the facts are.

Mr. BROWN of Ohio. Well, let us have the facts.

Mr. KEE. The fact of the matter is that we are not asking for an authorization of $120,000,000. We are asking for an authorization of $60,000,000 to carry this work forward during the balance of the fiscal year 1950—from February 15, 1950, to July 31, 1950.

Mr. BROWN of Ohio. Do you not propose to offer an amendment—that is what we were given to understand in the committee—that you would offer an amendment to make this a total of $120,000,000?

Mr. KEE. I am offering an amendment to make this a total of $60,000,000.

Mr. BROWN of Ohio. Not $120,000,000?

Mr. KEE. Not $120,000,000.

Mr. BROWN of Ohio. I am certainly glad to hear that. So it will be a total of $60,000,000 and not $120,000,000?

Mr. KEE. I join with my good friend in being happy about that.

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

Mr. KEE. I yield.

Mr. MANSFIELD. So that there will be no misunderstanding, the total will be $120,000,000, $60,000,000 of which has already been spent and obligated until February 15.

Mr. BROWN of Ohio. Then my understanding is correct.

Mr. MANSFIELD. There is $60,000,000 to come under this authorization, making a total of $120,000,000 for this fiscal year to be spent in aid to Korea.

Mr. KEE. But the gentleman from Ohio was asking about authorizations. It will only be $60,000,000 to be authorized. The other $60,000,000 has already been appropriated and has been used. There is no authorization except for $60,000,000, and the amendment will be offered to that effect when the bill is read under the 5-minute rule.

Mr. BROWN of Ohio. The gentleman says the total is $120,000,000. Which gentleman is correct?

Mr. KEE. That is it; what was appropriated last year.

Mr. BROWN of Ohio. But not authorized?

Mr. KEE. It was never authorized by any legislative committee, as I have explained, was authorized by an appropriation in an appropriation bill passed by the Congress of the United States.

Mr. WHITE of Idaho. The thing that disturbs me is that foreign commissions can spend money that is not authorized, but if you want to spend any money in the United States by any department, it must be authorized.

Mr. KEE. The appropriation authorizes its expenditure, and this Congress certainly appropriated $60,000,000 that has been spent. There has been nothing spent that was not authorized.

Now, it is unnecessary, I should think, for me to go into the advisability or the wisdom or the justice there is in our rendering aid to the Republic of Korea. It must be understood that the Republic of South Korea is a child of the United States and the United Nations.

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

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

It was born through our efforts. It has been raised by our efforts. We established the Government of Korea as a free and democratic government, and it is the only free and democratic government existing in that area of the Far East.

Toward the close of World War II, the Japanese were driven to surrender, but it took no military operation to bring about their surrender in Korea. That is, it was not necessary for the United States to conquer the occupying Japanese Army.

Written into the terms of surrender is a provision that the surrender of the Japanese Army in Korea would be taken by the Russian Army from the border of North Korea and Manchuria down to the thirty-eighth parallel of latitude, and that the surrender of the Japanese troops south of the thirty-eighth parallel would be accepted by the United States troops. At that time the Russian Army was poised on the border of Manchuria. United States forces were located in the far-off Philippines. It

took the United States forces 1 month to get into Korea. The Russians were there on the border and immediately marched southward, and 1 month later, when United States troops reached Korea, the Russian troops had taken the surrender of the Japanese to a point even south of the thirty-eighth parallel, and had to be induced to retreat to the thirty-eighth parallel of latitude. That is the boundary line between the Russian-occupied part of Korea and that portion south of the thirty-eighth parallel of latitude that is now incorporated in the Republic of South Korea.

Together, the United Nations Commission and the United States Government, at the invitation of the people of South Korea, went in and organized the South Korean Government and have taken care of it ever since. May I, however, go back across the years and give you a brief story about Korea, beginning with the turn of the present century.

Prior to World War II, Korea, a peninsula jutting out from the east coast of China, had been governed for many years by Japan. The latter country established a protectorate over the peninsula in a treaty on February 23, 1904. At the close of the Russo-Japanese War, Russia conceded Japan's political, military, and economic interest in Korea and pledged that it would not oppose Japanese measures for its protection and control. Korea's emperor was forced out by Japan and replaced by a puppet in 1907 and Japan assumed entire control of the country. On August 22, 1910, Japan formally annexed the country and ruled it from that time down to the close of World War II.

After four decades of subjugation and occupation, Korea was taken from Japan by the terms of surrender at the close of World War II. It was not taken over by direct military operations. An order, issued by the Supreme Commander for the Allied Powers to the Japanese Government for effectuating the surrender, specified that Japanese forces in Korea north of the thirty-eighth parallel should yield to Soviet forces and those south of the line should yield to United States forces. Thus was first established the dividing line now separating the Russian controlled North Korea and the territory controlled by the free, democratic Republic of South Korea. At the time of Japan's surrender, Russian troops were poised on the northern border between Manchuria and Korea. The nearest body of United States troops was located in the Philippine Islands. Immediately after the surrender, the Russian army at once marched down from the north and took the surrender of Japanese troops throughout the northern portion of the country, and in fact penetrated to a point some distance south of the thirty-eighth parallel. While the Russians entered Korea on August 12, 1945, the United States forces had to be brought from the Philippines and did not succeed in reaching and entering Korea until September 8, 1945. The Russian forces in northern Korea, having occupied certain sections south of the thirty-eighth parallel, were finally induced to withdraw back to that dividing line.

The thirty-eighth parallel was first established as purely a military measure and for the sole purpose of administering the terms of the surrender. It had no permanent nor wider significance. It was not long, however, until the iron curtain had enveloped Korea north of the thirty-eighth parallel. When this phase of the matter appeared, the commanding general of the United States forces initiated a series of interchanges with Soviet commander attempting to lower or erase the barrier thrown by the Red Army across the Korean peninsula. No argument, however, prevailed with the Russian authorities.

As I have said many attempts have been made by the American Government to remove the barrier line established by the Russians. None have been successful. A joint commission was established by Russia and the United States, and this joint commission engaged in a time-consuming effort to remove all barriers between North and South Korea, but without success.

Following the complete failure of diplomacy and of all conferences, the entire matter was taken to the United Nations and the issues respecting the future of Korea were placed before the General Assembly. On September 23, 1947, the Assembly voted to include the problem of Korea in its agenda.

The United Nations appointed a temporary commission on Korea and this commission made an immediate visit to that country. Arriving in South Korea in January 1948, it held its first meeting on January 12. North Korea, still occupied by Russian armies, was barred to the commission. The Soviet commander even refused to receive a communication suggesting an appointment for a courtesy call. A satellite, the Ukrainian Soviet Republic, which had a representative on the commission, failed to send one. All efforts to enlist cooperation from the Soviet authorities in Korea met only with rebuffs and denials.

The temporary commission officially recognized its complete failure to attain its objectives and referred the matter back to a committee of the United Nations General Assembly. This committee thereupon instructed the temporary commission to proceed to carry out the United Nations program "in such parts of Korea as are accessible to the commission." Thereupon the commission announced that it would observe elections in such parts of Korea as were accessible to it and that elections would be held on the basis of adult suffrage and by secret ballot and with perfect freedom of speech, press, and assembly.

Because of the fact that not only United States officials but also the Commission were barred even from entering North Korea, the elections were held only in that section of the country south of the thirty-eighth parallel. For the first democratic election approximately 75 percent of the eligible voters in South Korea had registered. On election day, May 10, 1948, an estimated 95.2 percent of these qualified voters cast their ballots. This free election was held notwithstanding the obstructive efforts of the Communists, which included large-scale terrorism, violence, and threats.

In December 1946 a legislative body for South Korea had been established. The members of this body were selected by an indirect voting process customary in Korea, and to this body were added an equal number of delegates appointed by the United States military governor to represent various cultural activities.

After the legislative assembly was set up further steps were taken by the United States authorities to transfer all authority from Americans to Koreans. The development of self-government in South Korea became a concern not only of the United States but also of the United Nations. In August 1948 a new government set-up under United Nations auspices was established and ready to receive full authority by transfer from United States military government of all civil authority.

A new constitution was adopted in 1947 and with the election of Dr. Rhee as president on July 20, 1948, the new government was in full operation.

The temporary commission which had observed the elections held in South Korea reported to the United Nations General Assembly at Paris in the fall of 1948, and the United Nations recognized the new government as the only free government in Korea. The United States accorded full recognition to the government in 1949 and recognition has been accorded by China, France, the United Kingdom, the Philippine Republic, and other governments throughout the world.

As briefly as possible I have set out the facts in connection with the organization of the South Korean Republic and the reasons why the jurisdiction of that republic extends only northward to the thirty-eighth parallel. The action of the Soviets in North Korea was, of course, following the pattern of the conduct of the Soviet Government in respect to each and everyone of its satellites and countries coming under Soviet domination. Having once established its forces in northern Korea, having once taken over the country upon the surrender of the Japanese Army, having once been given an opportunity of domination, the Soviets firmly entrenched themselves north of the thirty-eighth parallel, and there they stand today defying every attempt to either move them or to agree with them.

On the other hand, in all that section of the country lying south of the thirty-eighth parallel, the influence of the United States is dominant. After accepting the surrender of the Japanese forces in that area, the United States military authorities at once initiated a movement to establish, not a protectorate under United States domination, but a free, democratic government participated in and controlled only by the Koreans themselves. We gave to this government every encouragement. We taught them the principles of democratic government and the know-how to enable them to conduct it in the democratic way. We maintained in that country sufficient military forces to insure the government against invasion or aggression from its neighbors until the government itself was able to resist any force likely to be sent against it. We

have since that time withdrawn our military combat forces but still maintain in the country a military commission to which the officers of the South Korean army can apply for counsel and advice. Under ECA and other legislation of this Congress, we have been rendering economic aid to the government of South Korea. We have been of aid to them in building up their industrial plants and in increasing their agricultural activities and production. Today so far as food is concerned the Republic of South Korea is self-sufficient and is able to export food to other nations.

Unfortunately, however, the great bulk of the country's factories and industrial plants are located above the thirty-eighth parallel in North Korea now under control of the Communists. The electric plants formerly supplying light and power not only for the northern area but for South Korea, including a number of hydroelectric plants are all located in the Russian section of Korea, to wit north of the thirty-eighth parallel. In other words, the southern section of Korea is the great agricultural section of the country while the northern section has been and is the industrial section. In order that the South Korean Republic may grow and prosper and in every respect become self-sufficient, it is necessary that the government be aided, assisted, and encouraged to construct industrial plants as well as power plants to operate them. These are the things in which the American Government has been engaged and which we want to continue to do, to assist the only free and independent democratic nation now in the China area. To cut off not only our economic aid but also our military counsel and assistance and to turn this country and its people over to the Communist controlled northern government of Korea would indeed be tragic. Not only all of the Far East, but also the Middle East and the Near East—in fact all the world—has known for a long, long time that the South Korean Republic was born and established through the agency of the United States acting jointly with and within the framework of the United Nations. The world has known that we were the sponsors of this government, that we were responsible for its formation, that it was builded upon our principles and with our help, and should we abandon these people to their own devices at this time, our action would be looked upon not only with horror but with despair by the peoples throughout the world. We would be held up to the scorn of all nations as a nation that has broken its word, its promise and its commitments. We would be branded as undependable and unreliable, as a weak counselor and a weaker ally.

STATEMENT REGARDING ESTABLISHMENT OF THIRTY-EIGHTH PARALLEL LINE

The Foreign Affairs Committee looked thoroughly into the background of the establishment of the line along the thirty-eighth parallel which has divided Korea into two parts. Questions were raised as to whether the line had been established as part of the agreements at Yalta and as to whether it might not have been possible to have excluded Soviet forces from Korea entirely. The testimony of representatives of the Department of State and the Department of the Army shows the following facts:

First, the drawing of the line was as I have stated essentially a military decision. The sole purpose of the line was to define the areas in which United States forces and Soviet forces would accept the surrender of Japanese troops in Korea at the end of the war against Japan. When the Japanese offer of surrender came on August 10, it was necessary to decide immediately what forces of the various allies should take the surrender of the Japanese troops in the various areas of the Far East where they were. Our military authorities, in making their decision, had to consider the relative availability of Allied military forces in those territories. Soviet forces already were well into Manchuria and other Soviet forces were on the border between Korea and the Soviet Maritime Provinces. The great Soviet base of Vladivostok is only some 80 miles from the northeast border of Korea. On the other hand, the nearest American forces were on Okinawa, some 600 miles south of Korea, with some of the forces needed for movement into Korea as far distant as the Philippines, some 1,500 to 2,000 miles away.

In this situation the Secretary of War submitted to the State-War-Navy Coordinating Committee on August 11 a draft of General Order No. 1, which it was intended that General MacArthur as Supreme Commander for the Allied Powers should have the Japanese Government issue to all of the Japanese armed forces. This draft of General Order No. 1 directed that the Japanese forces north of the thirty-eighth parallel should surrender to the Soviet commander in Asia, while those south of that line should surrender to the American commander. Following further consideration by the State-War-Navy Coordinating Committee and the Joint Chiefs of Staff, General Order No. 1 was submitted to the President on August 14 and following his approval was telegraphed to General MacArthur on August 15.

The second main fact is that, far from permitting the Soviet Union to take over part of Korea from which it could have been excluded, the establishment of the thirty-eighth parallel line actually held for the free people of Korea the southern half of the country, which otherwise might have been overrun by the Red Army. As I have said, Red army forces were already on the move in Manchuria at the time of the Japanese offer of surrender on August 10. They had already entered the northern part of Korea on August 12, while General Order No. 1 was still under discussion. It was only by virtue of this order prepared by the United States Government that the United States forces were able to enter any part of Korea to take the surrender of Japanese troops, and it was only by virtue of a brilliant and rapid operation covering up to 2,000 miles that General Hodge and his soldiers were able to land in South Korea on September 8, 1945 and accept the surrender of Japanese troops in that area on the following day. Some idea of the size of this operation may be gained from the fact that it would be comparable to starting troops from Cuba or Haiti, staging them in Florida, and landing them in Nova Scotia.

In the third place, there is no evidence whatever of any agreement or arrangement arising out of the Yalta Conference, or any wartime conference, relating to the division or joint occupation of Korea.

Finally, it should of course be thoroughly understood that the division of Korea and the movement of United States forces into Korea was never intened to be for a long-term occupation. This was a development which resulted from the persistent refusal of the U. S. S. R. to agree to the establishment of a united and independent Korea upon terms which would do justice to the aspirations of the Korean people for freedom and national independence.

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, we have before us today the question whether we should authorize $120,000,000 to assist Southern Korea.

It is my understanding this amount is but a part of a 3-year program involving approximately $400,000,000.

Before considering whether this bill should be passed, I feel we should not only look at the over-all aid we have already given foreign countries but also the aid we have given Korea to date.

In a statement prepared by the Legislative Reference Service of the Library of Congress, the total postwar aid given from July 1, 1945 to January 1, 1950 to all foreign entities amounts to $33,070,200,643. And according to this same tabulation, Korea received $238,652,893 between July 1, 1945 and June 30, 1949. This does not include military agency disbursements such as military pay and allowances in foreign areas, supplies and materials, dependency payments, transportation services, overseas cemeterial expenses, and so forth.

Since that time Korea has received an additional $60,000,000 and also $24,927,596 from the Foreign Liquidation Commissioner. Furthermore there has been earmarked for Korea $3,000,000 under the military assistance program.

When this bill was under consideration last July I joined with four others of my colleagues on the Foreign Affairs Committee in a minority report in which we pointed out the folly of rendering this assistance under existing circumstances. At that time we said:

> To expect Korea to withstand the aggressive political tactics of the Soviet in a surrounding climate of rampant communism, would be to expect an isolated and powerless Luxemburg to repel the ideology and the tactics of a Hitlerized Europe. * * *
>
> The proposed program is a double-bitted ax, and one which may well be turned against us in the future. Already, along the thirty-eighth parallel aggression is speaking with the too-familiar voices of howitzers and cannon. Our position is untenable and indefensible.

Since that time the march of events in the Orient have only strengthened my belief that this proposed action would be putting money down a rat hole. If the island of Formosa, located over 100

miles from the mainland of China, cannot be defended against aggression as contended by Secretary of State Dean Acheson, how much less could South Korea be defended being the tail end of the peninsula, with guerrilla activities in North Korea and Communist control in Manchuria?

As we pointed out in our minority report:

> Korea is hopelessly outflanked by the adjacent land mass of China, and the peninsula has no connecting link with any friendly continental power. Every ton of supplies contemplated to be furnished under the terms of this legislation must be transported vast distances, only to be put down in the midst of a complex and daily shifting Pacific picture, in which the rapid and undeterred spread of communism is the salient feature.

The testimony before our committee disclosed that Korea was not considered as vital to our security program. This testimony disclosed that even with the economic aid proposed during the next 3 years Korea would not be self-sustaining. Therefore, this help would not aid this country militarily or insure the economic security of Korea. The evidence also disclosed that there was no commitment to give this aid.

In my judgment, to furnish this aid under these circumstances would be like treating a hangnail on one's finger when the arm was swollen with poison from the wrist to the shoulder.

While an amendment will be offered from the floor to cut the original amount of $150,000,000, in reality it will not be a substantial reduction but merely takes into account the $60,000,00 that was appropriated last year.

When we take into consideration that we have spent over $33,000,000,000 in foreign aid since July 1, 1945, and largely because of that fact we have had to continue deficit spending, it might be well to seriously consider just how much further and how much longer we can continue spending these vast sums. In the case of Korea I think the time to stop is now. This bill should not pass.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am interested only in national defense, as far as Korea is concerned. I was a member of the subcommittee on public lands that visited about 22 islands, in addition to Hong Kong, and also the Republic of Korea. At Tokyo we were informed by General MacArthur's staff of the danger of world war III. There is no use camouflaging the danger. We were informed how we got into this danger. We put ourselves there.

But that is water under the bridge. We were put in that position when our Presidents were advised and counseled by Dean Acheson and Hiss and others to go to bed with Stalin and betray not only our own country but the world. I have no confidence whatever in anything that Dean Acheson says. But I still feel that we owe some obligation to the Korean people that we put in the position they are in, and also to realize that our war is in Asia, not in Europe.

I have noted with some surprise that members of the Foreign Affairs Commitee who have so lavishly thrown the American dollar all over Europe where there was no war, who have voted to finance inefficient and, in some cases, dishonest governments, now say that if we give a little money for national defense where the war is really going on it is unconstitutional.

When I was in Tokyo we were shown in MacArthur's headquarters that the division of Korea was very unfortunate and dangerous to us. We gave North Korea to Stalin. It had the hydroelectric power and the coal mines, and the Russians immediately shut them down and would not let South Korea have any electric current, so South Korea needs money to reestablish their hydroelectric power and reopen their coal mines and get access to these coal mines.

We were informed in no uncertain terms that Russia was supplying arms and training North Korea, and we were also informed that we were doing the same for South Korea. That is the situation that exists there today. We are in Korea; we have General Roberts there training the Korean soldiers. The guns and things they have for defense are American. We are going to continue to stay there.

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

Mr. LEMKE. I am sorry; I have but 5 minutes; I cannot yield.

Mr. Chairman, that is the situation. We are there now. Are we going to withdraw? Are we going to throw another nation to communistic Russia? That is the whole question. Or are we going to call a halt and take a stand for the people who still believe in peace and not in aggression?

What did we find when we went to Korea? We found an intelligent, a patriotic people there, a people who believed in us, a people who were friends of ours—far more so than any that we can find in Europe. In addition, we are responsible for the position they are in. We agreed to turn part of their country over to Russia. We were told by the highest officials in Korea that if we would let them alone they could reunite their country that we so cruelly divided and that belonged to them.

Of course there is civil war between these two factions. The Communists go over in nightly raids of the South Koreans; but the South Koreans have 22,000,000 people and the North have only 9,000,000. The South Koreans can take care of themselves unless Russia steps in.

When Russia steps in, if ever she does—and I hope she will have brains enough not to—then world war III is on, and we need not camouflage it. We will then have at least some responsibility somewhere in behalf of the American people and of the people of the world as far as communism is concerned.

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

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

Mr. BURNSIDE. Mr. Chairman, we did not give North Korea to the Russians. The Russian troops took that area and they had extended much farther in South Korea, but we have them back over to the thirty-eighth parallel now.

I just recently returned from Korea. The Hoover Commission recommended that five make this trip to the Far East in order to examine the expenses, the way in which we were spending our money in that part of the world. Five of us made that trip and I think the group was unanimous in its opinion that the money was being well spent in Korea. I do not know of any exception to that report.

We had a most wonderful reception from the people of Korea. More than 750,000 Koreans greeted us at the airport, along the way, and in the city. That is a very large group. One thing we were constantly impressed with was the sincerity of the Korean people. They were very, very sincere in their desire to maintain the independence of Korea.

Mr. Chairman, Korea is the only Christian country in Asia. All the Christians here certainly should think about endeavoring to the best of their ability to maintain the only Christian country in Asia.

We saw a large number of people who had come down from North Korea to South Korea because there was a democratic government in South Korea and we also saw troops that had deserted from the North Korean forces, who came down to the south. We reviewed some of these troops. They wanted to fight for democracy. They were held in tow by the Communist forces in North Korea, but they broke away from those forces and came south, and joined the South Koreans.

The Republic of Korea must not be ignored in a consideration of our present status and future policy in the Orient. The United States has a moral commitment to see that the Republic is able to stave off any full-scale North Korean Communist invasion, and they are perfectly able to do that.

We saw many of the 60,000 troops which are exceptionally well equipped in small arms. They had their arms very well cleaned, their equipment was in excellent shape, which is the sign of a good, well-trained trooper. These men paraded excellently. They do need more ammunition to practice with. They are doing a good job. Our fellow West Virginian has done an excellent job in training these troops. General Roberts has done an extremely good job in training them.

As I stated, the United States has a moral commitment to see that the Republic is able to stave off any full-scale North Korean Communist invasion. We have done that in equipping these 60,000. There are also another 60,000 men who are trained much like our National Guard and they are ready to go into the breach if necessary. In addition to that, they have 10,000 men in the cities who are trained and there are more than 2,000,000 Koreans in the Youth Corps who are able to take up any type of equipment they can get in order to defend their native land.

I have never seen a more sincere people, a people who are more anxious to fight for their independence than are these Koreans.

Under the terms of an agreement we made with the Russians, the United States occupied South Korea after the war while Russia occupied the northern half. The Russians have withdrawn their troops and left behind a strong North Korean army and a Communist government. We withdrew our forces last summer. This was a year after a democratic election was conducted by a United Nations Commission in the southern zone as the result of a resolution introduced into the General Assembly by the United States. Russia would not allow the conducting of such an election in the northern zone. I may say also that in the north there are now 9,000,000 Koreans while in the south there are 21,000,000 Koreans. Last year there were more than 2,000,000 who came from the north to the south to join the south in its fight for independence for Korea, really true independence, not one under the domination of the Communist forces.

Because the thirty-eighth parallel iron curtain divides Korea into two zones which are normally dependent upon each other economically and industrially, the Republic continues to need United States aid in the form of ECA grants. The fact that the Republic has used wisely the aid given to it so far has been attested by both officials of the ECA and our congressional mission which visited Korea recently.

The people of south Korea are eating more and better food than ever before in their lives. They are even going to be able to export a little in 1950. This is absolutely essential to their economy.

Passionately patriotic, they have their own national government, now a year old, and there is every indication that the overwhelming majority would like to be loyal to it. They wish to be left at reasonable peace on their farms, where 80 percent of the people live and work by standards that have advanced little in several centuries. Here is where our technical assistance can be of tremendous aid to these people. I might say that it has already been of tremendous assistance to these people.

Under American leadership, followed reluctantly by the recent National Government a land-reform program in South Korea has well nigh wiped out farm tenancy. By doing this we have tremendously strengthened their desire to fight with all their might for these new landed peasants to keep their farms. The Korean peasants stand today as landed proprietors, with rents and taxes lower than ever before. They have a keen desire to fight to maintain democratic institutions. More children are in South Korean schools than in all previous history. Illiteracy which was a lot of almost 90 percent of the Koreans up to 1945 is vanishing fast.

If ever there was a subject lesson in the grandeur of national political independence as a stimulus to the human spirit, it is in South Korea today. As the situation now stands South and North Korea comprise a significant area in the Far East in which democratic and Communist principles and ideals are being tested side by side in two parts of what is normally a single country. This test is being watched by all Asia.

Last June the Economic Cooperation Administration appeared before the Foreign Affairs Committee to explain:

(a) The total aid requirements of Korea.

(b) The purposes to be served by this aid.

(c) A forecast of the effect which these aid supplies would have on the Korean economy.

I need not remind the Members of Congress that we did not authorize the $150,000,000 which the Foreign Affairs Committee, after careful investigation, recommended to the Congress.

By reason of legislative accidents Korea has received a total of $60,000,000 for 7½ months, rather than $75,000,000 for 6 months. In short, we have granted 64 cents on each requested dollar.

With these seriously restricted funds, nonetheless, ECA has been able to cling to its basic purpose—which is to assist in the economic recovery of Korea. It has taken great prudence to cut back every dollar by 36 percent and yet avoid an abortive retreat into a purposeless relief program.

For the most part ECA has met this fiscal stringency by a program of preparatory deferment.

(a) It has gone ahead with recovery projects that it could afford.

(b) It has accomplished the preengineering planning of those projects which it was most reluctantly compelled to defer.

The plain facts of the matter are that the Korean program has been delayed in time. Moreover, the incidence of this delay has fallen on the critical recovery portions of the projected program.

The Members of Congress will be the first to recognize that one cannot embark on a capital-installation program with uncertain funds, made available in small increments. The House will recall that the Korea program received a total of $60,000,000 for 7½ months; and that it never had the assurance that it would receive that much. Actually it received:

Seventeen million five hundred thousand for 6 weeks.

Then nothing for 6 weeks.

Then $12,500,000 for the barren 6 weeks.

Then nothing for 10 weeks.

Then $30,000,000 for the 10 fallow weeks and for the next 9 weeks.

