

By Mr. SIMPSON of Pennsylvania:

H. R. 7025. A bill allowing a credit against the additional estate tax for inheritance, estate, legacy, or succession taxes paid to any State; to the Committee on Ways and Means.

By Mr. WHEELER:

H. R. 7026. A bill to provide for the collection and publication of statistics on and establishing standards, grades, and classifications of naval stores and an inspection service therefor, preventing deception in transactions in naval stores, regulating traffic therein, and for other purposes; to the Committee on Agriculture.

By Mr. DAVIS of Georgia:

H. R. 7027. A bill to amend section 16 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945; to the Committee on Post Office and Civil Service.

By Mr. EATON:

H. R. 7028. A bill to enable the President to obligate funds heretofore appropriated for assistance in certain areas in China until June 30, 1950; to the Committee on Foreign Affairs.

By Mr. BREHM:

H. R. 7029. A bill to terminate the war tax rate on admissions; to the Committee on Ways and Means.

By Mr. FERNANDEZ:

H. R. 7030. A bill to amend the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN:

H. J. Res. 405. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. LODGE:

H. Res. 452. Resolution requesting the State Department to furnish full and complete answers to certain questions relating to the foreign policy of the United States in the Far East; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DENTON:

H. R. 7031. A bill for the relief of Oscar L. McCallen; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H. R. 7032. A bill for the relief of Heronie Filmer; to the Committee on the Judiciary.

By Mr. HOEVEN:

H. R. 7033. A bill for the relief of Mrs. Mary Vercauteren; to the Committee on the Judiciary.

By Mr. MCSWEENEY:

H. R. 7034. A bill for the relief of Nicholas Melanoff; to the Committee on the Judiciary.

By Mr. MICHENER:

H. R. 7035. A bill for the relief of Hisako Sakata Ikezawa; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 7036. A bill for the relief of A. H. Clement; to the Committee on the Judiciary.

By Mr. THOMAS of Texas:

H. R. 7037. A bill for the relief of Reginald Wynne Davis; 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:

1753. By Mr. KEARNEY: Petition of 19 residents of Schenevus, N. Y., advocating passage of legislation to prohibit advertising of alcoholic beverages over the radio and in interstate commerce; to the Committee on Interstate and Foreign Commerce.

1754. By Mr. POLK: Petition of Rev. W. Eudell Milby, pastor, Bethel Church of the Nazarene, Clermont County, Ohio, and residents of Bethel, 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; to the Committee on Interstate and Foreign Commerce.

1755. Also, petition of Mrs. Lucy Meranda, president of Bethel Woman's Christian Temperance Union, and many residents of Brown and Clermont Counties, Ohio, 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; to the Committee on Interstate and Foreign Commerce.

1756. Also, petition of Mrs. Ethel Seaman, president, Woman's Christian Temperance Union, and members, of Peebles, Adams County, Ohio, 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; to the Committee on Interstate and Foreign Commerce.

1757. Also, petition of Mrs. O. G. Bond, president, Scioto County Woman's Christian Temperance Union, Ohio, and its members, 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; to the Committee on Interstate and Foreign Commerce.

1758. Also, petition of Rev. W. James Gilson, pastor, Bethel Baptist Church, Clermont County, Ohio, and residents of Bethel, 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; to the Committee on Interstate and Foreign Commerce.

1759. Also, petition of Rev. Edward H. Jones, pastor, Bethel Methodist Church, Clermont County, Ohio, and residents of Bethel, 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; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, JANUARY 30, 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:

Lord of all life, in the white light of Thy searching we would pause at the day's threshold to examine our inner desires and motives; that in this temple of democracy we may stand with pure hearts and clean hands. May we be saved from the dangers that lurk in warped judgments and in narrow loyalties.

Inspire and guide with the spirit of understanding these Thy servants, the few among the many lifted by their fellows to high pedestals of power and influence in a great and crucial day. May their counsels so laden with possibilities to affect this stricken generation add to

the world's store of good will, and may their words be for the healing of the nations. We ask it in the dear Redeemer's name. Amen.

ATTENDANCE OF A SENATOR

DENNIS CHAVEZ, a Senator from the State of New Mexico, appeared in his seat today.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 26, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 184) authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day.

The message also announced that the House had passed a joint resolution (H. J. Res. 371) to correct the formula used in computing the income taxes of life-insurance companies for 1947, 1948, and 1949, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 184) authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day, and it was signed by the Vice President.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the sessions of the Senate for a period of 10 days, and Mr. FLANDERS was excused from attendance on the sessions of the Senate today and tomorrow.

On his own request, and by unanimous consent, Mr. SPARKMAN was excused from attendance at the session of the Senate tomorrow.

MEETINGS OF COMMITTEES DURING SENATE SESSION

On request of Mr. MCKELLAR, and by unanimous consent, the Committee on Appropriations and all subcommittees thereof were authorized to meet during the sessions of the Senate for the remainder of the session.

On request of Mr. LUCAS, and by unanimous consent, the Committee on Armed Services and the Committee on Finance were authorized to meet this afternoon during the session of the Senate.

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 | Hendrickson | Maybank |
| Anderson | Hill | Millikin |
| Benton | Holland | Morse |
| Bricker | Hunt | Mundt |
| Bridges | Ives | Murray |
| Butler | Jenner | Neely |
| Byrd | Johnson, Colo. | O'Connor |
| Cain | Johnson, Tex. | O'Mahoney |
| Chapman | Kefauver | Robertson |
| Chavez | Kem | Russell |
| Connally | Kerr | Saltonstall |
| Cordon | Kilgore | Smith, Maine |
| Darby | Knowland | Smith, N. J. |
| Donnell | Langer | Sparkman |
| Douglas | Lodge | Stennis |
| Downey | Lehman | Taylor |
| Dworshak | Lodge | Thomas, Okla. |
| Eastland | Long | Thomas, Utah |
| Ecton | Lucas | Thye |
| Ferguson | McCarran | Tobey |
| Frear | McCarthy | Tydings |
| Fulbright | McClellan | Watkins |
| George | McFarland | Wherry |
| Gillette | McKellar | Wiley |
| Graham | McMahon | Williams |
| Green | Magnuson | Withers |
| Gurney | Malone | Young |
| Hayden | Martin | |

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent because of illness.

The Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPLE], and the Senator from Ohio [Mr. TAFT] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. The Senator from Michigan [Mr. FERGUSON] has the floor.

Mr. LUCAS. Mr. President, will the Senator from Michigan yield to me so I may make a unanimous-consent request?

Mr. FERGUSON. I yield.

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present other routine matters for the RECORD, without debate, and without the Senator from Michigan losing the floor.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

Mrs. Osa J. PETTY

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of Mrs. Osa J. Petty (with an accompanying paper); to the Committee on the Judiciary.

DONATIONS BY THE NAVY DEPARTMENT TO NON-PROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Secretary of the Navy, reporting, pursuant to law, a list of institu-

tions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

CLAIM OF HANOVER WOOLEN MILLS Co.

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the claim of the Hanover Woolen Mills Co., of Hanover, Ill., together with the administrative decision thereon (with an accompanying paper); to the Committee on the Judiciary.

HOURS OF WORK AND OVERTIME FOR CERTAIN GOVERNMENT EMPLOYEES

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to remove certain inequities by fixing the hours of work and overtime compensation practices in the case of certain employees of the United States, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT ON OPERATION OF TRADE-AGREEMENTS PROGRAM

A letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to law, a report on the operation of the trade-agreements program (with an accompanying report); to the Committee on Finance.

REPORT OF UNITED STATES MARITIME COMMISSION

A letter from the Vice Chairman of the United States Maritime Commission, transmitting, pursuant to law, a report of the Commission for the fiscal year 1949 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

TORT CLAIMS PAID BY FEDERAL SECURITY AGENCY

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, a report of tort claims paid by the Agency for the period January 1, 1949, through December 31, 1949 (with an accompanying paper); to the Committee on the Judiciary.

REPORTS OF THE CHESAPEAKE & POTOMAC TELEPHONE Co.

Two letters from the vice president and comptroller of the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, a report of receipts and expenditures of the company, and a comparative general balance sheet, both for the year 1949 (with accompanying papers); to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the board of directors of the National Association of Credit Men, of New York, N. Y., favoring the recommendations of the Hoover Commission on reorganization of the executive departments of the Government; to the Committee on Expenditures in the Executive Departments.

Resolutions adopted by the Sarasota Townsend Club No. 1, of Sarasota, and a mass meeting of the Fifth Congressional District, at Orlo Vista, both in the State of Florida, favoring the enactment of Senate bill 2181, providing old-age insurance; to the Committee on Finance.

Petitions of sundry citizens of the State of Florida, praying for the enactment of Senate bill 2181, providing old-age insurance; to the Committee on Finance.

A resolution adopted by the Manchester (N. H.) Young Republicans, relating to conditions in the Far East; to the Committee on Foreign Relations.

A resolution adopted by the Messinian Benevolent Association and its ladies' auxil-

iary, the Daughters of Messinia, of New York, N. Y., relating to the return to Greece of certain abducted children; to the Committee on Foreign Relations.

A resolution adopted by the South Carolina Chapter of the National Academy Associates, of Columbia, S. C., relating to the activities of the Federal Bureau of Investigation; to the Committee on the Judiciary.

Resolutions adopted by the Iowa State Dental Society, University District, and the Farrell Chamber of Commerce, of Farrell, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Finance:

"Resolution memorializing Congress with relation to amending the Federal Social Security Act with the purpose of extending the coverage and benefits thereof to include municipal employees

"Resolved, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they are hereby requested to use their efforts to amend the Federal Social Security Act with the purpose of extending the coverage and benefits thereof to include municipal employees; and be it further

"Resolved, That the secretary of state be and he is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States."

PROHIBITION OF LIQUOR ADVERTISING—PETITION

Mr. GREEN. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a petition signed by Helen A. Thomas and sundry other citizens of West Barrington and Riverside, R. I., praying for the enactment of Senate bill 1847, to prohibit the transportation of alcohol beverage advertising in interstate commerce.

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

To our Senators and Representatives in Congress:

We respectfully request that you use your influence and vote for the passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio, covered by bill S. 1847. The most pernicious effect of this advertising is the constant invitation and enticement to drink. The American people spent \$9,640,000,000 for alcoholic beverages in 1947 as compared with \$7,770,000,000 in 1945. During the same time there was a corresponding increase each year in crime, juvenile delinquency, broken homes, deaths and injuries due to intoxicated drivers. There is every reason why this waste of money and of human values should not be increased but rather greatly decreased.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

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

S. 1950. A bill to reimburse the Fisher Contracting Co.; with an amendment (Rept. No. 1244):

H. R. 4106. A bill for the relief of certain officers and employees of the Foreign Service

of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; with an amendment (Rept. No. 1245); and

H. R. 4387. A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Treasury Department; without amendment (Rept. No. 1246).

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

S. 469. A bill for the relief of Catherine A. Glesener; with amendments (Rept. No. 1247).

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

John J. Sheehan, of New Hampshire, to be United States attorney for the district of New Hampshire;

John Joseph Hickey, of Wyoming, to be United States attorney for the district of Wyoming;

Everett W. Hepp, of Alaska, to be United States attorney for division No. 4, district of Alaska, vice Harry O. Arend (resigned); Adrian W. Maher, of Connecticut, to be United States attorney for the district of Connecticut;

Henry L. Hess, of Oregon, to be United States attorney for the district of Oregon; Louis F. Knop, Jr., of Louisiana, to be United States marshal for the eastern district of Louisiana; and

Earl R. Burns, of Wyoming, to be United States marshal for the district of Wyoming.

By Mr. O'CONNOR, from the Committee on the Judiciary:

Bernard J. Flynn, of Maryland, to be United States attorney for the district of Maryland.

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

Henry Robert Bell, of Tennessee, to be United States marshal for the eastern district of Tennessee.

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

Matthew B. Welsh, of Indiana, to be United States attorney for the southern district of Indiana, vice B. Howard Caughran, term expired.

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

Several postmasters.

BILLS INTRODUCED

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

By Mr. LODGE:

S. 2938. A bill for the relief of Voula Taloumis; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2939. A bill providing for the conveyance of the site of old Fort Hancock in Bismarck, N. Dak., to the State of North Dakota; to the Committee on Interior and Insular Affairs.

By Mr. HUNT:

S. 2940. A bill to consolidate the health activities of the Government, to provide a program of national health insurance in

order to make available to low-income groups medical services of the highest possible quality and in the greatest possible volume, and for other purposes; to the Committee on Labor and Public Welfare.

(Mr. WILEY introduced Senate bill 2941, to amend ch. 37 of title 18, U. S. C., relating to espionage and censorship, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McCARRAN (by request):

S. 2942. A bill for the relief of Paul D. Banning, chief disbursing officer, Treasury Department, and for other purposes; to the Committee on the Judiciary.

(Mr. MAYBANK introduced Senate bill 2943, to liberalize the lending policies of the Reconstruction Finance Corporation and of the Federal Reserve Banking System in favor of independent small-business enterprises; to adjust the registration provisions of the Securities Exchange Act, as amended, in order to enable independent small-business concerns to issue securities at a reasonable cost; to develop the productive facilities of the national economy; to further the interest of independent small-business enterprises; to provide for the appointment of a Small Business Coordinator; and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. DOWNEY:

S. 2944. A bill for the relief of Roscoe Rice; to the Committee on Post Office and Civil Service.

By Mr. McMAHON:

S. 2945. A bill to authorize the apportionment of retirement pay in certain cases; to the Committee on Finance.

S. 2946. A bill to establish a Presidential Honors Board; to provide for the conferral of awards to be known as the Presidential Medal of Honor, the Presidential Medal of Achievement, and the Presidential Medal of Recognition; and for other purposes; to the Committee on Labor and Public Welfare.

(Mr. LUCAS introduced Senate bill 2947, to amend the Reconstruction Finance Corporation Act, as amended, in order to provide more effective financial assistance for small business, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. MUNDT:

S. 2948. A bill authorizing the Secretary of the Interior to issue a patent in fee to Clara Whitesell, to certain lands;

S. 2949. A bill authorizing the Secretary of the Interior to issue a patent in fee to James Chief, to certain lands; and

S. 2950. A bill to declare that the United States holds certain lands in trust for the Ogala Sioux Tribe of the Pine Ridge Reservation in the State of South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. MUNDT (for himself and Mr. GURNEY):

S. 2951. A bill to admit Mrs. Erna Tvedt to the United States for permanent residence; to the Committee on the Judiciary.

AMENDMENT OF UNITED STATES CODE RELATING TO ESPIONAGE AND CENSORSHIP

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to extend the statute of limitations in peacetime espionage cases and ask unanimous consent that a brief statement which I have prepared on the bill be printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Wisconsin will be printed in the RECORD.

The bill (S. 2941) to amend chapter 37 of title 18, United States Code, re-

lating to espionage and censorship, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

STATEMENT BY SENATOR WILEY ON ANTI-ESPIONAGE BILL

The Nation has followed with deep attention the developments in the Alger Hiss case. One of the factors which the American people have noted is that the statute of limitations ran out, so that the Government was unable to prosecute Mr. Hiss for actual deeds of espionage, but had to content itself with trying him for perjury.

I personally feel that it is ridiculous that we should have the present 3-year statute of limitations on peacetime espionage cases. In wartime, of course, espionage is a capital offense, and there is no such statute of limitations whatsoever. Security legislation has been sent up to the Congress and has been pending before us for some time which would extend the peacetime limit indefinitely. I believe that this subject merits the most sympathetic attention and the promptest possible action on the part of the Congress. Since, however, previous security legislation has been of a very broad and complicated nature, I personally have attempted to focus attention on this single issue of statute of limitations and have accordingly drafted a very simple bill which merely makes the statute 6 years rather than 3 years.

If, however, my colleagues feel that the statute should be made so as to run indefinitely, that would be perfectly all right with me. The big challenge is, however, to enact some statute immediately which will remedy the present situation.

We must recognize that in the atomic age we cannot use "horse and buggy" legal weapons against saboteurs and spies. The Federal Bureau of Investigation must be given the finest possible legal instruments to do its vital job, and I believe that one such instrument is the bill which I am introducing today.

SMALL BUSINESS COORDINATOR

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill providing for the appointment of a Small Business Coordinator in the Executive Office of the President and I ask unanimous consent that a sectional summary of the bill be printed in the RECORD.

The coordinator would be appointed by the President, by and with the advice and consent of the Senate. The bill is one of the results of a study of the needs of small-business men by the staff of the Small Business Subcommittee of the Banking and Currency Committee.

The appointment of a Small Business Coordinator is designed to give relief to those small-business men who are finding it increasingly difficult to obtain necessary information which would enable them to participate in the huge volume of Government contracts. The coordinator will be directed to assist the President in the coordination of the activities of all executive agencies in furtherance of the interests of independent small-business concerns. The bill further directs that existing facilities and personnel of executive agencies shall be used to the fullest extent practicable.

The bill is being introduced and recommended to the Senate as a result of constant association with and investigation of one of the hindrances to small-business men with which the subcommittee has been concerned.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the summary presented by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 2943) to liberalize the lending policies of the Reconstruction Finance Corporation and of the Federal Reserve Banking System in favor of independent small-business enterprises; to adjust the registration provisions of the Securities Exchange Act, as amended, in order to enable independent small-business concerns to issue securities at a reasonable cost; to develop the productive facilities of the national economy; to further the interest of independent small-business enterprises; to provide for the appointment of a Small Business Coordinator; and for other purposes, introduced by Mr. MAYBANK, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The sectional summary of the bill presented by Mr. MAYBANK is as follows:

SECTIONAL SUMMARY OF BILL ESTABLISHING A SMALL BUSINESS COORDINATOR

SECTION 1

(a) Establishes in the Executive Office of the President a Small Business Coordinator at an annual salary of \$15,000.

(b) Provides that the Coordinator shall assist the President in the coordination of the activities of the executive agencies in furtherance of the interests of small-business concerns.

(c) To the fullest extent practicable, the Coordinator shall utilize the facilities and personnel of other executive agencies.

He may appoint, not to exceed six deputies, specialists, or other experts, at not to exceed \$14,000 per annum for one of such, and not to exceed \$12,000 per annum for the other five.

(d) To the fullest extent practicable, the Coordinator shall utilize the facilities of the small-business advisory boards in the Federal agencies, and he may utilize the services of Federal and, with their consent, State, regional, and local agencies.

SECTION 2

The Coordinator is directed, whenever and to the extent that he determines such action necessary—

(1) With the cooperation of existing agencies, to make a complete study of the productive facilities of independent small-business enterprises, and to develop a definite criterion to determine what is an independent small-business enterprise, and to recommend to the Congress the enactment of a clear definition of small business that will be uniformly interpreted by all executive agencies.

(2), (3), (4) To assist independent small-business enterprises to obtain a fair share of Government contracts and to cut through bureaucratic red tape in doing so.

SECTION 3

The Coordinator will consult with Federal, State, and local agencies, with independent small-business enterprises and associations thereof with a view to recommending to the Congress appropriate legislation designed to further the interests of independent small-business enterprises, including, but not limited to—

(1) the offering of more liberal terms by the RFC in respect to loans to independent small-business enterprises;

(2) the adaptation of section 13b of the Federal Reserve Act to the present credit needs of independent small business;

(3) the adjustment of the SEC Act and regulations to the problems of independent small business;

(4) the revamping of the Federal-income-tax structure in order to foster the growth of small business;

(5) the development of a system of Government insurance at reasonable rates to relieve independent small business of the financial hardships caused by the shortage of dollars in foreign countries;

(6) the formulation of a program to insure that independent small business obtain its fair share of Government contracts.

However, the bill states that the above activities are to be carried out in a manner consistent with our traditional national system of free enterprise. The bill states that the Congress is fully aware of the fact that the eventual success of independent small business is dependent upon its ability to compete in the market place and that the Government should limit its endeavors to the removal of barriers which impede small business in its efforts to compete fairly and equitably with larger business of equal benefit to the national welfare.

SECTION 4

Provides for a detailed report every 90 days to be forwarded by the Coordinator to the President, Senate, and House.

SECTIONS 5 AND 6

Usual technical provisions authorizing appropriations and providing a separability clause for constitutional interpretation.

FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM AND SOCIAL SECURITY ACT—AMENDMENTS

Mr. LEHMAN. Mr. President, today at the request of thousands of New York policemen, firemen, teachers and other State employees, I submit amendments intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, which would exempt public employees already covered by a retirement system from inclusion in the old-age-pension provisions of the Social Security Act.

Under the present provisions of H. R. 6000 all these public employees could be blanketed under the Federal-old-age-pension system if two-thirds of those voting, in a specially held election, were to cast their votes for such an arrangement.

The policemen, the firemen, teachers and other public employees have demonstrated to me an almost unanimous unwillingness to run the risk of losing the systems under which they now operate, by election or any other means. They have asked that they be completely exempted from Federal coverage.

H. R. 6000 sets up a complex provision for Federal-State compacts to effectuate the transfer of the coverage to the Federal Government. However, I am strongly inclined to agree with the policemen and firemen that if they are already protected, and adequately so, and do not wish to be included in the Federal Government system, Federal legislation on this subject would be extraneous and possibly dangerous.

I shall urge the Senate Finance Committee to consider and approve the amendments which I am submitting. I can see very little justification for including these people if they do not wish to be included. I do not think the Federal Government should be in a position

of forcing, or urging people to be covered by Federal pension systems if they believe themselves to be adequately covered—and are in fact so covered—by existing local systems.

The VICE PRESIDENT. The amendments submitted by the Senator from New York will be received, printed, and referred to the Committee on Finance.

Mr. LUCAS. Mr. President, I wish to make a short statement, and I should like to have all Senators present listen to it. When unanimous consent is granted that Senators may present matters for the RECORD, without debate, Senators may merely present petitions and memorials, introduce bills and resolutions, and present matters for the RECORD without speeches or without debate. That limitation is a portion of the unanimous-consent agreement. I call that fact to the attention of all Senators, because if Senators are going to make speeches in connection with every bill they introduce, or other matter presented, a very long time will be consumed. I merely call that limitation to the attention of all Senators.

Mr. McCARRAN. Mr. President, will the Senator from Michigan yield so I may propound a question to the Senator from Illinois?

Mr. FERGUSON. I yield.

Mr. McCARRAN. Does the Senator from Illinois by his remarks mean that no explanation of a matter proposed to be inserted in the RECORD shall be made?

Mr. LUCAS. Let me make a brief statement in reply to the Senator from Nevada, if I may do so without violating any of the proprieties or jeopardizing the rights of the Senator from Michigan, who now has the floor. In other words, after bills and joint resolutions have been introduced and other matters presented for the RECORD, a Senator can secure the floor and speak as long as he wants to. I would not even object to a short explanation being made in connection with a bill, but I will say that if short explanations are indulged in it will not be long before long explanations are made, and before we know it much of the time of the Senate will be consumed which, under a unanimous-consent agreement of this kind, should not be consumed.

The Senator from Michigan has the floor, and he was gracious enough to yield to me in order that I could present a unanimous request to allow all Senators to present matters for the RECORD and introduce bills, and so forth, at this time.

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

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

Mr. ROBERTSON. As I understand, it is admissible under the rules and under the present unanimous-consent agreement for Senators who wish explanations of bills they present to appear in the RECORD in connection with the presentation of bills merely to ask unanimous consent that such explanations be inserted in the RECORD at the time the bills are presented.

Mr. LUCAS. That has been done, and it can be done under such a unanimous-consent agreement.

The VICE PRESIDENT. The Chair regards it to be his duty to enforce the provisions of a unanimous-consent agreement entered into by the Senate, not only in respect to matters of a sort with which we are now dealing, but with respect to other matters, although now and then the Chair does not feel that he should crack down on Senators who have brief statements to make about matters they are presenting. A unanimous-consent request of the nature of the one just made, when agreed to, does bar explanations or speeches on bills introduced or other matters presented for the RECORD.

PROPOSED CHANGE IN METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT—AMENDMENTS

Mr. FERGUSON submitted amendments intended to be proposed by him to the joint resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, which were ordered to lie on the table and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 371) to correct the formula used in computing the income taxes of life-insurance companies for 1947, 1948, and 1949, was read twice by its title, and referred to the Committee on Finance.

FEDERAL DEPOSIT INSURANCE CORPORATION BUILDING—CHANGE OF REFERENCE

Mr. MAYBANK. Mr. President, on January 25, I introduced a bill (S. 2923) to authorize the Federal Deposit Insurance Corporation to acquire or construct, with its own funds, a building within the District of Columbia suitable for the Corporation.

The Banking and Currency Committee is today completing hearings on a FDIC bill of which this language was a part. It was the unanimous opinion of the members of the subcommittee that although they favor the acquisition of the building, under the authority of the Reorganization Act a matter such as the authorization of a building within the District of Columbia should be referred to the Committee on Public Works.

Therefore, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bill and that it be appropriately rereferred.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and the Committee on Banking and Currency is discharged from the further consideration of the bill, and it will be referred to the Committee on Public Works.