Under these circumstances, it is quite clear why only modest progress could be made on engineering and reconstruction projects.

Yet, these recovery projects are the key to the Korean problem. For they are the only means whereby Korean imports can be reduced, Korean exports increased, and the Korean balance-of-payments problem resolved.

Yet, what amazes me is the record of how much has been accomplished in the course of ECA's first year of operations. Thanks to their great efforts, the Koreans have more than met their targets in industrial production.

ECA has been able to fulfill the promises it made to the Bureau of the Budget and to the congressional committees with regard to Korean exports.

Korea has gone twice as fast in her railway building program than we had any right to prophesy by reason of the industry, the enthusiasm, and the imagination of the Koreans.

ECA could not have dared forecast the operation of Yongwol power plant at 44.5 kilowatts.

Here is an example of Korean energy, perseverance, and will to succeed. Korea has more than met the projections for coal production, a most difficult task. All these things have been accomplished because there has been—

(a) A tremendous effort on the part of the Koreans.

(b) Judicious use of available supplies.

(c) An energetic effort at improvising.

(d) Wonderful cooperation between Americans and Koreans.

(e) A firm attitude on the part of the Americans that the Koreans must use their best efforts.

Take, for example, the export of rice. This was not an easy task for the Koreans. It was loaded with political dynamite. It took perseverance on the part of the Americans, courage on the part of the Koreans. And yet, sooner or later this step had to be taken. The American view was that it should be taken this year.

ECA has not done all it had hoped to do. On the other hand, in terms of funds, it has done more than we had any right to believe it could do.

In preparing the supplemental 1950 program, ECA asked the Koreans to supply an accurate inventory of the supplies they have on hand. Acting on that request a national inventory was made in the summer of 1949. It was on the basis of this inventory that ECA presented the request for a supplemental appropriation of $65,000,000 to the Bureau of the Budget (dated December 12, 1949).

When the director of the Korea Division of ECA was in Korea in late November 1949, he importuned the Prime Minister to ascertain beyond question the amount of aid supplies in Korea. This he agreed to do. Since the preparation of the budget request (dated December 12, 1949), ECA has received the findings of this second inventory. It reveals the following information:

(a) That fertilizer supplies (to which ECA had given procurement priority) are larger than had been expected.

(b) That raw cotton inventories are much smaller than ECA had believed.

(c) That certain savings can be made in lumber which had not been anticipated.

(d) That a portion of the essential materials for railway construction are available in Korean inventories.

Against savings, however, must be placed certain deficiencies now very clearly revealed:

First. Manila fiber stocks are all exhausted, and some 6 months will be required to restore basic inventories.

Second. Sulfite pulp is in short supply.

Third. Cement stocks have been exhausted, both for general use and for recovery projects. Here procurement time is 3 months.

Fourth. Creosote stocks are exhausted at the very moment when the building of railway extensions calls for supplies to treat the new ties that are being laid.

Since the submission of the supplemental request on December 12, 1949, the Korea Division of ECA has examined and reexamined the minimal requirements that are necessary to sustain the Korean economy.

The outcome of this reexamination of Korean requirements—in view of existing, definitely determined inventories—is that we now believe that a genuinely effective program for the remainder of fiscal year 1950 can be provided by $60,000,000 rather than $90,000,000. This means cutting every item to its very minimum.

The 1950 program has been reduced from the original request of $150,000,000 to $120,000,000 for the following reasons:

First. An unprecedented drought increased the production of salt so that all salt imports for fiscal year 1950 could be eliminated.

Second. Nitrogen requirements, originally calculated at 110,000 were reduced to 106,000. This reduction in requirements is a result of a careful screening of Korean requests based on careful experiments in the capacity of dense paddy land to hold nitrogen longer than is normally the case.

Third. Curtailed consumption resulting from more stringent controls allowed a programed cut-back of petroleum.

Fourth. Delay in reopening the Sam Wha iron works—from lack of funds for rehabilitation—made possible the elimination in fiscal year 1950 of coking coal.

Fifth. Certain industrial chemicals, programed in finished form, are now scheduled in crude form because of the improved situation in the Korean chemical industry, thus saving dollars.

Sixth. The circumstantial availability of safe-haven cotton from China has made possible the elimination of certain marine textiles.

Seventh. Unavailability of funds for fishing boats has resulted in a cut-back in total lumber requirements.

Eighth. Ropes and nets programed originally in finished form are now programed as materials with a material saving.

Ninth. The largest cut-back occasioned by unavailability of funds came in recovery projects.

With only 4½ months of fiscal year 1950 remaining—after February 15—it is obviously impossible to launch as comprehensive a type of recovery program as was originally planned.

Progress in the use of Korean anthracite has similarly been greater than we had anticipated. The increased use of briquets, for railroad and industrial purposes, has augmented the need for coal-tar pitch, but saved Korean balances in Japan.

I think it will be evident from what I have said that the (a) Korean Government, (b) ECA mission, and (c) Korea division have studied and restudied the Korean program, adjusting it to changing circumstances not merely from week to week as performance was revealed, but from industry to industry in terms of a reappraisal of visible possibilities. There has been not only a willingness to economize, but a constant search for savings. ECA has cut back its personnel from 275 to 225, and will continue to cut. Above all, there has been a performance by the Koreans which has been far better than we had any right to expect.

At the same time, ECA has been able to get more certain estimates of the engineering costs of recovery projects. Detailed and precise engineering data is available now that was not available last June:

(a) Day & Zimmerman.
(b) International Engineering.
(c) Allis-Chalmers.
(d) Roberts & Schaefer.
(e) Gilbert Associates.

Experts in the field have checked all estimates—see below:

(a) Jones: Combustion.
(b) Giroux: Power.
(c) Crentz: Coal beneficiation.
(d) Naef: Marine base.
(e) Selheimer: Technical training.
(f) Andrews: Geological survey.
(g) Pierce Management: Coal.

I think the House will appreciate that, in the face of what happened in China, one cannot afford to be extravagant in any statements.

But in all sincerity, the Korea program is really accomplishing its purpose. In those areas where funds have been made available, it is ahead of schedule.

Mr. Eric Biddle, who is not given to careless statements, told Mr. Hoffman and his staff—after he had visited the ERP countries—that, in his opinion, the United States Government was "getting more for its money in Korea" than anywhere else.

What are the reasons:

(a) There are no generalities in the Korea program. Specific things for specific purposes are purchased.

(b) Technical supervision by Americans insures that the specific commodities are put to their best use.

(c) ECA does not hesitate to modify requirements. And that works both ways—it has cut back more often than it has increased.

(d) We have an ECA mission that knows its job, whose morale is amazingly high, one that knows when to give the Koreans leeway when they are doing a job, and to needle them when they are not.

(e) Finally, we have a Korean Government that knows that it must succeed or fall victim to Communist expansion. Do not underestimate this will to succeed. It is the key, not only to the future of Korea, but it may be the key to the future of the Far East.

One would not be honest, however, if one painted the entire picture in roseate colors. Whereas the agricultural, the industrial, the mining, the transportation, and the foreign-trade outlook is most promising, the fiscal situation is disturbing to the State Department, to ECA, to Washington, and to the American mission in Korea.

Money in circulation has risen at an accelerated rate since the elected Korean Government took over the government.

The overdraft at the Bank of Chosen has expanded dangerously.

Prices are still rising despite the inflow of ECA supplies and the dramatic increase of domestic production.

Revenues are lagging behind expenditures more than ever before.

There are one or two things that should not be overlooked, however:

First. That certain financial risks must be taken in order to cultivate industry and stimulate a greater volume of business activity.

Second. That the increase in money in circulation is almost exactly proportionate to the increase in industrial production.

Third. That the new nation had to assume responsibility for its own military force when the American Army forces withdrew.

Fourth. That only when Korea is politically secure will it have the capacity to borrow abroad or induce capital investment by foreigners.

Fifth. That the state-owned factories, mines, and other vested property have not yet been sold or alienated but many presently will be.

We should not, by any neglect on our part, let this situation get out of hand.

(a) ECA has laid an 8-point program before the Korean Government.

(b) State Department has sent instructions to Ambassador Mucci to make it abundantly clear to President Rhee that the Korean Government must put its financial house in order if it expects further American aid.

(c) ECA is presently recruiting two outstanding authorities on public finance to, first, work out with the Koreans a precise plan of expenditure control; and, second, show them precisely how the tax system can be made more efficient and productive.

Nor is financial reform entirely a matter of future action. Reforms are already being made:

(a) Prices of ECA goods are being steadily advanced to more realistic levels.

(b) Counterpart deposits are being increased in rate.

(c) Transportation rates have been markedly increased.

(d) Electric rates were doubled as of January 1.

(e) Ten billion won of short-term bonds are being sold to Korean purchasers.

(f) More rigid controls are being imposed on bank loans.

(g) Plans are being finalized for the reorganization of the Bank of Chosen.

(h) The legislature has passed, and the President has signed, a law which will make possible the sale of vested property.

Much more remains to be done, but important steps are already being taken.

A recovery program in a context such as the Korean one must be a race between expanding expenditures and expanding production. Without the first, the second cannot occur.

The immediate task, therefore, is to insure that economies will be made in the unproductive areas so that local currency

can be made available for the recovery program without adding a net inflationary element.

If you wish to help the Christian people of Korea to remain as a nation among the nations of the world, here is your opportunity.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, the tragic state of the Korean people today cannot but move to pity those who seek freedom, happiness, and peace for men and women everywhere who have suffered under and continue to suffer under the bondage of totalitarianism. Quite rightly, we are concerned with the plight of those who are our spiritual allies in this world-wide global fight which today keeps all nations and all peoples in a state of constant turmoil and uncertainty.

However, it is not alone the people of Korea or the Korean Republic whom we must think of in these trying times. We must likewise think in terms of the substantial welfare of the 150,000,000 American people. Our ability to help and assist nations and peoples in distress is not measured alone in terms of our financial and physical resources. If the defeat of the forces of world chaos were simply a matter of logistics, of transportation, of communications, then, indeed, the price asked in this legislation would be a small price to pay for the confusion and the defeat of our common enemy.

However, Mr. Chairman, the problem with respect to Korea is much more complex than this. There are physical factors and geographical considerations which render the proposed program not only one of the most hazardous we have ever undertaken, but one which is less likely to succeed in the final analysis, than any other program of which I have any personal knowledge.

First of all, let us place Korea in its proper geographic perspective. As the map will indicate, Korea is no Greece, flanked by an allied Italy and a friendly Turkey. Korea is already half behind the iron curtain, severed in two at the thirty-eighth parallel. Dominant in the northern half of this tragically divided country are the Communist forces in North Korea. The other portion of the country, representing the Republic of South Korea, is the portion of the map which is colored blue. Here is the Ongjin Peninsula where sporadic fighting has been in progress for many, many months, and will doubtless continue on an increased scale in the future. It will be noted that South Korea is hopelessly outflanked on the west by the adjacent land mass of China, and that the entire line along the thirty-eighth parallel is open to full-scale and unrestricted warfare at any time.

In addition to that, large bands of guerrillas at the present time are harassing the southern portion of the Republic. Korea is by no means in a serene and placid state. South Korea has experienced a series of severe constitutional crises which continue to this very date. Inflation is rampant. The country is truly in the last stages of an economic disease which it is questionable can be cured by any amount of money.

The arrows on the map indicate some very interesting points which should be taken into consideration by this committee in its contemplation of this legislation. What is our practical position relative to the supply of capital goods and commodities to South Korea? As the arrow indicates, South Korea lies 7,000 miles west of San Francisco; 7,000 long and tortuous miles, over each mile of which must be carried at a tremendous expense every ton of supplies contemplated in the proposed program. The amount allocated for freight charges alone in this bill represents 25 percent of the total appropriation. Twenty-five percent of the money appropriated by this Congress will go up in exhaust fumes before the last of the cargoes is landed.

Another reference point for the information of the committee is Vladivostok 500 miles to the north. It is quite obvious that in any economic or political challenge to supply contesting forces in the north and the south, that we would be at a decided disadvantage as represented by the difference between 500 and 7,000 miles.

The third of the arrows, and perhaps the one most important from the Soviet standpoint, is the one which indicates the direction of and the distance to the Russian industrial area east of the Urals. It is inconceivable to many of us that the Communists would countenance the maintenance of such a threat to their productive capacity. Two years ago—even a year ago—the Republic of South Korea might have managed a precarious and uncertain tenure, but if anything is likely or certain in this world today it would appear to be the eventual engulfment of South Korea by the rampant forces of communism, which in their drive through Manchuria and north China have left Korea unsupported and tragically isolated.

It is not my desire, Mr. Chairman, to debate the China problem at this time, but it is impossible to consider Korea except as it relates to the physical and political conditions surrounding it. There is no counterpart in recent legislation for what is here proposed to be done in the instance of Korea. Here is no wide and defensible belt of interlocking states, no community of common ideas and cultures such as have rendered possible the success of the European recovery program in western Europe. All of the factors which made possible the putting down of guerrilla activities in Greece are missing in the case of Korea. Greece found a Tito willing to close his common frontier in return for the favors which could be obtained from the west, but no such quid pro quo can be expected along the thirty-eighth parallel.

Yes, Mr. Chairman, one can admire and respect the South Koreans in their period of dire tribulation, but to fatten the prize for an ultimate conqueror who at this moment holds all of the trumps is neither kindness to Korea nor justice to the American taxpayer who must foot the bill.

Much will be said during the course of the debate on this measure of our obligations and our commitments with respect to the establishment of the Republic of South Korea. Too little will probably be said of the failure of the Soviets to carry out their implied obligations. But circumstances alter cases and we have only to refer to our repudiation of our traditional open-door policy in China to see that fact clearly. Too, we were a party to a declaration and a commitment which guaranteed the maintenance of a free, friendly, and democratic China. Certainly China has never been less free, less friendly toward us, and less democratic than is the case at the present time.

But assuming that we have made commitments to Korea and that a moral obligation did exist when those commitments were made, we must still consider that the color and the shape of political things have since been radically altered. What was once a friendly coast to the West now serves the same enemy as faces the Republic on the north. To expect South Korea to resist the political and military infiltration which is the constant dread of every nation in western Europe is, quite frankly, to expect the impossible.

Our resources are not unlimited. The necessity of conducting a world-wide operation for the containment of aggressive and godless communism requires the careful husbanding of our financial and physical means. Within a very few days or weeks this body will be called upon to consider the so-called point-4 legislation for the development of backward areas throughout the world. We must put our resources and our help not only where our hearts dictate but where our heads tell us the national security and the national welfare are at stake.

South Korea is no Japan, no Okinawa, no Philippines. Not one word of military testimony is on the record indicating the essential nature of the peninsula in the plans for the national defense. To the contrary, it has been stated time and again that from the military standpoint South Korea is indefensible and tactically isolated.

The pending legislation might stand the test of urgent necessity if it were proposed as a part of an over-all policy for the United States in the Far East, but such is certainly not the case. The development of such a policy is admittedly one of the most pressing requirements of the moment, but it will never be initiated with South Korea as a reference point. South Korea is exactly what the map shows it to be—a small peninsula separated by 7,000 miles of ocean from the mainland of the United States and completely surrounded by the raging tides of international communism.

In conclusion, Mr. Chairman, I believe that it is valid to say that the case for Korea cannot by any measurement other than that put forth as a commitment stand upon its merits. This commitment is brought to the Congress not as a subject for discussion and debate, but as a fait accompli which we are told we must ratify, although we have taken no direct action or legislative step which constituted a pledge or a promise on the part of

the Congress of the United States. This is the last in a long series of diplomatic commitments, arrived at on the basis of discussions far removed from the legislative branch, commitments which we are told we must honor with never-ending appropriations from the Federal Treasury.

South Korea is a Bataan without a Corregidor, a Dunkerque without a flotilla, a dead-end street without an escape. If the Congress wills it we shall invest in a gambit of pawns against an opponent whose major pieces are skillfully jockeyed against both South Korea and the United States on terrain chosen by our opponent and on terms which he alone will dictate. Let us be humanitarian, but let us not close our eyes to reality in a day when the fate of a world depends upon clear judgment and straight thinking.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I recently had the very great honor of being chairman of the subcommittee of the Committee on Expenditures that visited Korea several months ago. I did not find conditions there exactly as they have been described by some of the Members who have occupied the well and have not had the opportunity to see conditions first hand in Korea.

If you ever want an excuse to vote against a bill, this would be an easy bill to vote against. If you want to go back home and demagogue about it and say, "I voted to save the taxpayers money," it is an easy thing to do on this bill. But I think it might be penny-wise and pound-foolish. I think you ought to give it just a little bit more thought.

We have made definite commitments in Korea, commitments that we must keep. Our committee worked very diligently while we were there. We did not depend on the so-called cocktail circuit to get our information. We talked to and interviewed people right down to the smallest person we could find, and we also talked to Ambassadors and State Department officials. Everything we could find out about Korea was good.

Not long ago I attended a press conference. Somebody said, "How about all the political prisoners that are in prison there?" I said, "I have it on very good authority that is not true." This newspaperman said, "What is your authority?" I gave the name of one of the outstanding news reporters in the world, who was the authority for that statement. So some of these things that we have heard are just not true.

We have a great many people who would propose that we send men and money to certain places in the Far East. In supporting this measure you are not asked to send men there, you are not asked for armed intervention, you are asked only to give financial support, financial support that is desperately needed.

I know when we returned last fall, joined by the other members of the committee, I went to the leadership and spoke to the leadership of the House. At that time we realized there was some doubt as to whether even the $30,000,000 appropriation would be passed. I said at that time to the Speaker, "If we are not going to follow through, let us send a cable to President Syngman Rhee, and send it immediately, and tell him that no help is coming, that he might as well make the best deal he can with the northern Communist forces and not sacrifice those gallant young men who are wearing the uniform of that new Republic over there, trying to hold that beachhead of democracy."

I think this is very important legislation and should be passed. I hope that Members will not use this as an opportunity to demagogue but will realize the commitments we have, and will not break faith with the Korean people. In effect we are their sponsors. We have helped them to set up their Government. That Government is a going concern. It is a good Government, and it is destined to be a great democracy. If you want to help them, then I know you will help to pass this bill.

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

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

Mr. VORYS. The gentleman from North Dakota said a moment ago that he heard in MacArthur's headquarters that we were going to defend South Korea, and if the Russians attacked it world war III would start there. Did the gentleman from Ohio receive any such information?

Mr. HUBER. I think if all the rumors we hear that are attributed to General MacArthur's headquarters were laid end to end, it would be a good thing. I do not know.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, the gentlemen who argue here against this aid to Korea, I think, are the very same gentlemen who have been most eloquent and most vocal in arguing for a positive foreign policy in the Far East on the ground that is where the whole civilized world is likely to go down the drain. They have argued that the loss we are in a way suffering in the Far East would be a loss even greater than the loss we run the risk of suffering if we lose Europe. Yet these same gentlemen have voted $5,000,000,000 and $3,500,000,000 and will probably vote again about $3,000,000,000 this year for ERP to Europe. The demand for a positive policy for the Far East, in the face of the opposition to the $60,000,000 in this bill for Korea, sounds hollow. If the committee will look at the Mutual Defense Assistance Act—Public Law 329 of the Eighty-first Congress—which the Congress passed and which the Committee on Foreign Affairs reported out, and fully backed, it will find that the Committee on Foreign Affairs of the House has provided a positive far eastern foreign policy. That policy is expressed as follows:

> Congress hereby expresses itself as favoring the creation among the free countries and the free peoples of the Far East of a joint organization consistent with the Charter of the United Nations to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being to safeguard basic rights and liberties and to protect their security and independence.

In other words, this is a call for a far-eastern recovery program. Of such a program. South Korea is an integral and absolutely essential part.

That is a positive far-eastern policy; and now as a means by which to hold these 21,000,000 people in South Korea for 6 months, until there can be a positive far-eastern policy—to spend $60,000,000 to hold 21,000,000 people in the Far East in reserve for the great positive policy—these gentlemen say "Oh, no."

Let us examine the arguments made against this bill. The first argument is that Korea is a very long way from the United States. The second is that it is indefensible militarily. I ask these same gentlemen whether Korea is any more indefensible militarily than is Berlin. Berlin is an isolated island in the very heart of the occupied zone of Germany where we have few troops.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I am sorry I cannot yield now.

Mr. JACKSON of California. The gentleman is asking for an answer to a question.

Mr. JAVITS. I wish the gentleman would permit me to go on at the moment and I will yield later, as I permitted the gentleman to do.

Mr. Chairman, Berlin is an island in the Soviet Zone, surrounded on all sides by Soviet troops. Every military man and every commentator has said that the Soviet could push us out of Berlin by military action at will. But the Soviet has not pushed us out of Berlin, nor will it, any more than the Soviet will seek to push us out of the areas we occupy in the Far East at will, because she knows that means war.

It is not what military forces we have there. It is not General Roberts, with his 500 officers, that are going to hold the Soviet, but it is the unwillingness of the Soviet Union to attack us.

Then consider the outposts of United States security. Have the gentlemen forgotten that we are basing our security in that area today on Japan and Okinawa, which are directly flanked by South Korea? I say to the gentleman if we are driven out of there in 6 months, or if we should be driven out of there in 6 months, with the incalculable stakes which the advocates of a positive China policy say we have in the Far East, it is still worth $60,000,000 to take this opportunity to save these people.

A great deal has been made here of the economic situation of Korea. Certainly the economic situation of Korea is bad. Why? Because we have not followed through on the recovery program needed to help their economy. That is why she has been working her printing presses. They have no other way to sustain their economy except as they get this very support from this very bill from the United States. The circulation of Korean money has doubled in the period from March 1949 until today. Why? Because we have not aided them. It is not because they are fundamentally wrong in Korea.

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

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

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. JACKSON of California. The gentleman has mentioned the Korean situation in relation to Berlin. I should like to ask the gentleman in what respects he considers the situations to be at all analogous.

Mr. JAVITS. I think I made that very clear. I said that in Berlin today we do not have any military force which is able to resist the Russians if they wanted to roll over the western sectors. Yet we know very well that the Russians will not roll over our forces in Berlin, for the same reason that they will not in the Far East, because they are not willing as yet to accept the gage of battle.

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

Mr. JAVITS. I yield.

Mr. VORYS. The gentleman said, "If we are driven out of Korea." The fact is we are out now.

Mr. JAVITS. That is not so, so long as the lawfully elected Korean Government is there.

Mr. VORYS. I thought the gentleman meant our military force.

Mr. JAVITS. We have a military mission still in Korea.

Mr. VORYS. Our military force has been withdrawn and we were told it was withdrawn so we would not become involved. Is that not correct?

Mr. JAVITS. We withdrew our military force in response to a request from the United Nations.

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

Mr. KEE. Mr. Chairman, I yield 4 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, there are two movements in the world today. One, the forward march of the non-self-governed peoples toward independence. Second, the struggle between Communist and democratic ideologies in the world. We will strengthen democracy to the extent that we give leadership to the non-self-governing peoples of the world so that their people may be truly free and their nations may be independent. I think that the members of the Foreign Affairs Committee are agreed on this.

Korea was under the domination and government of Japan for 40 years. The country is today divided. I do not have time to go into that. But because we moved fast, at the end of the war, we are in half of Korea today. If we had not moved fast we would not have been in Korea at all.

We have a 3-year program to help the southern half of Korea to be independent and self-supporting. We hope it will work out that way. Korea has 21,000,000 people who have the stamina to stand on their own feet and to fight and work for freedom. If we abandon them today, as the Secretary of State said, we can be sure that in 2 or 3 months they will collapse, economically, which will mean that the Communist forces in that southern part will take over, and all of Korea will then come under a Communist government—and Russian influence.

We cannot guarantee that this economic program will insure a democratic Korea, but we can be sure of what will happen if we do not help them.

Mr. WHITE of Idaho. Mr. Chairman, will the gentlewoman yield for a question?

Mrs. DOUGLAS. I yield.

Mr. WHITE of Idaho. The Chinese were marching toward democracy under Sun Yat-sen, but something happened to reverse their direction in recent years.

Mrs. DOUGLAS. That is right. They were marching toward democracy, but then there was a terrible war, a devastating war, and unfortunately the leadership of China was not able to retain the confidence of the Chinese people.

Mr. WHITE of Idaho. Does not the gentlewoman think the same thing can happen in Korea?

Mrs. DOUGLAS. Anything can happen. We are trying to prevent the economic collapse of southern Korea.

Here are 21,000,000 people who want freedom and are looking to us to help keep them a free and independent people. This sixty millions economic aid that we are about to vote on we believe will give them the chance they ask.

The Korean situation, remember, is under the direct supervision of the United Nations at this time. So bear in mind that it is not quite the same kind of situation that you could have in some other places of the world.

It was just stated that there was testimony before our committee by representatives of the Joint Chiefs of Staff that the present armed forces in southern Korea, trained by American military men, are quite capable of putting down any internal revolt, any Communist revolt in southern Korea, and are capable of withstanding any pressure from North Korean forces, unless a major power starts an open war. They did not say that they could withstand a war started by a great power, but should war start, that would be an international issue which would come before the United Nations. As my colleague from New York has just said, it would be hard to imagine that Russia would intentionally provoke any such war at this time with Korea under the glaring light of United Nations attention, and, in fact, with a United Nations commission in Korea at this time.

I wish to read to you what the President said in his message when he sent the Korean bill to us last year:

> Korea has become a testing ground in which the validity and practical value of the ideals and principles of democracy which the Republic is putting into practice are being matched against the practices of communism which have been imposed upon the people of North Korea. The survival and progress of the Republic toward a self-supporting, stable economy will have an immense and far-reaching influence on the people of Asia. Such progress by the young Republic will encourage the people of southern and southeastern Asia and the islands of the Pacific to resist and reject the Communist propaganda with which they are besieged. Moreover, the Korean Republic, by demonstrating the success and tenacity of democracy in resisting communism, will stand as a beacon to the people of northern Asia in resisting the control of the Communist forces which have overrun them.

This is what the President has said about the positive effect of carrying out this program. Now let me read you what the Secretary of State testified about the negative effect of failing to carry out this program:

> If you do not take this step, it seems to me that it is a public declaration that we are not going to do anything in the Far East, and I think you will get a shiver of fear all through the Philippines, all through southeast Asia, India, and all the other parts of the Far East, which would be quite unjustified, because we are not taking that attitude toward those areas. If we do not do what we can do, and just say it is all hopeless, * * * we are bound to have accentuation of a disintegration which has taken place instead of a pulling together in many areas, where I think we are getting very definite signs that there is a pulling together and a stiffening.

I want to add to that only that eyes of hundreds of millions of people in southern and southeastern Asia are on the United States, constantly questioning whether they can safely continue to give us their confidence or whether they should turn elsewhere. The action of this House today, our decision to help the people of Korea in their fight for independence, or to abandon them to slavery, will be our answer to their question.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. KEE. Mr. Chairman, I yield the gentlewoman from California one additional minute.

The CHAIRMAN. The gentlewoman from California is recognized for one additional minute.

Mrs. DOUGLAS. Here are a people wanting to resist communism. We feel that they are able to if we give them this economic aid. We know they will go down if we do not. This is the only foothold we have in northeastern Asia. Is it worth the gamble or is it not? It seems to me very emphatically that it is. Our military men feel so, the ECA feels so, the State Department feels so, and the President of the United States feels so; and that is enough for me.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, we of the Committee on Foreign Affairs have given a great deal of study to the vast problem presented by the Far East. There are a number of us who have been very deeply saddened by the complete failure of the administration's policy over a period of years as far as China is concerned. This failure has not been caused only by what has happened in the last 4 or 5 years, it dates back at least to the early thirties. From that tragic moment in 1932 when we failed to protest the taking over of Manchuria by the Japanese; every move that we as a nation made has been unfortunate, whether we acted from ignorance, from a partial knowledge, or from a refusal to face facts.

There are very few people in America today who do not feel that China always has been and still is the very center of and the key to the peace of the world. My very able colleague from California [Mrs. DOUGLAS] spoke a moment ago of the understanding that is necessary if we are to have a peaceful world. That leadership must be given. The peoples of the world who are struggling up from difficulty and ignorance, who are freeing themselves from foreign domination do need leadership. This is so throughout the world, and unless we find a way to give them leadership they will fall into hands that will make the world a very unsafe place for us and for all the freedom-loving people of the world. It is quite impossible for us to separate our future well-being and our future security from that of the peoples of all continents all over the globe. I am not saying it is my opinion that we should give and give and give without any question, without any attempt to curtail extravagance, or to limit the misuse of funds. My record in this House will make that very clear to everyone. But I do feel very strongly that there is a force far greater than the military force, a force that comes from the hearts of a people.

Mr. Chairman, I ask you if there is any country in the world that has so illustrated the strength of that inner courage of that inner power than the little country of Finland? Finland has been the only country to pay her war debts to us. Finland has been the only country that has stood firmly for democratic forces regardless of anything that was done on her borders.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentlewoman yield? I want to ask if Finland received ECA help?

Mrs. BOLTON of Ohio. Finland, I believe, paid her debts to us. I have had the pleasure of lunching today with one of the Representatives in the Finland Parliament, Miss Pohjali, who has been in this country at various times during the last few years. To our great joy she told us that the situation in Finland is steadily progressing, that life has returned almost to what it was before the war, that the people are beginning to breathe more freely again. Why? Because of the inner courage they have displayed.

Being a mother—and may I say this in reply to a question of a colleague of mine a few moments ago—I know that no child is ever helped by too much assistance, too much ease, too few demands upon his own strength. I am in complete agreement that no nation is helped by similar methods.

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

Mr. EATON. Mr. Chairman, I yield the gentlewoman from Ohio two additional minutes.

Mrs. BOLTON of Ohio. Mr. Chairman, wisdom must be used, judgment must be used and, above all things, mothers know that one must never break a promise to a child.

We set up this little Republic over there, surely our responsibility is not over.

My colleague from California suggested that if we had not been as fast as we were, we would not have had half of Korea. I would remind her that we have had testimony showing that if we had been able to get there a little faster, we would have had more of it. But, our troops were too far south for us to get them there before the Russians could reach the thirty-eighth parallel.

Here is this little Republic fighting its way. We know well that the best soil for communistic control is starvation and discouragement. Above the thirty-eighth parallel they have the power plants and they have all the ease. If we give help to the South Korean Republic to put up power plants near the coal mines, they can then mine their coal, they can also build and run railroads, there is every possibility that that little seed will grow into a very thriving country.

I would urge strongly that this House vote for this $60,000,000. I agree that $60,000,000 might do more somewhere else, or that we may be preparing something for the Kremlin to take over. But, Mr. Chairman, we heard that same argument over Greece and Turkey. We heard the same argument about Europe generally: that we would just be getting everything ready for the Kremlin to walk in and take over. Well, the Kremlin has not walked in at any of those points.

Mr. JACKSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON of Ohio. I yield to the gentleman from California.

Mr. JACKSON of California. Does the gentlewoman think that it would have been possible to achieve victory in Greece on the basis of economic aid alone, without some considerable element of military aid which was given to them?

Mrs. BOLTON of Ohio. We did it piecemeal, if the gentleman remembers.

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

Mr. EATON. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I have listened to these very able and learned discussions from the financial point of view, much of which is beyond any comprehension that I possess. But, I approach this problem from a point of view of my own which I have followed for a long number of years.

I have been a student of the great forces that make human history, and I feel confident that we are here assembled today in the most tragic, difficult, and challenging hour of human history and that these tremendous issues are complicated beyond words by the emergence into the influence of public policy throughout the world by about a billion and half of brown people in the Orient.

Mr. Chairman, the situation is tragic from our American point of view, because, if under the leadership and world program of the Russian Communists they are able to mass against a handful of free, white folks here, such as we are, with our traditions of democracy and self-government behind us, if they are able to amass a force of from a billion and a half to two billion of people against us militarily or economically or any other way, how are we going to maintain the civilization and the wonderful blessings inherited by us from our fathers? So, for this reason I feel that our policy in the Orient has been a most disastrous one in recent years, and I look upon this little group in the peninsula of Korea as the last toe hold we have on the Asiatic Continent at the present moment. These people are worthy; they have a great history. Two thousand years before Christ they had a great civilization, a great religion, a great literature. They are a fine people. There are 21,000,000 of them. They inherit a fruitful and fine section of the world. They have the shadow of Russia over them all the time. Russia, taking the north half of this peninsula, has seen to it that it runs up contiguous to Siberia, so that it is a continuous portion of Russian-dominated territory and will continue to be.

For the reason that we are now face to face with a world challenge which sooner or later will have to be decided by a terrific sacrifice, perhaps, of men and treasure, I do not want to see this country at this moment withdraw from the one spot in all of dark Asia where people are struggling to be free and where they have a right to expect our help and our assistance.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield for a question?

Mr. EATON. For a question.

Mr. WHITE of Idaho. Does the gentleman think our Navy should have intervened when the Chinese Communists turned their artillery on that English ship and drove it out of China?

Mr. EATON. I will be glad to take a day or two off sometime and discuss that question with the gentleman, but it has nothing to do with this subject.

Mr. WHITE of Idaho. I am afraid it will take a good deal longer than a day or two to settle that.

Mr. EATON. I know the gentleman enjoys chasing intellectual rabbit tracks but I will not join him at this time in that practice.

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

Mr. EATON. I yield to the gentleman from Arkansas.

Mr. NORRELL. I endorse every word the distinguished gentleman has said. If there was ever a bill that ought to be passed by this Congress for the assistance of a nation that is really trying to help itself, this bill is it, with the amendments the committee will recommend.

Mr. EATON. I have always had the highest regard for the gentleman's ability and intelligence, but it goes even a little higher at this moment. I thank the gentleman.

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

Mr. EATON. I yield to the gentleman from Iowa.

Mr. GROSS. I understand this money is to be dispensed through ECA; is that right?

Mr. EATON. Yes. The ECA is there carrying on, and I suppose will continue to carry on. That is one of the most successful and practical administrations of funds we have ever had.

Mr. GROSS. I am glad to hear the gentleman say that. The ECA in its fifth report to the Congress on September 15 said in connection with counterpart funds that the Korean Government had collected from importers only half of its bill for ECA-financed goods. Are importers collecting from the Korean people and then not paying the Korean Government? Does the gentleman know about that?

Mr. EATON. In regard to the specific question about the lag between the making of counterpart deposits and collections from end users of the assistance—I believe that 59 percent is the current figure for the portion collected of the value of goods furnished.

In part the government of the Republic of Korea has to subsidize the sale of goods to the end users. This practice is diminishing as stability increases and the threat of inflation abates. However, the government of South Korea puts the equivalent of one whole cost—both the sale price and the subsidized portion—into the counterpart deposit. This accounts for part of the discrepancy. The rest of the discrepancy is accounted for by normal lag between billing and collection.

Mr. STAGGERS. Mr. Chairman, I am going to vote for this bill. Our United States Government has made definite commitments to the Republic of Korea, and I feel in all fairness we must keep faith with these people who are making such a magnificent struggle to take their rightful place among the nations of the world. Korea is fighting its battles under tremendous odds and now is the hour of destiny for them and their fight for freedom—and they need a friendly helping hand.

Korea is standing almost alone in the world today as a nation which is actively fighting communism. It is in a virtual state of war. Attacks occur almost daily along the thirty-eighth parallel and the depredations of the guerrillas who have infiltrated even to its southern provinces are a severe drain on Korea's economy. They are particularly costly because Korea is holding a defensive position which is more expensive than maintaining an offensive. It is essential that Korea not only maintain a minimum subsistence level, but it must have a margin of safety and enough food and industrial supplies to tide it over an emergency and enough economic rehabilitation at least to give hope and encouragement to the people of Korea.

Industrial and social development has progressed tremendously since the government of occupation has gone out of Korea. They have plenty of labor—all Korea needs is more equipment and material with which to work.

We do not want Korea to go along the road the rest of the Asiatic countries have. I feel—and it is the opinion of men who should know—that if Korea is given this aid now, she will be able to withstand the onslaught of the Communists and will be able to stand as a first line of defense in the far-eastern waters.

Korea is industrious. She has proved her loyalty, and Korea is most appreciative for the help which has been given. There is no sign in her weakening.

With adequate aid Korea could be considered a strong and secure outpost of freedom and decency in a chaotic world.

I urge each and every Member of this House who believes in the inherent rights of mankind to enjoy the rights of liberty and freedom on this earth to vote for this bill.

Mr. KEE. Mr. Chairman, I yield the balance of the time to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, there is not much I can add to the debate which has already gone on. But I am pleased that the debate has been on such a high plane that we have stuck, generally speaking, to the question of aid to Korea. As my distinguished colleague the gentleman from Ohio said, this is an easy bill to vote against. This is an easy bill to demagogue about. This is an easy bill to vote against because you can say you are doing it in the name of economy. But before you do so you had better think of your responsibilities as American citizens and you had better think of the welfare and security of your own country.

This country was responsible for the setting up of the Republic of South Korea. You and I know that if this aid is not forthcoming the American-sponsored Korean Republic will not be able to stand on its own feet very long. You must know that just as we took a calculated risk in entering into the European recovery program so you will be taking a calculated risk in this program for Korea.

The choice is pretty definite—the decision is up to us. In my opinion, a vote for this measure is a vote to strengthen our hand in Japan—northeast Asia.

The CHAIRMAN. The time of the gentleman from Montana has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Korean Aid Act of 1949."

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do want to bring some observations before my colleagues about Korea, because in company with three Members of the majority side I had an opportunity to visit Korea this last November. Our committee has issued a report and while I am not free to tell you what is in the report it is in the hands of the Committee on Appropriations and some of you may be able to read it there.

I do want to comment briefly on some things that have been said here on the floor of the House. The gentlewoman from Ohio spoke very highly of Finland. I agree with her 100 percent on Finland. Finland made a great recovery. But I would point out to my colleagues who are voting for ECA funds that Finland did not get any help from the ECA funds. The countries that have made the greatest recoveries are those that did not get help. England is a country that has the lion's share of help and she is coming back for more billions.

If that is the history of what happens to countries that have gotten ECA help, then I would like to have more countries like Finland.

Now, as to Korea, I would like to read a letter, or part of a speech that the chairman of the National Assembly gave to our committee when we were in Korea. This is what he says, in part:

> While other material supplies are highly important for the rehabilitation of Korea, the American military aid can be considered most important and urgent to her. We have no munitions and arms with which to fight the aggressors. We do not expect other people to defend our country. We want to defend it with our own lives; but to do so we must have arms. God helps those who help themselves. We will sacrifice our lives for our country. Therefore, we are earnestly appealing to the United States for aid and munitions.

I think that is very definitely the thing that they want.

I would point out to you also it is not the food situation in Korea that is urgent, because I read from page 33 of the Report on Aid to Korea:

> It is estimated that the 1950 crop will enable Korea to provide for its domestic needs and to export some 200,000 metric tons of rice. This contrasts with exports of 100,000 metric tons from the 1949 crop.

So it is not food. What we are doing in this bill, as I understand it, is to put in some heavy equipment. We are supplying electric-power plants, dams, irrigation districts to irrigate, according to the report, 235,000 acres of land. We are supplying fertilizer plants. I am not revealing any secret when I tell you that our military commission in Korea, the officers and men under General Roberts who are helping to train the Korean Army, made the statement that it is not a question of if the Communists were going to move, but when they would move in.

In such an attack South Korea can only last 8 or 10 days. Well, are we going to put a lot of heavy, permanent improvements in Korea and let the Communists then take it over?

I note in the December 30 report of the ECA that we have appropriated or made available to Korea $10,450,000 for an electric-light plant in Korea.

Korea has other troubles besides machinery, and it is mostly military, because they are going to get along without all of this economic aid. They might need some fertilizer, and I think probably they do. I would be willing to see that they had some fertilizer. They do not need the rice, because they are exporting rice.

But with reference to the money situation in Korea, I happened to be there in 1935 and 1936. The yuan was worth about four to the dollar. We were there last November, and I believe it was 450 to the dollar officially, but on the street you could get 950 or 1,000 yuans to the dollar.

Another reason I hesitate to vote for this bill is that the defense dollars in our own country are definitely limited. We are spreading it pretty thin. If we are going to have real defense of our country, perhaps we had better take this $60,000,000 and defend Okinawa or the Philippines or Japan. The State Department and the War Department have written off Korea as a lost cause. Look at the map that Dean Acheson presented

in his address to the Press Club the other day. It did not include Korea. Korea is written off.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I have listened to the debate, I have been trying to learn just what our responsibility is in Korea. It seems to me that there has been only one point made, and that is that we have a moral commitment—a moral commitment. I am wondering if we had a moral commitment to the boys who are today buried in the South Pacific. We have heard no word from the Democratic side of the aisle as to what occurred in China, and yet we went to war in defense of China. We talk about this cold war——

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

Mr. SMITH of Wisconsin. I do not yield. I have only 5 minutes. You had 5 minutes and I did not interrupt you.

I call to your attention that, try as we may, and as fine as our ideals and our concepts may be as to our responsibility to the Koreans, we cannot lose sight of the fact that under the bankrupt policy of our State Department and this administration we are losing the cold war.

In 1945 there were 190,000,000 under Communist domination. In July of 1948 there were 480,000,000. In January 1950 there were 800,000,000. And why? Because we have been following the identical policy that has occurred in China, and now, after the horse is gone we are going to lock the door in Korea. The horse is gone. Everyone who testified, among the military men especially, there was not one bit of testimony to justify our continued interest, militarily, in Korea.

What is asked for in this bill? The statement is made that we are asking for $60,000,000. Mr. Chairman, understand, this legislation calls for $385,000,000.

Just a short time ago, just a week ago we had before our committee a distinguished member of the State Department. In fixing the limitations of our responsibility he indicated that what we should do was to confine our interests within the limitations of a certain arrow running from the Philippines to Japan, and then to the Aleutians. There was not one word as to the value of Korea, not one.

I say to you that as far as a moral commitment to Korea is concerned we should encourage the Koreans, but we are going so to encourage them that we pour in $385,000,000 and build up civil establishments only to have the Communists from North Korea walk in and take them over? That is what we are preparing for; that is what this money will do.

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

Mr. SMITH of Wisconsin. I yield.

Mr. MANSFIELD. The gentleman mentioned the figure of $385,000,000 Korean aid. Will the gentleman explain his statement?

Mr. SMITH of Wisconsin. If the gentleman will refer to pages 27 and 28 of the report he will there find the figures set out: In the year 1950, $150,000,000; in 1951, $115,000,000; in 1952, $85,000,000; and in 1953, $35,000,000. That is the report from our own committee. That is what we are talking about—$385,000,000; not $60,000,000, as has been said. It seems to me it is about time that we talk and act for our own people. Our taxpayers are entitled to some consideration. This is absolutely "operation rat hole." It will be said, of course, that that is demagoguery, but if that be demagoguery, make the most of it.

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

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those of us who support this legislation providing aid to Korea believe that it is in the interests of the American people to do so. Although Korea would not be strategic in case of another war—nevertheless, Korea is important to the security of the people of the United States. We hope that in Korea we can help build a sound democratic nation that will be an example to the people of Asia. Show them that it is possible to have not only security but freedom as well.

We are playing for very high stakes; we are playing for a world in which freedom and a decent standard of living will be enjoyed by all people. We want a democratic world, not a totalitarian one.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mrs. DOUGLAS. I cannot yield at this time. I want to say to the gentleman, whom I respect very greatly, that those of us who support this bill do so in the broadest sense, and that is for the good of the American people. We believe that it is not in the interest of the American people to turn our back on Korea now that China has come under a Communist government. We do not believe it wise to turn our backs on this new Republic, which has given every indication that it has the resistance needed to withstand communism. Shall we give up the one foothold we have in that part of the world, where our voice can be heard, where the way we behave can be observed and judged in relationship to the way the Russians behave by the other peoples of Asia? Shall we do that?

The gentleman talks about the amount of money involved. This program may be cut as we make progress. It is a lot of money, but what happens if we do not spend it? There is the question, What may that cost in the end?

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Did we not walk out on China?

Mrs. DOUGLAS. No; I do not agree with the gentleman that we walked out on China. I do not agree at all that we walked out on China. We gave aid to China and did everything we could to support the Nationalist Government of China, but that Government lost the confidence of the Chinese people; that is a hard fact.

I do not think we should walk out on China now. I think we ought to be very careful not to turn China over lock, stock, and barrel to Russian influence. How do we prevent this? Certainly not by going to war.

Mr. SMITH of Wisconsin. The gentlewoman would not say that the Communists do not control China today, would she?

Mrs. DOUGLAS. I would say that the leadership in China today is Communist, yes, certainly; but if the gentleman means by that that Russia controls China today, I do not think that he can make a case for that. We do not know.

Mr. SMITH of Wisconsin. Has not Mao Tse-tung been over to a conference at the Kremlin in Moscow?

Mrs. DOUGLAS. Yes.

Mr. SMITH of Wisconsin. He is taking his orders from the Kremlin, from Russia?

Mrs DOUGLAS. That does not prove that China is lost behind the Russian iron curtain for all time. This is not the first time that Russia has had her finger in China and has given advice to China. Sun Yat-sen turned to Russia for advice in the twenties when the Western World would not come to the aid of his non-Communist Revolutionary Party.

Mr. SMITH of Wisconsin. Even the white paper says that he had to take over.

Mrs. DOUGLAS. White paper or no white paper.

We can save Korea if we act now; we can help it economically, perhaps politically. I think we should.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. JACKSON of California. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, to continue the line of argument which I was following at the time of my previous remarks, I should like the Committee to consider further the matter of Korea with relation to the national defense of the United States. In my opinion, we are not justified in doing anything in this world today unless it furthers the enlightened self-interest and the national defense of America. Again, if that be demagoguery, make the most of it.

It is unfortunate that from time to time when one takes an honest, sincere position out of a very deep conviction, it is deemed necessary by some who hold other views to refer to his stand as demagoguery.

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

Mr. JACKSON of California. I yield to the gentleman from Montana.

Mr. MANSFIELD. On the map the gentleman showed in his previous discussion, I notice he made a comparison between Korea and what it was surrounded by, and Greece and what it was surrounded by, but the gentleman did not have a map of Japan to the east of Korea showing that the difference, as far as separation is concerned, is nothing but the Chosen Strait between Korea and Japan. Is Japan in its present shape, occupied by us, necessary to our security; and if it is, then what is the

position of South Korea pointing right at the heart of Japan?

Mr. JACKSON of California. The position of South Korea, if one may take the words of the military experts who testified, has absolutely no strategic position with reference to our national defense; nor is it contemplated that South Korea would be defended by the United States in the event of armed aggression. It is untenable; it is outflanked; it is not within the consideration of our national defense to defend it in case of attack, and that testimony is in the record.

What kind of a policy in the Far East could be predicated upon Korea and the geographical location which it occupies? What kind of a policy for the Far East would put economic aid into Korea, which bears no relationship to our national defense, and at the same time refuse a request to put aid into Formosa? Formosa is essentially a point in the line of defenses which include Japan, the Philippines, and Okinawa, all essential and vital to the national defense of the United States. Formosa is a tenable position; it is a position which might well be held; it is a position, certainly, which should be strengthened if we are going to have any kind of policy at any time in the Pacific area.

Now, to commitments. The gentleman from Ohio has pointed out that there is no commitment with respect to Korea. It was stated very clearly in the testimony before the committee that no commitment, no promise, was ever made with respect to the Republic of South Korea. It is very strange that a commitment was not made, because we have been confronted on many occasions since I have been in the Congress with a never-ending series of commitments, diplomatic commitments, in which the legislative branch, that body having responsibility for expending public funds, has had no part. It seems to many of us that the time has come when the Congress should be consulted more frequently with respect to foreign commitments which entail expenditures from the Public Treasury. We do have paramount commitments to the American people and, again, that is not the statement of a demagogue. We have a continuing responsibility to see that the public funds in the United States Treasury are expended wisely, and only in those places where we may expect to receive the greatest possible return for them.

So, the case for Korea, aside from the emotional approach to the Korean problem, cannot stand on its merits as essential to the national defense, or as in any manner as being related to the national security of this country. Our resources, financial and physical, are by no means unlimited. It is true that I have supported the expenditure of many billions of dollars in those areas of the world where there appears to be a hope of success; but only on those occasions where there appeared to be a reasonable hope of success. Calculated risks are one thing, incalculable risks are quite another matter.

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

Mr. McCORMACK. Mr. Chairman, I move to strike out the last several words.

Mr. Chairman, I agree with one of my preceding colleagues who said that the debate on this bill has been conducted on a very high level, and I hope that it will continue to be discussed on that level, and that the debate will confine itself mainly to the issue involved in the bill, which is whether or not we will provide economic assistance to the people of South Korea, thereby strengthening their political institutions against Communist aggression.

Korea is one of the newest free nations of the world. Forty years under foreign domination, now 18 months as a Republic and a sovereign nation, it has done a remarkable job in government.

As an illustration of the ability of the present Government to function and maintain internal order against the forces of aggression from within, it has put down two armed Communist uprisings during the past 18 months. The Government is stronger and more stable now than at any time during the past 18 months.

Some Members of the Congress have expressed doubts, and properly so, I think, as to whether or not the new Republic can resist external aggression against border attacks of Communists.

The important fact is that such forces have not made gains, and the internal military forces, the militia and the police, of the new Republic have been able to resist the border attacks that have been made by the Communists of northern Korea. Southern Korea can resist any attack by northern Korea. That has been testified to by the highest military authority of our country, and I think it was testified to before the Committee on Foreign Affairs.

Suppose the Soviet Union attacked southern Korea, what then? Of course, that would be different. If the Soviet Union did attack, it would do so at a calculated risk. However, as I see it, it would not be different than if the Soviet Union were to attack other countries in Europe that we are now assisting, the probabilities are that if such an attack were made, which would probably mean war, it could take over those countries. So it is not a matter of southern Korea alone. That would be taken over in the event the Soviet Union itself moved, but the same situation would apply to other countries we are assisting.

The question is, With the power of America as it is, and I hope the power of America will be stronger, would the Soviet Union take the calculated risk of a fighting war rather than the cold war in which we are now engaged?

While I am talking about power, there is only one respect the Communists have or that any Communist nation has, as I see it, and that is respect through fear, where there is a greater power than themselves. That is unfortunately so, but as it is a fact, I believe that we and the countries associated with us in the North Atlantic Pact or under any other relationship should be more powerful than the forces of communism throughout the world.

Should we fail to act in the case of southern Korea, the last foothold of democracy in northeast Asia will be lost. The retention of southern Korea as a free people and an independent nation is of vital importance to us for a number of reasons. A Communist southern Korea will be a direct threat to Japan. One of my colleagues referred to that in a question he asked. It will also be a direct threat to our interests in the Philippines and in Okinawa, and in the Aleutian Islands.

To those of us who stand for affirmative policies in the Far East and elsewhere, failure to pass this bill, in my opinion, would be a matter of vital importance. Therefore, it seems to me that those who favor intervention in Formosa in one way or another should be the strongest supporters of this measure.

For one thing, it is quite probable that if the southern Korean Government receives no assistance from the United States, the chances of that Government's retaining its sovereignty and of its people retaining their freedom and resisting communism are slim. I do not say that they cannot resist. I would not say that about any people or any other nation. It would be too presumptuous on my part. But I make the statement and express my opinion that their chances, without our assistance in this economic rehabilitation and political strengthening, would be very slim.

Therefore, Mr. Chairman, in my opinion, the passage of this bill is in the national interest of the United States, in view of our world-wide considerations. I hope the House will pass this bill.

Mr. DEANE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was interested a moment ago in a comparison. I do not wish to make comparisons between distinguished Members of the House, but I recall that the gentleman from Nebraska [Mr. MILLER] took an opposing view to this bill, whereas the gentleman from Arkansas [Mr. NORRELL] urges the passage of this bill. These gentlemen were in Korea some months ago. For the benefit of those who may not have heard his statement earlier in the debate, the gentleman from Arkansas, a conservative member of the Appropriations Committee, stated: "If there is any reason to vote for a measure for relief, this is the one bill that should pass."