RELIEF OF CERTAIN EMPLOYEES AND FORMER EMPLOYEES OF NAVAL ORDNANCE PLANT, POCATELLO, IDAHO—CHANGE OF REFERENCE

Mr. McCARRAN. Mr. President, on March 11, 1949, S. 1224, for the relief of certain employees and former employees of the Naval Ordnance Plant, Pocatello, Idaho, was referred to the Committee on the Judiciary.

A report was requested from the Government agency involved in this legislation which is now before the committee.

S. 1224 was considered at the regular meeting of the committee held Monday, January 30, 1950, and on motion of Senator LANGER, with the approval of the committee, it was determined that the subject matter of the above-mentioned bill is one that comes more properly within the jurisdiction of the Committee on Post Office and Civil Service.

On behalf of the Committee on the Judiciary I request that the committee be discharged from the further consideration of S. 1224, and that it be referred to the Committee on Post Office and Civil Service.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

NOTICE OF HEARING ON NOMINATION OF DELMAS C. HILL, TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF KANSAS

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, February 7, 1950, at 1:30 p. m., in room 424, Senate Office Building, upon the nomination of Hon. Delmas C. Hill, of Kansas, to be United States district judge for the district of Kansas. Judge Hill is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF JOHN F. X. MCGOHEY TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, February 7, 1950, at 1:30 p. m., in room 424, Senate Office Building, upon the nomination of Hon. John F. X. McGohey, of New York, to be United States district judge for the southern district of New York. Judge McGohey is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Missouri [Mr. DONNELL].

NOTICE OF HEARING ON NOMINATION OF ROBERT L. TAYLOR TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF TENNESSEE

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, February 7, 1950, at 1:30 p. m., in room 424, Senate Office Building, upon the nomination of Hon. Robert L. Taylor, of Tennessee, to be United States district judge for the eastern district of Tennessee. Judge Taylor is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Missouri [Mr. DONNELL].

ADDRESS BY THE VICE PRESIDENT AT ANNUAL MEETING OF UNITED SERVICE FOR NEW AMERICANS

Mr. LEHMAN. Mr. President, on January 15, our eminent presiding officer, the Vice President of the United States, made a speech on displaced persons and on displaced-persons legislation, before the annual meeting of the United Service for New Americans, Inc., at the Hotel Astor, New York City. It was a fine speech, a noble speech from a noble heart, dealing with problems which call for a great heart. I ask unanimous consent to have the address printed in the RECORD at this point in my remarks.

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

Mr. President, ladies, and gentlemen, I am greatly pleased and complimented that I was invited to participate in the discussion which is being carried on here today by the United Service for New Americans. It is a subject in which I have been interested for many years, even before the beginning or the end of World War II, and particularly since the conclusion of that great catastrophe. I suppose nobody will dispute the fact that World War II left in its wake a devastation, uprooting—physically, morally, mentally, socially, and politically—among populations all over the world which bequeathed to us one of the great problems of all times. And that is the problem of so readjusting the people of the world in their relationships, in their outlook upon life, in their opportunity to fulfill the destiny of man, as he was created in the beginning in the image of Almighty God, in order that from one generation to another man may hope to rise a little above the level and status of the preceding generation.

World War II went a long way toward destroying civilization. It did destroy the works of art, architecture, the stability of social responsibility in a sense, in vast areas of the world. And now the problem that faces mankind, not only here, but everywhere is to find some formula, reasonable and practicable, that will not only prevent the repetition of such a great disaster to the people of the world, but may set them on the permanent highway toward peace and understanding, cooperation, and working together so that ultimately bigotry and intolerance and hatred out of which wars and suffering usually flow may be at least assuaged, if not abolished, from the world. So, I cannot too greatly emphasize the work which is being

done by the United Service for New Americans. Without this coordinated service, without this voluntary, and in many cases unrequited, toil under a formal organization that makes it practicable, there would be utter frustration, not only in undertaking to observe and enforce the law, desired to bring about a partial solution of this problem, but among those who are fortunate enough to reach this country, fortunate enough to escape the displaced-persons camps, to escape the atmosphere and the foundation and the environment of the hatred and intolerance and want in these countries which are involved, and any other countries to which they may have gone—temporarily or otherwise.

So, I congratulate this great organization, this great group of men and women who are in a sense going among the people, if not physically, at least theoretically, preaching the gospel to all creatures—the gospel of peace, the gospel of economic security, the gospel of fairness, of opportunity and of humanity, which it is. Now, I recognize the difficulties which face the American people and I am not unaware, of course, of the prejudices which in recent years have grown up against the admission of too many people into this country to the extent that our own economy would be endangered and our security would be jeopardized. That danger and fear has been intensified by the differences now existing throughout the world and the ideology which men follow. But I entertain no such fear on account of the program of the Displaced Persons Act, or of the United Service for New Americans or any other program, voluntary or otherwise, initiated and carried on by the fine, high type of character of the people who are engaged in this work and try to do something for the world.

Now, you are, of course, familiar with the fact that following the war the question had to be dealt with by the Congress, because under our migration laws and under the quota system, it was impossible for many of the most worthy of these refugees to find refuge in the United States. The quota system may be necessary, and it has been adopted by the policy of the Congress, under ordinary conditions. But a quota system does not always result in the admission of the best people into this country, especially after a world crisis. Many of these people who have been herded into camps escaped their own countries into which they were turned and which they left in order that they might escape the very conditions which they found intolerable in the homes of their fathers.

I have been in some of these DP camps in Europe. I have seen the type of men and women who were there. All of them, in all camps and in all countries, had the same high level of character and desirability. I have been in these camps in Germany. I have seen men, women, and children who came from Russia, who came out from Russia because they were unwilling to live under the intolerable conditions, and they have not been willing to go back because they were unwilling to submit themselves to the sort of regimentation and circumstances in which they were compelled to live there. I have seen the remains of the people who were the special object of Hitler's hatred. He tried to destroy and obliterate and exterminate these people, and nearly succeeded.

I have been in those camps, where I saw children being taught the lessons of history and many of them, in my judgment, are people that can become good citizens of the United States. I have seen these refugees in Italy and other countries. I had seen them in Austria 2 years ago. I have been in the DP camps in Germany, Austria, and in one or two instances, in Italy, and I have been inspired by the devotion, and sincerity, and the character of these people who are not willing to go back and are looking forward

to the approach of the day when they may expect to leave.

In order to solve that problem, in a sense temporarily, the United States has contributed to the International Refugee Organization, to which reference has been made, \$70,000,000 a year out of the taxes of the people and more than \$200,000,000 altogether. As long as this problem faces us and as long as it faces the UN, which cannot abandon it in good faith, it is desirable that the problem be solved for these DP's who are worthy of resettlement, and that they be allowed to resettle in this country insofar as it can be done under the law, and wherever else it may be done, under the laws of other countries. Looking at it purely from the standpoint of practicality, it is related to the expenses of our Government, and at this time the expenses of our Government are important matters to be concerned about, that they are settled as promptly as possible and that they may be resettled in this country among our own people who want them.

The President, as you know, asked the Congress, in the effort to help solve this problem, to amend the immigration law to allow 400,000 of these displaced persons to come into the United States. A great many people thought he meant 400,000 a year. He meant no such thing. He meant a total of 400,000 people. The matter was debated in the Eightieth Congress bitterly. It was debated in the atmosphere of what was then a crisis in the disposition of these persons and in the world's attitude toward them. It was debated with more or less heat among those who desired to have liberal and to accept the responsibility of civilization and of Christianity in its fullest sense, but instead of enacting a law to permit 400,000 persons to come into this country, Congress rather grudgingly permitted 205,000, only half the number recommended by the President.

The President signed this bill, not because it was adequate, not because it was in accordance with his recommendations, but as he stated at the time he signed it because it was the only thing he could get at that time and it was a step in the right direction, though including prejudicial restrictions which have been unfair to many of those entitled to come into this country. In the judgment of the President—and I agree with him completely—it was particularly prejudicial to Catholics and Jews, and there were no grounds in the history of this country to justify such discrimination against them. But the law did recognize, however, our obligation, so far as it went. It was an acknowledgment of our leadership, at least of our participation among other nations in that leadership designed to lift the hope of these unfortunate people, many of whom I have seen myself trudge the highways of Europe, not knowing when night fell where they might rest their souls. Not only did the law, as far as it went, recognize our national obligation toward these people, it also established for them a quota system which is applicable to immigration generally. It did something else. It provided for the protection of our interests and our people and our social and political institutions by undertaking to protect our country against the infiltration of subversives who may take advantage of the law to try to come here. As far as the law went, forgetting for the moment the unfair and unjust discrimination to which the President called attention, the law was a step in the right direction, and, of course, it did serve a good purpose to that extent.

Now, the problem is its extension to increase the numbers which would be permitted to come in. The President, in his annual message and in other recommendations since the problem arose, has recommended 400,000 refugees, DP's, be admitted into this country. He did it in 1948; he did it again in 1949. He did it on January 4, 1950, in his annual

message a couple of weeks ago. Now, the House of Representatives responded in the Eighty-first Congress to the recommendation of the President. It did not respond fully by accepting 400,000, but reduced the number to 339,000. (Just why they fixed it at 339,000 and not 340,000 I do not know. Another thousand would not have hurt much.) Now, that bill is before the Senate. I am not going into the parliamentary situation, because I may have to pass on it as President of the Senate, and I do not wish in any way to forecast what problem might arise and what my decision would be in such a situation. The Committee on the Judiciary did not act upon it. The Senate became impatient and was on the verge of voting on a motion to discharge the committee when the committee met and voted the bill out without recommendation and placed it on the calendar. It was taken up and debated for a week or so, and by a vote of 36 to 30 recommitted to the Committee on the Judiciary with the instructions to report it back by the 25th of January 1950. That day will soon approach.

The Senate may have an opportunity at an early date to give it further consideration. Of course, the Senate can amend the bill to include the entire 400,000 if it sees fit, raising the figures in the House bill. Compromises are always necessary in legislation where there is determined opposition, and I am not in a position to say whether the Senate will increase the number or not. I am not any longer a Member of the Senate. I have no vote except in the case of a tie, and any vote in the case of a tie is only effective if I favor something that is being voted on, because a tie vote defeats any proposition that is being voted on, since all matters must receive at least a majority. Therefore, my vote as President of the Senate counts for nothing on a tie vote unless I am in favor of it, and a vote in the affirmative gives it a majority of one vote.

But I can say this, and I say it because I believe it is in accordance with the facts: If the Senate had been permitted to vote on that bill in the last session, or if it is permitted to vote on it at this session, it will overwhelmingly adopt a new bill increasing the number which may come here and removing the restrictions and discriminations that are now in the present law.

Reference has been made here to the various criticisms and charges—I think the speaker who is an honored member of the Commission has adequately dealt with them (Henry Rosenfield, DP Commissioner), and I do not feel it necessary to reiterate and repeat, except I do wish to say this: There have never been in my judgment, in the whole history of the United States, a more careful piece of machinery of inspection and investigation than is now in effect in regard to the administration of these displaced persons in the United States. Our Army, through its counter-intelligence service, all of our consuls abroad who have to pass upon visas, the Federal Bureau of Investigation, the Department of Justice, the Immigration Service, everywhere—here and elsewhere—and many others which I might mention, are a part of this screening process. I do not know how there would be any better system of investigation by which it could be determined that those who are permitted to come are entitled to come. And none of these services, none of these agencies, none of these organizations, whether they are governmental or voluntary, either approve of or permit anybody to come under the displaced-persons program who either is now, or ever has been, a member of the Communist Party, who now is, or ever was, a Nazi or a Fascist. They just can't get in. Now there are recesses in the brain in which opinions and convictions sometimes are harbored that nobody knows anything about, because there is no mirror by which you can look into a man's mind to tell what he is thinking. There are phrenologists who pretend to know that, but I

have always doubted it. It might be possible that out of 205,000 people, out of 400,000, somebody now and then might slip in who was not the sort of person we wanted to be amalgamated into the citizenship of the United States.

This program has been endorsed by so many organizations, and its administration has been helped by the cooperation of these organizations to such an extent, that I do not entertain any fear as to the character, the loyalty, or those who are permitted to come.

I do not believe the great Catholic Church, the Council of Churches of Christ in America, which is the Protestant organization of the churches of the United States, that the Synagogue Council representing the Jewish Synagogue in this country, that the American Federation of Labor, the Congress of Industrial Organizations, which is always anxious and alert to protect the interests of their people and who are now within their organization fighting for the elimination of all subversive elements within their organization—would endorse either the enactment or the perpetuation of a law that under its administration or provisions would undermine the foundations of American liberty, American democracy, and American humanity.

I am among those, and have been all along, who have actively supported the recommendation of the President and am doing so now. I express the hope that before this Congress shall act, before it adjourns, before this law shall have expired, and before we are confronted with the inhuman proposition that nearly a quarter of a million worthy men, women, and children who are worthy of American citizenship are to be stranded and again huddled anywhere in Europe because of our prejudice and unwillingness to take them in and make them not only good citizens of America, which they want to be, but good citizens of the world, which they have a right to be.

We are faced with a great duty, a great obligation. Whether we wanted it or not, the leadership of the world has, in many respects, been placed in our hands.

Destiny had something to do with it. Fate had something to do with it. The unification of the world from the standpoint of physical connections, the interdependence of men and women upon other men and women of other communities, of one country and state upon another country and state, and one nation upon other nations—have centered the responsibility of leadership and guidance in the people of the United States. It is a tremendous obligation. It is a tremendous challenge to our ability and our willingness to help preserve the institutions out of which come freedom of the soul, freedom of worship, freedom of speech, freedom of assembly, freedom of the press, and all the freedoms which we have cherished for a century and a half, to which have been added other freedoms and other desires for freedom—freedom from want and freedom from fear. Some poet has beautifully said, "He who stoops to lift the fallen does not stoop but stands erect." That is true of organizations no less than men. It is true of voluntary organizations, it is true of states, it is true of nations, it is true of governments which are the expression of organized society, the only organization that has the power to enforce its decrees, and the only one to which the people may look in carrying out their will for themselves and for their fellow men.

I wish for this organization the satisfaction and pride of eminent success, and I hope it will increase its activities and maintain its standing and its integrity, as it has until this hour, until this great humanitarian problem of rescuing human souls has been completely accomplished; and that out of it may grow, some day, perpetual peace and harmony

among all the peoples of the world, and if we can make any contribution to this without regard to politics, religion, race, color, or national origin, those who become the beneficiaries of our activities will thank Almighty God that there were such men and women as those who are now contributing to this great result.

ASSISTANCE TO SMALL BUSINESS ENTERPRISE—ADDRESS BY SENATOR BENTON

[Mr. KEFAUVER asked and obtained leave to have printed in the Record an address delivered by Senator BENTON at the annual banquet of the Norwich (Conn.) Chamber of Commerce, January 28, 1950, which appears in the Appendix.]

ADDRESS BY SENATOR KEFAUVER AT ROOSEVELT DAY DINNER

[Mr. KEFAUVER asked and obtained leave to have printed in the Record an address delivered by him January 28, 1950, in Louisville, Ky., at a meeting of Americans for Democratic Action, which appears in the Appendix.]

ADDRESS BY SENATOR MARTIN AT CONCERT BY THE ARMY BAND

[Mr. MARTIN asked and obtained leave to have printed in the Record an address delivered by him at a concert on January 25, 1950, by the Army Band, in honor of Pennsylvania, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the Record a radio address delivered by him under the headline, "Happenings in Washington," on January 30, 1950, which appears in the Appendix.]

THE ALL-AMERICAN CONFERENCE AGAINST COMMUNISM

[Mr. MUNDT asked and obtained leave to have printed in the Record a statement by himself relative to the All-American Conference Against Communism, resolutions adopted by the conference, and an article thereon published in the New York Times of January 30, 1950, which appears in the Appendix.]

THE CRISIS IN THE DISPLACED-PERSONS PROGRAM—ADDRESS BY HARRY N. ROSENFELD

[Mr. LEHMAN asked and obtained leave to have printed in the Record an address entitled "The Crisis in the Displaced-Persons Program," delivered by Harry N. Rosenfeld, Commissioner, Displaced Persons Commission, on January 15, 1950, before the annual meeting of the United Service for New Americans, Inc., New York City, which appears in the Appendix.]

FREEDOM ISN'T FREE—ADDRESS BY MAURICE R. FRANKS

[Mr. BUTLER asked and obtained leave to have printed in the Record an address entitled "Freedom Isn't Free," delivered by Maurice R. Franks, president of the National Labor-Management Foundation, before the Fighters for Freedom, at Knoxville, Tenn., on January 20, 1950, which appears in the Appendix.]

EDITORIAL COMMENT ON BILL TO RESTRAIN UNREASONABLE ACTIONS OF LABOR MONOPOLIES

[Mr. ROBERTSON asked and obtained leave to have printed in the Record editorials from the Washington Evening Star, the New York World Telegram and Sun, and the Tampa Morning Tribune, commenting on Senate bill 2912, introduced by him; to restrain unreasonable actions of labor monopolies, which appear in the Appendix.]

MOROCCO VIOLATES TREATY IN WAR ON AMERICAN TRADERS—EDITORIAL FROM SATURDAY EVENING POST

[Mr. RUSSELL asked and obtained leave to have printed in the Record an editorial entitled "Morocco Violates Treaty in War on American Traders," published in the Saturday Evening Post of January 28, 1950, which appears in the Appendix.]

TEMPEST IN THE A. & P. TEAPOT—ARTICLE BY A. G. MEZERIK

[Mr. MURRAY asked and obtained leave to have printed in the Record an article entitled "Tempest in the A. & P. Teapot," written by A. G. Mezerik, and published in the January 15, 1950, issue of Sales Management, which appears in the Appendix.]

THE RED PERIL OF THE NATIONAL DEBT—EDITORIAL FROM THE ST. LOUIS STAR-TIMES

[Mr. KEM asked and obtained leave to have printed in the Record an editorial entitled "The Red Peril of the National Debt," published in a recent issue of the St. Louis Star-Times, which appears in the Appendix.]

DEPLETION ALLOWANCES—TAX REVISION REPORT OF NATIONAL MINERALS ADVISORY COUNCIL

[Mr. McCARRAN asked and obtained leave to have printed in the Record the National Minerals Advisory Council's Report on Tax Revision, submitted to the Secretary of the Interior on December 7, 1949, which appears in the Appendix.]

WHY SHOULD AMERICAN SOLDIERS LIVE LIKE PIGS?—ARTICLE BY DANIEL A. POLING

[Mr. MUNDT asked and obtained leave to have printed in the Record an article entitled "Why Should American Soldiers Live Like Pigs?" written by Dr. Daniel A. Poling, and published in the February 14, 1950, issue of Look magazine, which appears in the Appendix.]

GOVERNMENT SILVER PURCHASES—ARTICLE FROM THE DESERET NEWS

[Mr. WATKINS asked and obtained leave to have printed in the Record an article entitled "Government Silver Purchases and Sound 'Hard Money' Policy," published in the Deseret News, Salt Lake City, Utah, January 25, 1950, which appears in the Appendix.]

SECRETARY ACHESON'S POLICY FOR CHINA—ARTICLE BY DOROTHY THOMPSON

[Mr. WATKINS asked and obtained leave to have printed in the Record an article entitled "Policy Advanced by Acheson for China Declared 'So Extremely Comfortable,'" written by Dorothy Thompson, and published in the Washington Evening Star, which appears in the Appendix.]

A CUT FOR SOLDIERS' HOME—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

[Mr. HENDRICKSON asked and obtained leave to have printed in the Record an editorial entitled "A Cut for Soldiers' Home," published in the Washington Times-Herald, January 30, 1950, which appears in the Appendix.]

EXCHANGE OF AMBASSADORS WITH IRELAND

Mr. SALTONSTALL. Mr. President, last week I was glad to read that the State Department had seen fit to exchange Ambassadors with the State of Ireland, whereas previously we had been represented by a Minister. I have felt

that this move should have been made before, and on April 13 last I wrote to the Secretary of State, as follows:

We have in this country a great many Americans of Irish descent and I believe that the time has come when serious consideration should be given to making the Legation in Ireland an Embassy and having this country represented not by a Minister, but by an Ambassador.

I wish to have printed immediately following my remarks an editorial entitled "Old Friends," from the Boston Pilot of Saturday, January 28, 1950.

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

OLD FRIENDS

Much of the news that comes out of the State Department these days is of such a disquieting nature that it is refreshing to read that amid the pressure of all sorts of other problems we have seen fit to exchange Ambassadors with the young state of Ireland. While we have had it pointed out to us with almost monotonous regularity by Mr. Dean Acheson that this kind of recognition does not imply any sort of approval of the government so recognized (as in the proposals on Spain), we cannot help feeling that in this case at least the exchange of Ambassadors merely makes clear a sympathy of long standing. It is almost like an international handshake in an old friendship.

Ireland represents for us today not just one more member of the family of nations but a Christian and distinctly Catholic state in a world where the principles upon which it has been founded need vital reassertion. How in the spirit of the holy year was Ireland first among nations to grant a special amnesty to prisoners. In an age when political considerations are used as a basis for repressive measures against minorities how Ireland stands out as a land of freedom and tolerance. When other nations refuse to allow the mention of God in official documents and discourage religious observances Ireland proclaims His Sovereignty in the very opening words of her constitution. We do well surely to join hands with a people so fully conscious of the presence of God in the affairs of men.

The Pilot particularly rejoices in being able to take notice of an event which has been the object of the strivings of so many generations and the ideal of so many valiant hearts. The history of the struggles of Ireland toward independence are intimately associated with the history of this journal and some may well say that the Pilot itself may take some credit for the goal that has been attained. Whatever may be said on that point, the Pilot can say today that all nations will benefit by the spirit of Christian policy that the traditions of Ireland will make fresh in the exercise of international relations.

TRIBUTE TO BRIG. GEN. JULIUS KLEIN

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of one of the distinguished soldiers whose appointment we confirmed in the National Guard last Thursday.

I ask unanimous consent that this statement be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, Mr. WILEY's statement was ordered to be printed in the RECORD, as follows:

Mr. President, on page 956 of the CONGRESSIONAL RECORD for January 26 is a list of many distinguished soldiers whose appointments the Senate confirmed to various units of our armed forces establishment. Among the able men so confirmed for appointment, as brigadier

generals in our National Guard, was one whom I should like to devote a few moments on. Ordinarily I would not single out any single individual out of so large a roster of citizen-soldiers, but I do think the facts in this particular instance merit special attention.

Brig. Gen. Julius Klein, who was confirmed to that National Guard rank as of November 10, 1949, is not a constituent of mine, nor is he a resident of my State, rather he is a resident of our neighbor State of Illinois. I do, however, want to mention some of his fine qualifications because I think they exemplify the best in America's tradition of citizen-soldiers who have sprung to arms in the defense of their beloved Nation when the call of duty has come. We know that throughout our country men like him are giving of their time and energy to participate in National Guard units and in other elements of our vital reserve components.

General Klein has met the Nation's enemy in two wars. His conduct was equally brilliant in both. In the Second World War he distinguished himself both as a brilliant administrator and as a combat officer, commanding troops in several invasion battles. In commenting on Julius Klein's record, the former Secretary of War, Robert P. Patterson, said: "I cannot say too much for the caliber of his work. He is an officer of marked ability and notable vigor. I am sure he is thoroughly qualified for Federal recognition in his present rank and post."

Mr. President, I should like to give you an idea of Julius Klein's singular relationship with the rank and file in the Army. Serving as a full colonel in the Pacific, under the command of the great General MacArthur, General Klein always spoke of himself as "the GI with the eagle on the shoulder patch." He is still a GI. His attitude will never change, even though the shoulder patch has changed into one bearing a star.

When as the newly elected national commander of the Jewish War Veterans, he became the spokesman for 800,000 Jewish war veterans, Julius Klein promised to lead this great veterans' organization into further services of the principles of American democracy. Under his leadership, the Jewish War Veterans grew in stature and did indeed expand its usefulness far beyond even its fine effort in the past.

So, this citizen-soldier, a staunch patriot and anti-Communist leader, has been a credit to the Nation, a credit to the Army, and a credit to the Jewish faith to which he has been devoted throughout his entire life. He has been prominent in public life long before he joined the Army, which was prior to the Japanese sneak attack on Pearl Harbor. When the war came to an end, and his ability as a public-relations consultant was needed by the then Secretary of War, Robert P. Patterson, Julius Klein put aside his own personal interests and continued to serve the country in the capacity of special assistant to the Secretary of War.

I am, indeed, gratified, Mr. President, to see that Julius Klein's past service to his country and future usefulness are recognized by the Federal Recognition Board.

Good luck to him and to our great National Guard.

NATIONAL HEALTH INSURANCE

Mr. HUNT. Mr. President, will the Senator from Michigan yield 5 minutes to me, to permit me to make a brief statement, with the understanding that by doing so he will not lose his right to the floor?

The VICE PRESIDENT. That can be done only by unanimous consent.

Is there objection? The Chair hears none, and the Senator from Wyoming may proceed, if the Senator from Michigan will yield for that purpose.

Mr. FERGUSON. I yield.

Mr. HUNT. I thank the Senator from Michigan.

Mr. President, the voluntary health insurance bill, introduced by me earlier today, is designed to provide a program of prepaid national health insurance with broad coverage to low-income groups of our people at a minimum premium. This bill carries no compulsory features and thus does not, in any sense of the word, socialize the health professions.

Health is, without question of a doubt, the most important aspect of our individual lives. Since the medical profession hold in their hands the health of the Nation and, through the health of the Nation, influence our ability to prosper, to pay taxes—yes, Mr. President, even to wage war—it is proper and necessary that jurisdiction over and direction of the health of the Nation rest with the profession. Therefore, the bill establishes a department of health, with Cabinet status. Surely the health of the people of the United States is as important as in other nations where health does have a cabinet post.

Since health is such a specialized service, it seems prudent to prescribe certain qualifications for the Secretary of the Department of Health, namely, that he shall be a professional health worker who has been active in the practice of medicine or dentistry, and who shall have had broad experience in the field of medical or dental education, and also, insofar as possible, in order to obviate the possibility of the health services being politically exploited, to provide further qualification that "the Secretary of Health shall have held no political office in any political party."

The bill provides that the Secretary of Health and the Under Secretary of Health, as well as five Assistant Secretaries of Health, shall be appointed by the President with the consent of the Senate.

The Assistant Secretaries of Health shall respectively head, first, the Bureau of Medical and Hospital Care; second, the Bureau of Public Health Practices; third, the Bureau of Children's Welfare; fourth, the Bureau of Research; fifth, the Bureau of Staff Services.

This bill closely follows the Hoover Commission's report on reorganization of the health services, the exceptions being in establishing Department of Health on a Cabinet level, and in excluding the Veterans' Bureau and armed services.

In order to accomplish a positive plan for prepaid health insurance for the low-income groups and to satisfy those leading the on-rushing campaign for compulsory health insurance, a national health insurance board is provided. This Board, as well as administering the national health-insurance program, is charged with the extension of medical and health services to rural shortage areas, and to farmer experimental health cooperatives by means of grants and loans. The Board is given wide latitude in determining the terms and conditions of personal health insurance, for the obvious reason that to include specifically the terms of health insurance in writing legislation is impossible, impracticable, and can be determined only by extensive actuarial studies and experience.

The National Health Insurance Board will be composed of five members, including the Surgeon General of the Public Health Service, to represent the medical profession, and four members appointed by the President, with the advice of the Senate, as follows: One shall represent hospital associations, one shall represent dental associations, and two shall represent the public at large. While not spelled out in the bill, they should, of course, be thoroughly trained in the field of health and accident insurance.

Since the primary objective of this bill is to make available prepaid health insurance to the low-income groups, families whose gross income is in excess of \$5,000 are made ineligible. While not sufficient or adequate in all cases, prepaid health insurance is available to this group of families from private sources. Seventy-nine percent of the families would be eligible to purchase Government health insurance, since only 21 percent of our families have annual incomes above \$5,000.

It is deemed unwise to provide health insurance with a deductible feature in an amount above \$5, for the reason that any amount above \$5 would, in all probability, preclude its purchase by the low-income group, and I am undecided whether even a \$5 deductible feature should be provided for. However, some small deductible amount should be authorized, to discourage unnecessary visits to physicians and dental offices, using their time which should be available to those seriously in need of such services.

In presenting this bill to the Congress, I am quite aware that it does not do all things for all people. However, my observations in the Congress, as well as my mail pertaining to health insurance from all over the country, and hundreds of editorials from the Nation's press, firmly convince me that we cannot preserve the freedom of the practice of medicine and dentistry, that we cannot keep the professions uncontrolled and unregimented, and that we cannot maintain our American free and independent practices of these professions by simply denouncing compulsory health or state medicine—whichever one may wish to call it—by a continued stand-pat opposition.

Compulsory health insurance has been, in some form or other, before the Congress now for 11 years. The demand for changes in our methods of affording medical services is gaining momentum each succeeding year. In the United States today we have, without question of a doubt, the best physicians, dentists, nurses, and hospitals that the world has ever known in all history. To these professional health workers go the credit for increasing the life span of our people from 35 years, when this Nation was founded, to 67 years, as of today; 65 for men and 70 for women. This has been accomplished under our present form of medical practice. Surely no one questions the skill and professional attainments of the health services in the United States, but only wishes to make them available to those not now receiving such health services.

My views incorporated in this bill are the result of 16 years' active practice of

one of the professions affected, 3 years in legislative, and 14 years' experience in the executive branch of Government. I think I know whereof I speak, and I have only one thought in mind in introducing this bill, namely, to make better health services available to all the people of this great Nation. It is clearly evident that the professions must come forward with an alternative to compulsory health insurance, or socialized medicine will ultimately follow, with lay direction and control.

Mr. President, I thank the Senator from Michigan for yielding to me.

INTEGRATED STEEL MILL FOR NEW ENGLAND—STATEMENT OF DR. ALFRED C. NEAL

Mr. TOBEY. Mr. President, on Friday Dr. Alfred C. Neal, vice president of the Federal Reserve Bank of Boston, appeared before the Joint Committee on the Economic Report and gave a lucid and well-reasoned appeal in behalf of securing an integrated steel mill for New England.

For the past 2 years, Gov. Sherman Adams, of New Hampshire, has devoted considerable time and energy toward the possibility of acquiring a steel plant for the very suitable area around Portsmouth, N. H. In that effort, he organized the New Hampshire steel project, headed by Eugene Whittemore, and composed of many other outstanding New Hampshire citizens. The New Hampshire congressional delegation has cooperated with Governor Adams and his steel committee in its efforts, and I believe that Dr. Neal's statement of last Friday bolsters their case with facts and figures. Therefore, I ask unanimous consent to incorporate as a part of my remarks the entire statement of Dr. Neal.

I might note, Mr. President, that certain of the exhibits offered by Dr. Neal in his testimony before the joint committee are not suitable for reproduction in the CONGRESSIONAL RECORD since they are maps and graphic charts. However, I would ask the proper official to be sure to print such text and other material as is found to be applicable to these maps and charts.

Mr. President, I further ask unanimous consent to have incorporated into the RECORD at the conclusion of Dr. Neal's statement an editorial from the New Hampshire Sunday News of January 29 which relates to the same subject.

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

STATEMENT BY ALFRED C. NEAL, VICE PRESIDENT AND DIRECTOR OF RESEARCH, FEDERAL RESERVE BANK OF BOSTON, ON BEHALF OF THE NEW ENGLAND COUNCIL STEEL COMMITTEE

I am making this statement as a member of and economist for the steel committee of the New England Council. To save your time, I shall cover only the most important points in the statement itself. I shall introduce at appropriate points exhibits in support of the points that I make.

We propose to show:

1. That New England's steel-using industries—despite the fact that they accounted for almost three-quarters of the growth in manufacturing in New England since pre-war—are seriously handicapped by the cost and supply of steel now available to them.

2. That New England, eastern New York State, New York City, and northern New Jersey would be relieved of the handicap of high-cost steel by the establishment of an integrated steel mill in New England.

3. That there is a close relationship between these two points and the recent increases in the price of steel.

The establishment of an integrated steel mill would make it possible for this area to participate more fully in the Nation's economic growth during the years to come and would further make it possible for this area to absorb a much larger volume of imports and so contribute more fully to meeting the requirements of our present international position.

To demonstrate that New England and the territory adjacent to it are currently handicapped by the cost of steel, and to demonstrate further that this cost handicap can be removed by the establishment of an integrated mill, it will be necessary to prove the following points:

1. That steel users in New England and the territory adjacent to it are presently under a cost handicap in their steel supply.

2. That there is sufficient market to justify the establishment of an integrated steel mill with a capacity of approximately one and one-quarter million tons of ingots. This is the size mill that we are advised would be necessary for efficiency for the type of products most needed by the market.

3. That the cost of making steel at such an integrated mill in New England and the profits that might be derived from such a mill would, on the basis of the estimates available, justify investment in it.

4. That conditions unrelated to the cost handicap of steel consumers, the market advantage of the New England and adjacent area, and the cost and profitability of the proposed mill have so far prevented the establishment of this mill in New England.

THE COST HANDICAP FOR NEW ENGLAND STEEL CONSUMERS

I shall now take up each of these points in turn, beginning with the present position of steel consumers in the New England area. It should be understood at the outset that New England and the area adjacent to it is an area of deficit steel supply. There is not in this area any integrated steel mill and there is very little nonintegrated steel production. The types of steel which bulk largest in the consumption of the area must be brought in from outside. The nearest mills are those at Sparrows Point, Md.; Buffalo, N. Y.; and Bethlehem, Pa. Since the mill at Bethlehem does not make products with which we are most concerned, for practical purposes we can concentrate upon the sources of supply at Sparrows Point, Buffalo, and points farther away.

Steel consumers in New England and the adjacent territory must buy their steel from these mills and pay freight from them to their own consuming points. These freight rates put New England consumers at a decided cost handicap. For example, it costs with today's freight rates \$10.20 per ton to bring steel from Sparrows Point to New Haven, Conn.; \$11.60 from Sparrows Point to Worcester, Mass.; and \$12.60 from Sparrows Point to Manchester, N. H. Similarly it costs \$12.20 per ton to bring steel from Buffalo, N. Y. to New Haven; \$12.40 from Buffalo to Worcester; and \$12.60 from Buffalo to Manchester. Since it is impossible for mills located at Sparrows Point and Buffalo to supply all of the steel that New Englanders consume, much of the steel moves in from the Pittsburgh district and the rate for freight alone from Pittsburgh to New Haven is \$13.60 per ton; from Pittsburgh to Worcester, \$15; and from Pittsburgh to Manchester, \$15.20. I am submitting as exhibit A a table showing freight rates from the principal producing points which I have mentioned to a selected list of consuming points in New England.

What are the effects of cost handicaps of such size upon New England's steel-consuming industries? I am introducing as exhibit B a series of cases showing the reaction of typical New England steel consumers to this situation. Let me read you excerpts from these cases which are more fully described in the exhibit.

One employer of 1,500 stated recently that his board of directors is giving continuing consideration to abandoning their two existing plants in New England with a view to moving to Ohio.

Another employer of 8,000 workers said, "If a New England steel mill is built, our company will undoubtedly be able to continue in New England; if not, we will have to move much nearer the center of our Nation."

An employer of 750 stated that the present delivered cost of steel and iron is so high that in all probability within 2 years he would have to move the operations of one of his companies to the Middle West in order to keep the business healthy.

An official of another company employing over 6,000 workers said that any future expansion will be made in other parts of the country because their raw materials—iron and steel—cost so much in New England.

Another company employing 1,000 workers stated that if a steel mill is established in New England, the company would probably stay in business here, but if it is not, the company will either have to close up or move somewhere else. This company spends more than \$1,000,000 a year on steel.

Another relatively small company estimates that a New England mill would mean a saving of about \$1,000,000 annually to it.

It would be interesting and convincing to have these businessmen who are squeezed by high steel costs to tell their story to your committee. They will not do that, nor will most of them openly support the movement to obtain a New England mill because, as one told us recently, "We live by the grace of God and the Grace of Bethlehem Steel."

I believe that the freight costs that I have quoted, together with the reactions of typical New England steel consumers, demonstrate that this area suffers a severe cost handicap in steel at the present time for lack of an integrated steel mill to support its metalworking operations. It should be remembered that when we are discussing the metalworking operations in New England we are talking about businesses which employ 40 percent of the manufacturing wage earners in the region, or more than half a million people.

If we assume that an integrated steel mill were established in New England and that it sold its products at the same price as present suppliers now charge, how much would consumers in this area save? For purposes of the discussion, since we must consider freight rates from somewhere, let us assume that the mill is established at New London, Conn.

Mr. TOBEY. Mr. President, I wish to interpolate here to note that Dr. Neal made it clear that New London, Conn., is only used as an example. He stated that Portsmouth, N. H., has an unusually desirable site, and he has figures available to show comparable differentials for Portsmouth.

To use the same cities as we used before as examples, consumers in New Haven who now buy from Sparrows Point would save a minimum of \$5.40 per ton; those who buy from Buffalo would save a minimum of \$7.40 per ton, and those who buy from Pittsburgh would save \$8.80 per ton. Consumers in Worcester who buy from Sparrows Point would save \$5.80 per ton; those who buy from Buffalo would save \$6.60 per ton, and those who buy from Pittsburgh would save \$9.20 per ton. Consumers in Manchester who buy from Sparrows Point would save \$4.60 per ton; those who buy from Buffalo would save

\$4.60 per ton; and those who buy from Pittsburgh would save \$7.20 per ton. The savings would extend into New York City, Newark, and Jersey City. These consumers would save from 40 cents a ton on shipments from Sparrows Point up to \$4.40 a ton on shipments from Pittsburgh. (The freight rates that I have used in these calculations appear in exhibit A.)

I have used for these calculations rail-freight rates. A check on trucking rates indicates that the savings on truck shipments for points close to the mill would be somewhat higher than those indicated. We have also checked water transportation rates and find that savings in line with those shown for rail shipment would result to the points mentioned which could be reached by water shipment.

I think I have presented enough evidence to show that New England steel consumers are presently under a substantial cost handicap because of their distance from integrated steel mills; that this cost handicap threatens the normal economic growth of the region, and that it can be removed if steel could be made as economically in New England as it is made at mills now supplying steel consumers in the area.

THE MARKET FOR A NEW ENGLAND STEEL MILL

When the members of the Steel Committee first approached steel companies on this project, they were told by almost all that New England probably did not have a market sufficiently large to support an integrated steel mill. Most of the companies approached offered to give us such assistance as they could to determine the size of the market that might be available to a New England mill, because the industry itself was not sure of its facts on this point. Doubt as to the size of the market set the first task for the committee.

The easiest method of determining how much steel of various types was consumed in the area that might be supplied by a New England mill was to ask the steel companies supplying this area to tell us how much they shipped into it. A questionnaire calling for this information in such detail that it would be reasonably useful to the steel industry was drawn up and submitted for study and comment to three of the major companies supplying the New England-New York-New Jersey market. Two of these suppliers refused flatly to give us the information which they said was necessary to determine whether a mill could be supported by the market, and the third gave us an equivocal answer which we interpreted to be a refusal. Fortunately, there have been published three studies which provide the basis for determining what the market for steel is in this New England-New York-New Jersey area.

The first of these, which covered only part of the products and part of the industry, was published by the Senate Small Business Committee; the second by Iron Age, a trade publication; and the third, which was issued only a few weeks ago, was made by the Bureau of the Census. There are considerable differences among these studies. The Iron Age study gives New England and the adjacent New York and northern New Jersey markets a total finished steel consumption in the metalworking industries of almost 6,000,000 tons. The more recent study by the Census Bureau, which covers carbon steel only, cuts this total down to about 3,500,000 tons. To use the most conservative basis possible for estimating the market, I shall use the recently published Census Bureau figures to determine whether there is a market sufficiently large to justify an integrated steel mill, but with the qualification that the census figures understate the size of the market.

Obviously an integrated mill cannot make all products. We therefore confine ourselves to carbon steel products which might be made economically in a moderate-size mill having approximately 1,125,000 tons of ingot capacity and a comfortable operating rate of about

850,000 tons of finished steel. The local market in which a New England mill would have a freight advantage consists of the New England States, eastern New York State, New York City, and the Newark-Jersey City area. This market, in which a New England mill located at New London could deliver steel cheaper than any present competing mill, is shown on the map labeled "Exhibit C," which is based upon a study by the division of traffic research of the New Haven Railroad.

The biggest item consumed by the metalworking industries in this market consists of flat-rolled products. According to the Census Bureau figures, nearly 1,100,000 tons of sheet and strip were consumed by the metalworking industries in this market in 1947. In addition, there were consumed in this market more than 300,000 tons of plates. This gives us a total of flat-rolled products of more than 1,400,000 tons or one and seven-tenths times the comfortable operating rate of a flat-rolled products mill in the territory in which the New England mill would enjoy a positive freight advantage over any competitor.

In addition to the local market, there is a market for flat-rolled products in Florida, Texas, and the Pacific coast which could be economically reached by back hauls of ships now delivering lumber, sulfur, fertilizer, cotton, and other products to New England. This coastal market in which a New England mill could compete uses 663,000 tons of sheet and strip and 472,000 tons of plate in its metalworking industries alone. There is available further an estimated market of 100,000 tons of silicon sheet and strip which might be made by the New England mill, and a total export market of 662,000 tons in countries bordering on the Atlantic Basin.

If there is any fear that even this tremendous market of over 3,250,000 tons of flat-rolled steel in the metalworking industries alone could not support a New England mill, it is worth indicating that one or more bar mills could be added to supply carbon steel bars to a market which totals 481,000 tons in New England and the adjacent New York-New Jersey territory and close to 800,000 tons if Florida, Texas, and the Pacific coast were added. A detailed description of these markets is presented in exhibit D.

It is worthy of note in connection with the market, first, that these figures represent considerable underestimate because customers buying less than 50 tons per annum are not included, as well as for the reasons stated on the first page of exhibit D, and second, that the New England part of this market is not only growing at faster than the national rate, but that the establishment of a new integrated steel mill, with consequent savings to consumers, could be expected to accelerate that growth rate. On the basis of the acceleration of the growth of the metalworking industries which occurred in the 1930's in the area served by the Sparrows Point mill, which was greatly expanded at the beginning of that period, it is possible to estimate that the New England market alone would grow by approximately 450,000 tons per year between now and 1960—that is, in the next 10 years. (See chart 3 of exhibit D.)

Further evidence of the size of this local market for a New England mill can be gained from exhibit E which shows the heavy concentration of the metalworking industry in New England, New York, and New Jersey. This area, which accounts for nearly 20 percent of the Nation's population and nearly one-quarter of its income, produces substantially more than these proportions of many metal products. For example, it accounts for 97 percent of those employed making typewriters, 88 percent of those in cutlery, 71 percent in textile machinery, 65 percent in nails and spikes, 57 percent in wiring devices and supplies, 51 percent in ball and roller bearings, 44 percent in wire drawing, 41 percent in radios and related products, 40 percent of the machine tools, 39 percent in blowers and fans, 37 percent in general industrial machinery, 36 percent in

special industrial machinery, and 34 percent in ship and boat building.

It is to be noted that this area does not have nearly the proportion of the automobile industry that its income and population would lead us to expect. It accounts for only 9 percent of the motor vehicle body and parts industry. It is also well short of its proportion of the heating and cooking appliance, boiler, and other industries using flat-rolled steel.

I submit that the establishment of an integrated steel mill in New England will result in a sizable expansion in some of these metalworking industries and that the growth potential in steel consumption of 450,000 tons per year within 10 years which I have referred to is not unrealistic.

It may be argued by some that the figures on total tonnage of steel consumed in this market disguise the great diversity of the market in the New England and adjacent territory. Careful explorations indicate that the diversity of this market is ably served by speciality steel mills and warehouses which buy the products of integrated mills and either further process and finish them or break them down into the small orders which the thousands of customers in the area require. In other words, a major market for an integrated New England mill would consist of the larger size orders placed by large consumers, speciality mills, and warehouses serving customers in the market area.

I believe that it is safe to conclude that there is sufficient market to justify the establishment of an integrated steel mill in New England, and that this market is of such a nature and has such a potential for growth that a New England mill of 1,250,000 tons of integrated capacity might find it desirable to expand after it had been in operation for a few years.

COSTS FOR A NEW ENGLAND MILL

Most of the members of the steel committee originally were of the opinion that steel could not be made in an integrated steel mill in New England at competitive costs. At first sight the prospect for such a mill appeared discouraging. New England has neither iron ore nor coal of sufficient quality and in sufficient quantity to support an integrated mill. It is axiomatic that for an economic location for a steel mill it is necessary to satisfy two out of three requirements: coal, iron ore, and markets. Careful study by John E. Kelly, the committee's consultant, however, indicates that the physical location of iron ore and coal is less important than its economic location.

When he studied the possibilities of ocean transportation in large vessels of both iron ore and coal he found that we could obtain iron ore from Seven Islands, Quebec, the shipping point for Labrador ore, at an ocean transportation cost of slightly under \$1 per gross ton, and that coal could be brought from Norfolk, the shipping point for southern West Virginia coal, for slightly over \$1 per ton. In effect both coal and iron ore are economically closer to New England than they would be if there were deposits located within its territory only a few hundred miles apart. Further evidence of the economy of steel making on the coast is provided for the profitable operation of integrated mills both to the north at Sydney, Nova Scotia, and to the south at Sparrows Point, Md.

Some of the best coking coal in the country can be landed in New England in the types, qualities, and quantities used by an integrated mill at a delivered cost of no more than \$10 per net ton. We find further that it is likely that we can obtain Labrador ore delivered in New England at \$5.70 per gross ton, and that until the Labrador ore is available we can obtain Newfoundland ore currently being used to make steel in Nova Scotia and England at a landed cost of not

over \$6 per gross ton. Other sources of ore are also available at comparable costs. We believe that these delivered costs of raw materials would compare very favorably with those at Bethlehem Steel's Sparrows Point plant and would probably be somewhat lower than the costs at Pittsburgh. Admittedly our coal is a little more expensive, but Labrador ore would be cheaper and of a higher grade.

A third important raw material is scrap. Scrap is used for about 50 percent of the metal made in open-hearth furnaces, and about half of this 50 percent is purchased. In scrap, New England would have a decided advantage. New England is a surplus scrap-producing area. (See exhibit F.) In years of high activity like 1947 and 1948 it had a net shipment of scrap out of the territory of more than three-quarters of a million tons. An integrated steel mill of the size contemplated would take only about one-third of this excess supply of scrap and therefore New England would continue to be a surplus scrap-producing area. The present price structure for scrap would not be materially altered by the establishment of an integrated mill, and on the present price structure for scrap there would be a saving to a New England mill of about \$7 a ton as compared with a Sparrows Point mill, of about \$9 a ton as compared with a Buffalo mill, and of about \$10 a ton as compared with a Pittsburgh mill. The reason for these savings is that the price of scrap in New England is worked back from the nearest buying mills to New England by deducting the freight costs to ship from New England to the nearest integrated steel mills.

There is an ample supply of limestone available in New England and in nearby New Brunswick, Canada, which could be delivered at the mill at costs in line with current costs at other producing centers. We estimate a delivered cost of \$2 per ton.

We have made the most careful cost estimates possible using prices of raw materials mentioned earlier and conversion costs presently being realized by the most efficient units of the steel industry, units which we could duplicate and improve on in New England. Using Labrador ore and the other raw materials just described we estimate a cost of pig iron of under \$24 per ton.

In a flat-rolled products mill making plates and hot and cold rolled sheet in a combination that would be supported by the market, we would have average costs of finished steel using Labrador ore at about \$57 per ton. At today's prices we estimate conservatively that we would obtain an average selling price, or realization per ton, of approximately \$90 on the combination of products which could be made and sold by a New England mill.

I am introducing in exhibit G the build-up of manufacturing costs and gross sales used in the pro forma profit and loss statements which I shall discuss later.

THE FINANCING PLAN

Before I discuss the profitability of the mill I should like to outline a financing plan which has been suggested for it. When various members of our committee first discussed this project with leading steel companies they were told that the principal difficulty in building a mill today would be the high construction costs and the difficulty of raising the money to build a mill at today's construction costs. We knew from the outset that an integrated mill built today would cost probably twice as much, or more than twice as much, as existing mills. From a bookkeeping point of view such high construction costs would impose a heavy burden upon the mill for depreciation, interest, and return on stockholders' capital.

To meet this problem a novel financing plan has been suggested. I mention it here

and I use it in the calculations of the profitability of the mill not necessarily because the steel committee advocates it, but as an indication of how far New England might be willing to go in cooperation with an established steel company to assist that company to set up an integrated mill in New England. This financing plan has been endorsed by four of New England's governors in principle, but whether it could be established in practice would depend upon whether suitable arrangements could be made between a steel company and one of the States in New England. Our committee has offered its assistance to any company wishing to enter into such negotiations.

The financing plan involves the use of a State authority similar to authorities now in operation in various parts of the country in the field of housing, ports, airports, and turnpikes. A large part of the financing—in our example we have used two-thirds—would be done by a State steel authority. The steel authority would for all practical purposes own the steel mill built to the specifications of the steel company and would lease the mill to a New England steel corporation. The New England steel corporation would obligate itself to pay a rental to the steel authority which would cover interest and amortization. The New England steel corporation on its part would put up approximately one-third of the cost, an amount which would supply working capital and certain equipment and so would have a substantial investment in the project on its own account. In our example we have assumed that the steel corporation would have an investment of \$80,000,000 out of a total capital investment of \$240,000,000.