I realize that in view of the gradual increase in our present recovery programs we need to recast our thinking on economic aid to foreign nations. This new approach which, in my opinion, promises so much is through the President's point-4 program of technical assistance and the encouragement of private capital to enter these countries.

As a member of the congressional committee mentioned by the gentleman from Ohio [Mr. HUBER], I desire to point out that of the several countries we visited in September and October, which included Indochina, Indonesia, Thailand, Burma, and Korea, I can in all frankness state that we did not see in any of those countries the military power comparable to what we saw in Korea. Let me make this observation: All too often we forget and fail to appreciate the splendid services of our personnel

who are administering this program in Korea. I recall our able Ambassador, John Muccio, as well as Dr. Arthur C. Bunce, director of our ECA program in Korea. These men and their faithful staffs are performing an excellent job. I recall Dr. Oscar Underwood, as well as Dr. Ned Adams, outstanding missionaries who have served in Korea for many years, who spoke so affectionately of members of the Committee on Foreign Affairs. They mentioned in particular Dr. EATON, as well as Dr. JUDD, and several other distinguished members of this committee.

These faithful servants asked that we come back and urge the Congress to pass the assistance contained in this bill and thus keep faith with the Government and people of Korea.

We have already committed ourselves to great projects in that country in the way of hydroelectric developments and other programs. To cut off the funds at this particular time would cause us to lose the value of what we have already put into the country.

It has been said that this particular country is not prepared, militarily speaking. I remember talking personally to President Rhyee. I asked him this question: "Mr. President, is there any chance your army may move out before it is ready?"

He spoke immediately and said: "We are prepared now to resist the aggression of the northern Communists."

Furthermore, if we fail in this particular effort there will be repercussions not only in southeast Asia, but throughout the world.

Furthermore, I am convinced that we will be breaking faith with the Korean people, with that nation which today stands out so far ahead of any other country in southeast Asia.

I am confident, if the United Nations will take a firm stand, so far as aggression from north of the thirty-eighth parallel, together with our continued assistance economically speaking, Korea will withstand the assaults from the north.

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

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last three words, and I ask unanimous consent to proceed for two additional minutes.

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

There was no objection.

Mr. CRAWFORD. Mr. Chairman, the defense of our people continually raises in my mind the location of two triangles which I shall illustrate by the map that is now being placed before you.

In times past, and prior to World War II, we substantially thought in terms of a triangle which runs from Alaska down to Honolulu and back to the Panama Canal. When we got into World War II we expanded our liabilities considerably by reason of the success of our gallant youth under the leadership of General MacArthur, and we moved from American Samoa, below the equator, down in this general area which I point out on the map back through the so-called trusteed area into the Philippines, Formosa, and Okinawa, and on to Tokyo. Since the end of World War II we have been thinking in terms of a new triangle which runs from the tip of the Aleutians down through Japan, embracing southern Korea, on past Okinawa in the general vicinity of Formosa, down through the Philippines, down through the trusteed area to the Panama Canal.

The whole question in my mind with respect to national defense in the far Pacific is whether or not we want to maintain that second triangle. If we do not want to maintain that second triangle, unbroken—and by that I mean running from the Aleutians, through Japan, Okinawa, Formosa, the Philippines, the trusteed area, with as much support from New Zealand and New Guinea and Australia as we can get, and on into the Panama Canal—if we do not want to maintain that second triangle, I think the head of every Member of this House ought to be examined and exposed to the people of this country.

I have as little patience with Secretary of State Dean Acheson and his position on Formosa as a person could have with anything on earth. To me it is the most ridiculous performance that has ever occurred in the history of our State Department.

It has been my privilege to visit through this area a number of times. I am not a member of the Foreign Affairs Committee. I am not a member of the Military Affairs Committee, and the information I have got I have to pick up as best I can from dead reckoning and from the contacts that I make. As far as I am personally concerned, I am ready to dedicate everything that I have in human blood or otherwise, to hold that second defense line against all forces that might oppose this country, directly or indirectly. By that I mean to say I have little patience with any person who advocates the breaking of that line. To say to our people from time to time that we ought to contribute to western Europe in opposition to the spread of communism, as we have contributed since July 1945, and at the same time perform in the Far East, as we have performed, in my opinion, is an insult to the intelligence of the people of the United States.

Three years ago, while in Tokyo, I raised with our top officials this basic question: I said, "It is only a matter of months until the Congress of the United States will have to substantially decide whether or not it pulls out of western Europe or the Far East. When the pressure of events forces us to make that decision what in your opinion—I was talking to our forces in Tokyo—what in your opinion should we do? I am not going to quote what was said to me. Quoting these statements that are made directly to us by top-level military men does not amount to a hill of beans on this floor; yet the principal members of this committee will come to this floor and quote all that is said to them and expect us to swallow it without any consideration whatsoever. You can draw your own conclusions.

Here throughout the trust area we have assumed the responsibility for an area which covers approximately 3,000,000 miles of ocean area. Right there today we cover the trusteed areas, the Marshalls, the Marianas, the Carolines, and the Gilbert Islands. The load on the American people will aggregate billions of dollars in decades to come. Those are not going to be revenue-producing islands; they are part of your defense line, and that is why we took them on. Unfortunately, we tied it up with the proposition under the trust agreement with the United Nations Organization, and we must conform to that agreement instead of the judgment of the American people. The Russian agents can meet in the trustee council annually and puncture holes in everything that we authorize or do for the trustee area by reason of our sins of omission as well as our sins of commission. That whole area has got to be tied together through the acts of this Congress. Proposals will, no doubt, come before you between now and June 30 next; that situation is facing you.

We have practically ditched Honolulu and Pearl Harbor as bases by reason of what we are doing in Guam, Okinawa, and other points farther away. How can you defend the Nation unless you have your outposts? How can you hold this extended line if you give up Formosa? I wish some practical person would answer that question for me sometime. It is like playing a game of checkers: I have two men with a space between and my opponent comes between them. What is going to happen? I will lose one of those men just as sure as you know anything about the game of checkers. We are placing the agents of the Communist Government in between two of our men through our giving up Formosa. This breaks the line of defense.

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

By unanimous consent, the pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 2. It is hereby declared to be the policy of the people of the United States to continue, on terms consonant with the independence of the Republic of Korea and the security of the United States, to assist the people of Korea in their endeavors to establish a sound economy, to support the growth of individual liberty, free institutions, genuine independence, and representative government in Korea, to strengthen the ties of friendship between the American and Korean peoples, and to help to achieve the basic objectives of the Charter of the United Nations.

SEC. 3. The Administrator for Economic Cooperation is hereby authorized to furnish assistance to the Republic of Korea in conformity with—

(a) the provisions of this act;

(b) the provisions of the Economic Cooperation Act of 1948, as amended, wherever such provisions are applicable and not inconsistent with the intent and purposes of this act; and

(c) the agreement on aid between the United States of America and the Republic of Korea signed December 10, 1948, or any supplementary or succeeding agreement which shall not substantially alter the basic obligations of either party.

The Clerk read the committee amendments as follows:

Page 2, line 7, strike out "(a)" and insert "(1)."

Page 2, line 8, strike out "(b)" and insert "(2)."

Page 2, line 12, strike out "(c)" and insert "(3)."

Page 2, after line 16, insert a new section as follows:

"(b) Notwithstanding the provisions of any other law, the Administrator shall immediately terminate aid under this act in the event of the formation in the Republic of Korea of a coalition government which includes one or more members of the Communist Party or of the party now in control of the government of northern Korea."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I intend to vote for this bill, despite some grave misgivings and full realization that there are several strong arguments against it which have real validity and cogency. In the first place, Korea is not essential to our security. No military man says that it is; every military man before our committee said that it is not. Also the Secretary of State last week, in a speech he made before the press club, is reported to have said that Formosa is not essential to our security because it is beyond a line he drew from the Aleutians through Japan and Okinawa to the Philippines. Korea is also beyond that line. If Acheson's argument regarding Formosa's dispensability is sound, then he himself ought to be opposing aid for Korea, too.

In the second place, South Korea is not tenable whenever there is any effort by Russia or her satellites to take it. I would like to quote the expert opinion of General Marshall on this point from the hearings 2 years ago when he appeared before our committee:

Representative JUDD. If North China and Manchuria should be taken over and organized by the Communists, do you think our position in Korea would long be tenable?

Secretary MARSHALL. I think it would not be tenable.

So you can properly argue, if you wish, that it is a waste of money to pour millions into an area which cannot be defended because of the situation we have helped produce in Manchuria and China, and an area which we have no intention of making the slightest effort to help defend. Furthermore, it may well be against the interests of Korean security to built it up industrially, making it so much more desirable a prize for Russia's agents to seize and use for Russia's interests and against our own.

A third argument you can give for voting against it is that there is reason to believe some in the State Department who sponsor the bill do not do so in good faith. Owen Lattimore, whose ideas unfortunately have probably had more to do with our whole Far Eastern policy in the last decade than any other one person's in America, and also with public thinking regarding Asian matters, wrote an article on this subject which was published last July 17 in the Sunday Compass, which is the successor to the newspaper PM and the New York Star. I should like to quote from it. He said, speaking about China:

The problem was how to allow them to fall without making it look as if the United States had pushed them.

As you know, that policy has been faithfully followed since 1946, although I do not think the State Department and the promoters of the Chinese Communists have been fully successful in convincing our people that our Government did not give free China a push.

He states further:

Korea is another chapter in the same unhappy story. I have yet to meet an American who knows all the facts and believes that Syngman Rhee is either a popular or a competent President of South Korea. In spite of high-pressure elections, his legislature is more badly split against him than China's was against Chiang Kai-shek.

The thing to do, therefore, is to let South Korea fall—but not to let it look as though we pushed it. Hence, the recommendation of a parting grant of $150,000,000.

There is no question but that there are people in the State Department who think South Korea is doomed as a result in no small degree of our own Government's blunders in this whole area which they want to cover up. They ask us to put up this money now so that if and when the day comes that Korea goes, they will have their alibi already prepared. They can then issue a white paper on Korea and say: "Well, we did everything we could, and Congress appropriated plenty of money. But the Government of Korea was just so incompetent and inefficient and undemocratic and corrupt that it failed to hold the support of the people and so collapsed before the Communists."

To those people this bill never was a bona fide effort to save Korea. It is a phony—an attempt to shift blame from themselves for the Communist conquest of Korea which they expect. If we make the money available, they can blame the Koreans; if we were not to pass the bill they could blame the Congress. In any case the primary aim to them is to get themselves off the hook in Asia, to get an excuse for their failure to save Korea all fixed up in advance.

There is a fourth argument against the bill. I myself feel our greatest need is for a positive, over-all consistent and defensible far eastern policy. China was important to such a policy, in fact essential to it; Formosa is vital to it. The Philippines, Japan, southeast Asia are all vital to it. South Korea is not.

Those are all valid reasons why you can oppose this bill. But despite those reasons—and I respect completely the integrity and sincerity of the Members who hold them—and despite my fear that as a result of our actions at Yalta and our inaction in China, the odds are against this young Republic and the difficulties we have helped pile up for it may prove beyond its strength, still I am in favor of passing this bill because the reasons for it outweigh those against it. First, it provides the only hope Korea has. I may think it cannot be saved, but I am not God, and Dean Acheson is not God, George Marshall is not God. Who can say for sure that Korea is doomed? We are responsible for the formation of this young republic, and we are duty bound to give it the best possible chance we can. My complaint about our Korea policy is that it does not provide enough. But if we cannot get our Government to adopt a really effective and comprehensive policy, at least I am not willing to tear away the only hope it has.

Second, I agree completely with the words of Dean Acheson appearing on page 47 of the committee report:

For us just to quit and walk out without giving these fellows who have trusted in us any possible chance to survive is just not a decent American thing to do.

I am sorry he does not agree with his own principles when it comes to China and Formosa. I wish he had reread his own statement before he and the President did to the Chinese on Formosa only 2 weeks ago what they ask us not to do, and I am not willing to do, to the Koreans. I refer particularly to those thousands of Chinese on Formosa, still unwilling to yield no matter what the odds. The weakest elements in the Chinese Government are gone, they have been sloughed off or defeated or defected. The best elements are in Formosa—many of them trained in the United States, almost the only men on the continent of east Asia who understand western democracy, our type of civilization, our free-economic system, and who are committed to them. Their crime was that they tried to orient China toward the west instead of toward the Kremlin. Now they are backed up against the wall in Formosa and we pulled the rug out from under them. For us to walk out on those fellows who have trusted us and not give them any possible chance to survive is just not a decent American thing to do. Besides, if they are liquidated, who will there be in China to try to turn her millions toward the West and freedom again?

If on top of the blow the administration has just dealt to the last hope of the Chinese, we here today walk out on the Koreans, what do you think it will do to the hearts and hopes and confidence in us of the other 800,000,000 human beings in Asia? On their decision depends more of our own future than we realize.

Just because Mr. Acheson has, in one case, China, done what by his own definition is just not a decent American thing to do, is no reason or justification for you or me to go and do likewise in the case of Korea.

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

Mr. LEMKE. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. JUDD. Just because the Secretary of State, in other parts of Asia, follows a policy which I feel is unworthy, indefensible, and disastrous beyond calculation to our country, is no reason why I should follow that bad example and unwise precedent. It seems to me that we have got to give Korea the benefit of the doubt no matter how big it be. We ought to give every possible assistance we can, because again and again and again it has been demonstrated in Asia that if, when things look utterly

impossible or hopeless from any western standards, you give them moral support and sympathetic encouragement and just a modicum of balanced military and economic advice and assistance—not American combat soldiers—more can be done for less than anywhere else in the world.

I am willing to bet this much on Korea: I am willing to bet the amount of money involved in this in order to give those people a chance. It is, in part, a sense of moral obligation, in part a concern not to destroy what faith in us still remains in Asia, and in part to get a load off my conscience, or rather to try to atone for what I believe are the sins of our Government in Asia, for which sins we will eternally stand in judgment before God and before history. The burden of error and guilt which we carry is already heavy indeed. Let us not today make it heavier.

Mr. RIBICOFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Minnesota has really posed the real issue to the House today. His statement should be considered together with the remarks of the gentleman from California. The gentleman from California said today that we are only interested in one proposition, and that is the security of the United States of America. There is a further consideration, and that is the good name of the United States of America. If this House throws South Korea to the wolves, we are jeopardizing the good name of the United States of America. Our Nation is responsible for the creation of the South Korean Republic. Our Nation gave encouragement to those people. Our Nation has allowed 21,000,000 people, who do not want communism, who want decency and democracy, and a nation who is willing to fight for its survival, to expect our assistance. They need our help. Now, are we going to let them down on the basis that their position is militarily indefensible? I agree with the gentleman from Minnesota that the good name of the United States is too important in the world today, because if we let Korea go down, what faith will anyone else in south Asia have in the word of the United States. If you expect India to have faith in us, if you expect Indonesia to have faith in us, or any other nation in southeast Asia to have faith in us, it is important that our commitments and our implied promises to Korea be kept.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. How far would the gentleman have us go in protecting Korea from the wolves of communism? To war?

Mr. RIBICOFF. I do not think that is the question at all that is involved today. We are concerned here with economic aid only. No one has asked for military intervention.

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

Mr. JENKINS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am opposed to this legislation. This is a good opportunity for us to save about $300,000,000. There is no use for us to literally give this to Russia. Every competent military man says that South Korea will inevitably pass to North Korea and to Soviet Communist control.

We had better keep these millions here and apply them to our national debt which is increasing at the rate of $17,000,000 per day.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. (a) Notwithstanding the provisions of any other law, the Administrator is authorized to make available to the Republic of Korea merchant vessels of tonnage not in excess of 2,500 gross tons each, in a number not to exceed 10 at any one time, with a stipulation that such vessels shall be operated only in east Asian waters and must be returned forthwith upon demand of the Administrator and in any event not later than June 30, 1951.

(b) Any agency of the United States Government owning or operating any such vessel is authorized to make such vessel available to the Administrator for the purposes of this section upon his application, notwithstanding the provisions of any other law and without reimbursement by the Administrator, and title to any such vessel so supplied shall remain in the United States Government.

SEC. 5. (a) In order to carry out the provisions of this act, there is hereby authorized to be appropriated to the President for the fiscal year ending June 30, 1950, not to exceed $150,000,000.

(b) Notwithstanding the provisions of any other law, until such time as an appropriation shall be made pursuant to subsection (a) of this section, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate $50,000,000 to carry out the provisions of this act, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this act.

Mr. KEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEE: On page 3, line 14, strike out all of lines 14 through 25 and through line 4 on page 4, and insert in lieu thereof:

"SEC. 5. In order to carry out the provisions of this act, there is hereby authorized to be appropriated to the President, in addition to sums already appropriated, not to exceed $60,000,000 for the period February 15, 1950 to June 30, 1950."

Mr. KEE. Mr. Chairman, this is the amendment I stated would be offered, when I made my opening statement. I have no desire to speak further on the amendment.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to support this amendment, but do not kid yourself that this cuts the Korean aid program from $150,000,000 to $60,000,000. It cuts it to $120,000,000 for the first year, but the explanations that have been made to our committee do not reduce the total amount of the program, which you will find on pages 28 and 29 of the committee report.

This amendment also does not change section 2 of the bill, which has already been passed without amendment, which provides a permanent policy of continuing to assist the Republic of Korea.

When you vote for this bill, if you do, you will be voting a permanent policy which is estimated to cost $385,000 in the next 3 years and leave Korea, as long as the far eastern situation is the way it is now, still in the red to the tune of about $35,000,000 a year.

There is one other point I want to make. The words promise and commitment have crept into the debate now and then. I urge you to look at page 182 of the hearings, where Mr. Claxton, on behalf of the Secretary of State, said there was no promise, no commitment, no international treaty, no obligation involved. He said, "It is not as much as a promise."

In view of the fact that our present hearings have been so fragmentary, for reasons I have mentioned earlier, and in view of the fact that they are 6 months stale, and that a lot of water has gone over the dam in the Far East with reference to the movements of Russia and to the backward movements of the United States with respect to that half a billion people in northern Asia whom we have abandoned, all except this 21,000,000, I am going to offer a motion to recommit this bill to the Committee on Foreign Affairs for further study and hearing. I suggest that those of you who feel that maybe we had better take another look at this in view of what has happened, much of which we do not know about now, can carry out that idea by voting to recommit this bill to our committee for further study and hearings.

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

Mr. VORYS. I yield.

Mr. KEATING. If the bill is recommitted and further study is given to the matter, will that not give the Secretary of State an opportunity to revise his testimony which appears at page 47 of the record, where he said, "There is no assurance that the thing is going to be successful. There is complete assurance that Korea will go in 2 or 3 months, if you do not do this." Those statements were made in June of last year.

Mr. VORYS. That was his statement on June 23. There is no complete assurance that Korea will go in 2 or 3 months if this bill is not passed.

Now the Secretary of State can have an opportunity, if we have further hearings, to bring his prophecy up to date on this matter.

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

Mr. VORYS. I yield.

Mr. MANSFIELD. In response to what the gentleman from New York just said about the possible collapse of South Korea if aid is not forthcoming, let me call his attention to the fact that Korea has been kept going because of appropriations which have been made since the end of the last fiscal year.

Furthermore, in response to the question raised by the gentleman from Ohio, I am sure the gentleman did not mean that there was any misapprehension on this side insofar as the amount needed this year is concerned to carry South Korea through. We have stated that

$60,000,000 was already appropriated and obligated, and this additional $60,000,000, which will be put into the bill if this amendment is carried, means the total for this fiscal year will be $120,000,000.

Mr. VORYS. That is correct; under a program which was set before us very ably and intelligently by the ECA officials which will require $385,000,000 to bring Korea within $35,000,000 of balancing their dollar budget.

Mr. MANSFIELD. Unless Congress decrees otherwise.

Mr. KEE. Mr. Chairman, I ask unanimous consent that on page 1, line 3, the figure "1949" be changed to "1950."

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. KEE].

The amendment was agreed to.

Mr. REDDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REDDEN: Page 4, after line 4, add the following new subsection:

"(c) At least one-half of the funds made available to carry out the provisions of this act (including funds advanced by the Reconstruction Finance Corporation but excluding appropriated funds used to repay such advances) shall be used to purchase from the Commodity Credit Corporation wheat, corn, tobacco, and cotton heretofore or hereafter acquired by the Corporation in the administration of its price-support programs, and such other surplus agricultural commodities so acquired as the Administrator determines can reasonably be used by the people of Korea, and to furnish the commodities so purchased to the Republic of Korea."

Mr. REDDEN. Mr. Chairman, the purpose of this amendment is to require at least one-half of the money appropriated under this bill to be spent in the purchase of surplus agricultural commodities.

According to a report just issued by the Department of Agriculture, price-support operations in four commodities accounted for the bulk of the loan total. These commodities, the quantities of collateral pledged, and the loans outstanding, as of November 30, 1949, were as follows:

	Quantity	Amount
Wheat.....bushels..	299,369,674	$593,635,564
Corn.....do....	360,788,638	497,482,734
Cotton.....bales..	1,482,498	222,370,127
Tobacco.....pounds..	363,385,733	149,755,155
Other.....	.....	194,850,926
Total.....	.....	1,658,094,506

The warehouses available to the Production and Marketing Administration are overflowing with surplus farm commodities. In many instances, large surpluses against which loans have been granted, are still in storage on the farms. In some cases loans have been granted against grain piled high in the fields because the warehouses available and the storage places of the farmers were all insufficient to care for these surpluses.

The figures I have given you with respect to these four basic commodities represent the products now on hand, and which must be disposed of along with many other farm products if there is to be storage space for surplus commodities on the farms, or in the warehouses. And so the question arises, What are we to do with this great surplus which is fast accumulating and will soon be completely out of control?

One day the Congress will have to order it given away or dumped into the ocean. It is depreciating now to the extent that for the current fiscal year between June and October 1949, the Government sustained a loss of $43,958,000 in carrying out this program. The loss for one year prior to June 30, 1949, was $254,000,000.

In all surplus commodities as of November 30, 1949, the Department of Agriculture had invested $3,370,190,000 under the price-support program administered by the Production and Marketing Administration.

This is a staggering figure of surplus farm commodities in America. It will bring catastrophe to the farmer if allowed to continue. It will upset our entire economy, and something should be done about it before it is too late.

If this amendment is adopted and is carried through our entire foreign aid programs, it will remove approximately $3,000,000,000 worth of surplus agricultural commodities from the warehouses of the Production and Marketing Administration. The effect of such an operation would be twofold. First, it would remove a vast part of the surplus agricultural commodities from the warehouses, and prohibit them from being sold again on the open market in competition with the farm products of 1950. Second, it would reduce by approximately $3,000,000,000 a budget recently submitted by the President, because we would be authorizing the expenditure of surplus commodities rather than dollars.

Certain Members of the Senate have recently suggested that around $3,000,000,000 could be cut from the budget in various ways. If their program is added to the suggestion which would be possible by this amendment, we will have no trouble in balancing the budget, and I urge that this amendment be adopted forthwith.

Other commodities which are in surplus supply, against which loans have been made, aggregate $194,850,926.

The warehouses of this country, I understand, according to the Department of Agriculture, are completely bulging and overflowing with surplus farm commodities. We have invested in those commodities approximately $3,250,000,000, all of which are on hand, or were as of November 30, 1949.

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

Mr. REDDEN. I yield.

Mr. MILES. I feel this is a very worthy amendment. Should the amendment be adopted, I will vote for the bill. Otherwise, I would seriously consider voting against it.

Mr. REDDEN. I appreciate that from the gentleman.

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

Mr. REDDEN. I yield.

Mr. GROSS. Our farmers in Iowa are getting 18 cents a dozen for their eggs.

Mr. REDDEN. I so understand.

Mr. GROSS. Is there anything in this amendment that would preclude shipping some of the 73,000,000 pounds of dried eggs to Korea?

Mr. REDDEN. Not at all. This includes any products of the farm that the Department of Agriculture or the Administrator of ECA say can reasonably be used by the people of Korea. So I contend that if this amendment is adopted it will have two effects: First, it will help to relieve the surplus agricultural commodities that are available in tremendous abundance everywhere in this country. Second, if this policy is followed in this bill and in all other foreign-aid programs that this Congress may adopt, it will possibly relieve appropriations by this Congress in a minimum of $3,000,000,000, because if we follow out the recommendations of the administration with respect to the ECA program for this year, we will appropriate around three and one-half billion or perhaps four billion. If half or two-thirds of that amount is spent for surplus commodities, then, instead of appropriating dollars, we will be appropriating surplus farm commodities.

So I hope this House may adopt the amendment, not only in order to help the people of Korea but to help the farmers of America who have filled all the warehouses, including their own, with surplus agricultural commodities.

I understand loans have been advanced by the Commodity Credit Corporation on grains that are lying out upon the soil now; that we have corn and wheat and rye and other farm products in such tremendous quantities that they cannot even find shelter for them. At least we might offer them to the people of Korea, since this appropriation is a gift.

I would like to say further that if cotton, tobacco, wheat, and corn in this country are removed from storage and across the waters to the people to whom we are going to give this money, it will save us someday from being called upon to send it out into the ocean and there dump it without any compensation. It reminds me of the story of a man that I talked to down home. I asked the fellow if he raised any rye that year. He said, "Raise rye? I raised so much rye on my farm this year until I had to rent my neighbor's farm to store it on." We are just about that way with surplus farm commodities in this country. We are going to have to find some other country to pile it upon or else send it to foreign countries under legislative enactment.

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

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment on its face seems to be a pretty good thing. I come from a tobacco, cotton, and corn country too. We are going to have a real problem of getting rid of our farm surpluses some day, but when we do have to give them away, we want them to do somebody some good.