I should like to repeat again that this example merely works out in terms of figures a proposal which has been widely discussed and does not purport to represent what might actually be used because that is a matter that can be determined only by negotiations between the steel company interested in building a New England mill and the State interested in setting up a steel authority. The plan is analogous to the sale and lease-back arrangement now widely employed by life-insurance companies, with the difference that a State steel authority stands in the place of the life-insurance company.

PROFITABILITY OF AN INTEGRATED NEW ENGLAND STEEL MILL

The estimates of profits of a New England steel mill are based upon the following assumptions:

1. That the mill could be built for \$240,000,000, including working capital;
2. That \$160,000,000 of this total would represent investment by a State steel authority which could raise this sum by borrowing at an average rate of 1½ percent;
3. That \$80,000,000 represents an equity investment in a New England mill, one-half of which would be supplied by an established steel company and one-half by the public;
4. That the New England steel corporation would pay a rental on the plant owned by the State steel authority which would cover interest at 1½ percent and which would amortize the authority's investment over a period of 25 years, amortization being at a rate which varies with operations. (See exhibit H.)

For the purpose of measuring the performance of this mill we have set up pro forma profit and loss statements for 10 years which cover operations from 70 percent of ingot capacity to 100 percent of ingot capacity, and which average 82 percent over the 10-year period. (See exhibit I.) This average operating rate is slightly better than the industry average over the last 36 years and is, we feel, justified by the fact that a flat-rolled products mill is not subject to such wide fluctuations in operation as the

average mill in the industry, and by the further fact that mills in deficit steel producing areas show a better operating rate than the average. This judgment has been confirmed by operating steel company executives.

On the basis of these assumptions, using today's costs and prices, the mill would be profitable. Using the 10-year average figures, on the basis of gross sales of slightly more than \$69,000,000 per year, the mill would have a manufacturing profit of \$25,354,000, would take as much for general administrative and selling expenses as comparable mills, would pay a rental which covers interest and amortization on the authority's investment, would charge as much depreciation as comparable mills now charge, would pay its property taxes and its Federal and State income taxes, and would average over the 10-year period a net profit after taxes of \$6,260,000 per year.

Over the 10 years of operations, this profit would provide an average return of 7.8 percent on its stockholders' investment and 9.1 percent on sales. It should be noted that because of the rapid amortization, the return on stockholders' investment improves with the passage of time under the conditions assumed. None of these figures includes a profit of approximately \$500,000 per year which could be realized from the sale of by-products.

Twenty-five years is a conservative period for amortizing such a new mill. Obviously, the mill would be more profitable with a longer amortization period. For example, if 50 years were used instead of 25 and interest averaged 2 percent (because longer-term securities would be used), other conditions being the same, the average return on stockholders' investment would be 9.9 percent and that on sales would be 11.4 percent. Whether a longer period than 25 years might be used would depend upon the extent to which the State desiring the mill wished to depart from conventional financial practices to serve the purpose of stimulating employment and income, reducing its relief and social service cost, or other public purposes.

It would appear from these calculations, using the somewhat novel financing plan that has been suggested, that a New England mill could be operated profitably. We believe that the suggested financing plan answers the argument earlier advanced by representatives of the industry that it would be almost impossible to obtain the money to build the mill, or if the money were obtained that the mill could not be profitable at today's construction costs.

WHY HASN'T THE STEEL INDUSTRY BUILT A NEW ENGLAND MILL?

It may reasonably be asked, if the mill would be as profitable as we have estimated it to be, why hasn't some steel company come forward and entered into negotiations to finance and build the mill along the lines that have been suggested? We have talked to a number of steel companies about this possibility. We have as yet not covered in our conversations all the companies that might be interested in the mill. Such conversations as we have had have been conducted in a businesslike way, in confidence and without publicity. I would be violating our own pledge of confidence if I were to disclose the names of the companies that we have talked with and the individual reactions that they have had to our proposal. In view of the fact that we are currently carrying on conversations with some companies and intend to carry on conversations with others, I should not like to jeopardize our excellent chances of obtaining this mill by disclosing confidential information. However, I do think it is both safe and proper to make certain generalizations regarding the reactions of the companies with whom we have talked.

Our conversions have been guided by the principle that any company that might be interested in a New England mill should be willing to put up a substantial investment. We have suggested that an established steel company should put up \$40,000,000 to \$50,000,000 of its own money. Obviously there are not many steel companies in the country that have \$40,000,000 or \$50,000,000 in cash or could raise that much in today's capital market.

The reactions of the companies that we have talked to follow a similar pattern. These companies have for many years been planning their modernization and expansion programs. Most appear to have them well under way or nearing completion. It should be realized that discovery of the Labrador ore is a new development. It became generally known only in the summer of 1948. It represented a factor which, I believe, had not been taken into account in the modernization and expansion programs of most companies in the industry.

Evidence that we have indicates that the steel industry has a certain amount of difficulty in raising the money required for carrying out its own long-planned modernization and expansion programs. Consider the alternatives faced by the companies with whom we have talked. They are already committed to heavy programs of capital investment to improve the competitive position of their existing mills. In some cases we found that the companies were hard pressed to raise enough money to complete their existing modernization and expansion programs. The expenditure of \$50,000,000 to complete their own program might save a stockholders' investment of \$300,000,000 to \$600,000,000 when competition becomes tough again. If they were to divert \$50,000,000 to a New England mill, regardless of its profitability, they might be sacrificing or endangering the interest of their stockholders in their existing properties.

We are convinced, gentlemen, that it is not the lack of profitability of a New England mill which has deterred the companies with whom we have talked from bringing a mill into this area. One major stumbling block has been the lack of free capital to take advantage of the opportunity.

In addition to this obstacle, however, there is considerable evidence of another stumbling block. The companies that we have talked to have generally been fairly large. Each has had to consider in its calculation whether in establishing a New England mill it would not be competing with its other operations. The competition would be both direct and indirect. First, to the extent that they were now selling steel in New England and the adjacent market from other mills of their own company, they would be cutting their own mills out of the market. More important than that, however, has been the consideration of indirect competition. They have been selling to large customers located in the territory adjacent to their present mills. They realize that the establishment of an integrated steel mill in New England to serve one of the richest market areas in the country, accounting as it does for nearly one-quarter of the Nation's income, would offer a strong magnet to some of their customers to establish fabricating facilities in the territory adjacent to the New England mill, or to expand fabricating facilities already located there. They would therefore face the possibility of losing sales to customers in the territory of their present mills by establishing a New England mill. That possibility, looked at from our side, is part of our opportunity.

I believe that these have been the major considerations involved in the decisions made by some of the companies to whom we have talked not to participate in the New England venture. I state these conclusions not in criticism, but simply as my own best

understanding of the facts. I state them the more readily because prospects of success in our search are still very good.

THE CONSUMERS' STAKE IN MILL LOCATION

The major reason why steel companies do not have the capital available both to modernize their own facilities and to enter into ventures like the New England steel mill is that they have made inadequate provision for depreciation through no fault of their own. The other side of the argument, which I mentioned earlier, that steel companies had made to us to the effect that construction costs were too high today to justify a new mill, is the fact that existing plants in the steel industry in most cases are carried on the books at preinflation costs and are depreciated on the basis of these original costs. Conditions not of the industry's making or of our making have raised enormously the cost of building or replacing steel-mill facilities. The industry has been and is currently modernizing—and that is another word for replacing—its facilities. It has not obtained enough from its depreciation allowances to carry out its modernization (replacement) program. It is therefore forced, I believe, to charge consumers in the price of steel an amount sufficient to permit it to raise the funds necessary to carry out a considerable part of this modernization (replacement) program.

Now, from an economic point of view, provision should have been made in the past for funds with which to replace or modernize facilities. The consumers of the past should have financed today's modernization program. Instead, the consumers of today and of the future must finance these modernization programs. Solely upon my own responsibility, I should like to raise this question. If consumers, through circumstances not of their own making and in fact through circumstances largely beyond the control of all of us, are in effect financing a very large part of the steel industry's modernization and expansion program, should not the consumers of steel have a considerable voice in where the money for that modernization and expansion program is spent? Spending money derived from retained earnings—which in turn were derived from the prices at which steel is sold—for the purpose primarily of protecting past investments in what may be uneconomic locations, can hardly be considered to be rewarding to the consumer who puts up the money in the form of the higher prices that he pays for steel. If steel consumers in our territory were paying higher prices for steel today and could foresee in the future the establishment of a mill in their territory which would save them in freight the amounts that I indicated earlier—\$5 to \$9 a ton and more—then I think that they would feel that the sacrifice that they were making by paying the higher prices for steel would be rewarded later. They could see cheaper steel in the future in return for more expensive steel today. But as matters now stand and as they will remain until a New England mill is established, they simply see higher prices for steel today and the prospect that in the future they will either have to move or go out of business. Consumers have no voice in the decisions as to where these sums will be spent which are being raised by virtue of higher prices. It is for that reason that I welcome this opportunity to present to this committee this statement of the facts as we see them. If our opportunity to participate in the economic growth of the Nation in which this committee is interested is jeopardized by decisions with respect to steel prices and steel plant location, then I think that our situation becomes a matter of public concern.

I should like to conclude with a few words about this movement for a New England steel mill. In some quarters our effort has been characterized as a political campaign

to obtain something that was economically unjustified. I should like to introduce two exhibits which I think will prove the contrary. One, exhibit J, is a list of the names of the members of the New England council's steel committee. The men on this committee, like all New England council members, are doing what they believe to be a public service for the region in which they live and have their businesses. They can hardly be called promoters because so far as I know none of them is expecting to make a promoter's profit out of the establishment of a New England mill. They are not paid for their work on this committee. They certainly cannot be called politicians because all but one hold no political office and the one who does was elected to a political office after he became interested in this project, and he was elected, by the way, on the Republican ticket. The second exhibit (exhibit K) is a chronology of the development of the New England steel project. It began in 1946. None of the money that has been spent on it so far consists of public funds. It is a privately financed undertaking. In view of the importance of this project to the future growth and prosperity of our region, it should not be at all surprising to find that holders of political office in and from New England support the movement, and I am glad that they do.

Let me finish by making a small observation about New England's present economic

position. Our region over the years has made great contributions of men, talent, capital, and taxes to develop other areas of the country. We have even contributed whole factories to the less industrialized parts of the country. We have not made all these contributions happily, but we have made them. In seeking an integrated steel mill we are not seeking to take anything away from any other region but only to take advantage of a new opportunity available to us, an opportunity which may help us to lay a firm foundation for our further economic development. If we are to have an expanding economy in this country, each region must take advantage of the opportunities available to it. We are trying to do that in New England. If we are to have satisfactory international economic relations, each region and each area of the country must take advantage of those opportunities available to it to use profitably and efficiently those goods which it can obtain more cheaply abroad than it can obtain at home. In seeking an integrated steel mill, therefore, the New England Council's Steel Committee is trying to do its bit to insure an expanding and prosperous economy in the Nation and to improve our international economic relations. Its motives, gentlemen, are not parochial and selfish. Its purposes, as I understand them, are the same as those of your committee.

I appreciate your time and attention.

Iron and steel freight rates

| To— | From Pittsburgh, Pa. | | From Sparrows Point, Md. | | From Buffalo, N. Y. | | From New London, Conn. | |
|-------------------------------|----------------------|-----------------|--------------------------|-----------------|----------------------|-----------------|------------------------|-----------------|
| | Cents per 100 pounds | Dollars per ton | Cents per 100 pounds | Dollars per ton | Cents per 100 pounds | Dollars per ton | Cents per 100 pounds | Dollars per ton |
| Bridgeport, Conn..... | 68 | 13.60 | 48 | 9.60 | 61 | 12.20 | 28 | 5.60 |
| New Haven, Conn..... | 68 | 13.60 | 51 | 10.20 | 61 | 12.20 | 24 | 4.80 |
| Springfield, Mass..... | 72 | 14.40 | 54 | 10.80 | 58 | 11.60 | 32 | 6.40 |
| Worcester, Mass..... | 75 | 15.00 | 58 | 11.60 | 62 | 12.40 | 29 | 5.80 |
| Providence, R. I..... | 76 | 15.20 | 61 | 12.20 | 67 | 13.40 | 25 | 5.00 |
| Boston, Mass..... | 76 | 15.20 | 62 | 12.40 | 63 | 12.60 | 34 | 6.80 |
| Hartford, Conn..... | 70 | 14.00 | 53 | 10.60 | 61 | 12.20 | 25 | 5.00 |
| Portland, Maine..... | 80 | 16.00 | 70 | 14.00 | 70 | 14.00 | 44 | 8.80 |
| Manchester, N. H..... | 76 | 15.20 | 63 | 12.60 | 63 | 12.60 | 40 | 8.00 |
| Newark-Jersey City..... | 62 | 12.40 | 42 | 8.40 | 58 | 11.60 | 40 | 8.00 |
| New York City lighterage..... | 62 | 12.40 | 42 | 8.40 | 58 | 11.60 | 40 | 8.00 |
| New York Harlem River..... | | | | | | | 36 | 7.20 |

Source: Tariffs No. P. RR.-ICC-2826; P. RR.-ICC-2334; P. RR.-ICC-2299.
Courtesy New York, New Haven & Hartford Railroad Co., freight rate department.

TYPICAL EXAMPLES OF HARDSHIP DUE TO THE PRESENT NEW ENGLAND STEEL SUPPLY SITUATION

(Confidential memorandum prepared by Charles Kellogg, New England Council)

(Listed below, without company names or other identifying information, are typical cases reflecting the disadvantageous position in which existing New England plants find themselves with reference to the cost and delivery factors of their chief raw material, steel.)

1. The president of a drop-forging company, employing 1,500, whose products are sold throughout an area extending at least as far west as Chicago, stated recently that his board of directors is giving continuing consideration to abandoning their two existing plants in New England with a view to moving to Ohio. This man stated that since the abandonment of the basing-point pricing system, his company has paid \$487,000 for inward transportation of hot-rolled carbon bars, and outward transportation of completed forgings and finished machined products. A large part of his market is in the Detroit area. He further stated that delivery schedules of raw materials, almost entirely steel, were unsatisfactory and made production control difficult. On top of the above figure of \$487,000, this company's president had determined that another \$300,000 additional cost resulted largely from their present

location, with respect to distance from their markets.

In discussing the possible establishment of a New England steel mill, he stated that such an achievement would constitute an event of the greatest importance to his company, and that he was wholly in favor of the New England steel mill. He has expressed his company's interest by a substantial contribution to the financing of the council's endeavors.

2. The manager of the New England division of a large national concern, with several plants, employing over 8,000 workers, expressed great enthusiasm for the development of steel-production facilities in New England. He put it this way: "Now, we're at the end of the line; we have to ship all our raw materials in, manufacture it, and then ship the products back. If a New England steel mill is built, our company will undoubtedly be able to continue in New England. If not, we will have to move much nearer the center of our Nation. I don't favor such a move, and yet our costs are so high here that we might have to abandon all our New England plants."

3. The president and principal owner of a screw machine products company making screws, nuts, bolts, and rivets, and employing 650 people, said that he figures it costs him \$105,000 more to conduct his present business where it is now located than if he conducted the identical business in Indiana. He stated that he has made comprehensive

studies of what would be required to move his machinery and equipment out of New England, and that, together with the cost of building a new plant, the total cost would be so high that, from a dollar-and-cents point of view, it would be better to liquidate his business completely.

4. The president and general manager of a company making metal stampings and automobile accessories and employing 800 people directly, is also president of another company whose products are iron castings, electric steel castings, and carbon alloy castings, capitalized at more than \$1,000,000 and employs 750 people. He states that the present delivered cost of steel and iron is so high as to seriously endanger a profitable operation. Some months ago this man said that in all probability within 2 years he would have to move the operations of the first-mentioned company to the Middle West in order to keep the business healthy.

5. The president of a company employing 3,500 workers whose products include a wide range of electrical and nonelectrical household appliances, thermos bottles, cutlery products and others, stated that his concern annually consumes in excess of 10,000 tons of sheet and strip steel, steel castings, and iron. While giving no specific estimate of the additional cost of conducting their present business in New England, this man expressed serious interest in and support of the New England Council's drive to bring about the establishment of a local steel mill. He said that the local availability of iron and steel would mean a great deal to his concern because of considerably lower inward transportation charges.

6. The treasurer of a machinery manufacturing concern with 6 plants in 5 of the New England States, capitalized at more than \$30,000,000, and employing 6,125 workers, stated that although the company intends to stay in New England, he feels that any future expansion will be made in other parts of the country because their raw materials—iron and steel—cost so much in New England. As an example of this company's thinking, the treasurer, who happens in this case to be the top executive, stated that they had at one time seriously considered the purchase of an existing blast furnace in eastern Massachusetts in order to reduce their raw-material cost. Like the companies mentioned above, this concern has contributed financially to the special steel fund of the council.

7. The plant manager of one unit of an international concern, making a wide range of heavy industrial equipment and tools, stated that he was very much in favor of the establishment of an integrated steel plant anywhere in New England as it would undoubtedly benefit their New England plant.

From other sources, the writer has been told that this plant's location is at present probably uneconomic because of its distance from both its raw material supply and the other plants of the same company for which it makes component parts. This plant is one of northern New England's largest iron and steel consuming units. It employs 1,000 workers, in a community with only 6 other small manufacturing industries, and having a total population of about 15,000.

8. Although not directly comparable, the following case may be pertinent. The eastern division of a national steel company has three fabricating plants in New England and employs more than 4,000 people. These plants make a wide variety of parts as follows: steel rods and wire, high and low carbon rods, wire screening, poultry netting, perforated metals, card clothing, industrial wire cloth, nails and brads, springs, link fence, wire rope, electric welded fabrics, and heavy hardware. The New England manager for this company stated that for extremely adverse labor conditions in his company's plants elsewhere and because conversely the economic climate in New England was so

much more favorable, the company was considering abandonment or sale of its other properties, and substantial expansion of its New England operations.

In discussing the integrated steel mill proposal with this representative of the New England council, their man stated that if a steel mill were built in New England it would in all probability help this company substantially to expand in New England.

9. The vice president of a metal stamping company employing 400 advises that it uses from 2,500 to 5,000 tons of steel per year, and that on this they are paying \$10 per ton more in freight alone than they would have to pay if there were a mill in New England within 100 miles. This means an extra cost to them of \$25,000 to \$50,000 per year.

If they could save a difference like this they say that they could get more orders, offer additional jobs, and show great savings to their customers.

10. A textile machinery company employing 2,500 and using about 2,500 tons of steel annually states that it is paying close to \$10 per ton more for steel than it would have to pay if there were an integrated mill in New England.

11. A hardware concern employing 1,000 says that if a steel mill comes to New England, it will stay in business. Otherwise, this company will close or move. It buys over a million dollars' worth of steel per year now and can hardly break even. It expects to expand if a steel mill is established in New England.

12. A chain manufacturing company employing 750 uses about 50,000 tons of steel per year. It estimates its present freight disadvantage on steel at \$10 per ton.

MARKET FOR A NEW ENGLAND STEEL MILL

More than 3,400,000 tons of carbon-steel sheets, strip, plates, and bars, and silicon-steel sheets and strip were consumed in 1947 by the metalworking industries in the market areas of the United States most readily accessible from a deep-water New England steel mill. (See attached table I.) The total of 3,400,000 tons does not include exports or use in construction, mining, farms, public utilities, railroads, governmental units, and other nonmanufacturing uses.

Almost 3,000,000 tons of that total were in bars and in those flat-rolled products which could be made by a New England mill whose plate-making facilities were limited to sizes and gages which could be produced by a sheet mill.

Other prospective markets for the products of a New England steel mill would increase the total:

1. Direct sales to customers in the non-metalworking industries, such as railroads, utilities, mines, farms, construction, governmental units, and the oil industry. (Consumption of this type is not included in our figures.)

2. Sales to specialty steel mills in the market area for finishing and delivery to customers outside the market area.

3. Domestic markets in which a New England mill would not have a natural advantage, but where salesmanship and customer relationships would produce sales.

4. Export sales to eastern Canada and maritime provinces, to Central and South American, to Africa, and to other areas. (See tables II and III.)

5. Growth of the metalworking industries in New England and the other natural market areas, as a result of—

(a) Normal growth of the sort which has taken place in New England during the past 20 years.

(b) The extra growth which would result from the more rapid expansion of existing metalworking plants and the more rapid establishment of new plants after enlargement of the area's steel-making capacity. (See charts II and III.)

Since the New England area would still be a net importer of steel, the operating rate of a New England mill would tend to be higher and somewhat more stable than that of a steel-exporting area. (See chart IV for the operating records of other areas during periods of depression or recession.)

Consumption of steel mill shapes and forms in metalworking industries, 1947

| | Tons |
|---------------------------------------|-----------|
| Maine..... | 70,968 |
| New Hampshire..... | 32,332 |
| Vermont..... | 18,433 |
| Massachusetts..... | 764,498 |
| Rhode Island..... | 64,321 |
| Connecticut..... | 524,023 |
| New York City ¹ | 794,599 |
| Newark-Jersey City ¹ | 933,659 |
| Utica and Albany ¹ | 258,628 |
| Export from New York (1946)..... | 1,179,359 |

Total..... 4,660,880

¹ Industrial area.

Sources: Steel consumption—Census of Manufactures, 1947; exports—Annual Report of the Chief of Engineers, U. S. Army, Pt. 2, 1947.

TABLE I.—Market in the metalworking industries for selected products of a New England steel mill

(In thousands of tons)

| Market area | 1947 consumption by the metalworking industries, ¹ selected carbon-steel products | | | |
|---|--|-----------------|--------|------|
| | Total | Sheet and strip | Plates | Bars |
| Connecticut..... | 329 | 223 | 20 | 86 |
| Maine..... | 23 | 4 | 7 | 12 |
| Massachusetts..... | 445 | 239 | 64 | 142 |
| New Hampshire..... | 23 | 15 | 3 | 5 |
| Rhode Island..... | 36 | 9 | 4 | 23 |
| Vermont..... | 11 | 3 | 2 | 6 |
| Total, New England..... | 867 | 494 | 100 | 273 |
| New York City ² | 464 | 309 | 58 | 97 |
| Newark-Jersey City ² | 397 | 215 | 100 | 82 |
| Albany ² | 120 | 33 | 67 | 20 |
| Utica ² | 58 | 42 | 7 | 9 |
| Total, New England and adjacent..... | 1,906 | 1,093 | 332 | 481 |
| Florida..... | 40 | 16 | 17 | 7 |
| Texas..... | 419 | 185 | 133 | 101 |
| Pacific coast..... | 954 | 432 | 323 | 199 |
| Total, accessible market—(carbon-steel products)..... | 3,318 | 1,726 | 804 | 788 |
| Additional market for silicon steel sheet and strip in and adjacent to New England ³ | 100 | | | |
| Total for products and markets listed above..... | 3,418 | | | |

¹ Does not include consumption of specialty steel mills in the market areas indicated except to the extent that their products are consumed by other metalworking industries in these areas.

² State totals allocated to market areas within the States, based on Iron Age study and Senate Small Business Committee Report, Changes in the Distribution of Steel, 1940-47.

³ Minimum estimate. Geographical break-down not available.

NOTE.—Detail may not add to totals because of rounding.

Source: Census of Manufactures, 1947.

TABLE II.—Exports of selected carbon-steel products from the United States by area of destination, 1948

(In thousands of tons)

| Area of destination | Total selected products | Hot-rolled and cold-rolled sheets ¹ | Hot-rolled strip | Plates ² |
|------------------------------------|-------------------------|--|------------------|---------------------|
| Canada and Newfoundland..... | 256 | 167 | 33 | 56 |
| Europe..... | 236 | 48 | 6 | 182 |
| South America..... | 99 | 60 | 9 | 33 |
| Central America and Caribbean..... | 40 | 21 | 2 | 17 |
| Africa..... | 31 | 26 | 1 | 3 |
| Total, Atlantic Basin area..... | 662 | 322 | 51 | 289 |
| All other areas..... | 72 | 49 | 3 | 20 |
| Total, all areas..... | 734 | 371 | 54 | 309 |

¹ Does not include galvanized sheets.

² Other than boiler plate, of which 29,000 tons were exported in 1948.

NOTE.—Detail may not add to totals because of rounding.

Source: U. S. Bureau of the Census.

TABLE III.—Proportion of United States production exported—selected steel products, 1936-48

Quantities in thousands of tons

PLATES

| Year | Production | Exports | Percent exported |
|-----------|------------|---------|------------------|
| 1948..... | 17,000 | 309 | 4.4 |
| 1947..... | 6,746 | 530 | 7.9 |
| 1946..... | 4,434 | 471 | 10.6 |
| 1945..... | 7,246 | 188 | 2.6 |
| 1944..... | 13,123 | 306 | 2.3 |
| 1943..... | 13,119 | 686 | 5.2 |
| 1942..... | 11,800 | 403 | 3.4 |
| 1941..... | 6,200 | 384 | 6.2 |
| 1940..... | 4,323 | 602 | 13.9 |
| 1939..... | 3,102 | 261 | 8.4 |
| 1938..... | 1,920 | 224 | 11.7 |
| 1937..... | 3,632 | 412 | 11.3 |
| 1936..... | 2,830 | 99 | 3.5 |

SHEETS (HOT-ROLLED AND COLD-ROLLED)

| Year | Production | Exports | Percent exported |
|-----------|------------|---------|------------------|
| 1948..... | 116,800 | 371 | 2.2 |
| 1947..... | 16,451 | 569 | 3.5 |
| 1946..... | 11,889 | 433 | 4.1 |
| 1945..... | 12,068 | 742 | 6.2 |
| 1944..... | 10,339 | 781 | 7.6 |
| 1943..... | 9,403 | 700 | 7.4 |
| 1942..... | 9,199 | 795 | 8.6 |
| 1941..... | 13,603 | 429 | 3.2 |
| 1940..... | 11,702 | 477 | 4.1 |
| 1939..... | 10,023 | 269 | 2.7 |
| 1938..... | 5,795 | 265 | 3.5 |
| 1937..... | 8,780 | 286 | 3.3 |
| 1936..... | 7,835 | 140 | 1.8 |

STRIP (HOT-ROLLED)

| Year | Production | Exports | Percent exported |
|-----------|------------|---------|------------------|
| 1948..... | 13,300 | 54 | 1.6 |
| 1947..... | 3,027 | 107 | 3.5 |
| 1946..... | 2,466 | 84 | 3.4 |
| 1945..... | 2,543 | 85 | 3.3 |
| 1944..... | 2,593 | 126 | 4.9 |
| 1943..... | 2,125 | 105 | 4.9 |
| 1942..... | 1,901 | 93 | 4.9 |
| 1941..... | 2,540 | (?) | |
| 1940..... | 2,078 | (?) | |
| 1939..... | 1,827 | (?) | |
| 1938..... | 1,154 | (?) | |
| 1937..... | 3,243 | (?) | |
| 1936..... | 3,612 | (?) | |

¹ 1948 production approximate.

² Not available.

Source: Metal Statistics.

(Chart I omitted.)

CHART II. THE EFFECT OF EXPANDED LOCAL STEEL-MAKING CAPACITY¹ UPON THE METALWORKING INDUSTRIES

Percentage of total United States employment in the principal metalworking industries in Maryland and the Philadelphia industrial area² 1929 and 1939

| Year | Percent |
|------|---------|
| 1929 | 3.95 |
| 1939 | 5.31 |

Percentage of total United States employment in leading metalworking industries in Maryland² 1919-39

| Year | Percent |
|------|---------|
| 1919 | 1.12 |
| 1921 | 1.38 |
| 1923 | 1.21 |
| 1925 | 1.34 |
| 1927 | 1.30 |
| 1929 | 1.24 |
| 1931 | 1.54 |
| 1933 | 1.53 |
| 1935 | 1.27 |
| 1937 | 1.36 |
| 1939 | 1.51 |

¹ From 1930 to 1938 the steel-making capacity of Bethlehem's Sparrows Point mill was increased by 1,360,000 tons. The Sparrows Point proportion of total United States capacity increased from 2.7 percent to 4.1 percent. Between 1920 and 1930 the capacity at Sparrows Point had increased from 2.1 percent to 2.7 percent of United States capacity. (Source: American Iron and Steel Institute.)

² Slightly different groups of industries have been used in the two comparisons because of changes in census classifications and incomplete data. The differences do not affect the general pattern of the data.

Source: U. S. Bureau of the Census.

(Chart III omitted.)

The trend of ferrous metal receipts in New England during the last 20 years has been to increase at a rate of about 1.5 percent a year. The upward trend in the United States as a whole has been at a rate of about 1 percent a year. New England's proportion of metal receipts has grown.

A continuation of the past trend of normal growth would produce an average annual increase of approximately 14,000 tons in the New England consumption of the products mentioned above. By 1960 the consumption trend for these items would have increased by 182,000 tons.

The increased capacity of the Sparrows Point mill of the Bethlehem Steel Co. during the 1930's contributed to a greater growth of the metalworking industries in the Baltimore and Philadelphia industrial areas than in the country as a whole (chart II). The growth trend for steel consumption in these areas from 1929 to 1939 was apparently about 4 percent a year—3 percent above the national average.

The establishment of a steel mill in New England would stimulate extra growth of the metalworking industries in the region through both extra expansion by existing firms and the more rapid establishment of new firms. If the extra increase were 3 percent a year, which is the maximum that could reasonably be expected, the consumption trend for the specified items would increase by 42,000 tons a year. By 1960 the trend would have increased by 546,000 tons.

The lines plotted above show the maximum and minimum growth trends for the New England metalworking market for these products. The most probable trend which would accompany a new mill would lie somewhere between the maximum and minimum lines.

Actual consumption would fluctuate above and below the trend as industrial activity varied over the business cycle, just as it has in the past.

(Chart IV omitted.)

Tons of scrap iron and steel originated and terminated in New England

[Carload traffic, 1940-49]

| Year | Tons originated | Tons terminated | Net rail-road tons outflow | Year | Tons originated | Tons terminated | Net rail-road tons outflow |
|------|-----------------|-----------------|----------------------------|----------------|-----------------|-----------------|----------------------------|
| 1940 | 525,374 | 238,989 | 286,385 | 1948 | 1,059,077 | 289,749 | 769,328 |
| 1941 | 689,122 | 220,421 | 468,701 | First quarter | 199,566 | 63,432 | 136,134 |
| 1942 | 1,093,353 | 257,226 | 836,167 | Second quarter | 296,787 | 80,595 | 216,192 |
| 1943 | 1,060,606 | 232,618 | 827,988 | Third quarter | 256,572 | 73,315 | 183,257 |
| 1944 | 915,740 | 174,870 | 740,870 | Fourth quarter | 306,152 | 72,407 | 233,745 |
| 1945 | 896,153 | 180,796 | 715,357 | 1949: | | | |
| 1946 | 698,580 | 187,891 | 510,689 | First quarter | 262,348 | 88,286 | 174,062 |
| 1947 | 1,043,550 | 253,830 | 789,720 | Second quarter | 123,980 | 49,870 | 74,110 |

Source: Interstate Commerce Commission, Bureau of Transport Economics and Statistics; Research and Statistics Department, Federal Reserve Bank of Boston.

Number of persons employed in major steel-consuming industries in New England, New York, and New Jersey in 1947

| Industry | New England | | New England, New York, and New Jersey | | United States | |
|--|---------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------|------------------|
| | Number of employees | Percent of United States total | Number of employees | Percent of United States total | Number of employees | Percent of total |
| Motor-vehicle bodies and parts | 5,690 | 0.9 | 57,467 | 8.8 | 653,169 | 100 |
| Aircraft and aircraft engines | 26,732 | 13.6 | 49,325 | 25.1 | 106,878 | 100 |
| Radios and related products | 17,946 | 10.0 | 73,366 | 41.1 | 178,595 | 100 |
| Ship and boat building | 12,051 | 8.1 | 50,528 | 33.8 | 149,655 | 100 |
| Metal stampings | 10,578 | 8.0 | 26,263 | 19.9 | 132,011 | 100 |
| Refrigeration machinery | 6,183 | 4.8 | 15,368 | 11.9 | 129,290 | 100 |
| Motors and generators | 9,281 | 7.3 | 29,039 | 22.9 | 127,012 | 100 |
| Heating and cooking appliances, n. e. c. | 4,014 | 3.6 | 15,484 | 14.0 | 110,475 | 100 |
| Cutting tools, jigs, fixtures, etc. | 17,914 | 20.2 | 25,140 | 28.3 | 88,898 | 100 |
| Valves and fittings | 8,556 | 10.7 | 14,011 | 17.5 | 80,075 | 100 |
| Structural and ornamental products | 2,318 | 2.9 | 12,433 | 15.6 | 79,678 | 100 |
| Hardware, n. e. c. | 21,794 | 28.5 | 31,452 | 41.1 | 76,537 | 100 |
| Electrical control apparatus | 5,208 | 7.2 | 18,814 | 26.0 | 72,330 | 100 |
| Machine tools | 23,146 | 32.8 | 28,646 | 40.5 | 70,657 | 100 |
| Boiler shop products | 2,531 | 3.7 | 7,608 | 11.0 | 68,979 | 100 |
| Special-industry machinery, n. e. c. | 12,621 | 18.5 | 24,224 | 35.6 | 68,063 | 100 |
| Machine shops | 4,788 | 8.2 | 11,730 | 20.2 | 58,160 | 100 |
| Wirework, n. e. c. | 5,810 | 10.2 | 14,127 | 24.9 | 56,842 | 100 |
| Wire drawing | 11,958 | 21.7 | 24,089 | 43.7 | 55,079 | 100 |
| Metalworking machinery, n. e. c. | 3,827 | 7.0 | 13,839 | 25.2 | 54,988 | 100 |
| Textile machinery | 33,430 | 62.4 | 37,999 | 70.9 | 53,583 | 100 |
| Ball and roller bearings | 19,456 | 37.3 | 26,529 | 50.9 | 52,174 | 100 |
| Bolts, nuts, washers, and rivets | 11,157 | 22.7 | 14,633 | 29.7 | 49,235 | 100 |
| Tin cans and other tinware | 1,070 | 2.3 | 9,285 | 19.8 | 46,890 | 100 |
| Electrical appliances | 8,561 | 19.3 | 11,382 | 25.7 | 44,371 | 100 |
| Sheet-metal work | 2,172 | 5.1 | 9,143 | 21.4 | 42,643 | 100 |
| Wiring devices and supplies | 11,319 | 29.5 | 21,965 | 57.3 | 38,367 | 100 |
| Iron and steel forgings | 3,036 | 8.3 | 6,005 | 16.4 | 36,724 | 100 |
| Transformers | 10,645 | 29.1 | 13,869 | 37.9 | 36,635 | 100 |
| Hand tools, n. e. c. | 7,851 | 22.0 | 13,983 | 39.2 | 35,668 | 100 |
| General industrial machinery, n. e. c. | 4,927 | 14.3 | 12,805 | 37.3 | 34,335 | 100 |
| Screw-machine products | 4,363 | 15.3 | 7,522 | 26.4 | 28,492 | 100 |
| Typewriters | 12,859 | 48.3 | 25,802 | 97.0 | 26,604 | 100 |
| Primary metal industries, n. e. c. | 2,001 | 9.0 | 5,597 | 25.3 | 22,135 | 100 |
| Cutlery | 8,444 | 41.7 | 17,816 | 88.0 | 20,248 | 100 |
| Motorcycles and bicycles | 2,598 | 16.6 | 3,747 | 24.0 | 15,615 | 100 |
| Blowers and fans | 3,721 | 25.2 | 5,789 | 39.1 | 14,794 | 100 |
| Edge tools | 2,887 | 32.7 | 3,423 | 38.8 | 8,828 | 100 |
| Nails and spikes | 2,188 | 57.5 | 2,463 | 64.7 | 3,805 | 100 |
| Total | 365,631 | 11.7 | 792,768 | 25.4 | 3,118,517 | 100 |
| Population, 1947 | 9,139,000 | 6.4 | 27,931,000 | 19.5 | 143,414,000 | 100 |
| Income payments to individuals, 1947 | \$12,943,000,000 | 6.8 | \$44,819,000,000 | 23.7 | \$189,212,000,000 | 100 |

Source: Census of Manufactures, 1947.

Manufacturing profit for a New England steel mill—case II—using Labrador ore; selling prices at levels of Jan. 3, 1950

[Based on operation at 85 to 90 percent of ingot capacity]

| Product | Per ton | | | Monthly | | | Annual | | |
|--------------------|----------------|--------------------------------------|--------------------------------|---------|-------------|----------------------|---------|-------------|----------------------|
| | Estimated cost | Estimated selling price ¹ | Estimated manufacturing profit | Tons | Gross sales | Manufacturing profit | Tons | Gross sales | Manufacturing profit |
| Plates | \$52.80 | \$78.00 | \$25.20 | 5,000 | \$390,000 | \$126,000 | 60,000 | \$4,680,000 | \$1,512,000 |
| Hot-rolled sheets | 53.80 | 82.00 | 28.20 | 25,000 | 2,050,000 | 705,000 | 300,000 | 24,600,000 | 8,460,000 |
| Cold-rolled sheets | 59.80 | 67.00 | 7.20 | 40,000 | 3,880,000 | 1,488,000 | 480,000 | 46,560,000 | 17,856,000 |
| Total | 57.16 | 90.29 | 33.13 | 70,000 | 6,320,000 | 2,319,000 | 840,000 | 75,840,000 | 27,828,000 |

¹ On basis of 20 percent heat-treated steel.

² Does not include estimated net profit of \$500,000 on sale of byproducts.

Percentage of manufacturing profit to sales—35.7 percent.

Schedule of rental payments for a New England steel mill

[Based on \$160,000,000 debt to Authority at 1 3/4 percent average interest and 25-year amortization at variable rate ¹]

| Year | Principal beginning of year | 1 3/4 percent interest on outstanding principal | Amortization | | | Total rental | Principal end of year |
|----------------------|-----------------------------|---|----------------|----------|-------------|--------------|-----------------------|
| | | | Operating rate | Per cent | Amount | | |
| First..... | \$160,000,000 | \$2,800,000 | (70) | 3.0 | \$4,800,000 | \$7,600,000 | \$155,200,000 |
| Second..... | 155,200,000 | 2,716,000 | (80) | 4.0 | 6,400,000 | 9,116,000 | 148,800,000 |
| Third..... | 148,800,000 | 2,604,000 | (90) | 5.0 | 8,000,000 | 10,604,000 | 140,800,000 |
| Fourth..... | 140,800,000 | 2,464,000 | (100) | 6.0 | 9,600,000 | 12,064,000 | 131,200,000 |
| Fifth..... | 131,200,000 | 2,296,000 | (90) | 5.0 | 8,000,000 | 10,296,000 | 123,200,000 |
| Sixth..... | 123,200,000 | 2,156,000 | (80) | 4.0 | 6,400,000 | 8,556,000 | 116,800,000 |
| Seventh..... | 116,800,000 | 2,044,000 | (70) | 3.0 | 4,800,000 | 6,844,000 | 112,000,000 |
| Eighth..... | 112,000,000 | 1,960,000 | (70) | 3.0 | 4,800,000 | 6,760,000 | 107,200,000 |
| Ninth..... | 107,200,000 | 1,876,000 | (80) | 4.0 | 6,400,000 | 8,276,000 | 100,800,000 |
| Tenth..... | 100,800,000 | 1,764,000 | (90) | 5.0 | 8,000,000 | 9,764,000 | 92,800,000 |
| 10-year average..... | | 2,268,000 | (82) | 4.2 | 6,720,000 | 8,988,000 | |

¹ Rates for 25-year amortization (on initial principal): Ingot rate 91-100, 6 percent; ingot rate 81-90, 5 percent; ingot rate 71-80, 4 percent (normal, based on 36-year industry rate); ingot rate 61-70, 3 percent; ingot rate 0-60, 2 percent. Reduction of principal in 10 years—\$67,200,000. At that rate, principal retirement in 24 years.

Net profit for New England steel mill using Labrador ore; selling prices at levels of Jan. 3, 1950, first 10 years at assumed ingot rates

(Dollars in thousands)

| Item | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | 10-year average |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|
| Assumed ingot rate (on 1,250,000-ton capacity)..... | 70 | 80 | 90 | 100 | 90 | 80 | 70 | 70 | 80 | 90 | 82 |
| Gross sales..... | \$58,990 | \$67,410 | \$75,840 | \$84,270 | \$75,840 | \$67,410 | \$58,990 | \$58,990 | \$67,410 | \$75,840 | \$69,099 |
| Manufacturing cost..... | 37,346 | 42,674 | 48,012 | 53,350 | 48,012 | 42,674 | 37,346 | 37,346 | 42,674 | 48,012 | 43,745 |
| Manufacturing profit..... | 21,644 | 24,736 | 27,828 | 30,920 | 27,828 | 24,736 | 21,644 | 21,644 | 24,736 | 27,828 | 25,354 |
| Less: | | | | | | | | | | | |
| G. a. and s. ¹ | 2,065 | 2,191 | 2,275 | 2,528 | 2,275 | 2,191 | 2,065 | 2,065 | 2,191 | 2,275 | 2,212 |
| Rental (interest [1 3/4 percent] and amortization)..... | 7,600 | 9,116 | 10,604 | 12,064 | 10,296 | 8,556 | 6,844 | 6,760 | 8,276 | 9,764 | 8,988 |
| Depreciation ² | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 |
| Property taxes ³ | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 |
| Total..... | 13,342 | 14,984 | 16,556 | 18,269 | 16,248 | 14,424 | 12,586 | 12,502 | 14,144 | 15,716 | 14,877 |
| Net profit before taxes..... | 8,302 | 9,752 | 11,272 | 12,651 | 11,580 | 10,312 | 9,058 | 9,142 | 10,592 | 12,112 | 10,477 |
| Federal income tax (38 percent)..... | 3,155 | 3,706 | 4,283 | 4,807 | 4,400 | 3,919 | 3,442 | 3,474 | 4,025 | 4,603 | 3,981 |
| State income tax ⁴ | 187 | 219 | 254 | 285 | 261 | 232 | 204 | 206 | 238 | 273 | 230 |
| Total income taxes..... | 3,342 | 3,925 | 4,537 | 5,092 | 4,661 | 4,151 | 3,646 | 3,680 | 4,263 | 4,876 | 4,217 |
| Net profit after taxes..... | 4,960 | 5,827 | 6,735 | 7,559 | 6,919 | 6,161 | 5,412 | 5,462 | 6,329 | 7,236 | 6,260 |
| Net return on stockholders' investment (\$80,000,000)..... | 6.2 | 7.3 | 8.4 | 9.4 | 8.6 | 7.7 | 6.8 | 6.8 | 7.9 | 9.0 | 7.8 |
| Net profit (after taxes) to sales..... percent..... | 8.4 | 8.6 | 8.9 | 9.0 | 9.1 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 | 9.1 |
| Net profit (after taxes) per ton of finished products..... | \$7.59 | \$7.80 | \$8.02 | \$8.10 | \$8.24 | \$8.25 | \$8.28 | \$8.36 | \$8.48 | \$8.61 | \$8.18 |

¹ Variable percentage of sales, based on operating rate (70-percent rate, 3.5 percent; 80-percent rate, 3.25 percent; 90-100-percent rate, 3 percent).
² Estimated at \$2.75 per ton of annual ingot capacity of 1,250,000 tons, the rate currently charged on comparable operations; \$1,800,000 may be taken as depreciation at 4 1/2 percent on stockholders' \$40,000,000 investment in plant and equipment; the remaining \$1,637,000 may be taken as maintenance and repairs.
³ Assuming site near New London, Conn., \$12 per \$1,000 valuation on \$20,000,000, 50 percent of stockholders' \$40,000,000 investment in fixed plant and equipment.
⁴ 3 percent on net taxable income before Federal tax, by formula that makes effective rate 2 1/4 percent.

THE NEW ENGLAND COUNCIL, IRON AND STEEL COMMITTEE, 1950

Chairman: Frederick S. Blackall, Jr., president and treasurer, the Taft-Peirce Manufacturing Co., Woonsocket, R. I.
 Vice chairman: Richard L. Bowditch, president, C. H. Sprague & Son Co., Boston, Mass.
 Secretary: Ray M. Hudson, New England Council, Boston, Mass.
 Maine: John S. Chafee,¹ vice president in charge of manufacturing, Saco-Lowell Shops, Biddeford.
 New Hampshire: His Excellency Sherman Adams,¹ Governor of New Hampshire, Concord.
 Vermont: Robert F. Patrick, treasurer, G. S. Blodgett Co., Inc., Burlington.
 Massachusetts: Roger C. Damon, vice president, First National Bank of Boston, Boston; Brig. Gen. Georges F. Doriot, Harvard Graduate School of Business Administration, Boston; Robert M. Edgar,¹ assistant to the president, Boston & Maine and Maine Central

Railroads, Boston; Hon. Robert F. Bradford, Palmer, Dodge, Gardner, Bickford & Bradford, Boston; H. Frederick Hagemann, Jr., president, Rockland-Atlas National Bank of Boston, Boston; H. F. McCarthy, vice president, New York, New Haven & Hartford Railroad, Boston; Dr. Alfred C. Neal, vice president and director of research, Federal Reserve Bank of Boston, Boston; Robert P. Tibolt,¹ vice president, Eastern Gas & Fuel Associates, Boston; John F. Tinsley,¹ president and general manager, Crompton & Knowles Loom Works, Worcester.
 Rhode Island: Robert G. Ashman, president, Newman-Crosby Steel Corp., Pawtucket; Fred C. Tanner,¹ vice president and general manager, Federal Products Corp., Providence.
 Connecticut: Maurice H. Pease, vice president and general manager, the Stanley Works, Bridgeport; F. R. Hoadley, president, Farrel-Birmingham Co., Inc., Ansonia.

¹ Council officer or director.

¹ Council officer or director.

A STEEL MILL FOR NEW ENGLAND—HIGHLIGHTS OF THE NEW ENGLAND COUNCIL'S ACTIVITIES

1. November 1946: President Richard L. Bowditch proposes to executive committee of the New England Council an economic research program to determine if a New England steel plant would be warranted. Preliminary work begun.
 2. March 1947: Mr. Bowditch first publicly urges New England as the logical location of a steel plant to be supplied from overseas mines.
 3. September 1947: The New England Council retains Econometric Institute, Inc., to study the possibilities of establishing an integrated steel plant in New England.
 4. June 1948: The Econometric Institute, Inc., reports to the council that New England has the markets, the labor, and the metal scrap to justify expansion of its existing non-integrated steel production, and that new developments should be carefully studied.
 5. June 1948: Thirty-five officers and directors of the council journey to Canada to discuss matters of mutual economic interest with governmental and business leaders of Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland.
 6. July 1948: The Federal Reserve Bank of Boston and New England Council join in a study of the impact of the basing-point decision on important New England industries.
 7. August 1948: The council and bank receive from Mr. John E. Kelly, mining consultant, a detailed report of the status of the recently discovered iron-ore deposits in Labrador and Quebec, and current progress in their development.
 8. December 1948: The council appoints a New England iron and steel supply committee to study carefully all elements and available facts bearing on this subject. First meeting held.

9. January 1949: Steel committee members begin exploratory conversations with top executives of major American steel companies.
 10. January 1949: Mr. Kelly renders completely documented Canadian ore survey to the Federal Reserve Bank of Boston.
 11. April 1949: Continued contacts with steel executives.
 12. June 1949: With new information available, the steel committee, under Chairman Frederick S. Blackall, Jr., retains Mr. Kelly's professional engineering services.
 13. July 1949: Mr. Kelly receives cordial cooperation from Canadian mining interests and visits Ungava ore deposits in Labrador and Quebec; also Newfoundland iron mines.
 14. August 1949: Under leadership of Chairman Blackall, Mr. Kelly and Dr. Neal of Federal Reserve bank begin direct negotiations with chief executives of several major basic steel companies.
 15. October 1949: Several coastal communities in New England organize study groups to prepare local site and resource data.
 16. January 1950: Dr. A. C. Neal, research economist on steel committee, testifies before joint congressional committee on the economic report, concerning the economic feasibility for manufacture of steel in New England, and the region's need for a local source of steel.

[From the New Hampshire Sunday News, Manchester, N. H., January 29, 1950]

WE HAVE NO FRIENDS

New England has no friends. The rest of the country regards this section as an economic and cultural backwater, inhabited by a race of coupon clippers living off the proceeds of wealth inherited from New Bedford whalers. The Federal Government thinks of us as a hotbed of reactionary Republicans, entrenched State Street financiers and wrong-headed Yankee dirt farmers living off the sweat of a great mass of exploited immigrant mill workers.

The Government's idea of how to treat New England is to establish discriminatory freight rates in behalf of the South and West, bring lawsuits against some of our most prosperous and stable industries (i. e., United Shoe and Scott-Williams) entice away others through Federal subsidies lavished on Puerto Rico and the TVA region, and keep up a series of harassing maneuvers against our power companies. Meanwhile, New England, which continues thrifty and prosperous despite its enemies, is a principal source of the very tax moneys which the Government hands out to the shiftless and the indigent in other parts of the country.

Insult is heaped on injury by trust company panjandrums who make their headquarters in New England and operate on New England wealth, but who rarely, if ever, invest any of their New England money in New England enterprise.

Like the Federal Government which they so bitterly criticize, the moguls of State Street prefer Puerto Rico to Maine as an outlet for swollen treasures in their bursting coffers.

Now comes United States Steel, and others of the combine known as Big Steel, to interpose the ponderous weight of their technological and financial opinion between New England and its legitimate aspirations for a share in the steel industry.

Pittsburgh, it appears, is threatened. Pittsburgh is the great bastion and redoubt of those carefully contrived processes whereby Big Steel piles up unprecedented postwar profits while blandly arguing that it is necessary to raise prices still higher.