As far as the Koreans are concerned, they do not need this stuff. It may be better to follow one of the alternative suggestions of the gentleman from North Carolina, the suggestion that if we do not

send some of our surplus farm products to Korea it might be necessary to dump them in the Pacific Ocean. So far as benefit to all concerned, it might be better to dump them into the Pacific Ocean. Certainly they would not be of material benefit to the Koreans because they do not need them. If we dump this produce into the Pacific Ocean, then probably the fish would eat it and we could catch the fish and eat the fish at home and it would help a great many American taxpayers. Agricultural food products are not in short supply in Korea. The estimate of Korea's immediate needs does not include food, except $160,000 of vegetable oils and $630,000 for salt. I do not know whether we have any surplus salt in this country; maybe we have a little surplus vegetable oil.

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

Mr. RICHARDS. I yield.

Mr. KEE. We have reports from Korea that they are now in a situation where they can produce all the salt they want and more too.

Mr. RICHARDS. In Korea we have a country that can produce all of its own food; and, given some additional help, it can grow into a self-sustaining economic unit. A country that is self-sustaining usually has the will to defend itself. It is not easy to find peoples these days who are willing to sacrifice and fight for the democratic ideal. We do not find the will to sacrifice and fight in the hearts of everybody we are helping these days, but the evidence is uncontradicted that the will to fight is in the hearts of the Koreans. They have 100,000 soldiers ready to fight. They have turned back the Communists on their borders twice by force of arms. Korea is one of the few spots in Asia, Mr. Chairman, right now where we can depend on the people to fight to the limit. You have got something here, you have a people who believe in democracy, you have a people who have indicated a will to fight for democracy. The whole Pacific and Asiatic area is looking to the Congress of the United States today. We have promised the people of the world that we would help those who believe in democracy and who would fight for it. Now, having put our hand to the plow, are we going to turn back?

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. WHITE of Idaho. The gentleman is not laboring under the impression that there are no hungry people in Korea, is he?

Mr. RICHARDS. No; there are some hungry people everywhere.

Mr. WHITE of Idaho. Should we not then do something for them by sending them surplus farm products?

Mr. RICHARDS. We are dealing here with the needs of Korea.

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

Mr. RICHARDS. I yield.

Mr. JAVITS. If the gentleman will read the amendment he will find that it reads as follows:

> At least one-half shall be used for the purpose contained in the amendment.

That means that this is an amendment to cut this bill by 50 percent, period.

Mr. RICHARDS. By 50 percent?

Mr. JAVITS. That is exactly what the amendment states.

Mr. RICHARDS. It means that the Koreans will get but $30,000,000.

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

Mr. MILLER of Nebraska. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the spirit of this amendment is good; I do not believe that it would work. The Chinese now have sufficient rice; in fact, last year they exported 100,000 metric tons and expect to export 200,000 metric tons this year. They use but little corn and wheat. I think they do want their cotton and tobacco. I doubt very much whether the amendment would be practicable, although I think the spirit of it is commendable.

Mr. Chairman, I call attention to the fact that a motion to recommit this bill is going to be offered by the gentleman from Ohio. Inasmuch as the chairman of the committee has said there has been a change in the situation, that they do not need salt now—I note the hearings were held in June of last year—that is another reason for recommitting this bill to see if we can get a little more information. Perhaps they do not need all of this vegetable oil. We were told that they are doing pretty well on coal and that the electric-light situation has improved a great deal since this report was written.

My object in coming again to the well of the House is this: the gentleman from North Carolina [Mr. DEANE], made the statement that there apparently is some difference of opinion between the gentleman from Arkansas [Mr. NORRELL], and myself with reference to our visit in Korea. There is no difference of opinion in our committee, as the gentleman from North Carolina [Mr. DEANE] has stated on the floor of the House. I think the Members of Congress ought to have this report, which is now in the hands of the Appropriations Committee. I hope it will be made a public document shortly. I quote from it as follows:

> For example, South Korea needs fertilizer plants and other facilities, but the wisdom of our aiding them to build industrial facilities, unless the United States is entrenched in the Far East sufficiently to buttress South Korea, is open to question. We certainly do not want to be party to developing ready-made industrial capacity and other capital improvements to fall into the hands of the Communists if they should take the country. At least we ought to go slow in this respect until the situation is clarified.

This report was signed by the four members of the committee who visited that area.

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

Mr. NORRELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, may I say that we endorse the request of the Korean Government, as the chairman of the Subcommittee on Appropriations appointed to visit Korea in order to obtain certain information for our committee. We have made our report to the gentleman from Missouri [Mr. CANNON], chairman of our House Appropriations Committee. We did say in our report that we doubted the wisdom of constructing permanent projects until the matter of our foreign policy could be ironed out and settled in the Far East. This, however, is a matter that the Appropriations Committee can handle. I am sure that serious consideration shall be given to this matter. The bill, after the amendments that we have adopted, should be passed.

Mr. Chairman, so far as I am concerned, we were placed in Korea at the surrender conference of Japan. The American flag was placed there, and I am not willing to retreat. We have always enjoyed the friendship of the Korean people. They are a fine and noble people. We have assisted them in establishing their Government. The Government is young although their nation is old in years of existence. The seeds of democracy have been planted and I hope in the years to come the Republic of Korea shall be a strong democratic nation. This bill should be passed. The request of Korea has been reduced. This was done by the Republic of Korea. They reduced their request $30,000,000. We have already given them $60,000,000, and this constitutes the reason for reducing the amount of the pending bill to $60,000,000. I hope this bill as amended will pass.

Mr. KRUSE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I was a member of the committee that went to Korea, along with the gentleman from Arkansas [Mr. NORRELL], and I endorse what he just said about the particular legislation now before us. I agree that in our consideration of Korea we certainly have to consider it in its relation to the whole picture in the Far East. We do feel that possibly our whole policy, insofar as the Far East situation is concerned, needs to be clarified in some respects.

I would like to say this so far as my personal observation of the Korean people is concerned. I have never been more impressed with a group of people and their determination and their willingness to sacrifice their lives, if necessary, in behalf of what they believe is right and for the kind of government they wish to have. Korea has had a turbulent history of some 4,000 years. During the 40-year domination by the Japanese, which has just recently ended, I would like to point out the fact that the Korean people had a government in exile, and they never lost their determination to establish a free, independent, democratic government. I think the circumstances warrant our supporting this legislation at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. REDDEN].

The question was taken; and on a division (demanded by Mr. REDDEN) there were—ayes 55, noes 95.

Mr. REDDEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 3 after section number 5 insert a new section as follows:

"SEC. 6. The authorization for appropriations in this act is limited to the period ending June 30, 1950, in order that any subsequent authorizations may be separately passed on, and is not to be construed as an express or implied commitment to provide further authorizations or appropriations."

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the page reference contained in the amendment be made to read page 4 instead of page 3.

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

There was no objection.

Mr. JAVITS. Mr. Chairman, the purpose of this amendment is to answer the statements which have been made here and which are not grounded upon the record, that this is a commitment by the Congress to engage in a $380,000,000 recovery program for Korea. The idea with which the committee reported this bill to the floor was that it meant exactly what the bill said; that it was an appropriation limited by the date which is contained in the bill itself, June 30, 1950. It was confined to this particular amount, $60,000,000, and that thereafter the committes of Congress and the Congress itself could determine whether the situation warranted going on further. That is borne out by the record to which my colleague, the gentleman from Ohio [Mr. VORYS] referred, when he read the statement of Mr. Claxton, but he did not read it all. Mr. Claxton said as follows: "It is not as much as a promise." That is what the gentleman from Ohio read.

Then he goes on:

We have made numerous declarations as to our intention with the Government of Korea. It was a question simply of whether the United States was going to carry through on its declarations as distinguished from carrying through on a commitment or obligation.

In other words, this has been declared to be the policy with respect to the United States, subject—and I underline the word "subject"—to what the Congress may do about furnishing money.

The Congress by the amendment which I have just proposed makes it crystal clear that it is going along with the policy only to the extent authorized by this act, to wit, to June 30, 1950, for the amount of money which is specified in the act, $60,000,000. With that, no one can say we are writing a blank check or a check for more than the exact amount stated, $60,000,000.

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

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KEATING. Therefore, do I understand the gentleman correctly that this statement by Mr. Claxton of the State Department as to a declaration by the State Department is the one thing in the nature of a commitment to which the gentleman referred in his remarks in the general debate?

Mr. JAVITS. Exactly.

Mr. KEATING. The gentleman would recognize, would he not, that the use of the word "commitment" is a rather strong phrase to use under these circumstances?

Mr. JAVITS. I grant it is inappropriate.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. JACKSON of California. I believe the gentleman has an excellent amendment, inasmuch as it will serve to clear up any consideration of commitment and will make it, as the gentleman said, crystal clear that future decisions with respect to Korean aid will largely rest within this body.

Mr. JAVITS. May I say in all fairness, Mr. Chairman, that I have consulted the chairman of the committee, and I think most of the members of the committee favor this bill and may favor this amendment.

I should like to make one other point before completing my remarks about this amendment, and that is to answer briefly the question which has been asked about this bill. I quote this question:

What kind of a policy for the Far East could be based on Korea, and is our national security involved in Korea?

I think we all must understand and we all must believe that our national security is involved in the people of Asia, that the policy for the Far East which we must build must be built upon the people of Asia, and that this bill designs to preserve for our cause, the cause of democracy and freedom, the 21,000,000 people of Asia who reside in Korea.

Mr. KEE. Mr. Chairman, in my opinion, the amendment offered by the gentleman from New York is not necessary, but in view of the fact that it is absolutely impossible for one Congress to bind a succeeding Congress, and that this amendment merely states what is true, anyway. that a succeeding Congress can always review what has taken place in a preceding Congress, I am willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5330) to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea, pursuant to House Resolution 368, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. VORYS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. VORYS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. VORYS moves to recommit H. R. 5330 to the Committee on Foreign Affairs for further study and hearings.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 89, noes 112.

Mr. VORYS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 190, nays 194, not voting 47, as follows:

[Roll No. 5]

YEAS—190

Abernethy	Goodwin	Mason
Allen, Ill.	Gossett	Meyer
Allen, La.	Graham	Michener
Andersen, H. Carl	Grant	Miller, Md.
Anderson, Calif.	Gross	Miller, Nebr.
Andresen, August H	Gwinn	Morris
Andrews	Hagen	Morton
Angell	Hall, Edwin Arthur	Moulder
Arends	Halleck	Murray, Tenn.
Auchincloss	Hand	Murray, Wis.
Barden	Harden	Nelson
Barrett, Wyo.	Hare	Nicholson
Bennett, Mich.	Harrison	Nixon
Bishop	Harvey	Norblad
Blackney	Hébert	O'Hara, Minn.
Boggs, Del.	Herlong	O'Konski
Bramblett	Hill	Passman
Breen	Hinshaw	Patterson
Brehm	Hoeven	Phillips, Calif.
Brown, Ohio	Hoffman, Ill.	Pickett
Bryson	Hoffman, Mich.	Plumley
Byrnes, Wis.	Hope	Poage
Camp	Hull	Potter
Carlyle	Jackson, Calif.	Poulson
Case, S. Dak.	James	Powell
Chiperfield	Jenison	Preston
Church	Jenkins	Rains
Clevenger	Jennings	Rankin
Cole, Kans.	Johnson	Reed, Ill.
Colmer	Jonas	Reed, N. Y.
Corbett	Jones, Mo.	Rees
Cotton	Kean	Regan
Crawford	Kearney	Rich
Cunningham	Kearns	Rivers
Curtis	Keating	Sadlack
Dague	Keefe	Sadowski
Davies, N. Y.	Kilday	St. George
Davis, Ga.	Kunkel	Sanborn
Davis, Tenn.	Larcade	Saylor
Davis, Wis.	Latham	Scott, Hardie
D'Ewart	LeCompte	Scott, Hugh D., Jr.
Dolliver	LeFevre	Scrivner
Doughton	Lichtenwalter	Scudder
Ellsworth	Lovre	Secrest
Elston	Lucas	Shafer
Fellows	McConnell	Short
Fenton	McCulloch	Sikes
Fisher	McDonough	Simpson, Ill.
Ford	McGregor	Smith, Kans.
Frazier	McMillen, Ill.	Smith, Va.
Gamble	Mack, Wash.	Smith, Wis.
Gathings	Magee	Stefan
Gavin	Marcantonio	Stockman
Golden	Martin, Iowa	Sutton
	Martin, Mass.	Taber

Tackett	Velde	Williams
Talle	Vorys	Willis
Taurielio	Weichel	Wilson, Ind.
Taylor	Welch	Wilson, Tex.
Teague	Werdel	Winstead
Thomas	Wheeler	Wolcott
Tollefson	White, Calif.	Wood
Towe	White, Idaho	Woodruff
Van Zandt	Whitten	

NAYS—194

Addonizio	Gordon	Mills
Albert	Gore	Mitchell
Aspinall	Gorski	Monroney
Bailey	Granahan	Morgan
Baring	Granger	Morrison
Bates	Green	Multer
Battle	Gregory	Murdock
Beckworth	Hale	Noland
Bentsen	Hall,	Norrell
Boggs, La.	Leonard W.	Norton
Bolling	Hardy	O'Brien, Ill.
Bolton, Md.	Harris	O'Brien, Mich.
Bolton, Ohio	Hart	O'Hara, Ill.
Bonner	Havenner	O'Neill
Bosone	Hays, Ark.	O'Sullivan
Brooks	Hays, Ohio	O'Toole
Brown, Ga.	Hedrick	Pace
Buchanan	Heller	Patman
Buckley, Ill.	Herter	Patten
Burke	Heselton	Perkins
Burleson	Holifield	Peterson
Burnside	Holmes	Pfeifer,
Burton	Horan	Joseph L.
Byrne, N. Y.	Howell	Philbin
Canfield	Huber	Polk
Cannon	Jackson, Wash.	Price
Carnahan	Jacobs	Priest
Carroll	Javits	Quinn
Case, N. J.	Jones, Ala.	Rabaut
Chatham	Jones, N. C.	Ramsay
Chelf	Judd	Redden
Chesney	Karst	Rhodes
Christopher	Karsten	Ribicoff
Chudoff	Kee	Richards
Clemente	Kelley, Pa.	Riehlman
Cole, N. Y.	Kelly, N. Y.	Rodino
Combs	Kennedy	Rogers, Fla.
Cooley	Kerr	Rogers, Mass.
Cooper	King	Rooney
Cox	Kirwan	Roosevelt
Crook	Klein	Sabath
Crosser	Kruse	Shelley
Davenport	Lane	Sims
Dawson	Lanham	Spence
Deane	Lemke	Staggers
DeGraffenried	Lesinski	Steed
Delaney	Lind	Stigler
Denton	Linehan	Sullivan
Dingell	Lodge	Thompson
Dollinger	Lyle	Thornberry
Donohue	Lynch	Trimble
Douglas	McCarthy	Underwood
Eaton	McCormack	Wagner
Eberharter	McGuire	Walsh
Elliott	McKinnon	Walter
Engle, Calif.	McMillan, S. C.	Whittington
Evins	McSweeney	Wickersham
Fallon	Mack, Ill.	Wigglesworth
Feighan	Madden	Wilson, Okla.
Fernandez	Mahon	Withrow
Fogarty	Mansfield	Worley
Forand	Marsalis	Yates
Fulton	Marshall	Young
Furcolo	Merrow	Zablocki
Garmatz	Miles	
Gary	Miller, Calif.	

NOT VOTING—47

Abbitt	Doyle	Pfeiffer,
Allen, Calif.	Durham	William L.
Barrett, Pa.	Engel, Mich.	Phillips, Tenn.
Beall	Flood	Sasscer
Bennett, Fla.	Fugate	Sheppard
Biemiller	Gillette	Simpson, Pa.
Bland	Gilmer	Smathers
Blatnik	Heffernan	Smith, Ohio
Boykin	Hobbs	Stanley
Buckley, N. Y.	Irving	Vinson
Bulwinkle	Jensen	Vursell
Burdick	Keogh	Wadsworth
Cavalcante	Kilburn	Whitaker
Celler	McGrath	Wier
Coudert	Macy	Wolverton
Dondero	Murphy	Woodhouse

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Vursell for, with Mr. Wolverton against.

Mr. Coudert for, with Mr. Allen of California against.

Mr. Bennett of Florida for, with Mr. Gilmer against.

Mr. Smith of Ohio for, with Mr. Keogh against.

Mr. Dondero for, with Mr. William L. Pfeiffer against.

General pairs until further notice:

Mrs. Woodhouse with Mr. Beall.

Mr. Murphy with Mr. Kilburn.

Mr. Biemiller with Mr. Macy.

Mr. McGrath with Mr. Phillips of Tennessee.

Mr. Barrett of Pennsylvania with Mr. Simpson of Pennsylvania.

Mr. Celler with Mr. Wadsworth.

Mr. Hobbs with Mr. Engel of Michigan.

Mr. Heffernan with Mr. Gillette.

Mr. Vinson with Mr. Jensen.

Mr. REDDEN changed his vote from "yea" to "nay."

Mr. BROOKS changed his vote from "yea" to "nay."

Mr. MCMILLAN of South Carolina changed his vote from "yea" to "nay."

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 191, nays 192, not voting 48, as follows:

[Roll No. 6]

YEAS—191

Addonizio	Fogarty	Mack, Ill.
Albert	Forand	Madden
Aspinall	Fulton	Mahon
Bailey	Furcolo	Mansfield
Baring	Garmatz	Marsalis
Bates	Gary	Marshall
Battle	Gathings	Merrow
Beckworth	Gordon	Miller, Calif.
Biemiller	Gore	Mills
Boggs, La.	Gorski	Mitchell
Bolling	Granahan	Monroney
Bolton, Md.	Granger	Morgan
Bolton, Ohio	Green	Morrison
Bonner	Gregory	Multer
Bosone	Hale	Murdock
Brooks	Hall,	Noland
Brown, Ga.	Leonard W.	Norrell
Buchanan	Hardy	Norton
Buckley, Ill.	Harris	O'Brien, Ill.
Burke	Hart	O'Brien, Mich.
Burleson	Havenner	O'Hara, Ill.
Burnside	Hays, Ark.	O'Neill
Burton	Hays, Ohio	O'Sullivan
Byrne, N. Y.	Hedrick	O'Toole
Canfield	Heller	Pace
Cannon	Herter	Patman
Carnahan	Heselton	Patten
Carroll	Holifield	Perkins
Case, N. J.	Holmes	Peterson
Chatham	Horan	Pfeifer,
Chelf	Howell	Joseph L.
Chesney	Huber	Philbin
Christopher	Jackson, Wash.	Polk
Chudoff	Javits	Price
Clemente	Johnson	Priest
Cole, N. Y.	Jones, Ala.	Quinn
Combs	Jones, N. C.	Rabaut
Cooley	Judd	Ramsay
Cooper	Karst	Redden
Cox	Karsten	Rhodes
Crook	Kee	Ribicoff
Crosser	Kelley, Pa.	Richards
Davenport	Kelly, N. Y.	Riehlman
Dawson	Kennedy	Rodino
Deane	King	Rogers, Mass.
DeGraffenried	Kirwan	Rooney
Delaney	Klein	Roosevelt
Denton	Kruse	Sabath
Dingell	Lane	Shelley
Dollinger	Lanham	Sims
Donohue	Lesinski	Spence
Douglas	Lind	Staggers
Doyle	Linehan	Steed
Eaton	Lodge	Stigler
Eberharter	Lyle	Sullivan
Elliott	Lynch	Thompson
Engle, Calif.	McCarthy	Thornberry
Evins	McCormack	Trimble
Fallon	McGuire	Underwood
Feighan	McKinnon	Wagner
Fernandez	McSweeney	Walsh
Walter	Wilson, Okla.	Young
Whittington	Withrow	Zablocki
Wickersham	Worley	
Wigglesworth	Yates	

NAYS—192

Abernethy	Hand	Pickett
Allen, Ill.	Harden	Plumley
Allen, La.	Hare	Poage
Andersen,	Harrison	Potter
H. Carl	Harvey	Poulson
Anderson, Calif.	Hébert	Powell
Andresen,	Herlong	Preston
August H.	Hill	Rains
Andrews	Hinshaw	Rankin
Angell	Hoeven	Reed, Ill.
Arends	Hoffman, Ill.	Reed, N. Y.
Auchincloss	Hoffman, Mich.	Rees
Barden	Hope	Regan
Barrett, Wyo.	Hull	Rich
Bennett, Mich.	Jackson, Calif.	Rivers
Bentsen	Jacobs	Rogers, Fla.
Bishop	James	Sadlak
Blackney	Jenison	Sadowski
Boggs, Del.	Jenkins	St. George
Bramblett	Jennings	Sanborn
Breen	Jonas	Saylor
Brehm	Jones, Mo.	Scott, Hardie
Brown, Ohio	Kean	Scott,
Bryson	Kearney	Hugh D., Jr.
Byrnes, Wis.	Kearns	Scrivner
Camp	Keating	Scudder
Carlyle	Keefe	Secrest
Case, S. Dak.	Kilday	Shafter
Chiperfield	Kunkel	Short
Church	Larcade	Sikes
Clevenger	Latham	Simpson, Ill.
Cole, Kans.	LeCompte	Smith, Kans.
Colmer	LeFevre	Smith, Va.
Corbett	Lichtenwalter	Smith, Wis.
Cotton	Lovre	Stefan
Crawford	Lucas	Stockman
Cunningham	McConnell	Sutton
Curtis	McCulloch	Taber
Dague	McDonough	Tackett
Davies, N. Y.	McGregor	Talle
Davis, Ga.	McMillen, Ill.	Taurielio
Davis, Tenn.	Mack, Wash.	Taylor
Davis, Wis.	Magee	Teague
D'Ewart	Marcantonio	Thomas
Dolliver	Martin, Iowa	Tollefson
Doughton	Martin, Mass.	Towe
Ellsworth	Mason	Van Zandt
Elston	Meyer	Velde
Fellows	Michener	Vorys
Fenton	Miles	Weichel
Fisher	Miller, Md.	Welch
Ford	Miller, Nebr.	Werdel
Frazier	Morris	Wheeler
Gamble	Morton	White, Calif.
Gavin	Moulder	White, Idaho
Golden	Murray, Tenn.	Whitten
Goodwin	Murray, Wis.	Williams
Gossett	Nelson	Willis
Graham	Nicholson	Wilson, Ind.
Grant	Nixon	Wilson, Tex.
Gross	Norblad	Winstead
Gwinn	O'Hara, Minn.	Wolcott
Hagen	O'Konski	Wood
Hall,	Passman	Woodruff
Edwin Arthur	Patterson	
Halleck	Phillips, Calif.	

NOT VOTING—48

Abbitt	Fugate	Sasscer
Allen, Calif.	Gillette	Sheppard
Barrett, Pa.	Gilmer	Simpson, Pa.
Beall	Heffernan	Smathers
Bennett, Fla.	Hobbs	Smith, Ohio
Bland	Irving	Stanley
Blatnik	Jensen	Vinson
Boykin	Keogh	Vursell
Buckley, N. Y.	Kerr	Wadsworth
Bulwinkle	Kilburn	Whitaker
Burdick	Lemke	Wier
Cavalcante	McGrath	Wolverton
Celler	McMillan, S. C.	Woodhouse
Coudert	Macy	
Dondero	Murphy	
Durham	Pfeiffer	
Engel, Mich.	William L.	
Flood	Phillips, Tenn.	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wolverton for, with Mr. Vursell against.

Mr. Allen of California for, with Mr. Coudert against.

Mr. Gilmer for, with Mr. Bennett of Florida against.

Mr. Lemke for, with Mr. Smith of Ohio against.

Mr. William L. Pfeiffer for, with Mr. Dondero against.

Mr. Keogh for, with Mr. Macy against.

Additional general pairs:

Mrs. Woodhouse with Mr. Kilburn.
Mr. Murphy with Mr. Wadsworth.
Mr. Celler with Mr. Simpson of Pennsylvania.
Mr. McGrath with Mr. Beall.
Mr. Barrett of Pennsylvania with Mr. Engel of Michigan.
Mr. Vinson with Mr. Gillette.
Mr. Heffernan with Mr. Jensen.
Mr. Hobbs with Mr. Phillips of Tennessee.
Mr. Blatnik with Mr. Burdick.

Mr. LYLE, Mr. GRANGER, and Mr. HAYS of Ohio changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. JACKSON of California. Mr. Speaker, I move to reconsider the vote just taken and lay that motion on the table.

The motion was agreed to.

SPECIAL ORDER

Mr. ANGELL. Mr. Speaker, I have been granted a special order to address the House for 15 minutes today. I ask unanimous consent to extend my remarks at this point in the RECORD and include certain excerpts.

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

There was no objection.

TAPS SOUND FOR BATTLESHIP "OREGON"

Mr. ANGELL. Mr. Speaker, heretofore on several occasions I have called attention in the House to the sad plight of the U. S. S. *Oregon*, the old battleship which performed such heroic service in the Spanish-American War. The final chapter in the history of this famous battleship seems now to have been written.

After the ship was decommissioned by reason of age and obsolescence it was turned over to the State of Oregon and from June 1925 to October 1942 the State of Oregon had possession and custody of the ship, which was maintained as a shrine and historical monument to instill in the hearts and minds of our people, and particularly the boys and girls, patriotism and love of country. However, December 7, 1942, the old battlewagon was repossessed by the United States Navy and in February 1943 was sold to be junked, against the wishes of thousands of Oregon residents whose affection for the battleship led them to believe that it would be of far greater value to the Nation to maintain the ship as a shrine than to junk it for the small amount of salvage it contained.

It may be of interest to future generations to recite here some of the history of this famous battleship. The battleship *Oregon* was constructed pursuant to an act of Congress June 30, 1890, at a cost of $6,280,000, and was launched October 26, 1893. Capt. Charles Edgar Clark was in command when the historic ship made its famous run around South America, through the Straits of Magellan, on to Key West, and then to Santiago, to take part in the destruction of the Spanish fleet on July 3, 1898.

As detailed in the Oregon Journal of Sunday, December 7, 1947, on March 18, 1898, the *Oregon* sailed from what had been her home port and where she had been christened to steam away on a renowned cruise.