Pittsburgh makes more than a third of the country's steel, but as the Boston Herald observes, "much of its market is miles of high freight rates away." Notes the Herald:

"Even if the basing-point system should be restored, a large chunk of the steel-production capacity down there is an economic anachronism. Whenever there is a slackening on steel demand, it is the Pittsburgh plants that slip off most in production, while the outlying plants, in Chicago, Sparrows Point, and Birmingham, maintain a better record.

"They know down there that steel decentralization is in the cards, that Pittsburgh cannot forever exist as a surplus production area. They know that a big steel plant in New England will take away a rich market. They want to continue to ship to Indiana steel to be fashioned into refrigerator cases to be shipped to Springfield, Mass., to be made into refrigerators. They want to continue to supply the steel for subassemblies to be freighted later to New England automobile assembly plants in a transportation maze of production. It is Pittsburgh steel against New England. So the fight is on."

And so the spokesmen of Big Steel inform Congress that a steel mill in New England—where the conversion from soft goods to hard goods has doubled the region's share of national steel consumption—would be uneconomic. Admiral Ben Moreell, of Jones & Laughlin, echoing United States Steel's Mr. Fairless, tells the congressional committee that after exhaustive surveys of the New England situation, his company concluded that a New England plant would involve greater risk and a lower return than if Jones & Laughlin put the money into improvement of existing plant.

All of which may be true, from Big Steel's viewpoint, but only if its precious status quo can be preserved.

New England could help to kick over that status quo.

New England, any day now, might get good and sick of this business of having no friends, among either the self-styled conservatives or the self-styled liberals.

It might decide to do this steel job on its own, just as it has done everything else on its own, since the era of the New Bedford whalers.

One method—which now needs careful re-examination in the light of Big Steel's attitude—has been suggested by Governor Adams, Lawrence Whittemore, and a strong group within the New England council.

This method involves a plan of public financing which is both spectacular and risky—the so-called industrial authority plan, whereby funds are raised through public subscription, backed if necessary by the full faith and credit of the States. It involves also, if a suggestion by Mr. Whittemore is adopted, large loans by the Federal Government.

The Big Steel boys shudder at this latter suggestion. They are for free enterprise so long as it isn't too gol-durned free. They abhor Government participation.

So do we. As our readers know, we have been hesitant about endorsing the plans of Governor Adams and his colleagues.

We've been especially cautious since President Truman came out in the open and told the steel planners of the New England Council that the Federal Government looked with high favor on the idea of a New England steel mill, and would do all it could to help. Mr. Truman, it will be remembered, is the chap who not long ago threw a powerful fright into Big Steel with the suggestion of a yardstick steel mill, patterned after the TVA power yardstick.

But the attitude displayed by Big Steel, in its testimony before Congress, puts matters in a new light. The time has arrived, possibly, for a little honest soul-searching by those who have at heart the real interests of New England.

How much longer can we afford our fine spirit of autarchy and independence, in the face of cutthroat competition from such diverse quarters as Big Steel and the Fair Dealers? How much longer can we look down our long blue noses at the go-getters and free Federal spenders in rival sections, while our shoes and textiles are snowed under by Government-abetted competition, both domestic and foreign, and our brightest prospects—the mushrooming hard-goods industries—are mortally endangered by discriminatory high costs imposed arbitrarily on such basic ingredients as transportation and raw materials?

The administration free spenders obviously are simply pining to get into this New England steel picture. No doubt their motives are political. But there are enough Republicans on the scene, like Governor Adams, to insure that the political credit will be spread around, and that even if Federal funds are employed, they are used in a businesslike manner.

The New England steel mill could, in fact, be made a truly nonpartisan and nonpolitical venture. It could constitute a novel experiment in the employment of public finance to establish a privately operated basic industry essential to the health and growth of these secondary industries—all privately owned—which are New England's best hope for the future.

Most of us would go into such a project with our fingers crossed. Most of us would prefer to see the job tackled as an adventure in pure private enterprise. But if it just can't be handled that way, well—a lot of us are determined that New England isn't going to be made the national sacrificial goat forever.

ANNOUNCEMENT OF CALL OF THE CAL- NDAR ON WEDNESDAY

Mr. LUCAS. Mr. President, I should like to announce for the Record that, following the vote on the pending legislation, on Wednesday afternoon, I shall then move the consideration of bills on the calendar, and we shall start with the beginning of the calendar and go through to the end.

PROPOSED CHANGE IN METHOD OF ELEC- TION OF PRESIDENT AND VICE PRESI- DENT

The Senate resumed the consideration of the resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President.

Mr. FERGUSON. Mr. President, the heart of the resolution now pending before the Senate lies in the following proposals:

First. The electoral college and the office of elector would be abolished as being obsolete.

Second. The electoral vote, 531, would be retained in order to preserve as nearly as Senate Joint Resolution 2 makes possible the equality of the States and to maintain the relative voting strength of the States.

Third. The counting of electoral votes by the whole unit for the winning candidate in each State would be abolished, in favor of a distribution of electoral votes among candidates according to their popular votes.

Fourth. Rival presidential candidates would share the electoral votes of each State in proportion to their total popular vote therein. Since electors are eliminated, the popular-vote totals would simply be certified by State officials to the seat of the Government of the United States, directed to the President of the Senate.

Fifth. Each presidential candidate would be credited with the aggregate total of his proportionate shares of electoral votes in all the States.

Sixth. A provision that a candidate having a plurality of the electoral votes, even if it fell short of a majority, would be substituted for the present majority requirement in electing a President.

For the most part, past discussions of this and similar constitutional amendments have dealt principally with the evils of the electoral college system. What is necessary is that we make a fresh and independent study of the related question of what effect the proposed change may have on the future of American politics. The subject is far more complicated, I am fearful, than the sponsors of the resolution seem to recognize. The whole pattern of the American system is certain to be altered.

It is very important to find out what direction the change may take. Progress is change, but all change is not progress.

My colleague, the senior Senator from Michigan [Mr. VANDENBERG], on the floor of the Senate, May 16, 1934, in discussing the another proposal for a change in the electoral system, said:

I realize that the spirit of innovation is upon the land. I do not complain of that. I have supported many of the innovations. I realize that many problems demand new answers, and I am not afraid of them. Let us proceed courageously with whatever statutory innovations are necessary in the face of the crisis of the time, but let us not innovate needlessly. Let us by statutory innovation innovate where the situation requires it, but only in the last and final necessity when there is no other recourse let us be innovates upon the Constitution of the United States.

I so heartily agree with this that I repeat the words of my distinguished colleague. I appreciate the spirit of reform, and shall here state my approval of some of the reforms which are proposed in Senate Joint Resolution 2. At the same time, I vigorously oppose other features of the resolution, because I believe them unwise and even dangerous to the American system of government.

I believe reforms must be handled with great care, when logic indicates they may easily go beyond the evils of the day to create other evils possibly greater than those intended to be cured. I do not favor constitutional amendments based on speculations impossible to appraise with reasonable surety as to the outcome, and I trust the people of the United States share this view. It is of tremendous significance that the amending clause of the Constitution, article V, reads:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution.

I repeat, whenever Congress "shall deem it necessary." There is sufficient warning, in those four words, that the amending process is not to be based on anything but the most certain causes and foreseeable effects.

We are apt to speak more about the evils in our system and less about the strength and the good in it. Ours has been the one outstanding Government under a written Constitution federating sovereign states into a federal government. We have been successful from the beginning with a two-party system. We have maintained the principle of majority rule with the protection of the rights of the minorities.

Our elective system has demonstrated its good qualities, notwithstanding the weakness of the electoral college, and we stand in the world today as the No. 1 Nation. Our economic position in the world is not the result of chance. It is the result of a political philosophy and of an economic system under our Constitution. Unless we can see in the future what a new system will bring us, we should not change to an unknown, unchartered course.

The pending resolution has commanded great popular appeal. First, it has the benefit of a distinguished bipartisan sponsorship. This bipartisan sponsorship would tend naturally to suppress any fear that either major party might be placed at a marked advantage or disadvantage as a consequence of its operation. Second, the resolution capitalizes on the common belief that the electoral college, as such, serves no useful purpose in our elective system. We are all familiar with caricatures of the electoral college as a bearded, outworn individual. This impression has probably attracted many supporters who have failed to grasp or to search out the full implications of the further changes proposed by Senate Joint Resolution 2.

ABOLITION OF THE ELECTORAL COLLEGE

The first feature of this resolution is to abolish presidential electors and the electoral college. The names of the Presidential and Vice Presidential candidates themselves would be placed upon

the ballots, and the people would vote directly for their choices. That is true in many States today.

The reasons for this change are set forth fully in the majority report of the committee. Although it has served us well for 150 years, the electoral college has never operated as originally planned by the framers of the Constitution. The sponsors of Senate Joint Resolution 2 point out that it is an inconvenient, expensive fiction, maintained only in form. Moreover, without achieving the grand design expected of it by the founding fathers, the presidential-elect system may now be used to create uncertainty and confusion in presidential elections. In view of those considerations, and despite the fact that it has rendered no disservice, the electoral college might well be abolished, as Senate Joint Resolution 2 proposes to do. Such a reform would provide an assurance against a reversal of popular will, which might occur if members of the electoral college failed to heed their instructions. That seems to be the one thing which is emphasized more than anything else, namely, that an elector, when he comes to cast his vote is not bound to cast it according to the instructions of the voters, but may use his own discretion.

As I have said, a great deal of support for the pending resolution has come from a popular belief that it is devoted only to this worth-while reform. Getting rid of outworn machinery invariably meets with quick approval, and the idea of having it become universal practice for the people to vote directly for the candidates of their choice has strong appeal.

Senate Joint Resolution 2 benefits from these readily understandable and acceptable proposals. But if it were equally as well known that the resolution contains other elements of reform, with revolutionary consequences to the political welfare of the country, I am sure there would be serious concern about approving the resolution in its present form. Mr. President, that is the burden of my argument here today.

I am greatly distressed that a proposition as fundamentally important as the one before us has excited so little attention. We are here acting upon a change in the basic law of the land. Moreover, it is a change in one of the cardinal features of the Constitution, the elective system, and despite any contrary impressions, it is an involved change. It is a very significant thing that there was scarcely anything in the Constitutional Convention which gave our founding fathers more difficulty, and about which they took more pains, than the business of electing the Chief Executive. The considerations that were at work then are multiplied by the knowledge that today the office of President of the United States is beyond question one of the most important in the world. In anything which touches upon the methods of selecting the individual to exercise that office, we cannot proceed too deliberately, for we cannot afford to stumble.

I urge that the electoral college can be abolished and provisions made for direct voting for Presidential candidates

by name, without going beyond desirable reform into unwise and dangerous changes in the American political system.

ELECTION BY PLURALITY

The resolution also provides the President and Vice President shall be chosen by a simple plurality of electoral votes instead of the present majority requirement. The purpose is to eliminate recourse to elections by the House of Representatives and by the Senate respectively, as is now required when candidates for President and Vice President fail to obtain an electoral majority.

The idea of improving upon the method of congressional referendum in cases where no clear electoral-vote majority is gained from the popular vote undoubtedly represents a desired reform. The possibility of throwing an election into the House, where voting is on a State basis, with no reflection of popular choice, has long been held a weakness in the elective system.

But reform is one thing; radical change is quite another. To pass over from a requirement that a candidate must receive a majority of electoral votes to his election by simple plurality is indeed such a radical change.

The fathers of this country took special care to see that a person elected as President attained a clear majority of the total electoral vote. They knew the evils which arise when a Chief Executive assumes office, backed only by weak support of a plurality of the total electoral vote.

It is true, I know, that on 12 occasions a President of the United States has been elected without having had a majority of the popular vote. The present President is one of these minority Presidents. But rather than improve upon that situation, the proposal to elect by plurality is almost certain to perpetuate it. The condition will be perpetuated because it is a certain invitation for many parties to enter the field, if a plurality only is required. That means a break-down of the two-party system as we know it. While that two-party system is unknown to the Constitution, it is one of the most constructive features of American government. It may be put forward that we have succeeded in maintaining the desirable two-party system because parties have had to remain large and coordinated in order to secure the electoral majority required in the Constitution.

To illustrate the consequences which might follow from a plurality rather than a majority requirement, it would be possible for a candidate with a totalitarian philosophy to be elected President, with only 30 percent of the popular and electoral vote, even though bitterly opposed by 70 percent of the people voting for three or more other candidates.

This is by no means a remote possibility. Wherever plurality decisions are provided for as in Senate Joint Resolution 2, there is an ever-present tendency toward minority control. A well-organized, compact minority may easily prevail over scattered, divided majorities. We saw this in the field of corporate control, when small, compact minorities gained dominance over a corporation even when

the minority had 10 percent or less of the stockholder vote. We see it in the field of labor organization. How is it thought the Communists gained control over the United Electrical Workers, CIO? Was it because the thousands of loyal American union workers wanted Communist control? By no means was that a reason. A small Communist minority, knowing exactly what they wanted, used the union election machinery to gain control over the unorganized majority of the union membership.

Furthermore, it is never enough to say that a possibility is remote when a failure to guard against such a possibility may be fatal. The supporters of representative government must win every battle; their opponents need only one victory and it is over for the future.

Merely because the present procedure for congressional referendum is unsatisfactory, we should not abandon all protection against the plurality election of extremists who are opposed by a large majority of the people.

PROTECTION OF THE TWO-PARTY SYSTEM

It is not alone the election of unpopular extremists against which we should guard, however. We must guard against any break-down of the two-party system which has served America so well. Any break-down of the two-party system would bring on what my able and distinguished colleague [Mr. VANDENBERG] in 1934 called the continental curse of European politics, namely, multiple parties, bloc government, group control, minority administration of the affairs of the people.

Mr. President, it has recently been reported in the press that in the next Greek election there will be 86 parties.

I only wish that I might digress here to dwell at length on the qualities of the two-party system. That system represents a vertical alinement of interests which isolates the lunatic fringes and permits the shadings at the center to move forward effectively. It represents a concentration of responsibility, where we can affirm on the one hand and deny on the other. Any break-up of party solidarity means a diffusion of responsibility which deprives the people of an opportunity to speak effectively on any issue.

It is perhaps the best commentary on the importance and durability of the two-party system that this country has known 70 political parties in its history, each of which has elected at least one Member of Congress. But each one, and in a very short time, disappeared or was absorbed in one of the two major parties. This did not happen by luck or chance. The electoral system itself had much to do with it.

The only possible alternative to the two-party system is government by coalition, which is common in Europe. That is divided responsibility, with authority centered only temporarily in a ministry. Because the ministry possesses no other responsibility, it must of necessity also possess the power to dissolve the legislature, so that any issue upon which the government divides may be sent directly to the people for decision. Our Constitution does not make such a provision, and

we do not want it, for we prefer to substitute the discipline of effective party responsibility.

I might observe here that the Democratic Party must soon face up to this matter of party responsibility. It is only a matter of time before the people are going to demand an accounting for the divided responsibility which exists within that party. When that day comes, there will be a regeneration of political rivalry, particularly in the South, which no artificial device, such as Senate Joint Resolution 2, could promote. The people's demand for party solidarity and undivided responsibility assures genuine two-party competition.

As a matter of fact, Mr. President, so long as we maintain and do not tamper with the two-party system, any need of avoiding the eventuality which occurs when a Presidential candidate fails to obtain a majority of the electoral vote would be rare. But if there is a need to improve upon the present method of congressional referendum, I think there is a far better solution than by-passing it completely by requiring only an electoral plurality.

I have prepared an amendment to Senate Joint Resolution 2 which I now send to the desk, Mr. President, and which I will explain at a later time, before we vote on the pending business. In brief, this amendment would correct any defects in the electoral-college system and would preserve and strengthen the constitutional provisions for congressional referendum in Presidential elections.

PROPORTIONAL COUNTING OF ELECTORAL VOTES

Senate Joint Resolution 2 provides that in recording a State's electoral votes, they shall be credited to respective candidates in proportion to their popular votes in each State, and then totaled for each candidate for the Nation as a whole.

This is the most revolutionary and the most controversial of the changes proposed by Senate Joint Resolution 2. As sponsors of the resolution freely admit, this proportionate division of electoral votes will work decided changes in voting habits, in the make-up of the political party system as we know it in this country, and upon the conduct of Presidential election campaigns.

Under the present system, commonly called the unit rule, the candidate receiving the most votes in each State receives the whole of the State's electoral vote. Further, he has to get an absolute majority of all electoral votes in the Nation and more than any other candidate to win the Presidency.

Senate Joint Resolution 2 proposes to abolish this system, and in its place to divide up the electoral votes in each State in the proportions indicated by the popular vote. A radical candidate who had no hope of election in one or a group of States under the present system could add up all his electoral votes in all 48 States, under Senate Joint Resolution 2, and make a strong showing. He would not need a majority to win. A plurality—merely one vote more than the next highest candidate—would be enough under Senate Joint Resolution 2. Then, if there were three or four candidates in

the field, a radical candidate with 30 percent of the vote could become the Chief Executive.

The intention of a proportional counting system is to reflect mathematically the popular will. Such a perfect reflection is not possible under our Federal system. Regardless of population, each State is assured one electoral vote for each Representative from the State in the House of Representatives, and two additional votes signifying its equality with all other States in the Senate.

Mr. President, under the present system, if the population of a State were to be reduced to 5,000 people, that State, under the federated principle, would have three electoral votes, because it would be entitled to one Representative in the House of Representatives and two Senators on the floor of the Senate.

The result is that only 82 percent of the electoral vote represents population, while 18 percent is assured to the States regardless of population by reason of the fact that each State has two Senators.

The situation is further complicated by the fact that no electoral vote represents actual popular voting as such. In States where actual voting is high, an electoral vote counts for many times the popular vote in a State where the turnout of popular votes is low. I shall show the effect of this later on in my argument.

PROPOSAL AFFECTS FEDERALIZATION

Given the electoral system as a necessary corollary of federalization, and barring the difference between States in voting intensity, those who want to see the popular vote most accurately reflected might be expected to espouse a system of direct voting for President and Vice President, whereby the gross popular vote in the Nation would be counted alone. As a matter of fact, the Senator from Massachusetts [Mr. LODGE], who is the principal sponsor of Senate Joint Resolution 2, has put forward such a proposal in the past, and I believe still favors it, although his feeling would be, as he remarked in the hearings, "One war at a time." He is a realist, and he has written that "to eliminate the credit given for Senators (that is, the two extra electoral votes), or to eliminate any electoral allotment to each State would destroy any possibility at all of electoral reform."

I agree with that. The system of government which we have is a federated system. The various parts have kept together. It has been successful because it has been a federated system. The fact that the great State of New York has only two votes in the Senate, and the State of Wyoming or Montana, let us say, with a very small population, also has two votes, is what helps to keep us together as a federated Union. If we wipe out what cements the States together as a federated Union, Mr. President, we will find to our regret that the federation has been weakened, and possibly even dissolved. In other words, sponsors of direct popular election run head on into the expression of sovereignty by the federated States which wish to preserve the privileges and status accorded them under federation.

Finding it impossible to break down the resistance built up by the federated principle, Senate Joint Resolution 2 seeks to cross the privileges accorded in federation and installed in the electoral vote with another system for representing popular will by proportionate counting of the electoral votes. In other words, Mr. President, what they wish to do is to cross the two systems. The electoral votes are retained, but counting by State units is abolished. The paradox in that result is that by indirection the States are required to surrender their sovereignty over the disposition of their own electoral votes.

A change in the American political system so far reaching as this is bound to produce strong arguments for and against the wisdom of the change. Fortunately, I believe the hearings on Senate Joint Resolution 2 are about the most complete the Congress has ever had on proposals of this nature. Opposing points of view are aired more exhaustively than ever before, although even fuller exploration may be desired. The point I wish to emphasize, however, is that most of the arguments offered in these hearings are speculative, because it cannot be known in advance what changes will be worked in voting habits, in political parties, and in the conduct of presidential elections. The sponsors of the resolution and the majority report take the view that all the proposed changes will be beneficial, with no ill effects on the American system of government.

Mr. President, I cannot agree with these conclusions. It is my considered judgment that the arguments and conclusions which have been set forth by the sponsors and adopted in the majority report rest too heavily on doubtful speculations. It is my further considered judgment that until the implications and consequences of this radical change in counting votes can be more definitely appraised, this part of the resolution should be disapproved, and it should not become an issue upon which the legislatures might vote.

THE CONSTITUTION SHOULD NOT BE AMENDED
ON A SPECULATIVE BASIS

It is well to repeat that, while all progress is change, not all change is progress. The wise man does not discard the old for the new until he is reasonably certain that the new will be an improvement, without harmful effects. Reason and logic simply do not support the conclusions which its sponsors draw from Senate Joint Resolution 2. The framers of the Constitution took exceeding care to make the amendment process difficult in order to discourage amendments on frivolous or speculative grounds. They knew the great importance of stability in law and tradition. They most assuredly were of the opinion that the Constitution should not be amended on any speculative basis.

While the facts and arguments in the hearings speak for themselves, it may be useful for those who must act on this important question if I comment upon the principal points raised by the speculations on this change in the country's political system.

Throughout the hearings there was much speculation on the prospective advantages and disadvantages likely to accrue to one political party or another from proportionate sharing of electoral votes. The interest so aroused is natural and wholesome.

Thus, whether the Republican Party may gain more from a sharing of electoral votes in the South than it loses by sharing its areas of strength in the North, or whether the Democratic Party may find it more to their liking to surrender strength in the South for possible gains elsewhere, are certainly questions for these parties to consider carefully. Whether both major parties can afford to accept a device which may easily transfer their strength to third and fourth parties is also something they may rightfully consider in view of the great advantages of a two-party system.

The hearings contain much speculation on this point, worthy of careful study. With a century of remarkably stable political tradition behind them, in which political power has been shared by the two major parties in fairly even balance, they may wish before making radical changes, to give some weight to the notable quotation in the Federalist Papers on the spirit of injustice to the effect that "No man can be sure that he may not be tomorrow the victim of that by which he may be a gainer today."

Mr. President, I do not oppose this change because of any fear of adverse consequences to any particular political party or interest. I stand upon the broader ground of the effect radical change will have upon the American political system as a whole. My opposition goes straight to the wisdom in reason and logic of dividing up the electoral vote as proposed in Senate Joint Resolution 2. I find no values to be gained, and many to lose by it. In some respects, I see great harm possible in making so vital a change in our political system when the consequences cannot be fully appraised. This is not a change which once made can be easily undone if found unwise. As we all know, for sound reasons it has been made difficult to amend the Constitution.

SENATE JOINT RESOLUTION 2 FOSTERS MINORITY
ELECTIONS

Those who favor proportional sharing of a State's electoral vote emphasize the point that it will eliminate or at least minimize the possibility of a president being elected without a majority, or even a plurality of the popular vote. This is an absurdity. The very basis of Senate Joint Resolution 2 is plurality election. On its face the resolution makes possible the election of minority candidates.

In discussing the matter of an election by plurality, I have observed that "minority" Presidents have not been uncommon. This comes largely from another fact upon which I have commented, that electoral votes, while representing population generally, except for the two senatorial votes, do not represent popular voting. In one State, for example, an electoral vote may represent more than 130,000 popular votes, while in another it may represent less than 12,000 popular votes.

Nothing in Senate Joint Resolution 2 guarantees a more equitable balance, because the factors which make for this inequality go far deeper than mere political rules. It is a principle argument advanced on behalf of Senate Joint Resolution 2 that it would tend to lessen that inequality.

Admittedly, some of the disparity might be removed by the division of the electoral votes, but other factors, such as the difference caused by allotting two senatorial votes without reference to population, would remain to create disparities under the proposed scheme. Moreover, new causes for minority Presidents are quite possible under the proportionate sharing of electoral votes.

As a matter of fact, it has been effectively demonstrated by opponents of Senate Joint Resolution 2 that the possibility of a minority President is a probability when the solid South is considered relative to the rest of the country. That situation cannot be changed, short of a radical shift in the voting habits of the South.

To illustrate, normally solid Mississippi, with nine electoral votes might give one party an electoral advantage of 8.5 votes, when they are counted proportionally. This margin might be gained by a popular plurality of 172,000. In Michigan, as a State which is typically more evenly divided and with a greater election turn-out, it would take a popular plurality of approximately 980,000 votes for the opposite party to offset the electoral advantage in the single State of Mississippi.

Let me repeat that. Under the proposed amendment of the Constitution a popular plurality of approximately 980,000 votes would be required for the opposite party to offset the 8½ electoral votes which would result to the advantage of the other party in the single State of Mississippi by a popular plurality in that State of 172,000 votes. Would the adoption of the amendment proposed by the joint resolution cure such an evil? No, Mr. President.

I am aware of the argument that statistics based on general elections in the South should not be relied upon, because a greater number of ballots is cast in primaries. Is it not reasonable to assume, however, that the great number of primary votes which are not cast in the general election are a reservoir of strength for the principal party? That being so, any greater turn-out in the general election would merely aggravate the unbalance in the electoral vote under proportional counting.