The *Oregon* covered a distance of 14,500 miles from Bremerton, Wash., to Jupiter Inlet, Fla., using 4,000 tons of coal and maintaining an average speed off 11.6 knots per hour.

She reached Santiago on the morning of June 1.

On the Sunday morning of July 3, the ships lay at anchor in waters as calm as an inland lake. Officers and men alike, clad in spotless white, were ready for the general muster to listen to the reading of the Articles of War, a customary rule in the Navy on the first Sunday of every month.

Suddenly there was a clanging of gongs and men and officers alike rushed for their stations.

Shouts and cheers rang out. "There they are. There they are." Caps were waved and shouts rose higher as the *Maria Theresa*, one of the most powerful battleships in the world at that time, led the Spanish fleet through the narrow channel and swept majestically from the harbor of Santiago.

Cervera's fleet was making for the open sea when Commodore Schley, on the *Brooklyn*, ordered the Atlantic squadron to close in. The first ship had scarcely cleared the harbor when a shot was made from one of the *Oregon's* 6-pounders, fired by Private O'Shay, of the gun crew.

The *Oregon* had been ready and waiting for this time to come. Chief Engineer Milligan had sufficient steam up to give the vessel a speed of 10 knots, while the other ships started from 5 or 6.

Full speed ahead went the old *Oregon*. She ranged up near the *Maria Theresa* which was already afire from bursting shells of the *Indiana* and *Iowa*, and raked the Spanish ship until she ran ashore on the rocks, 6 miles from Santiago.

Then the *Oregon* charged after the *Almirante Oquindo*, which beached in a mass of flames 10 minutes after the Spanish flagship had run on the rocks.

By now the *Oregon* had worked her speed up to 16 knots, and when about 3,000 yards from the *Viscaya*, which had swung offshore and headed across the *Oregon's* bow, launched a furious broadside. On fire, she, too, headed for shore 10 miles from Morro Castle.

Commodore Schley, of the *Brooklyn*, signaled, "*Oregon*, well done." The only one of the Spanish fleet that had escaped from the harbor was the *Colon*. The *Brooklyn* and *Oregon* shortened the 6-mile lead in short order. From the *Oregon's* 13-pounder, shells struck under the *Colon's* stern, and the last shot of July 3 had been fired.

The commander of the *Colon* dropped her colors at the foot of the flagstaff. A boat from the *Brooklyn* was sent, under cover of the guns of the *Oregon*, to receive the surrender of the *Colon*. Bugles sounded "Cease firing."

The thunder of the heavy guns stopped. The band on the deck played the Star-Spangled Banner and followed it by There's a Hot Time.

The crew of the *Oregon*, 500 strong, bare to the waist, begrimed with powder and coal dust, danced and cheered with joy. They cheered their captain rousingly. The *Brooklyn* signaled, "Congratulations upon a glorious victory."

On the following morning the *Oregon* sailed back over the route of the victory to see what was left of the pride and glory of Spain piled in burning wreckage for miles along the Cuban coast.

The reception given on the Fourth of July to the *Oregon* will never be forgotten. Commodore Schley's greeting signal of "Welcome back, brave *Oregon*," will be remembered as long as there is a history to record the events of those days.

The citizens of our Nation and particularly the State of Oregon are proud of this heroic achievement of the battleship *Oregon*. When the time arrived for retiring the *Oregon* from active service in the Navy, possession was turned over to the State of Oregon, and from June 1925 to October 1942 the State had possession and custody under the memorandum receipt executed to the Secretary of the Navy by the Battleship Oregon Commission, an agency of the State. Title, however, remained in the United States. The *Oregon* was moored in a historic park on the banks of the Willamette River, within the corporate limits of the city of Portland, where it was maintained by the people of Oregon as a historic shrine in commemoration of heroic achievement in defense of our country.

The biennial reports of the secretary of state for Oregon show that from 1927 to June 1941 the State appropriated $154,961.14 for the care and maintenance of the ship, under the supervision of the Battleship Oregon Commission, the members of which served without compensation or other allowance. During this period these appropriations by the State, together with appropriations by the port of Portland, the city of Portland, public subscriptions, and contribution from the United States made possible providing a permanent anchorage for the *Oregon* in the historic park to which I have referred, which was dedicated and improved with the assistance of the Work Projects Administration and was known as the Battleship Oregon Marine Park.

The *Oregon* as maintained by the commission was not only a relic of great historic and patriotic interest but was maintained as a museum for the preservation and display of historic objects having reference to the old battleship. The gun deck also served as a meeting place for Boy Scouts, Sea Scouts, Boy Rangers, Girl Scouts, Campfire Girls, Girl Mariners, and various other civic, patriotic, and character-building organizations, particularly having to do with the youth of our Nation. There was an average monthly attendance of 6,000 visitors to the ship, composed largely of school children and other organizations. The old ship, by reason of its heroic achievements in the Spanish-American War and its glorious history as a fighting battle wagon in the American Navy and its maintenance through the years by

the State of Oregon as a symbol of patriotism to our country had enshrined itself in the hearts of the people of Oregon to such an extent that it had become an invaluable factor in all patriotic endeavors engaged in my our State particularly in time of war. In passing I may say there can be little question that the value of the ship for war purposes as a historic shrine in building morale and patriotism in our people far exceeded the nominal value of the material involved for purely salvage purposes.

On October 12, 1942, the Navy Department, with the approval of the President, as contended in order to meet the exigencies of the war occasioned by the shortage of scrap metals, ordered the vessel scrapped, and these operations began on about December 8, 1942. I was in Portland in my district at the time, and I sent a telegram to the officials in charge of the dismantling of ship reading as follows:

Oregon cooperating 100 percent in war effort. Willing to sacrifice old *Oregon* battleship so near to our hearts that the old ship may again in a new form perform gallantly as she did in her memorable fight. We hope you will see that the ship be not sold to dealers but may go through to war needs without profit to anyone. Please advise if this can be done.

In reply to this telegram, on October 24, 1942, I received a letter from R. W. Berry, commander, United States Navy, deputy Director in the Office of Public Relations, Navy Department, reading as follows:

As our official news release indicated, the U. S. S. *Oregon* is to be dismantled under the strict supervision of the War Production Board and the Navy Department.

I am advised, however, by the Salvage Construction Section of the Bureau of Supplies and Accounts, that it cannot be guaranteed to have the ship wrecked without profit to anyone.

The only way she can be dismantled is by a qualified wrecker. The project is an enormous one. It is regarded as being next to impossible to obtain the services of a wrecker who will do this job without profit and for sentiment only. Unless you, or perhaps someone else, knows of a person or a company on the west coast who will warrant to wreck the *Oregon* without profit, there is no alternative to proceeding as contemplated.

Please be assured that your feelings about the *Oregon* are fully appreciated. Every effort will be exerted by all concerned to wreck her in accordance with the spirit of your wishes.

Mr. Speaker, after the dismantling of the battleship *Oregon* was presumed to have been completed I asked for the report on the salvage operations and the disposition of the salvage material and the payment received by the Federal Government therefor, and the contribution to the war effort of the scrapping of the battleship.

On April 19, 1944, I urged the chairman of the Committee on Naval Affairs in the House to make an investigation and report on the salvaging operations, without avail. However, I continued my investigations and inquiries and at last have received from the Secretary of the Navy and the Maritime Commission reports purporting to show the results of the salvaging operations and all of the funds received by the Federal Government therefor and the disposition of the salvage material.

As shown by this report the ship was turned over to Edward M. Ricker & Co., on a purchase price of $35,000. The total amount received from sales of the salvage material by the Edward M. Ricker & Co. as shown by the reports to me amount to $189,629.35 against which the allowable costs and expenses of the contractor to that time, including the purchase price of the ship of $35,000 was $161,811.03. After the hull of the ship was requisitioned by the Navy, the Maritime Commission determined on April 13, 1948, that $10,250 was just compensation for title to the hull that had been requisitioned by the United States and that $1,020.80 was just compensation for delay in payment. These amounts were unsatisfactory to Edward M. Ricker & Co., whereupon the Maritime Commission paid to the Company 75 percent of these amounts, namely $7,687.50 plus $765.60, in June of 1949, reserving to the owner the right to sue the United States to collect an additional amount. The Maritime Commission advised me on January 16, 1950, that they had received no notice of the filing of any action for this collection.

These reports, to me, disclose that the War Shipping Administration repossessed from Edward M. Ricker & Co., salvage material for which they paid the company $93,278.63 which, together with the amounts paid by the Maritime Commission on account of payment for the hull of the battleship, namely $8,453.10, makes a total aggregate of $101,731.73 paid to Edward M. Ricker & Co. by Government agencies for salvage material from the battleship. In other words, the United States Government disposed of the ship for $35,000 but paid back to the purchaser $101,731.73 for purchases of a portion of the salvage material from the ship and is still subject to a suit for additional amounts claimed by the company as payment for the hull taken over by the Government.

I include as a part of these remarks correspondence received by me which will show in detail the entire transaction:

THE SECRETARY OF THE NAVY,
Washington, August 17, 1949.

Hon. HOMER D. ANGELL,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. ANGELL: In my letter of July 15, 1949, I advised you that I would take steps to assemble certain information concerning the *Oregon*, desired by you, and would forward it when it had been compiled.

As you are aware, the Department of the Navy was most reluctant to scrap this ship. On numerous occasions it expressed the belief that the ship could best serve the interests of the country by remaining a relic. For example, Mr. Forrestal, in his letter to Mr. Paul C. Cabot, Deputy Director of the Conservation Division of the War Production Board, stated on August 6, 1942:

"The great need of all available metal for use in the war effort is realized. However, it is considered that memorials such as the battleship *Oregon* constitute a distinct morale factor and should be preserved until all other sources of material have been exhausted."

On September 7, 1942, Mr. Bard stated to the commander of Marin-Sonoma County Council, VFW of San Rafael, Calif.:

"It is, therefore, the present intention of the Navy Department to retain the *Oregon* on the Navy list to remain in the possession of the State of Oregon under a loan status."

On July 22, 1942, Mr. Forrestal wrote the Governor of Oregon as follows:

"Your letter of July 16, 1942, enclosing correspondence with Mr. C. W. Wendle, of the War Production Board, in regard to the use of the battleship *Oregon* as salvage material, is greatly appreciated.

"Your answer to Mr. Wendle regarding the status of the *Oregon* was correct. The vessel can be disposed of only by the Navy Department and by that agency only in accordance with the existing laws concerning the disposition of naval vessels.

"The action of the Seattle office of the War Production Board was taken without the knowledge of the Navy Department.

"The great need of all available metal for use in the war effort is realized. However, it is considered that memorials, such as the battleship *Oregon*, representing in their being the spirit and traditions of the Navy and of the country it represents, constitute a distinct morale factor and should be preserved until all other sources of material have been exhausted."

Other examples could be cited.

The scrapping of the *Oregon* was directed by the President on October 26, 1942. The ship was sold to the Edw. M. Ricker & Co., of Portland, Oreg., for scrapping, and the contract provided that the removal of material would be under the direction or approval of the War Production Board and/or the Bureau of Supplies and Accounts in the Navy Department.

In the spring of 1944 an operational use developed for the hull of the ship, which had not been scrapped, and on April 11, 1944, the War Shipping Administration directed that the hull be requisitioned for the Navy, pursuant to section 902 of the Merchant Marine Act of 1936, as amended. The ship was delivered to the Navy by the War Shipping Administration on April 19, 1944, and was subsequently fitted for use in the Pacific campaigns, and was so used.

As requested by you, there is forwarded herewith a list of materials removed from the ship up to the time it was requisitioned by the War Shipping Administration, together with its value and disposition.

At the time the ship was requisitioned a cost inspection was made covering the execution of the contract by the scrapping company. This inspection indicated that the contractor, to that time, had received from sales of material the amount of $189,629.35, and the allowable costs and expenses of the contractor to that time (including the purchase price of the ship of $35,000) was $161,811.03.

Section 902 of the Merchant Marine Act of June 29, 1936 (46 U. S. C. 1242), under which the *Oregon* was requisitioned from the scrapping contractor for use in the Pacific, places the determination of compensation for the seizure in the hands of the Maritime Commission. It is understood that this determination has not been finally made, and, accordingly, any fiscal data subsequent to the cost inspection made at the time the ship was requisitioned is not available. I suggest that inquiries in regard to this settlement with the wrecker be addressed to the Maritime Commission.

I trust the above information adequately answers the request for information contained in your letter of July 7.

Sincerely yours,

DAN A. KIMBALL,
Acting Secretary of the Navy.

[Enclosure: (1) Copy of list of material disposed of as a result of the dismantling of the battleship *Oregon*.]

Material disposed of as a result of the dismantling of the battleship "Oregon"

Delivery date	Material	Weight	Dollar value	Purchaser	Invoice No.
1943		*Pounds*			
	1 2½ hp. 110-v. d. c. shunt-wound motor	1,000E	$140.15	Marine Electric Co	101
	1 13¾ hp. 110-v. d. c. shunt-wound motor	900E	108.90	do	
	1 200 AMP ammeter	20E	28.00	do	
	1 150-volt voltmeter	20E	28.00	do	
	3 electric controllers	300E	90.00	do	
Apr. 21	1 100-kw. steam generator, complete with ammeter, voltmeter, rheostat, and circuit breaker.	22,000E	10,000.00	War Shipping Administration	102
	2 600 cu. ft. per min. blowers with motors attached, 7" outlet, 7½" inlet motor #165620 #14484.	3,000E	190.70	do	
	6 4,000 cu. ft. per min. blowers with motors #163543, #163558, #163572, #163564, #163569, #163570.	12,000E	1,899.78	do	
	4 2,500 cu. ft. per min. blowers with motors #163489, #163500, #163474, #163737.	6,000E	956.80	do	
June 9	1 16" dia. bronze hand wheel	25E	6.15	Columbia River Deperming Sta	104
	16 37" brass deck stanchions	448E	91.20	do	
	4 37" brass deck stanchions with end rings	120E	24.40	do	
June 16	35 valves from ½" to 1¾"	90E	36.25	V. E. Stevens	105
	30 used valves	85E	33.75	Yelton Plumbing & Heating	106
	4 brass wheels (used)	40E	3.75	do	
	1 used iron stairway 9'	200	7.75	do	
	1 used chain ladder	82			
June 9	2 rolls linoleum		120.00	Oregon Electric Steel Rolling Mills	107
	1 5" Leslie reducing valve	50	220.00	War Shipping Administration	108
	1 2" Leslie reducing valve	40	78.50	do	
	3 ash hoists, shafts and drums	4,500	750.00	do	
	1 Westinghouse compressor	850	250.00	do	
	1 Combination air and circulating pump with steam and exhaust valves and condenser.	3,000	1,620.25	do	
	2 electric centrifugal pumps for vegetable oil 2½" suction 2" discharge.	1,000	197.00	do	
June 24	2 fire and bilge pumps	5,000	1,392.00	do	109
	3 boiler feed pumps	7,500	3,126.75	do	
	3 discharge valves for feed pumps	100		do	
	1 steam end valve for feed pumps	40		do	
	1 suction valve for feed pumps	50		do	
July 13	1 steel tank	150E	15.00	Dolan Wrecking Co	113
July 16	15 tanks	3,000	67.50	Hall Machinery & Supply Co	114
	⅜" chain (short lengths)	1,735	52.05	do	
July 26	1 broken vise	40	5.00	Fred Rupley	117
	Toilet with valve	75	5.00	do	
	Chain hoist	50	25.00	do	
July 15	4 used worm gear assemblies	600E	100.00	Mixermobile Manufacturers	118
July 22	1 C/L scrap brass and bronze	73,040	7,669.20	Portland Bag & Metal Co	119
July 13	1 C/L scrap steel	51,140	216.89	Zidell Machinery & Supply Co	120
	do	61,020	258.79	do	121
July 20	do	77,820	486.38	do	122
July 28	do	111,640	1,105.51	Luria Bros. & Co., Inc	123
July 16 and July 27	2 evaporating units with 2 4 x 8 x 3½ pumps and 1 12 x 10 x 12 pump; 1 steam valve for pumps: 9 extra tubes; 1 piece 5" pipe; 2 steam valves 3"; 1 angle valve 5"; 2 globe valves 5".	24,000E	8,000.00	War Shipping Administration	124
July 9	4 fire, bilge, and ballast pumps	8,000	2,785.20	do	125
	2 auxiliary air pumps 11 x 16 x 11, with 16 valves, 5 discharge valves, 1 governing valve, 1 manifold, 6 air chambers.	6,000	1,392.60	do	
	2 Westinghouse air compressors	1,800	500.00	do	
July 16	1 spare armature for 100-kw. generator	3,000E	1,500.00	do	126
	1 electric winch	1,300	2,000.00	do	
	1 2" Mason reducing valve	40	87.50	do	
	1 1½" Leslie reducing valve	25	45.00	do	
	2 hot-water heaters	1,500	200.00	do	
July 15	2 100-kw. generators with 2 bundles pipe fittings, 2 flywheel guards, 2 rheostats for generators, 6 extra wrist pins for generators, and 1 bundle piping.	42,000E	20,000.00	do	127
July 28	1 lot copper pipe	25,560	6,390.00	do	128
Aug. 2	1 C/L scrap steel	126,200	1,315.58	Luria Bros. & Co., Inc	129
July 16	Rope	919	34.46	Zidell Machinery & Supply Co	130
	6 pieces smokestack	19,075E	170.31	do	
July 15	3 pieces smokestack	17,260E	153.57	do	131
Aug. 4	1 tin locker	10	1.50	R. D. Mason	132
	1 60-gallon tank	100	10.00	do	
	2 brackets	80E	1.94	Wm. Ball	133
	2 lights	21	5.25	H. Crawford	134
	4 tin drawers	80E	1.94	do	
Aug. 2	1 C/L scrap steel	118,080	1,238.79	Luria Bros. & Co., Inc	135
July 19	do	55,300	234.53	Zidell Machinery & Supply Co	136
Aug. 5	2 reduction gear assemblies	250E	50.00	Sundfelt Equipment Co	137
July 16–24, 27.	5 feed pumps	12,500E	5,211.25	War Shipping Administration	138
July 19	1 1½" Leslie reducing valve	25E	45.00	do	
Aug. 6	6 shaft alley lube oil tanks	3,240E	324.00	do	
	1 electric warping winch	13,000E	2,000.00	do	139
	1 steam warping winch	8,000E	750.00	do	
	1 1,500-gallon stove oil tank	2,500E	250.00	do	
Aug. 5	1 rotary compensator, 15 kw		Consigned	Sundfelt Equipment Co	*140
	3 15 hp. GE motors		Consigned	do	
Aug. 9	3 hauser reels with cranks	2,400E	1,050.00	War Shipping Administration	141
	2 shaft alloy oil tanks, 8 x 37 x 17	1,080E	108.00	do	142
Aug. 12	2 3-hp. GE motors		Consigned	Sundfelt Equipment Co	*144
	4 motor generators		Consigned	do	
	1 15-hp. GE motor		Consigned	do	
	3 15-kw. convertor		Consigned	do	
	1 GE controller		Consigned	do	*145
	1 GE back geared motor		Consigned	do	
	4 GE motors		Consigned	do	
	1 GE motor shell and armature		Consigned	do	
	1 2½-hp. motor generator		Consigned	do	
	2 3½-hp. GE motors (split cases)		Consigned	do	
	4 back geared motors		Consigned	do	
	2 motor generators		Consigned	do	
	2 GE motors, 3 hp		Consigned	do	*146
	1 standard dynamo 1½-kw		Consigned	do	
	1 split case motor		Consigned	do	
	2 motor generator sets		Consigned	do	
	2 motors		Consigned	do	
	1 small motor with paper pinion		Consigned	do	
Aug. 11	1 C/L scrap steel	132,380	620.53	Luria Bros. & Co., Inc	148
	1 2½" release valve	20E	8.00	J. C. Barnard	149

*Refer to invoice No. 248.

Material disposed of as a result of the dismantling of the battleship "Oregon"—Continued

Delivery date	Material	Weight	Dollar value	Purchaser	Invoice No.
1943		*Pounds*			
Aug. 18	1 toilet with pump	75E	$10.00	R. Krimbel	150
	¾6 galvanized chain	32	1.92	do	
Aug. 19	4 pieces shafting	985	29.35	Janisch Bros	151
	4 pieces plate	85			
	Bolts	210	10.50	do	
Aug. 20	2 lamps	14	3.50	B. E. Goodrich	156
Aug. 24	1 C/L scrap steel	124,560	583.87	Luria Bros. & Co., Inc	158
Aug. 26	250' 1¼" pipe	750E	31.25	Pacific Paperboard Co	159
	40' catwalk	810	22.28	do	
	2 stairways	454	12.48	do	
	1 lub. part	5E	1.00	R. D. Mason	160
	1 mail box	60E	1.20	do	
	1 wall shelf	15E	2.00	do	
	1 toilet	75E	7.50	C. J. Nagel	161
	1 washbowl	50E	5.00	do	
	20' 1¼" pipe	60E	2.05	do	
	40' 1½" pipe	160E	6.60	do	
Aug. 27	2 auxiliary condensers with comb. air and circulating pump, 7½ x 9¼ x 11".	6,000E	2,921.00	War Shipping Administration	162
	1 1½" Leslie reducing valve	25E	45.00	do	
	1 Westinghouse Simplex air compressor, 11 x 11 x 12	850E	250.00	do	
Aug. 25	4 small chain blocks	200E	100.00	Brown Bros. Welding Co	163
	1 small chain block incomplete	50E	15.00	do	163
	2 reduction gear assemblies	200E	30.00	do	
	1 gong bell	5E	1.50	do	
	2 hand-operated hydraulic pumps	100E	40.00	do	
Aug. 24	1 truckload armor-plate studs	32,370	645.40	Portland Bag & Metal Co	164
Aug. 27	1 C/L scrap steel	116,660	729.12	Salco Iron & Metal Co	165
Aug. 28	1 piece angle iron	110E	2.91	A. O. Kaiuu	166
Aug. 27	Copper pipe	11,666	2,916.50	War Shipping Administration	167
Sept. 1	9 wooden drawers and frames	200E	18.00	H. B. Crawford	168
	8 wooden wall shelves	120E	16.00	R. D. Mason	169
	2 5' ladders	194	9.70	Frank Key	170
	Brass pipe and fittings	15	3.75	Perry Nagle	171
	Turnbuckles	42	2.10	do	
	Brass pipe and small valve	13	3.25	F. W. Melville	172
	do	14	3.50	R. Krimbel	173
	Small chain	24	1.20	do	
	2 small wooden skylights	200E	20.00	do	
Aug. 16	2 turret-turning assemblies consisting of 1 roller race holder, and ring and housing for same.	22,330	334.95	Steel Tank & Pipe Co	174
Sept. 3	Steel plate	390	10.73	Fielding & Shepley	175
Sept. 1	Old bolts	200	10.00	Pacific Paperboard Co	176
Sept. 7	Angle irons	103	2.06	Fielding & Shepley	177
Sept. 3	4 ½-ton used chain blocks	200	100.00	Fred A. Rupley	178
	2 toilets with flushing valves	150	20.00	do	
	2 hand bowls	100	10.00	do	
Sept. 7	Brass fittings	14	3.50	F. W. Melville	179
Sept. 8	6 bed springs	240	12.00	R. Krimbel	180
	2 knuckle joints	6	2.00	do	
	Brass fittings	15	3.75	do	
Sept. 9	10 pieces old lumber		3.00	Pacific Paperboard Co	181
Aug. 28	1 C/L scrap steel	121,700	1,220.16	Luria Bros. & Co., Inc	183
Sept. 10	1 door (wooden)	60E	5.00	H. V. Arveson	184
Sept. 14	Used pipe	640	32.80	Geo. Koehmstedt	185
	Old bolts and nuts	503	25.15	Pacific Paperboard Co	186
	2 hardwood planks	100	4.00	do	
Sept. 15	1 C/L scrap steel gun	137,540	644.72	Steel Tank & Pipe Co	187
Sept. 11	do	74,060	347.16	do	188
Sept. 4	1 wardroom wall shelf	15E	1.99	Clair Reeves	189
Sept. 17	2 marine toilets	100E	9.70	W. W. Grenfell	190
Sept. 20	Used ½-inch conduit pipes	25	.96	Jack Griffith	191
Sept. 10	1 C/L scrap steel	154,130	963.31	Salco Iron & Metal Co	192
Sept. 16	Prepared scrap steel	5,770	30.91	Zidell Machinery & Supply Co	193
Sept. 15	1 C/L scrap steel	116,700	1,272.21	Luria Bros. & Co., Inc	194
	do	85,000	871.08	do	195
Sept. 21	1 desk	100E	10.00	Wm. Ball	197
	1 wall rack	50E	2.00	do	
	1 hardwood drawer	100E	5.00	R. D. Mason	198
Sept. 15	1 C/L scrap steel	107,460	1,065.68	Luria Bros. & Co., Inc	200
Sept. 21	8 shower bath heaters of mixers with 4 bundles of valves	200E	160.00	War Shipping Administration	201
	2 feed water heaters	1,480	200.00	do	202
Sept. 20	Grate bars assorted	7,291	72.91	Pacific Paperboard Co	204
	do	7,925	79.25	do	
	Brass fittings	13	3.25	do	
	Grate bars assorted	7,925	79.25	do	
Sept. 24	4 30 x 24 steam jacketed copper kettles	1,335	140.18	Portland Bag & Metal Co	206
	1 35 x 28 steam jacketed coffee cooker				
	1 C/L scrap steel	70,560	684.35	Luria Bros. & Co., Inc	207
Sept. 27	1 bathtub	150E	10.00	J. A. Schlarb	217
Sept. 28	1 small brass gong	2	.50	C. B. Korten	218
	1 boat toilet	75	5.00		
Sept. 29	1 C/L steel scrap	118,760	556.69	Dulien Steel Products Co	219
Sept. 25	do	97,460	700.62	Salco Iron & Metal Co	220
Sept. 27	1 C/L nonferrous scrap	72,200	7,581.00	Portland Bag & Metal Co	221
Sept. 25	1 C/L lead scrap	95,140	5,042.42	do	222
Sept. 30	Brass fittings	12	3.00	R. D. Mason	223
Sept. 20	Heating coils	1,689	261.80	Portland Bag & Metal Co	224
Sept. 30	260' 4" I beams	2,600	71.50	Fred A. Rupley	225
July 10	Brass valves	65	16.25	Clark & Wilson Lumber Co	226
	Brass washers	26	6.50	do	
	Brass shaft	29	7.25	do	
	Brass flexible hose	8	8.00	do	
Oct. 5	1 C/L scrap lead	69,100	3,662.30	Portland Bag & Metal Co	227
Oct. 11	20 board feet teakwood		10.00	R. Campbell	228
	1 porthole window	30	7.50	C. V. Eversole	229
Oct. 13	1 lot tin drawers and galvanized cabinet	500	10.00	R. D. Mason	230
	10 drawers	200	5.00	do	
Oct. 4	1 galvanized iron tank	340	34.00	Pacific Paperboard Co	231
	Brass fittings	11	2.75	do	
	Brass steam coil	120	24.00	do	
Oct. 8	1 piece ship plate	817	8.72	do	
	1 steam trap	187	1.87	do	
	1 Belgo strainer	151	1.51	do	
Oct. 13	Brass fittings	40	10.00	do	