The sponsors of Senate Joint Resolution 2 insist, of course, that voting habits everywhere, and particularly in the South, would be so radically changed as to bring about a state of balance. The chance to get electoral votes, say the sponsors of Senate Joint Resolution 2, offers an incentive to Republicans, for example, to campaign and make headway in the South. But is not the relatively small number of votes necessary to capture a southern State's electoral votes also an incentive for the Republicans to move into the South? Has not that incentive always been there, and have the

Republicans ever been able to take advantage of it?

These matters of prospective changes in voting habits are pure speculation, incapable of proof or demonstration. But it is worth while to consider this argument further.

If proportional sharing of the vote in the solid South offers an incentive for Republicans to make progress there, why would not the chance for electoral votes on a sharing basis offer incentives to minority groups all over the country, since the Republican Party is nothing more nor less than a minority party in the South.

When sponsors of the resolution wish to appeal to Republicans, they cite the chance for them to get electoral votes in the South. But when critics point out that the same incentive is held out to minority groups elsewhere and everywhere, the sponsors pooh-pooh the idea. They can hardly have it both ways.

PROPORTIONAL COUNTING FOSTERS MULTIPLE PARTIES

I firmly believe the proportionate sharing of electoral votes is a direct encouragement to the growth of multiple parties. As I have discussed this possibility in another connection, such a prospect carries grave implications. It would mean an end to the two-party system which has been so instrumental in preserving political stability and responsible government. In its place would come splinter factions and multiple parties which have plagued and retarded representative government wherever they have appeared.

Under the present unit system, minority political groups, usually advocating extreme views, rarely attract enough votes to capture the electoral vote of a State. At most, they can swing their voting strength between the two major parties. Sponsors of the resolution deplore this nuisance value of minority parties and pressure groups. I can see considerable good in them to the two-party system. Their inability to gain electoral votes under the unit rule deprives them of incentive to remain compact and to grow as individual parties. At the same time, their limited voting strength is enough to cause ferment in the major parties which are forced to clean house, and adopt new ideas to gain the aid of minority groups. The result is to prevent fragmentation into multiple parties with all its attendant evils and to preserve and to invigorate the two-party system. Under the resolution, these minority groups will have an incentive and opportunity to grow on their own. I believe that is exactly what would happen if the amendment were ratified, and became the supreme law of the land.

Their share of electoral votes in each State and accumulated total across the Nation would provide a score card for their progress. The shining goal would be to divide and conquer the major parties by splintering. The resolution makes this easier and attractive because it requires only a plurality of electoral votes to win. Minorities need not bid for a majority. With enough independent factions on the voting scene, a compact minority group of 40 percent or

less in electoral vote can gain a major victory. Why do the sponsors of the resolution deny this possibility when they freely admit that the sharing of electoral votes offers an incentive for the major parties to campaign in each other's strongholds, such as the Democratic South and let us say Republican Maine? What makes them think that dissatisfied voters will turn only from one major party to the other when electoral votes, essential to victory, offer them incentives? Even the existing unit rule has permitted a demonstration of what dissatisfied voters may do. When southern voters in the 1948 election became dissatisfied with their own Democrat Party, they did not turn to the Republican Party, but set up a third independent group, the Dixiecrats.

EXPERIENCE IN THE 1948 ELECTION

How, in the face of this clear demonstration of exactly what southerners will do, can the sponsors of this resolution persist in the claim that only the two major parties will share the votes of the South? How can southerners support this resolution in the belief that it will strengthen the Democrats or, at the most, encourage Republicans, when the 1948 election proved otherwise.

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

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

Mr. FERGUSON. I am glad to yield.

Mr. KEFAUVER. The Senator has asked why we in the South think this proposal would strengthen the two-party system and would not lead to the formation of third parties or splinter parties in the South.

Our idea is that under the system here proposed, if put into effect, both political parties, instead of conceding or marking off the electoral votes of the South, would fight for and work for votes in the South just as they do in the pivotal States, and therefore the problems of the South and of States in a similar situation would receive more consideration by the platform writers and policy makers of the two major political parties. Likewise, the voters of the South and of other sections of the country would find better representation and a stronger voice in the programs and policies of the two major political parties, and consequently would stay with those two major parties.

In my opinion—and my opinion is different from that of the Senator from Michigan—inevitably that would be the result of the passage of Senate Joint Resolution 2 and the adoption of the constitutional amendment it proposes.

Mr. FERGUSON. Mr. President, I answer the Senator by saying that what he has just stated is a speculation which has been disproved by actual fact. The actual fact is that in 1948 when the South disagreed with the Democratic Party, some of the Southern States bolted the Democratic Party at the convention. Did they come over to the Republican Party? Oh, no, Mr. President. Instead, they formed their own party, a splinter party, the Dixiecrat Party. There is the fact; that is what happened.

Mr. President, anyone who is aware of the voting habits of the South must know that the Southern States are not going to join the other major political party. They demonstrated that beyond any question in the 1948 elections, when they formed a splinter party.

Mr. KEFAUVER. Does not the Senator believe it is a fact that the platforms and programs of both the major political parties are written, to a considerable extent, in order to attract the voters of the so-called pivotal States, and that, so far as relates to the South and certain other States which historically have gone either one way or the other, the platform writers and policy makers of the two major political parties in framing the platforms are not so much concerned with them as they are with the problems and conditions of special groups in the pivotal States? Is not that one of the reasons why the Republican Party has not made greater headway in the South?

Mr. FERGUSON. No; I do not think that is the reason, so far as the South is concerned. I think the Senator from Tennessee knows of a much better reason for the situation in the South.

Mr. KEFAUVER. Does not the Senator from Michigan agree, having worked intimately with the Republican National Committee, that usually the masterminds of the two political parties before the election separately decide which States are worth working for? In other words, they decide that certain States will go Democratic in any event, so that there is no use in doing anything in them, for instance, perhaps in Tennessee or South Carolina; while, on the other hand, the Democratic high command may think Georgia or Alabama will be Democratic in any event, so there is no use in putting on any election campaign in those States or in particularly considering their problems in connection with the writing of the platform. So the battlefield finally dwindles down to some 11 or 12 States where ordinarily the votes are close. Does not that occur?

Mr. FERGUSON. I think the Senator is correct in regard to the writing of the platforms, but I think it will be found that the platforms are written having in mind the centers of population and the centers of property, as well as individuals. If we are to continue to have a two-party system, then we shall have to do just what the parties have been doing in the past. If we are to develop the same philosophy that France has developed, then we will have the Central States with a platform and a party, the Eastern States with a platform and a party, the Southern States with a platform and a party, the far Western States, even the Mountain States, with their platform and their party; and then we shall have parties such as a farmers' party, a labor party, a business party; and the first thing we know we shall be electing a President of the United States with as little as 25 percent of the popular vote, because under this proposed elective system all a successful candidate will need will be a plurality of the votes; and the one who could rally the largest popular vote under such a split situation would become President of the United States.

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

Mr. FERGUSON. I yield.

Mr. KEFAUVER. I do not wish to infringe unduly upon the Senator's time by going into detail regarding the matter now under discussion. I expect to answer the Senator's argument later this afternoon.

But I wish to say that the strengthening of our presidential election system by having two real national, Nation-wide parties, is one of the principal reasons why I have been so much interested in the pending joint resolution.

I should like to call the Senator's attention to the fact that in most of the States, the governors and other State officials are elected on a plurality basis. Yet we have seen less development of so-called splinter parties or third parties or minority parties in the States of the Union than we have in the Federal Government under the electoral-college system. This leads the junior Senator from Tennessee to the conclusion that the people of the Nation believe in, appreciate the value of, and wish to sustain the two-party system, and are not going to support multiple parties, as have the French people. That is evidenced by the fact that throughout the United States there have been so few splinter parties in State elections.

However, if we ever develop a system whereby all sections of the country are considered by the two major political parties, then we shall have a strengthening, not a deterioration, of the two-party system.

Mr. FERGUSON. Mr. President, I cannot agree that that is the reason why the State elections have not led to the formation of splinter parties. I think a State is dominated by what occurs in the national scene. In each of the States the important election is the presidential election; it overshadows all other elections. The presidential election is very definitely the largest, most important election. Therefore, the parties line up behind the candidates for Senator and Representatives and the presidential candidate. That is what keeps the States from developing splinter parties, whereas the adoption of the proposed plurality counting method would have the opposite effect.

If southerners open the door to minority parties, they will not be able to confine party allegiance to the two major parties and to the Dixiecrat Party. Throughout the Nation today there are threats to our political system as a result of other parties which wish to take over. Splinter parties are already on the horizon. And nowhere is the ferment more active than in the South. Strong minorities are growing there. Open the door for them with Senate Joint Resolution 2, and radical parties will rise up to plague both major parties, if not to destroy the two-party system altogether.

The present electoral system forces radicals to temper their actions and work within the two-party system. Senate Joint Resolution 2 turns them loose and gives them a strong incentive to build their own strength. Then, by only a plurality requirement, it gives a radical

minority an easy chance to dominate the majority.

Let us consider, Mr. President, what Representative WRIGHT PATMAN said on this subject. He saw what was going to happen, and I wish to quote what he said. He is an outstanding student of American Government, and is one southerner who has seen this thing clearly. At page 181 of the Senate hearings, he has put his finger on the key by saying:

What attracted my attention about this resolution was not what was being said in its favor, but the failure of certain groups to express opposition to it. In other words, I wondered why the left-wingers or the communistic groups did not say something about it. I also wondered why the ultraconservative, reactionary, Fascist-minded groups did not express opposition to it. I concluded that possibly each minority group felt like it was a step in the direction of giving them an opportunity to elect a President. If this resolution is adopted and ratified by the States, it will be the most heartening news minority groups have received in a long time. It will then be possible for minority groups to be recognized by actually receiving electoral votes of their own, which has not been possible in the past.

THE "DISFRANCHISED VOTER" ARGUMENT

Sponsors of the resolution make much of the disfranchisement of voters under the present system. They speak of votes being lost, or counted for the opposition. But, under their resolution, a plurality winner may have only 40 percent or less of the electoral votes. What of the defeated majority, with 60 percent of the votes? Are their votes not lost, too, or considered as counted for the minority winner? As a matter of fact, I cannot become excited over the argument of lost votes. It seems to me to be only an appeal for popular support for the resolution, an appeal without real substance in reason and logic. In every election where there can be but a single winner, all votes cast for the losing candidates can be said to be lost. Sponsors of the resolution would merely transfer the lost votes so-called from the State to the national level. In truth, no votes are lost when validly cast in an election. They are counted toward whatever the final decision is, whether it be the unit of an electoral majority or the plurality of electoral votes, and if found insufficient to win, they have simply exhausted their power as votes.

This is well understood under the present system and accepted as a normal part of the political machinery, because an electoral majority is always necessary in order to win. But under the resolution, would minority voters be satisfied to lose if, together, they received 60 percent of the vote, while the plurality candidate took office with only 40 percent of the vote? Would they not claim that giving them a share in the electoral vote was equally inequitable, if this share became lost at the national level? Would they not clamor for more effective minority representation? This is where the whole idea of proportional representation arises under the resolution. Witnesses at the hearings did not claim that the resolution is itself an example of proportional representation. They did not have to be told humorously by

the sponsors that a single executive cannot be divided into proportional parts. But they claim that the sharing of electoral votes among candidates for President, in order to give each minority a voice, is the first step toward full proportional representation in the Congress and in the Government.

THE BEGINNINGS OF BLOC GOVERNMENT

Third parties, given the incentive of a chance to elect a President, will maintain their identity by putting up full slates for Congress. It is this which in the end will give us bloc government. Minorities, given a voice, will not be satisfied when their voice is canceled out or lost, as it would be under the proposed scheme. Their dissatisfaction will mount further, if a plurality winner receives only 40 percent of the total electoral vote. They will then demand full proportional representation in the Congress and on Government boards and commissions, just as the two major parties do now, because they are too strong to be ignored. We have certain laws now providing that the two major parties shall have representation on commissions and boards. If such a thing becomes possible under the law, and if it occurs, as it seems indicated it will, the demand will be that other minorities, and lesser minorities, have such representation. It is at this stage that proportional representation, as in France and other parts of Europe, is likely to flower from Senate Joint Resolution 2. And wherever proportional representation, so-called, is at work, government has been plagued, confused, and weakened. The existing system of counting electoral votes has avoided that. It has preserved the two-party system, by which Government has been held stable and responsible.

THE WEAKENING OF FEDERALISM

I see also in abandonment of the unit rule for recording electoral votes a decided weakening of the principle which created and held together the Federal Union, namely, the preservation of the independence of the States.

To be sure, the proposal of sharing electoral votes does not go so far as would direct election by popular vote, which would altogether wipe out State lines in Federal elections. But while the State's electoral votes are preserved in the new scheme, their allocations by proportions does represent a definite weakening of federalism. As I have indicated earlier, a requirement that a State's electoral votes be broken up by proportional allocation is nothing but a surrender of the State's sovereign rights over that bloc of votes.

A sharing of electoral votes would leave the small States smaller than ever in influence, and the large States greatly reduced in proportion. Nevada's influence, for instance, would be reduced from an assured electoral vote of three to a minute fraction, depending on the closeness of the popular vote. In 1948, Delaware's place in the electoral vote would have been a nullity. In Michigan, a typically close popular vote would reduce the State's electoral influence from 19 to a fraction of 1. To illustrate, a popular plurality of 50,000 in Michigan would result in the State's having a net influence

upon the electoral result of just one-half a vote. In other words, of a total popular vote of more than 2,000,000, Michigan, having gone one way by a majority of 50,000, would in effect have a vote in the electoral college of one-half vote only.

What does this do to the principle of giving populous States a voice comparable with their weight in population, taxation, and economic and social activity? I have remarked that some of the sponsors of Senate Joint Resolution 2 have indicated no hesitancy in their willingness to go the whole length toward direct popular Federal election. They have been held back only because of the practical impossibility of getting the idea approved by States which jealously guard their independent status. They want to take one step at a time, and Senate Joint Resolution 2 is a good step in the direction of obliteration of States lines, at a time when it seems obvious to all that the spread of Federal power at the expense of States is already far-reaching.

FEDERAL CONTROL OF ELECTIONS WOULD FOLLOW

This weakening of the States gives rise also to serious question of whether complete Federal control of elections might not legally and logically follow. Have those who believe in States' rights considered this question? For instance, if a candidate is to receive credit, by constitutional provision, for the proportion of popular votes cast for him, as provided by Senate Joint Resolution 2, could he not demand that in order to receive complete credit nationally, a State should be required to place his name on the ballot? The States now jealously guard their prerogative to control the ballot. But how can they maintain this position after they have accepted the idea that a candidate with popular votes is entitled to a share of electoral votes?

A candidate could make an unanswerable argument against any State law that would keep him off the ballot. He could say that the Constitution, as amended by Senate Joint Resolution 2, guaranteed him a share in electoral votes in proportion to his popular vote. But the election machinery of Illinois, or New York, or Mississippi is contrived to keep his name off the ballot, and thus to deprive him of his popular vote? That was done in 1949, in the case of Mr. Wallace, in the State of Illinois. This, in effect, would deprive him of his share of electoral votes which the Constitution, the highest law of the land, guarantees him. How can he be guaranteed a right by the Constitution and then be deprived of its fruits by State law? How can he be given a benefit and be deprived of the means to enjoy it? Under the present system, the States are masters in their own house. Under Senate Joint Resolution 2, State lines are wiped out. Elections for President become national operations with a candidate's rights guaranteed by the Constitution.

I feel certain the courts will say that if the Constitution guarantees a candidate a share in electoral votes proportionate to popular votes, he has to be given a chance to go into every State in search of popular votes, whatever State laws provide to the contrary. With arguments like this, the pressure

for Federal control of election laws will be irresistible.

Sponsors of the resolution declare they have no intention of altering State election laws, but how can they so confidently eliminate the future pressures which their resolution, in plain logic, is bound to generate. On the face of their own resolution, they are already altering State laws when they propose to force a division of electoral votes.

THE POSITION OF SENATOR NORRIS

Before I conclude, Mr. President, I would like to draw upon the testimony of one of the great advocates of electoral reform in the past. I refer to the late Senator George Norris, of Nebraska.

In the Seventy-third Congress, Senator Norris introduced Senate Joint Resolution 29. As introduced, that resolution was identical with Senate Joint Resolution 2 of the Eighty-first Congress, except that the latter provides, when there is a tie for the highest number of electoral votes, the candidate having the greatest popular vote will be declared elected. The Norris resolution also provided that where the votes cast in any State for any candidate amounted to less than 1 percent of the vote for President in that State, that candidate's votes would be disregarded in the counting. It will be noticed he was afraid of a so-called "splinter" party's going below even the 1 percent vote.

In particular, the resolutions are identical in their provision for a division of a State's electoral vote in proportion to popular vote, which is called a dominating feature of Senate Joint Resolution 2.

After consideration by the Judiciary Committee of the Seventy-third Congress, of which Senator Norris was the ranking minority member and former chairman, the Norris resolution was reported to the Senate, stripped of that provision for proportional counting of electoral votes. In other words, they took away from that resolution the real meat and it is sought to be reinstated in the pending resolution.

The version which was reported would have installed the so-called unit system of counting a State's electoral votes as a part of the Constitution. It introduced the novel feature of requiring that a candidate have only 35 percent of the electoral vote, instead of a majority, to be elected President. This is a refinement of the mere plurality requirements in the current resolution.

In other words, the late Senator Norris and those who were with him in sponsoring the resolution thought they might bring about a split into splinter parties so that a President could be elected with less than 35 percent of the electoral unit of votes.

In explaining this abandonment of the proportional voting scheme, the late Senator Norris said on the floor of the Senate on May 16, 1934:

The committee, after a great deal of discussion, concluded, I think with practical unanimity, that it would be unwise to permit a proportional vote to be cast according to the number of votes that a candidate received in a particular State. I myself became convinced that to permit the division of the vote of a State between different candidates in proportion to the total vote in

a Presidential contest would be injurious in the end.

Senator Norris went on further to say:

While I believe that is a sound position; that in theory it is perfect; and that we ought to have such a system; in the first place we could not get it adopted because, in my judgment, the States would never ratify it, and that was also the judgment of the committee.

This was George Norris warning the Senate and the people with regard to what he had proposed and what this joint resolution proposes. He said:

In the next place, it would be a very great inducement to fraud all over the country. Every fraudulent vote that was put into a ballot box in Philadelphia—

I do not know why he selected Philadelphia, but he said:

Every fraudulent vote that was put into a ballot box in Philadelphia would be counted in the selection of a President of the United States, whereas under present conditions its effect stops within the State of Pennsylvania.

In other words, he wanted the vote cast in a State to remain in the State and to speak only for the State, and not for the other States of the Union, and not to be able to dilute legitimate votes cast in another State.

I read further from what Senator Norris said:

If a State is one-sided in an election, as that State usually is, in the final result there would be no harm, but everywhere in the United States, if the proportional voting system were adopted, as this amendment originally provided, there would be an inducement to have cast as many fraudulent votes as possible.

NORRIS REPUDIATED PLURALITY AND PROPORTIONAL COUNTING PROPOSALS

The Norris resolution was further amended on the floor to require a majority, instead of 35 percent, of the electoral vote to elect a President.

Senator Robinson asked Senator Norris, who had offered this further amendment:

The Senator has become convinced it is better not to permit an election by popular vote of what may be termed a minority candidate?

Senator Norris replied, "That is true."

In short Mr. President, we have the testimony here of one of the great reform advocates of the past repudiating precisely the two points in Senate Joint Resolution 2 against which I have raised objection, namely plurality elections and proportional counting of electoral votes.

There, Mr. President, was an example of a truly liberal mind in operation. Senator Norris believed he saw the need for a fundamental reform. He proposed it. When its weaknesses were impressed upon him, he altered it. The significant thing is that the weaknesses which he came to recognize and which he withdrew were exactly the two great weaknesses of the Senate joint resolution which is now before the Senate.

SUMMARY

Mr. President, I mean no reflection upon the sincere purposes of those who sponsor Senate Joint Resolution 2, but advocates of reform suffer constantly from undernourished foresight. They are so taken with current evils and so

confident they have the specific cure, that they resolutely refuse to believe the reform—or what they propose as a reform—in other words, a change—will go beyond what they plan for it. They are sure it will stop exactly where they want it to stop.

In the case of Senate Joint Resolution 2, the sponsors believe there will be no more lost votes, and no consequences if lost votes are not made completely effective by full proportional representation. They believe a plurality requirement in place of a majority electoral vote will not produce minority Presidents. They see no rise of splinter factions and minority parties, although they provide direct and powerful incentives for the growth of such groups. They naively believe their proposal will open up the "solid" South only to Republicans and not to many minority parties outside the major parties, and will permit only the Democrats to share in Republican strongholds and not other parties. They believe that a further weakening of the Federal principle by Federal guaranties to candidates of a share in electoral votes will not lead to further Federal invasion of State election procedure. They feel that because they set up a very limited form of proportional representation, no drive to make it completely effective at the congressional and governmental level will ever materialize.

For my own part, Mr. President, I would not dream of changing the fundamental law of the land on the basis of any such optimistic speculation.

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

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

Mr. FERGUSON. I am happy to yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I should like to ask as to the effect of voting directly for the President and Vice President and counting the proportionate votes for each. With three or more candidates for office, it is very rarely the case that a third party would cast a majority of the votes.

Mr. FERGUSON. I would say it could have this effect: If a candidate had any strength at all in the various States he might make a sufficient number of electoral votes so that the third-party candidate and one of the others would actually have a majority of the electoral votes and elect a minority President. If we expand that to four or five candidates, which was the case in one of our past elections, the vote might be thrown to a minority President. Mr. Wilson was a minority President.

Mr. MALONE. One further question. Has there been an analysis made of the history of the votes for Presidents to indicate how often that might have happened, in other words, throwing the election to a candidate who would not otherwise have been elected?

Mr. FERGUSON. I believe the distinguished Senator from Massachusetts [Mr. LODGE] has already put that information into the RECORD. Here is the answer which is given by the sponsors in

that connection: We cannot go according to past elections, because there would be a change in the habit of the voting population by virtue of this joint resolution if the constitutional amendment it proposes should finally be adopted.

If we were to apply the proposed amendment, as I have stated, to the State of Michigan, it would be found that the State of Michigan cast more than 2,000,000 votes. The Republican Party won the election in 1948 by a majority of approximately 50,000 votes. Michigan has 17 Representatives and 2 Senators. There would be $9\frac{1}{4}$ electoral votes for the Democratic candidate, Mr. Truman, and $9\frac{3}{4}$ electoral votes for the Republican candidate, Mr. Dewey; in other words, there would be a variation of half a vote.

Let us take some of the Southern States. There we find a variation of eight or nine votes, or only slightly less than whatever their number of electoral votes may be, because the election is one-sided. The claim is made that all we, as Republicans, have to do is to go to the South, campaign there, and build up the Republican Party.

Mr. MALONE. I thank the Senator from Michigan for his answer.

Mr. LODGE. Mr. President, will the Senator from Michigan yield?

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

Mr. FERGUSON. I yield.

Mr. LODGE. Has the Senator completed his remarks?

Mr. FERGUSON. I have.

Mr. LODGE. I should like to ask the Senator five or six questions.

Mr. FERGUSON. I shall be glad to have the Senator ask them.

Mr. LODGE. The Senator does not think, does he, that it is a bad thing to have a President elected by a plurality?

Mr. FERGUSON. I do think it is a bad thing.

Mr. LODGE. Does the Senator think it was bad that Abraham Lincoln was elected, although he received only 39 percent of the popular vote?

Mr. FERGUSON. I think it is better for a candidate to receive a majority.

Mr. LODGE. Does the Senator think it was a bad thing that 12 Presidents in our history, including Wilson, Cleveland, Harrison, Garfield, and Truman, were elected by a plurality of the popular vote?

Mr. FERGUSON. I still think it was a bad thing. I think it would have been much better if they had received a majority. As the Senator has said, Abraham Lincoln was elected with only 39 percent of the popular vote. The Senator can see how a third, fourth, or fifth party can put up a candidate and elect a President when only 25 percent of the people want him as President and 75 percent do not want him.

Mr. LODGE. If 25 percent of the American people want to be Socialists, 25 percent want to be Democrats, 25 percent want to be Republicans, and 25 percent want to be Communists, does the Senator think there is any law or any

constitutional amendment that can stop them from taking those positions if they desire to do so?

Mr. FERGUSON. No; but I hope we can guard against exploitation by a determined, compact minority. Where there is a two-party system, and those in one party range in their political views from one extreme to the other, and those in the other party, which is the majority party, we will say, also represent a wide range of thought, it is much better to have people working in the party, follow the platform of the party, so that there can be party responsibility, than it is to have them broken down into various splinters and have them become independent, and, therefore, have no party responsibility whatever. I say that if the desire is to increase the Socialist vote in America, or to have the Socialist Party become a strong party, or if the desire is to have the Communists become a strong party, and not be trying to infiltrate into the other parties, the kind of proportional representation proposed by the joint resolution would bring about such a condition.

Mr. LODGE. There is no Senator here who is less anxious to build up the Socialist Party or the Communist Party than is the junior Senator from Massachusetts.

Mr. FERGUSON. I realize that.

Mr. LODGE. It is precisely for that reason that I am one of those proposing this amendment to the Constitution, because I think such a constitutional amendment would enhance and invigorate the two-party system, and reduce the influence of splinter parties, which in the last election threw the whole State of New York to Mr. Dewey, although he did not have a majority of the popular vote. But I shall debate that later.

Mr. FERGUSON. I can understand why the Senator feels that Mr. Dewey, for example, not having a majority of the popular vote, should not have had the electoral votes of New York. I can understand that, but cannot agree with it.

Mr. LODGE. I am not objecting to Mr. Dewey getting any votes. I am objecting to Henry Wallace having as much influence as he had in the last election, and I contend that the proposed system would cut him right down to size.

Mr. FERGUSON. I believe that Mr. Wallace would have become a permanent fixture in the United States, so far as elections were concerned, if the proposed system had been in effect.

Mr. LODGE. I think he would have evaporated much more quickly if the proposed system had been in effect, because in that campaign his ability to determine the outcome gave him his power and influence, and the pending proposal would reduce the power and influence of any third party.

Mr. FERGUSON. I feel just the opposite would be the result.

Mr. LODGE. I should like to ask the Senator a question about the amendment he proposes. Does not his amendment write the all-or-nothing-rule system into the Constitution, where it now does not exist?

Mr. FERGUSON. Yes; that is correct.

Mr. LODGE. Would not that change the State election laws? I heard the Senator objecting to changing State election laws. Would not that amendment require a tremendous change in State elections laws?

Mr. FERGUSON. No.

Mr. LODGE. It seems to me that if that were in the Constitution, the States would have to change their election laws to conform with the unit-rule system, which is not now in the Constitution.

Mr. FERGUSON. But it is the practice, the unit rule has been the practice.

Mr. LODGE. But it is not in the Constitution.

Mr. FERGUSON. No.

Mr. LODGE. If the Senator is so solicitous about not requiring the States to change their laws, I should think he would not make a proposal such as he has suggested, which would impose an additional Federal obligation on the States.

Mr. FERGUSON. I do not understand that it would require any change in State laws. It has been the system, proven in practice.

Mr. LODGE. The practice.

Mr. FERGUSON. It has been the practice, and it therefore involves no unforeseeable consequences.

Mr. LODGE. The Senator's amendment provides that Congress, voting individually, would settle elections in which no candidate received a majority.

Mr. FERGUSON. That is correct.

Mr. LODGE. Would the Senator have the Members of Congress pledged?

Mr. FERGUSON. No.

Mr. LODGE. Would they vote their own personal ideas?

Mr. FERGUSON. There would undoubtedly be a plank in the platform of the Republican Party, or the Democratic Party, or of whatever party to which the Members of Congress belonged, that they would vote, if ever required to vote in the Senate and the House in a joint session, for the President nominated on the particular ticket upon which they were elected.

Mr. LODGE. So that if a Democratic President and a Republican Congress were elected in the same election, then the Senator would have the Republican Congress choosing a Republican, although he had not received as many votes as the other candidate.

Mr. FERGUSON. Yes; and I think that would be a good thing, because the people would have spoken, through their respective districts, and in case of a minority and not a majority, the Congress would name the President, because that would represent the popular vote.

Mr. LODGE. But the same voters will often vote for the candidate of one party for President, for the candidate of another party for Senator, and if a Senator were given the right to vote as he desired, that would be running exactly counter to what the citizen might want, taking the whole presidential election away from him, setting up a new body to decide presidential elections, completely removed from the popular will.

Mr. FERGUSON. I merely wish to say that those who vote for a different candidate for President than the one for whom they vote to be Senator they do not understand the American system of Government. It is no reflection upon them, but they do not understand they are confusing any prospect for action on issues.

Mr. LODGE. There are many Senators on this floor—of whom I happen to be one, and I daresay the Senator from Michigan is another—who were elected to the Senate at the same election when a Democratic President was also being elected, and I shall never admit that the people who elected me did not understand the American system.

Mr. FERGUSON. The Senator from Michigan was not elected in the State of Michigan when a Democratic President was elected, but that is beside the point.

Mr. LODGE. The Senator from Massachusetts was elected by the voters of Massachusetts in 1936, when a Democratic President was being elected, and it seemed to the Senator from Massachusetts, and apparently seemed to a plurality of the voters in Massachusetts, that that was a perfectly American and a perfectly consistent thing to do.

Mr. FERGUSON. Does not the Senator also think that the people really intended to elect a Republican, and that they wanted him in the Congress?

Mr. LODGE. They intended to elect a Democratic President. Franklin D. Roosevelt carried the State, according to my recollection, by 170,000, whereas I carried it by 140,000. There were 310,000 people who voted for a Democratic President and a Republican Senator. Why is not that perfectly American?

Mr. FERGUSON. It is perfectly all right, if that State desires a Republican Senator and a Democratic President. That is perfectly all right.

Mr. LODGE. Under the Senator's amendment, if the Congress settled the result of the presidential election, there would be a Republican Senator bound by the Senator's own system to vote for a Republican candidate for President, even though the people had voted the other way.

Mr. MALONE. Mr. President, I should like to ask the Senator from Massachusetts a question.

Mr. LODGE. I shall be glad to reply.

Mr. MALONE. As I understand the system the Senator has advocated under his joint resolution, it would take away any possibility of a State voting as a unit. In other words, the electors who vote for a Democratic President or a Republican President join with the electors of other States to make up the majority or the minority, whatever it may happen to be, for the respective person for whom they vote. In other words, there would be no such thing, from then on, as a State voting as a body for a President.

Mr. LODGE. If the people of a State vote unanimously for a certain candidate for President, that candidate gets all the electoral votes of the State. But if 80 percent vote for one candidate and 20 percent vote for another, then candidate A gets 80 percent of the electoral

vote and candidate B gets 20 percent of the electoral vote.

Mr. MALONE. I was merely seeking to call attention to what the Senator had in his mind when he introduced this principle. Of course, when we elect the governor of a State, or elect a Senator or a Representative, he is elected by a majority of the people of a State.

Mr. LODGE. Usually a plurality. Election by a plurality is the usual rule in American electors for Senators, Governors, mayors, and most other officers.

Mr. MALONE. Of course, choice by majority is the rule.

Mr. LODGE. No; choice by plurality is the rule.

Mr. MALONE. Sometimes there are three candidates for governor in a State, but where there are two, as there usually are, a Democratic and a Republican candidate, the one who gets the largest number of votes is elected.

Mr. LODGE. That would be true in any system when there are simply two candidates. In such case there is certain to be a majority for one candidate. It is when there are three or more candidates that there begin to be pluralities.

Mr. MALONE. That is true. What I intended to have the Senator from Massachusetts clarify, but we were slightly diverted from it is the point that adoption of the amendment would take away from the State the opportunity of expressing itself as a State through a majority.

Mr. LODGE. No. The State would express itself if a majority of the voters of the State voted a certain way. That fact would receive accurate expression in the electoral vote. But the unit rule is done away with. That is correct. If the State has 10 electoral votes, and 60 percent of the vote of the State were to go to candidate A and 40 percent to candidate B, then candidate A would receive 6 electoral votes and candidate B would receive 4 electoral votes. All 10 would not go to candidate A.

Mr. MALONE. Then the first statement the Junior Senator from Massachusetts made is not correct. The last statement is correct. The last statement is that if there are two candidates for President, and one of them receives 30 percent of the vote, we will say, that percentage of the vote is counted for him.

Mr. LODGE. Yes.

Mr. MALONE. And there is no such thing as unanimity in a State's vote for President.

Mr. LODGE. The unit rule of all or nothing is done away with; that is correct unless, of course, the voters of a State cast their ballots unanimously for one candidate.

INVOCATION OF EMERGENCY PROVISIONS OF LABOR-MANAGEMENT RELATIONS ACT

Mr. BYRD. Mr. President, John L. Lewis is playing with the President and the American people as a cat plays with a mouse. One day he pounces upon us and allows no soft-coal production at all. The next day he releases his grasp slightly and allows limited production to

trickle through. Then he pounces again with all fours.

By these tactics he is menacing the general welfare of the American people in the dead of winter. The national emergency which he has precipitated may be summed up by the following facts:

The normal over-all coal supply above the ground is 50,000,000 tons.

The supply above the ground today is about 20,000,000 tons.

In the most recent 2 weeks' period Lewis has allowed the production of 12,500,000 tons.

In the same period consumption has totaled 22,500,000 tons.

Consumption is outrunning production at the rate of a net loss of from 500,000 to 700,000 tons a day.

At the present rate of production and consumption all reserves would be consumed in about a month.

While the over-all reserves, if equally distributed, would be enough to last for a month, assuming the present rate of production, they would last about 2 weeks if production should be completely stopped. Yet, the reserve in the hands of the retailers is only about 1,000,000 tons and, if equally distributed, would supply the country for 2½ days. With cold weather now forecast throughout the East as well as the North and West, we may easily have a critical situation in a period of hours.

Such reserves as remain are so scattered that human suffering will be extensive long before the reserves are completely exhausted.

The Interstate Commerce Commission on December 23 found, as a result of the coal shortage, that the ability of the railroads to perform their service and duties in the interest of the public and the commerce of the people is seriously threatened.

Subsequently, on January 4, the Interstate Commerce Commission found that an emergency exists requiring immediate action—with respect to curtailment of railroad operations—in all sections of the country.

This curtailment of rail transportation has already affected the dispatch of the United States mail.

It is obvious to all that if the Lewis tactics are allowed to continue steam operations on railroads, other vital industries, power plants, and so forth, will be brought to a virtual standstill within a relatively few days.

The shortage of fuel in the worst of the winter months would extend to the homes and domestic routines of millions of families, and the shortage of fuel and power will extend even to hospitals and other institutions vital not only to the general welfare but literally to the health of the Nation as well.

The existence of an emergency has been recognized by National Labor Relations Board Counsel Denham, who has proceeded in the only way he could by requesting the court action in the situation from the standpoint that Lewis is engaging in an unfair labor practice.

Denham is to be commended for the courage he displayed in the absence of any manifest interest by the President.

But even if his move is a proper one under the law, it is likely the suffering will be deadly before action can be taken under the ordinarily slow processes of Federal courts.

In the face of all this, the President has said no emergency exists, and still stubbornly refuses to take the immediate action that only the President can take.

Director of the Bureau of Mines, Dr. James Boyd, differs with the President as to whether an emergency in coal exists. In testifying before the Senate Labor Committee on January 25, Dr. Boyd said:

Unless there is an immediate resumption of substantially increased coal production the national economy, health, and welfare is now or soon will be imperiled.

Under the circumstances, to delay declaration of a national emergency until the last lump of coal is burned might be politically expedient, but humanely it certainly would be an anticlimax.

Something has changed the mind of the President about when an emergency in coal shortage exists.

In an Executive order of March 23, 1948, issued by the President as a result of a Lewis strike, the President found that it was "affecting a substantial part of an industry engaged in trade and commerce among the several States and with foreign nations, and in the production of goods and commerce, which strike, if permitted to continue, will imperil the national health and safety."

That is what Mr. Truman said on March 23, 1948.

When the President made that finding there were 45,000,000 tons of coal above the ground. Now there are little more than 20,000,000 tons. Then he set up a commission to determine the facts preliminary to action under the national-emergency provisions of the Taft-Hartley Act. Today no commission has been established and the President has said he did not think anything was needed.

On April 3, 1948, the commission confirmed the President's views, the President ordered the Attorney General to seek an injunction to stop the strike, and the injunction was granted—all in the same day. That is how serious the emergency was at that time. On that day in April 1948, when the worst of the winter was over, there were 40,000,000 tons of coal above ground. Today, with the worst of the winter ahead, there is little more than 20,000,000 tons above the ground.

Despite the statement attributed to the President that he had never used the Taft-Hartley Act, an official compilation by the Library of Congress shows that he has invoked the act on seven different occasions, as follows:

First. Atomic energy dispute, March 1948.

Second. Meat-packers dispute, March 1948.

Third. First bituminous-coal dispute, March 1948.

Fourth. Long-line-telephone dispute, May 1948.

Fifth. Maritime dispute, June 1948.

Sixth. Second bituminous-coal dispute, June 1948.

Seventh. Longshoremen's dispute, August 1948.

Perhaps the President was erroneously quoted. Perhaps the statement was inadvertent. But, in any event, the fact that he has not used the Taft-Hartley Act since August 1948 is significant.

Whether or not it is due to some secret election campaign agreement with labor leaders, implied or otherwise, it is a fact that the President has not invoked the Taft-Hartley Act since his active campaigning for reelection in 1948 really started.

Under our constitutional form of government, the Congress makes the laws and the President must execute them, and any President who refuses to enforce the law as enacted by Congress is undermining the constitutional processes of our Government.

The Taft-Hartley Act imposes upon the President the constitutional duty of invoking the national emergency provisions of that law when he finds there is a national emergency.

It is a matter of record that responsible agencies and officials of the Government have officially found that a national emergency has arisen by virtue of the intolerable behavior of one labor leader who has time and time again set himself above the Government of the United States.

Everybody in the country except the President and the labor leaders knows that a national emergency exists.

The Supreme Court of the land has upheld the action taken as a result of the President's previous invocation of the Taft-Hartley Act against Lewis.

Under the circumstances, I am submitting a resolution stating officially that the Senate of the United States knows an emergency exists, and that it is calling upon the President to perform his constitutional duty in behalf of the people of the Nation.

This is a Senate resolution, which, under the rules of the Senate, I request to lie on the table. This means that the Senate, by a majority vote, can take up such a resolution for consideration. The fact that action on the joint resolution recently introduced by the Senator from Ohio [Mr. TAFT] and other Senators, for the purpose of declaring that an emergency in the coal supply exists was indefinitely postponed by the Labor Committee, warrants the submission of a Senate resolution, which can be taken up quickly without reference to committee.

The adoption by the Senate of a resolution that an emergency does exist, while without legal effect, will have a profound influence as expressing the majority sentiment and judgment of the Members of the United States Senate.

Mr. President, I ask unanimous consent to submit the resolution, which I ask to be printed and lie on the table, and to be printed in the body of the RECORD.

There being no objection, the resolution (S. Res. 221) was received and ordered to lie on the table, as follows:

Whereas the President of the United States on March 23, 1948, signed Executive Order 9839 creating an emergency board under the Labor-Management Relations Act,

1947, in connection with the strike in the bituminous coal-mining industry taking place at that time; and

Whereas stocks of bituminous coal as of March 23, 1948, were approximately 45,000,000 tons of coal based on official Bureau of Mines figures, representing approximately 31 days' forward supply; and

Whereas stocks of bituminous coal today are approximately 20,000,000 tons based on best available Bureau of Mines figures, representing only a few days' forward supply; and

Whereas the present serious shortage of bituminous coal has already been recognized by public bodies, including the Interstate Commerce Commission, which has restricted coal-burning passenger service locomotive mileage by 33 1/4 percent; and

Whereas Dr. James Boyd, Director, Bureau of Mines, United States Department of the Interior, nearly a week ago, on January 25, 1950, testifying before the Senate Committee on Labor and Public Welfare, said: "Unless there is an immediate resumption of substantially increased coal production the national economy, health, and welfare is now or soon will be imperiled"; and

Whereas the President has effectively invoked the national emergency provisions of the Labor-Management Relations Act, 1947, in seven instances as follows: Atomic energy dispute, March 1948; meat packers dispute, March 1948; first bituminous-coal dispute, March 1948; long-line telephone dispute, May 1948; maritime dispute, June 1948; second bituminous-coal dispute, June 1948; and longshoremen's dispute, August 1948: Therefore be it

Resolved, That it is the sense of the Senate that the President of the United States shall invoke the national-emergency provisions (secs. 206-210, inclusive) of the Labor-Management Relations Act, 1947, in the current strike in the coal industry.

STATEMENT BY SENATOR MORSE ON THE EQUAL-RIGHTS AMENDMENT

Mr. SMITH of New Jersey obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield to me for 1 or 2 minutes so I may make a brief statement, and ask to have several insertions made in the RECORD?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, since the Senate has acted on the joint resolution proposing the so-called equal-rights amendment to the Constitution, I do not wish to take the time of the Senate to discuss the subject now, but I do wish to make clear that, while entertaining doubts regarding the legal effect of the proposal, nevertheless, I favor submitting it to the State legislatures for consideration.

Mr. President, I was absent from the Senate on official business last Wednesday, January 25, when the vote was taken on Senate Joint Resolution 25, the resolution proposing a constitutional amendment declaring that "equality of rights under the law shall not be denied or abridged on account of sex." If present, however, I would have voted in favor of submitting the proposed amendment to the States, in view of the fact that both party platforms have declared in favor of that step and in view of the rejection of the substitute measure, proposing a commission to study and report on the nature and extent of discriminations based on sex and declaring it to be the national policy that there should be no

distinctions based on sex "except such as are reasonably justified by differences in physical structure, or by maternal function."

Eminent jurists and lawyers have raised serious questions about the amendment. Thus, a group of them, including deans and professors of law of 21 leading law schools, has endorsed a statement which in part reads as follows:

If anything about this proposed amendment is clear, it is that it would transform every provision of law concerning women into a constitutional issue to be ultimately resolved by the Supreme Court of the United States. Every statutory and common-law provision dealing with the manifold relation of women in society would be forced to run the gauntlet of attack on constitutional grounds. The range of such potential litigation is too great to be readily foreseen, but it would certainly embrace such diverse legal provisions as those relating to a widow's allowance, the obligation of family support and grounds for divorce, the age of majority, and the right of annulment of marriages, and the maximum hours of labor for women in protected industries.

Not only is the range of the amendment of indefinite extent but, even more important, the fate of all this varied legislation would be left highly uncertain in the face of judicial review. Presumably the amendment would set up a constitutional yardstick of absolute equality between men and women in all legal relationships. A more flexible view, permitting reasonable differentiation, can hardly be regarded as the object of the proposal, since the fourteenth amendment has long provided that no State shall deny to any person the equal protection of the laws, and that amendment permits reasonable classifications while prohibiting arbitrary legal discrimination. If it were intended to give the courts the authority to pass upon the propriety of distinctions, benefits, and duties as between men and women, no new guidance is given to the courts, and this entire subject, one of unusual complexity, would be left to the unpredictable judgments of courts in the form of constitutional decisions.

This statement, after briefly examining the impact of the amendment, concludes that:

The basic fallacy in the proposed amendment is that it attempts to deal with complicated and highly concrete problems arising out of a diversity of human relationships in terms of a single and simple abstraction. This abstraction is undoubtedly a worthy ideal for mobilizing legislative forces in order to remedy particular deficiencies in the law. But as a constitutional standard, it is hopelessly inept. That the proposed equal-rights amendment would open up an era of regrettable consequences for the legal status of women in this country is highly probable. That it would open up a period of extreme confusion in constitutional law is a certainty.

Because of these serious legal questions, it seemed to me that the next logical step in the struggle to eliminate unmoded, unfair, and unnecessary discriminations based on sex was to conduct a detailed study, on the basis of which the Congress and the legislatures of the States could take informed action. For that reason, I joined in sponsoring in this Congress the so-called status bill, Senate bill 1430, the substance of which was offered but rejected as a substitute for Senate Joint Resolution 25.

The Senate adopted the amendment offered by the senior Senator from Arizona [Mr. HAYDEN], providing that

"rights, benefits, or exemptions now or hereafter conferred by law upon persons of the female sex" shall not be impaired by reason of the earlier declaration in the amendment that equality of rights under the law shall not be denied or abridged on account of sex. I felt that these two propositions were, in large part, contradictory; and therefore I recorded my position against the so-called Hayden amendment.

An editorial in the Washington Post for Sunday, January 29, sums up the matter thus:

EQUAL RIGHTS

Although the Senate has approved the proposed constitutional amendment to give women equality of rights under the law, the vote was far from a victory for the advocates of the equal-rights amendment. On the contrary, it was a qualified victory for the many outstanding women's organizations that have made a splendid fight against it. For by amending the proposed constitutional amendment so as not to impair any rights, benefits, or exemptions conferred by law upon persons of the female sex, the Senate has made it comparatively innocuous and rather meaningless. At the same time it has alienated those forthright supporters of the original amendment who want to sweep away all laws intended for the protection of the weaker sex and put women on a basis of absolute equality with men under the law. Since the amendment in its present form is unacceptable to many of the equal-rights advocates, and since the amendment in any form would antagonize many of the States, we conclude that the chances of its eventual ratification are negligible.

As we have repeatedly pointed out, and as Senator LEHMAN said in course of the debate on the pending amendment, discrimination against women growing out of prejudice or custom can never be abolished by constitutional mandate. Moreover, attempts to compel the States to modify discriminatory laws would create endless litigation and legal confusion. That is why we have favored passage of the women's status bill, which declares that the policy of the Federal Government shall be to abolish distinctions based on sex, except such as are reasonably justified by differences in physical structure or by maternal function. That bill also calls for a presidential commission to study the problem and make recommendations for any required changes in Federal and State laws. The States would remain free to accept or reject such recommendations, but in our opinion that would be much more amenable to suggestions than to efforts to compel compliance with a constitutional mandate affording no practicable guide to purposive action.

We hope that the fight for the equal-status bill will be carried on with increased vigor. For it provides a practicable and reasonable method of dealing with the problem of legal discrimination without jeopardizing the efficacy of protective social and economic legislation essential for the protection of women in industry and in the home.

Mr. President, in closing let me say that it is my hope that the States, if the House should join in Senate Joint Resolution 25, will carefully study the probable effect of the amendment. As an aid to that consideration, I believe it would be wise to enact Senate bill 1430, the status bill, so that the Congress and the States may be fully informed on this subject.

I thank my good friend, the Senator from New Jersey, for permitting me to make this statement at this time.

PROPOSED CHANGE IN METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT

The Senate resumed the consideration of the resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President.

Mr. SMITH of New Jersey. Mr. President, I propose to resume the discussion of the unfinished business, Senate Joint Resolution 2, the joint resolution proposing an amendment to the Constitution of the United States relative to the election of President and Vice President.

Mr. President, this subject is a very important one. The issues presented in this debate have confronted the United States ever since the time of its founding and the establishment of its method of electing a President and Vice President through the use of the electoral college.

When the time comes to vote on the amendment under our constitutional processes, I wish it were possible for all the people of the country to have the benefit of the splendid presentation made to the Senate by our distinguished colleague the Senator from Massachusetts [Mr. LODGE] when he opened this debate, and also to have the benefit of the splendid presentation on the other side of the question made by our colleague the Senator from Michigan [Mr. FERGUSON].

In connection with the effort to solve these problems, no one would presume to state dogmatically what would happen under a given set of circumstances. Inevitably, if we are suggesting a change in the process of electing the President and Vice President of the United States, we shall differ in our views in regard to what will be the effect of the proposed change, and no one can be sure exactly how the people will react to the proposals if put into effect.

But, Mr. President, I shall try to present an orderly statement of what I feel is the main issue in this matter, which has brought me to the conclusion that I should support Senate Joint Resolution 2.

Mr. President, the able Senator from Massachusetts already has stated his reasons for introducing the pending joint resolution. He has done so in an admirable and comprehensive statement, based upon years of intensive study—and in that connection I emphasize the word "years."

I may say, Mr. President, that I have been connected with Princeton University for some time, and the subject now before us has been considered by the university's department of politics. Although there are differing views, I think I am safe in saying that at least those in our institution who have studied this matter feel that this is the most practical approach which has been suggested in a great many years in regard to improving what we feel are the deficiencies in our present use of the electoral college.

I also call attention to the fact, as the RECORD shows, and as the Senator from Massachusetts pointed out, that the Brookings Institution, which is a research institution, as all of us know, came to a similar conclusion, and felt that the pending proposal was the best practical suggestion which had been made for im-

proving some of the defects in our present system.

So I have no apologies to make for supporting the joint resolution, although I give great credit to, and have great respect for, the judgment of such distinguished colleagues of mine as the Senator from Michigan, who has just made such an able presentation.

Mr. President, without going into great detail myself, I simply wish to indicate why I have become an enthusiastic co-sponsor of this measure, and I should like to emphasize certain aspects of it which seem to me to be of overriding importance.

I wish to say here that the Senator from Michigan seems to be concerned that the adoption of this new procedure will break down our two-party system. I say without reservation that if I thought there were any danger of that; I would be opposed to the joint resolution. I think that nothing in the United States of America is more important than our two-party system.

Our present system of presidential elections is based partly on the Constitution and partly on a great historical development which took place outside the Constitution, namely, the rise of the American two-party system. I shall try to indicate that I believe the proposed constitutional amendment will strengthen, not weaken, the two