Material disposed of as a result of the dismantling of the battleship "Oregon"—Continued

Delivery date	Material	Weight	Dollar value	Purchaser	Invoice No.
1943		*Pounds*			
Oct. 5	10 H. P. boiler	4,500	$100.00	Frank C. McCrum	232
Oct. 14	1 bathtub	150	10.00	Rafael Pumula	233
Oct. 13	16 1 1/16" x 9' 2" steel rods and nuts	1,264	34.76	San Francisco Bridge Co	234
	12 sets 1 1/2" and 1" double coil steel springs 16" long	1,176	70.56	do	
	24 bronze spacers	192	48.00	do	
Oct. 14	1 lot tin drawers and galvanized iron cabinet	500	10.00	R. D. Mason	235
	10 drawers	200	5.00	do	
	12 pounds of brass fittings	12	3.00	do	
	Adjustment invoice No. 119		308.21	Portland Bag & Metal Co	236
Oct. 11	1 C/L scrap steel stack and pipe	47,560	399.82	Zidell Machinery & Supply Co	237
Oct. 20	2 sheave load blocks	400	40.00	Sundfelt Equipment Co	238
Oct. 19	1 piece shafting 10' 6" long	450	12.38	Janisch Bros	239
	Small shafts	830	22.82	do	
	2 1 1/4" x 9" bars	280	7.70	do	
	1 piece 3" shaft	211	5.80	do	
	Channel iron	233	6.40	do	
Oct. 20	Brass	5	1.25	Ken Krivanek	240
	Brass fittings	26	6.50	Pacific Paperboard	241
	Iron fittings	130	13.00	do	
Oct. 19	1 C/L steel scrap	88,420	690.78	Commercial Iron Works	242
Oct. 18	do	121,780	761.12	Salco Iron & Metal Co	243
	Prepared steel scrap	22,040	118.07	Zidell Machinery & Supply Co	244
Oct. 25	1 piece 1/2 steel ring from 13" gun turret 3 1/2" x 5" x 8' 6"	463	4.13	Acme Tool Works, Inc	245
Oct. 20	Copper pipe	22,800	5,700.00	War Shipping Administration	247
	For merchandise consigned to you on our invoices No. 140, 144, 145, and 146.		1,600.00	Sundfelt Equipment Co	248
Oct. 26	Davits	9,570	478.50	War Shipping Administration	249
	1 1 1/2" Leslie reducing valve	25	45.00	do	
	1 engine oil tank, capacity 72 gallons		21.50	do	250
	2 engine oil tanks, capacity 197 gallons		184.40	do	
	1 engine oil tank, capacity 66 gallons		20.00	do	
	2 storm oil tanks, capacity 129 gallons		69.00	do	
	3 linseed oil tanks, capacity 63 gallons		51.60	do	
	2 feed and filter tanks capacity 319 gls		230.00	do	250
	2 air receivers 30" x 6'		210.60	do	
	1 Westinghouse cross compound steam compressor		425.00	do	
Oct. 28	2 small towel rings	8	2.00	Francis Majors	251
Oct. 29	2 back geared GE motors	1,225E	150.00	Sundfelt Equipment Co	254
	1 squirrel cage d. c. motor	600E	750.00	do	
	Equipment for motors	975E		do	
Nov. 1	8 pieces shafting	1,732	47.63	Portland Fabricating Co	257
	1 flagstaff	400	20.00	Charles W. Ackerman	258
Nov. 3	Adjustment weight on invoice # 15 8	760	786.81	Luria Bros. & Co., Inc	261
Nov. 2	10' extra heavy 2 1/2" pipe	125	2.50	E. Erion	270
Oct. 30	6 deck ladders	1,212	599.40	War Shipping Administration	271
	1 lot flat grating	10,776			
Nov. 8	1 lot wood grating		4.00	R. D. Mason	280
	Brass fittings	11	2.75	do	
	1 copper sink	42	10.50	H. B. Crawford	281
	1 bathtub	150E	10.00	Ross LaRoy	282
	do	150E	10.00	R. E. Lindsay	283
	1 toilet (broken base)	75E	5.00	do	
Nov. 5	1 spring	60	1.94	A. Doe	284
Nov. 9	Forging stock as selected	14,003	125.03	Portland Fabricating Co	285
Nov. 11	Forging stock	5,900	52.68	Acme Tool Works	287
	Adjustment on nickel content on invoice #148		768.28	Luria Bros. & Co., Inc	297
Nov. 1	1 lot scrap lead	4,700	249.10	Portland Bag & Metal Co	300
Nov. 9	do	80,860	4,285.58	do	301
Nov. 17	Brass fittings	38	9.50	R. D. Mason	302
	10' 1/2" pipe	15	.50	do	
	2 tin drawers	40	2.00	do	
Nov. 22	1 piece steel ring	628	5.61	Acme Tool Works	313
Nov. 12	66' iron bands	112	12.32	Pacific Paperboard Co	314
	132' iron bands	336			
	2 strainers	700	19.25	do	
	1 enameled-lined trough	150	5.00	do	
	2 plates	160	7.15	do	
	80' 8" pipe	800	40.00	do	
	3 tin drawers	60	1.50	do	
	356 grate bars	11,214	112.14	do	315
Nov. 22	1 load piping	3,510	70.20	do	316
	52' 2 1/2" galvanized pipe	390	10.92	do	
	1 steel stairway	190	5.22	do	317
	do	170	4.68	do	
	1 lot various sizes piping	2,885	57.50	do	
Nov. 26	Wooden grating		5.00	R. D. Mason	318
Nov. 23	4 pieces long irons	2,000	55.00	W. E. Burdett Co	319
Nov. 27	2 bolt racks	1,840	20.00	Pacific Paperboard Co	337
	1 tin box	20	1.50	do	
	1 wood cupboard	60	5.00	do	
Nov. 23	Brass fittings	496	124.00	do	338
	Bolts and nuts	138	6.90	do	
	2 cast iron traps	200	10.00	do	
Nov. 27	28' 6" galvanized pipe	280	14.00	do	339
	Steel plate	5,405	148.64	do	
Nov. 24	10 pieces 91 board feet used teakwood blocks		63.70	Seattle Police Department	340
Nov. 27	1 used 250# steam gauge	25E	10.00	Port of Kalama	341
Nov. 16	1 piece steel plate	3,275	90.06	Longview Fibre Co	353
Dec. 2	1 4" globe valve	121	75.00	Albina Engine & Machine Works	354
Nov. 26	Brass fittings	10	2.50	Kelso Junk Co	357
	1 hammer	25	3.00	do	
	2 iron traps	200	4.00	do	
Dec. 5	1 brass hand wheel	8	2.00	Portland Fabricating Co	370
	1 1 1/2" valve (brass)	4	1.00	do	
	1 1 1/2" pipe (brass)	36	3.00	do	
Nov. 27	Galvanized iron ventilating flues, plates and pipes	6,215	124.30	Pacific Paperboard Co	372
	Galvanized iron vent, flues, plates, and pipes	4,303	86.06	do	373
	Brass fittings	16	4.00	do	374
	Steel plate	11,926	327.96	do	
	Cast iron fittings	252	6.93	do	
Dec. 10	300' 1 1/4" pipe short lengths		37.50	do	375
	Galvanized flues, screens, etc	600	12.00	do	
	3 wall shelves (wooden)		6.00	R. D. Mason	376
Dec. 13	1 plate	30	2.00	Thomas Hakala	377
	1 piece pipe	10	1.00	do	

Material disposed of as a result of the dismantling of the battleship "Oregon"—Continued

Delivery date	Material	Weight	Dollar value	Purchaser	Invoice No.
1943		*Pounds*			
Dec. 6	1 C/L nonferrous metals	104,200	$10,941.00	Portland Bag & Metal Co	380
Dec. 14	100' 2" black pipe	600	21.00	Frank C. McCrum	382
	200' 1½" black pipe	900	33.00	do	
	40' 1" black pipe	80	4.10	do	
	250' ¾" black pipe	375	20.00	do	
Oct. 16	85' 2" pipe	510	17.85	do	383
	96' 1½" pipe	425	15.84	do	
Oct. 6	Brass fittings	154	38.50	Pacific Paperboard Co	384
	Steel plates	136	3.74	do	384
	do	45	1.23	do	
Oct. 8	Copper pipe	3,003	900.75	War Shipping Administration	387
Dec. 7	1 stove oil tank 9' x 6' x 30"		186.60	do	387
	20 iron ladders	3,449	172.45	do	
	1 small Dow pump 4" x 5" x 5"		150.00	do	
Dec. 23	Usable fittings	85	21.25	M & M Plywood Co	389
	1 load usable plates and beams	1,465	40.29	W. E. Burdett Co	390
Dec. 27	1 lamp	5	1.25	W. G. Peters	392
Dec. 9	1 only stock anchor complete with mooring shackle	4,340	260.40	Nieder & Marcus	393
Dec. 27	Bolts and nuts	90	4.50	Perry Burcham	399
	Universal coupling	11	2.75	do	
	Flexible hose and coupling	6	1.50	do	
Dec. 28	20 blocks teakwood, 270 board feet		189.00	Seattle Police Department	396
1944					
Jan. 3	Flat iron	150	4.13	H. G. Burkhamer	397
Jan. 14	1 radiator		20.00	Columbia Shipbuilding & Drydock Co	428
	2" valve, brass	10	2.50	do	
	1½" valve brass	5	1.25	do	
	1" union		.45	do	
	2 ½" tees		.40	do	
	10' 1½" brass pipe	30	7.50	do	
Jan. 20	2 large anchor davits	25,140	1,257.00	War Shipping Administration	457
Jan. 21	do	25,280	1,264.00	do	
Jan. 24	20' ½" used pipe		1.00	M. W. Houhtonen	458
Feb. 2	Copper pipe	75	18.75	Pacific Paperboard Co	460
Feb. 23	Steel plate	15,840	435.60	do	479
Mar. 1	Steel plate and ladders	4,205	115.64	do	486
Mar. 2	do	10,305	283.38	do	487
	Bolts and nuts	1,060	53.00	do	
	Steel plate	6,645	182.74	do	489
	Bolts and nuts	792	39.60	do	
Dec. 7	2 duplex auxiliary hydraulic pumps		1,500.00	War Shipping Administration	499

On Mar. 3, Edw. M. Ricker & Co. sold to the William Shenker Co. a co-partnership, 427 Pacific Building, Portland, Oreg., the remaining armor plate, teakwood, nonferrous metals, lead, boilers, pumps, miscellaneous scrap and machinery as then located on the Battleship *Oregon* including anchors, chain, and windlass, but exclusive of hull itself together with all materials from ship then existing on the dock for the sum of $27,500. Contract.

UNITED STATES MARITIME COMMISSION,
Washington, January 16, 1950.

The Honorable HOMER D. ANGELL,
Member of Congress,
House of Representatives.

DEAR CONGRESSMAN ANGELL: This is in reply to your inquiry of January 10, 1950, about payment for title to the vessel (former battleship) *Oregon*, which was requisitioned on April 19, 1944.

On April 13, 1948, the Maritime Commission determined that $10,250 was just compensation for title to the vessel and that $1,020.80 was compensation for delay in payment. Those amounts were unsatisfactory to Edward M. Ricker & Co., the owner, so 75 percent of those amounts ($7,687.50 plus $765.60) was paid to the owner late in June 1949, reserving to the owner the right to sue to collect an additional amount.

We have not received notice of the filing of any action for this collection.

Sincerely yours,

CHARLES D. MARSHALL,
General Manager.

EXTENSION OF REMARKS

Mr. KUNKEL and Mr. PATTERSON (at the request of Mr. SMITH of Wisconsin) were given permission to extend their remarks in the RECORD.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD.

Mr. KEE asked and was given permission to extend his remarks in the RECORD and include an editorial and an article from the Richmond Times-Dispatch.

Mr. ROOSEVELT asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. McCONNELL. Mr. Speaker, last week I was given permission to extend my remarks in the RECORD and include a speech by the head of the Curtis Publishing Co. on the value of advertising to the future of this country. I am informed by the Public Printer that it will take up two and two-thirds pages of the RECORD and will cost $218.68, but I ask that it be printed notwithstanding that fact.

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

There was no objection.

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

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a telegram from a firm in her district in Watertown, Mass., regarding the coal shortage.

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

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD and include extraneous matter in two instances.

Mr. MORTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Louisville Courier-Journal.

SPECIAL ORDERS GRANTED

Mr. CHURCH asked and was given permission to address the House for 10 minutes tomorrow and for 20 minutes on Tuesday following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until tomorrow, Friday, January 20, 1950, at 12 o'clock noon.

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. GOSSETT: Committee on the Judiciary. H. R. 6616. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy; without amendment (Rept. No. 1506).

Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRAZIER: Committee on the Judiciary. S. 570. An act for the relief of Donald Francis Wierda; without amendment (Rept. No. 1495). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. S. 1003. An act for the relief of Emory T. Wales; without amendment (Rept. No. 1496). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1054. An act for the relief of Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. S. 1604. An act conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of F. DuWayne Blankley; with an amendment (Rept. No. 1498). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. S. 1801. An act for the relief of Mrs. Effie S. Campbell; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. S. 2031. An act for the relief of the Willow River Power Co.; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 1293. A bill for the relief of the Franco-Italian Packing Co.; with an amendment (Rept. No. 1501). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 3351. A bill for the relief of John J. Franklin, James H. Bradford, William M. Orr Co., and Alex Maier; without amendment (Rept. No. 1502). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4100. A bill for the relief of Calvin E. Cranford; without amendment (Rept. No. 1503). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3924. A bill for the relief of Dr. T. F. Harrison; with an amendment (Rept. No. 1504). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 6003. A bill for the relief of John E. White; with an amendment (Rept. No. 1505). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ADDONIZIO:

H. R. 6857. A bill to assist cooperative and other nonprofit corporations in the production of housing for families of moderate income; to the Committee on Banking and Currency.

H. R. 6858. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 6859. A bill to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the designated children of veterans of World War II where the veterans have received no educational benefits under such act; to the Committee on Veterans' Affairs.

By Mr. MAHON:

H. R. 6860. A bill to provide for the construction of a Federal building at Snyder, Tex., to accommodate the postal service and other Federal agencies entitled to office space in such a building; to the Committee on Public Works.

By Mr. PETERSON:

H. R. 6861. A bill to repeal certain laws relating to timber and stone on the public domain; to the Committee on Public Lands.

H. R. 6862. A bill to provide for the disposition of tribal funds of the Confederated Tribes of the Colville Reservation, Wash.; to the Committee on Public Lands.

H. R. 6863. A bill to return to the public domain a tract of land known as the Battle Mountain Sanitarium Reserve, South Dakota; to the Committee on Public Lands.

By Mr. REES:

H. R. 6864. A bill to provide three additional longevity increases for hourly employees of the postal field service; to the Committee on Post Office and Civil Service.

By Mr. RIBICOFF:

H. R. 6865. A bill to incorporate the Italian-American World War Veterans of the United States; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 6866. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy; to the Committee on the Judiciary.

H. R. 6867. A bill to assist cooperative and other nonprofit corporations in the production of housing for families of moderate income; to the Committee on Banking and Currency.

By Mr. TAURIELLO:

H. R. 6868. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6869. A bill to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania; to the Committee on the Judiciary.

By Mr. WHITAKER:

H. R. 6870. A bill to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS:

H. R. 6871. A bill relating to the employment of married persons by the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

H. R. 6872. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Bunker Hill, Massachusetts; to the Committee on Post Office and Civil Service.

By Mr. RAMSAY:

H. R. 6873. A bill to create a Government corporation to operate cafeterias and conduct certain other activities in Government buildings and on Government property; to the Committee on Public Works.

By Mr. CASE of South Dakota:

H. Con. Res. 177. Concurrent resolution requesting that the Secretary of the Air Force select an appropriate airfield and name it in honor of the late Gen. Henry H. Arnold; to the Committee on Armed Services.

By Mr. CURTIS:

H. Con. Res. 178. Concurrent resolution favoring the invoking by the President of the United States of the national-emergency provisions of the Labor Management Relations Act, 1947, in the pending coal strike; to the Committee on Education and Labor.

By Mr. FORD:

H. Con. Res. 179. Concurrent resolution relative to invoking the national emergency provisions (secs. 206 to 210, inclusive) of the Labor Management Relations Act, 1947, in the current strike in the coal industry; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BUCKLEY of Illinois:

H. R. 6874. A bill for the relief of George Panagoti Glikis; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 6875. A bill authorizing the issuance of a patent in fee to Alice Bear Shield Knock; to the Committee on Public Lands.

By Mr. COUDERT:

H. R. 6876. A bill for the relief of Mrs. Marianne Speelman; to the Committee on the Judiciary.

H. R. 6877. A bill for the relief of Michel Speelman; to the Committee on the Judiciary.

H. R. 6878. A bill for the relief of Uttal Bros.; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 6879. A bill for the relief of Mrs. Szyfra Szefner; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 6880. A bill for the relief of the wife, the son aged 2, and the stepdaughter aged 10 of George S. Murakami; to the Committee on the Judiciary.

H. R. 6881. A bill for the relief of Carl Schmuser; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 6882. A bill for the relief of Oldrich (Olda) Evse Spytihenev Karlik; to the Committee on the Judiciary.

H. R. 6883. A bill to relinquish the mineral rights of the United States under certain lands in the county of Santa Barbara, Calif.; to the Committee on Armed Services.

By Mr. JACKSON of Washington:

H. R. 6884. A bill for the relief of Erkki Mainio Sakari Salo; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 6885. A bill for the relief of E. Elmer Mynatt; to the Committee on the Judiciary.

By Mr. KEEFE:

H. R. 6886. A bill for the relief of Fortunato Giulio Torre; to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

H. R. 6887. A bill for the relief of Dr. Panagiotis Darviris; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 6888. A bill for the relief of Edward C. Brunett; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 6889. A bill to confer jurisdiction upon the District Court for the Northern

District of Illinois to hear and determine the claims of the Aetna Insurance Co. and others; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 6890. A bill for the relief of Tadeusz Danielewski; to the Committee on the Judiciary.

H. R. 6891. A bill for the relief of Sylvia Lakomska; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 6892. A bill for the relief of the Del Rio Grille, Inc.; to the Committee on the Judiciary.

H. R. 6893. A bill for the relief of Christian Dorn; to the Committee on the Judiciary.

By Mr. WILLIS:

H. R. 6894. A bill for the relief of Mrs. Nobuko Eto Heard; 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:

1694. By Mr. CASE of South Dakota: Petition of Minnie L. McVey and 15 others, of Bison, S. Dak., requesting enactment of legislation to prohibit the transportation and broadcasting of alcoholic-beverage advertising; to the Committee on Interstate and Foreign Commerce.

1695. Also, petition of Bernard B. Ridings, Rapid City, S. Dak., and 74 other citizens, requesting enactment of legislation to prohibit the transportation and broadcasting of alcoholic-beverage advertising; to the Committee on Interstate and Foreign Commerce.

1696. Also, petition of Otto Stensland and 93 other citizens of Faith, S. Dak., expressing opposition to the enactment of legislation that would limit the size and weight of parcel-post packages; to the Committee on Post Office and Civil Service.

1697. By Mr. COLE of New York: Petition of residents of Ithaca, Newfield, Freeville, Dryden, Waverly, Montour Falls, Chemung, Elmira, Wallace, Cohocton, Avoca, Savona, Bath, Corning, Painted Post, Hornell, Addison, and Trumansburg, in the Thirty-ninth Congressional District of New York, for the enactment of legislation to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; the Committee on Interstate and Foreign Commerce.

1698. By Mr. LECOMPTE: Petition of sundry citizens of Chariton, Iowa, urging the passage of a bill to prohibit the transportation of alcoholic-beverage advertising; to the Committee on Interstate and Foreign Commerce.

1699. By the SPEAKER: Petition of the secretary, Florida State Townsend Council, Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1700. Also, petition of Mrs. N. B. Day and others, Cassadaga, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1701. Also, petition of Mrs. May B. Whitehead and others, Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1702. Also, petition of Ray F. Smith and others, Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1703. Also, petition of Josie B. Gardner and others, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

COMMITTEE EMPLOYEES

COMMITTEE ON AGRICULTURE

JANUARY 10, 1950.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Joseph O. Parker	Attorney	$5,250.98
John J. Heimburger	Commodity and research specialist.	5,250.98
Altavene Clark	Executive officer	5,250.98
Mabel C. Downey	Clerk	5,250.98
Lydia Vacin	Staff assistant	2,347.82
Lorraine Adamson	do	1,856.96
Betty Prezioso	do	1,716.72
Alice M. Baker	do	437.92
Ruth B. Phillips	do	834.14

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount expended from July 1, 1949, to Dec. 31, 1949	9,030.65
Total amount expended from July 1, 1949, to Dec. 31, 1949	9,030.65
Balance unexpended as of Jan. 1, 1950	40,969.35

HAROLD D. COOLEY,
Chairman.

COMMITTEE ON APPROPRIATIONS

JANUARY 16, 1950.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
George Y. Harvey	The clerk	$5,250.98
Kenneth Sprankle	The assistant clerk	5,250.98
William A. Duvall	Second assistant clerk.	5,076.10
Corbal D. Orescan	Assistant clerk	5,076.10
Robert E. Lambert	do	5,076.10
Arthur Orr	do	4,741.42
Robert P. Williams	do	4,406.76
Paul M. Wilson	do	4,631.70
Claude E. Hobbs, Jr.	do	4,072.12
Jay B. Howe	do	4,072.12
Frank Sanders	do	3,737.46
Lawrence C. Miller	Junior assistant clerk.	2,558.16
G. Homer Skarin	do	2,347.82
Earl C. Silsby	do	2,137.44
Melvin E. Lefever	Clerk-stenographer	1,927.10
Robert W. Thompson	do	1,927.10
Ralph A. O'Malley	do	1,927.10
James A. Eastop	do	821.38
Ross Pope	Assistant clerk	3,096.88
Robert M. Lewis	Messenger	1,632.60
Frank B. Avery, Jr.	Page	1,506.38
E. L. Eckloff	Clerk to majority	4,072.12
Robert E. Lee	Clerk to minority	5,250.98
Lawrence A. DiCenzo	Clerk-stenographer to ranking minority member.	1,927.10
Josephine E. Frick	Clerk-stenographer to subcommittee chairman.	$1,927.10
Eula D. Rigsby	do	1,927.10
Helen G. Boyle	do	1,694.90
Annette L. Kelley	do	947.76
Ruth T. Ringstrom	do	1,927.10
Marion B. Lacey	do	1,927.10
Marion Jebe	do	631.84
Alice C. Keeffe	do	979.34
William J. Neary	do	979.34
N. C. Barrett	do	979.34
Joann Womack	do	232.19

Funds authorized or appropriated for committee expenditures	$212,000.00
Amount expended from July 1, 1949, to Dec. 31, 1949	96,677.11
Balance unexpended as of Dec. 31, 1949	115,322.89

CLARENCE CANNON,
Chairman.

JANUARY 16, 1950.

COMMITTEE ON APPROPRIATIONS (INVESTIGATIVE STAFF)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Edward E. Hargett	Chief investigator	$4,229.02
Orrin H. Bartlett	Investigator	2,101.44
Lorene Hudgens	Clerk-stenographer	1,758.80
Rena F. Sylvestre	do	1,590.52
James J. Maloney	Investigator	2,103.45
Tennessee Valley Authority: Reimbursement for services of Van Court Hare.	do	212.17
Federal Security Agency: Reimbursement for services of David W. Bishop.	do	735.63
Federal Bureau of Investigation: Reimbursement for services of James J. Maloney.	do	1,886.61
Civil Service Commission: Reimbursement for services of Edward J. Hickey.	do	2,292.80
Civil Service Commission: Reimbursement for services of Alfred F. Fraser.	do	1,940.12
Federal Bureau of Investigation: Reimbursement for services of Warren A. Hughes.	do	1,887.09
Federal Bureau of Investigation: Reimbursement for services of Arthur J. Norstrom.	do	1,887.09
Federal Bureau of Investigation: Reimbursement for services of Harold H. Hair.	do	1,910.61

Name of employee	Profession	Total gross salary during 6-month period
Department of the Air Force: Reimbursement for services of Thompson J. Simpson.	Investigator	$1,616.19
Department of the Army: Corps of Engineers: Reimbursement for services of Allen W. Burkholder.	do	1,572.66
Department of the Army: Corps of Engineers: Reimbursement for services of Charles E. Zedaker.	do	644.53
Department of the Air Force: Reimbursement for services of John P. Huebsch.	do	812.00
Treasury Department: Bureau of Internal Revenue: Reimbursement for services of Edgar E. Hoppe.	do	2,341.27

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount expended from July 1, 1949, to Dec. 31, 1949	35,713.11
Balance unexpended	114,286.89

CLARENCE CANNON,
Chairman.

JANUARY 3, 1950.

ARMED SERVICES COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert H. Harper	Chief clerk	$5,250.98
James Deakins	Assistant clerk	2,074.32
John R. Blandford	Professional staff member.	5,250.98
Clinton B. D. Brown	do	5,250.98
Bryce N. Harlow	do	5,250.98
Robert W. Smart	do	5,250.98
Agnes H. Johnston	Secretary	2,600.24
Rosemary Curry	Stenographer	2,403.90
Gladys Flanagan	do	2,403.90
Berniece Kalinowski	do	2,403.90

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount expended from July 1, to Dec. 31	16,318.82
Total amount expended from July 1 to Dec. 31	16,318.82
Balance unexpended as of Dec. 31, 1949	8,681.18

CARL VINSON,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Orman S. Fink	Professional staff	$4,607.56
John E. Barriere	do	3,563.42
William J. Hallahan	Clerk	5,250.98
Elsie L. Gould	Assistant clerk	3,663.58
Margaret P. Battle	Stenographer	2,347.82
Helen E. Long	Assistant clerk	2,312.74

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount expended from Oct. 19, 1949, to Dec. 31, 1949	6,038.40
Total amount expended from Oct. 19, 1949, to Dec. 31, 1949	6,038.40
Balance unexpended as of Dec. 31, 1949	18,961.60

BRENT SPENCE,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
William N. McLeod, Jr.	Clerk	$5,250.10
Ruth Butterworth	Assistant clerk	2,347.82
Charles D. Farmer	Minority clerk	2,558.16
Mabel Haller	Professional staff	4,406.76
Charles Howe	Messenger	1,276.00

Funds authorized or appropriated for committee expenditures	$12,000.00
Amount expended from July 1, 1949, to Jan. 1, 1950	[1] 1,653.38

[1] For Davis special crime committee. 1 voucher for this special committee pending.

JOHN L. MCMILLAN,
Chairman.

JANUARY 12, 1950.

SPECIAL SUBCOMMITTEE OF THE HOUSE DISTRICT COMMITTEE TO INVESTIGATE CRIME IN THE DISTRICT OF COLUMBIA

(This subcommittee created by H. Res. 340)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the period from November 4, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during the period
Hyman Fischback	Counsel (no voucher submitted for services to present time).	
John F. Woog	Investigator	$654.37
P. Gabrielle Tarter	Secretary	523.56
Mary Ellen McFerron	Stenographer	475.45

Funds authorized or appropriated for committee expenditures	$10,000.00
Amount expended from Nov. 4 to Dec. 31	1,653.38
Balance unexpended	8,346.62

JOHN L. MCMILLAN,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON EDUCATION AND LABOR

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Joseph Koski	Chief clerk and executive assistant.	$5,250.98
John S. Forsythe	General counsel (professional staff).	5,250.98
Joseph S. Jarosz	Research specialist (professional staff).	5,250.98
Frank E. Boyer	Investigator (professional staff).	5,250.98
John O. Graham	Minority clerk (professional staff).	5,250.98
Frances A. Los	Assistant clerk	2,642.28
Eleanor Barc	Assistant clerk (resigned Aug. 31).	1,299.48
Mary Pauline Smith	Assistant clerk	2,642.28
Mary E. Gilbert Sanders.	do	2,642.28
Barbara A. White	Assistant clerk (from Oct. 1).	1,342.80
Myrtle S. Locher	Assistant clerk	2,642.28

Funds authorized or appropriated for committee expenditures	$30,000.00
Amount of expenditures previously reported	863.20
Amount expended from July 1 to Dec. 31	12,621.11
Total amount expended from Jan. 2 to Dec. 31	13,484.31
Balance unexpended as of Jan. 1, 1950	16,515.69

JOHN LESINSKI,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949,

inclusive, together with total funds authorized or appropriated and expended by it:

Full committee	$10,610.97
Intergovernmental Relations Subcommittee, Congressman Herbert C. Bonner, chairman	1,464.37
Executive and Legislative Reorganization Subcommittee, Congressman Chet Holifield, chairman	16,857.01
Federal Relations with International Organizations Subcommittee, Congressman Henderson Lanham, chairman	2,884.41
Government Operations Subcommittee, Congressman Porter Hardy, Jr., chairman	39,501.03
Total spent	71,317.79
Balance unexpended June 30, 1949	80,120.77
Additional appropriation July 14, 1949	50,000.00
	130,120.77
Amount spent from July 1 to Dec. 31, 1949	71,317.79
Balance unexpended Jan. 1, 1950	58,802.98

Name of employee	Profession	Total gross salary during 6-month period
Christine Ray Davis	Chief clerk	$5,250.98
Martha C. Roland	Assistant chief clerk.	4,072.12
William A. Young	Staff director	5,250.98
Thomas A. Kennedy	General counsel	5,250.98
J. Robert Brown	Research analyst	3,737.46
Dolores Fel'Dotto	Clerk-stenographer	2,838.64
Adrienne C. Masterson.	do	2,621.47
Teresa Barrett	Clerk-typist	1,506.38
Annabell Zue	Minority clerk	3,189.26
Francis T. O'Donnell	Minority counsel	4,406.76

EXPENSES OF COMMITTEE

Stationery supplies	$194.66
Telephone	135.25
Air travel	737.35
Expenses, taxi fare, postage, etc	28.75
Foreign travel:	
Expenses incurred by 5 members of the committee and 1 staff member on trip to the Far East	2,694.75
Expenses incurred by 8 Members of the Congress, 2 staff members, 2 liaison representatives on trip to Europe and the Near East	6,820.21
Total expenses full committee, July 1 to Dec. 31, 1949	10,610.97
Intergovernmental Relations Subcommittee, Congressman Herbert C. Bonner, chairman; Lindsay C. Warren, Jr., clerk, July 1 to Sept. 21, 1949	1,464.37
Executive and Legislative Reorganization Subcommittee, Congressman Chet Holifield, chairman:	
W. Brooke Graves, staff director	5,250.98
Julian Fahy, research analyst	4,406.76
Herbert Roback, administrative analyst	4,206.34
Dorothy D. Morrison, clerk	2,838.64
Stationery supplies	64.29
Total expenses	16,857.01
Federal relations with International Organizations Subcommittee, Congressman Henderson Lanham, chairman:	
Franklin D. Rogers, Jr., clerk	2,768.54
Stationery supplies	13.10
Telephone	3.65
Expenses for trip to New York, N. Y., for Congressman John A. Blatnik	56.62
Expenses for trip to New York, N. Y., for Franklin D. Rogers	42.50
Total expenses	2,884.41
Government Operations Subcommittee, Congressman Porter Hardy, Jr., chairman:	
Carl H. Monsees, staff director	5,142.96
Frank F. Reynolds, legal analyst	1,563.30
George H. Bowers, legal analyst	899.36
Joseph V. Machugh, legal analyst	230.73
Charles Futterer, administrative analyst	3,804.38
Edwin S. Ketchum, administrative analyst	2,084.40
George M. Rose, administrative analyst	3,011.47
James T. Gobbel, administrative analyst	3,804.38
Ann F. Cavanagh, administrative analyst	2,373.29
Stephen D. Carnes, Jr., administrative analyst	1,873.11
Herbert E. Wickenheiser, administrative analyst	1,578.04
Hester H. Harper, administrative analyst	61.53
John C. Vick, administrative analyst	1,673.46
Gordon Peyton, legal services in connection with hearings	$2,400.00
Mildred H. Lang, stenographer	1,274.72
Olive Willeroy, stenographer	1,951.62
Eloise G. Menefee, stenographer	1,311.74
Elizabeth A. Kultchar, stenographer	314.92
Doris Brassell, stenographer	111.98

EXPENSES

For conducting official business—taxi fares, hotel, per diem, postage—miscellaneous expenses for following:	
Congressman Porter Hardy, Jr	531.06
Congressman Richard Bolling	232.72
Congressman M. G. Burnside	78.03
Congressman Clare E. Hoffman	119.90
Congressman R. Walter Riehlman	67.62
Carl H. Monsees	71.35
James T. Gobbel	210.36
Charles Futterer	3.60
Ann F. Cavanagh	514.45
Herbert E. Wickenheiser	272.10
Stephen D. Carnes, Jr	24.62
George M. Rose	19.05
Olive Willeroy	5.80
John C. Vick	3.60
Air travel	907.78
Railroad travel	579.92
Telephone	79.25
Truman Ward	69.50
Stationery supplies	244.93
Total expense	39,501.03

WILLIAM L. DAWSON,
Chairman.

JANUARY 14, 1950.

COMMITTEE ON FOREIGN AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Clerk and administrative officer.	$5,250.98
Charles Burton Marshall.	Staff consultant	5,250.98
Ira E. Bennett	do	5,250.98
Sheldon Z. Kaplan	Staff consultant (from Aug. 1 to Dec. 31).	4,390.15
George L. Millikan	Staff consultant (from Aug. 20 to Dec. 31).	3,844.93
June Nigh	Staff assistant	2,768.54
Winifred Osborne	do	2,875.44
Doris Leone	do	2,768.54
Mabel Wofford	do	2,558.16
Mary G. Chace	do	3,469.74

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount expended from July 1 to Dec. 31	6,442.94
Total amount expended from Jan. 2 to Dec. 31	6,442.94
Balance unexpended as of Dec. 31, 1949	43,558.06

JOHN KEE,
Chairman.

DECEMBER 30, 1949.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Jeanne McDonagh	Clerk	$3,737.46
Marjorie Savage	Assistant Clerk, clerk to Subcommittee on Accounts.	3,603.58
Jack Watson	Assistant Clerk, clerk to Subcommittee on Enrolled Bills, Library, Disposition of Executive Papers and Memorials.	3,469.74
Maureen Sandiford	Assistant clerk, clerk to Subcommittee on Elections.	2,347.82
Lura Cannon	Assistant clerk, clerk to Subcommittee on Printing.	2,347.82
Merle Harris	Assistant clerk and stenographer.	2,347.82

MARY T. NORTON,
Chairman.

JANUARY 1, 1950.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
CLERICAL STAFF		
Elton J. Layton	Clerk	$5,250.98
Glenn R. Ward	Assistant clerk	2,558.16
Royice Reno	do	2,347.82
Georgia G. Glasmann	Assistant clerk-stenographer.	2,221.56
Helen A. Grickis	do	2,137.44
Frances W. Galvin	Assistant clerk-stenographer (authorized under H. Res 157).	2,039.28
Roy P. Wilkinson	Assistant clerk	1,822.48
PROFESSIONAL STAFF		
Arlin E. Stockburger	Aviation and engineering consultant.	5,250.98
Andrew Stevenson	Expert	5,250.98
Kurt Borchardt	Professional assistant.	5,250.98
Sam G. Spal	Research specialist	4,072.12

Funds authorized or appropriated for committee expenditures (funds authorized under H. Res. 157)	$60,000.00
Amount of expenditures previously reported	323.64
Amount expended from July 1 to December 31, 1949	11,000.58
Total amount expended from January 1 to December 31, 1949	11,324.22
Balance unexpended as of December 31, 1949	48,675.78

ROBERT CROSSER,
Chairman.

JANUARY 14, 1950.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Dick, Bess Effrat	Chief Clerk	$5,250.98
Bernhardt, C. Murray.	Committee counsel	5,250.98
Besterman, Walter M.	Legislative assistant	5,250.98
Foley, William R.	Committee counsel	5,250.98
Lee, Walter R.	Legislative assistant	5,250.98
Smedley, Velma	Assistant Chief Clerk.	5,250.98
Berger, Anne J.	Clerk-stenographer	2,417.92
Christy, Frances	do	2,417.92
Collier, Mabel L.	do	2,207.58
Kaslow, Berta	do	3,399.60
Lamon, Lucile P.	do	2,069.62

1. Funds for preparation of United States Code and revision of the laws:

A. Preparation of new edition of United States Code (no year):

Unexpended balance July 1, 1949	$13,036.89
Expended	0
Balance Dec. 31, 1949	13,036.89

B. Preparation of United States Code:

Authorized by Legislative Appropriation Act, 1950	150,000.00
Expended	4,751.88
Balance Dec. 31, 1949	145,248.12

C. Revision of the Laws 1950:

Authorized by Legislative Appropriation Act, 1950	12,000.00
Expended	5,250.98
Balance Dec. 31, 1949	6,749.02

2. Funds authorized or appropriated for committee expenditure by H. Res. 156 (pursuant to H. Res. 137)

	30,000.00
Amount expended	15,138.31
Balance unexpended as of Dec. 31, 1949	14,861.69

3. Funds authorized or appropriated for committee expenditure by H. Res. 246 (pursuant to H. Res. 238)

	45,000.00
Amount expended	26,360.00
Balance unexpended as of Dec. 31, 1949	18,640.00

EMANUEL CELLER,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Hugh A. Meade	General counsel	$229.53
John M. Drewry	Assistant general counsel.	240.80
Do	General counsel	4,963.99
Lynn E. Mote	Assistant counsel	2,456.22
Reginald S. Losee	Chief investigator	4,339.80
Gus S. Caras	Investigator to minority.	4,339.80
Elizabeth B. Bedell	Chief clerk	3,094.13
Frances Still	Secretary	3,286.02
Frances B. Hoover	Assistant clerk	2,908.78
Marie Wilson	do	2,957.06
Leonard P. Pliska	Clerk to minority	2,908.78

S. O. BLAND,
Chairman.

JANUARY 12, 1950.

SUBCOMMITTEE TO INVESTIGATE PANAMA CANAL TOLLS

(Pursuant to H. Res. 44, 81st Cong., 1st sess.)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Madonna Haworth	Stenographer	$2,816.82

Funds authorized or appropriated for committee expenditures	$15,000.00
Amount of expenditures previously reported	2,731.27
Amount expended from July 1, to Dec. 31, 1949	4,829.55
Total amount expended from Feb. 28, to Dec. 31, 1949	7,560.82
Balance unexpended as of Dec. 31, 1949	7,439.18

S. O. BLAND,
Chairman.

JANUARY 12, 1950.

SPECIAL INVESTIGATING SUBCOMMITTEES OF THE MERCHANT MARINE AND FISHERIES COMMITTEE

(Pursuant to H. Res. 215, 81st Cong.)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 30, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leroy C. Bedell, Jr.	Investigator	$1,033.15
Lynn E. Mote	do	361.21
Charles A. Miller	do	1,869.17

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount expended from June 30 to Dec. 31	8,718.74
Total amount expended from June 30 to Dec. 31	8,718.74
Balance unexpended as of Dec. 31, 1949	41,281.26

S. O. BLAND,
Chairman.

JANUARY 9, 1950.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
George M. Moore	Chief counsel	$5,250.98
Frederick C. Belen	Counsel	5,250.98
John B. Price	Staff assistant	2,468.52
Lucy K. Daley	Assistant clerk	2,698.40
Elayne Morelle	Secretary	2,347.82
Lillian Hopkins	do	2,347.82
Ann Hayden	Stenographer	2,173.09
Elizabeth Feltman	Clerk-stenographer	689.31

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount of expenditures previously reported	5.00
Amount expended from July 1 to Dec. 31, 1949	590.60
Total amount expended from Jan. 3 to Dec. 31, 1949	595.60
Balance unexpended	24,404.40

TOM MURRAY,
Chairman.

DECEMBER 31, 1949.

COMMITTEE ON PUBLIC LANDS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period

from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
George H. Soule	Technical consultant.	$5,250.98
Saul C. Corwin	Counsel	5,250.98
Preston E. Peden	Attorney	5,076.10
Mary L. Steele	Clerk	5,250.98
Claude E. Ragan	do	5,250.98
Nancy J. Arnold	do	3,603.58
Virginia McMichael	do	2,908.78
Geraldine Eaker	do	2,347.82
Betty Lee Angus	do	1,997.20

Funds authorized or appropriated for committee expenditures	$30,000.00
Amount of expenditures previously reported	1,407.61
Amount expended from July 1, to Dec. 31, 1949	[1] 3,156.02
Total amount expended from Apr. 1, to Dec. 31, 1949	[1] 4,563.63
Balance unexpended as of Dec. 31, 1949	25,436.37

[1] There are some bills still outstanding for expenses incurred but not yet paid and not included herein.

J. HARDIN PETERSON,
Chairman.

JANUARY 7, 1950.

COMMITTEE ON PUBLIC WORKS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Thomas E. Massie	Counsel	$4,205.96
Joseph H. McGann, Sr.	Clerk	4,205.96
Robert F. McConnell	Assistant clerk	3,189.26
Joseph H. McGann, Jr.	do	2,698.40
Mrs. Alice B. Norton	Clerk-stenographer	1,327.08
Mrs. Margaret R. Beiter	do	2,698.40
Miss Mary E. McBee	do	2,698.40

Funds authorized or appropriated for committee expenditures	$15,000
Balance unexpended as of Dec. 31, 1949	15,000

WILL M. WHITTINGTON,
Chairman.

JANUARY 5, 1950.

COMMITTEE ON RULES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Humphrey S. Shaw	Clerk	$5,209.94
Merritt R. Kotin	Assistant clerk	4,406.76
Jane W. Snader	Minority clerk	2,922.76
Elliodor M. Libonati	Stenographer-clerk	2,922.76
T. Howard Dolan	Assistant to the clerk.	2,102.96

A. J. SABATH,
Chairman.

JANUARY 12, 1950.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 30, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
EMPLOYEES PAID BY VOUCHER		
William A. Wheeler	Investigator	$4,139.08
Courtney E. Owens	do	3,871.30
Charles E. McKillips	do	3,871.30
William J. Jones	do	3,737.48
Alvin Stokes	do	3,737.48
Helen Mattson	Research clerk	2,838.14
Lillian E. Howard	do	2,698.40
Mary Ann Moffett	do	2,347.82
Asselia Poore	do	2,908.78
Margaret Pinet	Research clerk (July 1 through Aug. 6, 1949).	406.69
Blanche McCall	Research clerk (Oct. 10 through Dec. 31, 1949).	948.95
Pearle Gay	Clerk-stenographer	2,207.58
Jane Gordon	do	2,067.36
Helen McCarthy	do	2,207.58
Lorraine M. Nichols	do	2,347.82
Rose M. Sanko	do	2,347.82
Katherine Zimmerman	do	2,314.46
Ruth Tansill	do	2,347.82
Jo B. Benisch	Clerk-typist	2,347.82
Virginia McCraw	do	2,067.36
Catherine Crews	File clerk	2,347.82
Lucille Fitzgerald	do	2,347.82
Alyce Gartrell	do	2,207.58
Eileen Sonnett	do	2,207.58
Alice Walker	do	2,347.82
EMPLOYEES CARRIED ON PERMANENT HOUSE PAY ROLL		
Frank S. Tavenner, Jr.	Committee counsel	5,250.98
Louis J. Russell	Senior investigator	5,115.53
John W. Carrington	Clerk of committee	4,406.71
Benjamin Mandel	Director of research	4,741.40
Donald T. Appell	Investigator	4,373.79
Anne D. Turner	File chief	3,993.06
Carolyn Roberts	Assistant file chief	2,628.30
Rosella A. Purdy	Clerk-stenographer	3,049.02
Juliette Joray	do	2,347.82
Thelma Scearce	do	2,698.40
Margaret S. Kerwan	Clerk - stenographer (June 30, 1948, through Aug. 31, 1949).	884.72

Funds authorized or appropriated for committee expenditures	[1] $200,000.00
Amount of expenditures previously reported, Dec. 31, 1948, through June 30, 1949	65,910.85
Amount expended from June 30 to Dec. 31, 1949	$65,356.26
Total amount expended from Dec. 31, 1948, to Dec. 31, 1949	131,267.11
Balance unexpended as of Dec. 31, 1949	68,732.89

[1] H. Res. 78, 81st Cong.

JOHN S. WOOD,
Chairman.

JANUARY 11, 1950.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 30, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Ida Rowan	Chief clerk	$5,250.98
Edwin B. Patterson	Professional aide	5,250.98
Casey M. Jones	do	5,250.98
Karl Standish	do	5,250.98
Paul K. Jones	Assistant clerk	4,406.76
Edward C. Wrede	do	4,406.76
Frances Montanye	Clerk-stenographer	2,347.82
Mary Schmidt Ponow	Stenographer	2,347.82
George J. Turner	Assistant clerk	2,417.92
Total		36,931.00

J. E. RANKIN,
Chairman.

JANUARY 9, 1950.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles W. Davis	Clerk (C)	$5,250.98
Leo H. Irwin	Professional assistant (P).	3,084.04
Stella O. Miller	Assistant clerk (C)	2,978.88
Gladys L. Kullberg	Staff assistant (C)	2,558.16
Ralph O. Simmerson	do	2,032.28
Harriet B. Lamb	Clerk-stenographer (C).	2,137.44
Gordon Grand, Jr.	Minority adviser (P).	5,076.10
Susan Alice Taylor	Minority stenographer (C).	2,289.58
Fedele F. Fauri	Social security adviser (P).	2,581.09
Harry Parker	Messenger	1,338.08
Sam Hardy	do	1,298.24
Hughlon Greene	do	1,005.00
Esmer Durham	do	447.60

Funds authorized or appropriated for committee expenditures	[1] $25,000
Balance unexpended as of December 31, 1949	25,000

[1] H. Res. 333, authorizing the committee as a whole or by subcommittee, to conduct studies or investigations of all matters coming within the jurisdiction of the committee.

R. L. DOUGHTON,
Chairman.

JANUARY 12, 1950.

SELECT COMMITTEE ON LOBBYING ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of

the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 2-month period from November 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 2-month period
Lucien Hilmer	Staff director	$1,724.46
Thomas F. Flynn, Jr.	Legal-investigative staff.	1,047.33
Jerome H. Spingarn	Research assistant to the chairman.	1,597.72
Irene Salmans	Clerk-stenographer.	640.50
William Earl Griffin	Clerk	1,001.38
Benedict F. Fitzgerald, Jr.	Legal-investigative staff.	747.02
Louis Little	do	798.86
Joseph M. Mannix	do	541.72
Charles B. Holstein	Research director	373.45
Total		8,472.44

Funds authorized or appropriated for committee expenditures	$40,000.00
Amount expended from Nov. 1 to Dec. 31, 1949	53.26
Total amount expended from Nov. 1 to Dec. 31, 1949	8,825.70
Balance unexpended as of Dec. 31, 1949	31,474.30

FRANK BUCHANAN,
Chairman.

SPECIAL COMMITTEE TO ATTEND THE WORLD ASSEMBLY FOR MORAL REARMAMENT

JANUARY 10, 1950.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

None. The entire amount appropriated for the purpose of attending the World Assembly for Moral Rearmament has been spent and no additional funds remain unspent.

Funds authorized or appropriated for committee expenditures	$5,000.00
Amount of expenditures previously reported	964.51
Amount expended from July 1 to Dec. 31, 1949	[1] 4,035.49
Total amount expended from June 2 to Dec. 31, 1949	5,000.00

[1] Paid Air Force for use of plane in connection with trip.

PRINCE H. PRESTON,
Chairman.

JANUARY 4, 1950.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1949, to December 31, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Victor P. Dalmas	Chief, special services (July 1 to Aug. 31, inclusive); executive director (Sept. 1 to Dec. 31, inclusive).	$5,132.16
Mildred Deen	Stenographer	1,828.90
Otis H. Ellis	Executive director (July 1 to Aug. 31, inclusive); special counsel for Petroleum (Sept. 1 to Dec. 31, inclusive).	3,487.92
Janus Morgan Glover	Messenger (from Nov. 4).	492.65
Richard R. Haas	Research assistant	1,632.60
Rowan F. Howard	Special investigator (Sept. 16 to 30, inclusive).	190.14
Joseph W. Kaufman	Chief counsel	5,250.98
Eugene Kelly	Research assistant (from Sept. 26).	1,965.62
Suzanne D. Manfull	Administrative assistant (from July 1 to Aug. 15 and Nov. 16 to 30, inclusive).	779.39
LaVerne Maynard	Stenographer	2,039.28
Bertha A. Padgett	Secretary	2,347.82
Arlone Read	Stenographer (Oct. 12, 13, and 14).	29.98
Suzanne Shepherd	Research assistant (Sept. 1 to Oct. 30, inclusive).	501.94
Kathryn E. Smith	Chief clerk	2,347.82

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	26,915.67
Amount expended from July 1 to Dec. 31, 1949	29,986.93
Total amount expended from Feb. 2, to Dec. 31, 1949	56,902.60
Balance unexpended as of Dec. 31, 1949	43,097.40

WRIGHT PATMAN,
Chairman.

SENATE

FRIDAY, JANUARY 20, 1950

(Legislative day of Wednesday, January 4, 1950)

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

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

O God eternal, immortal, invisible, we would hush our busy thoughts to silence as we wait for Thy word. If we listen only to the clamor of the world without, we lose our way, our purpose, our peace, and our poise.

Override the errors of our faulty judgments. Through the sincere expression of differing appraisals may the final wisdom that charts the Nation's course in these perilous days be higher than our own. Make our America more and more the hope of all who suffer and the dread of all who plot iniquity. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 19, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. MYERS. 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	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Cordon	Kem	Saltonstall
Darby	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Downey	Langer	Sparkman
Dworshak	Leahy	Taft
Eastland	Lehman	Taylor
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Flanders	Lucas	Tobey
Frear	McCarran	Tydings
Fulbright	McCarthy	Watkins
George	McClellan	Wherry
Gillette	McFarland	Wiley
Graham	McKellar	Williams
Gurney	McMahon	Withers
Hayden	Magnuson	Young
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], the Senator from Rhode Island [Mr. GREEN], and the Senators from Florida [Mr. HOLLAND and Mr. PEPPER] are absent on important public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

Mr. SALTONSTALL. I announce that the junior Senator from Michigan [Mr. FERGUSON], the Senator from Nevada [Mr. MALONE], and the senior Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The VICE PRESIDENT. A quorum is present.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES

The VICE PRESIDENT. On October 18, 1949, an order was entered for consideration today, January 20, 1950, of the conference report on Senate bill 1008. The Chair now lays before the Senate the conference report, which will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: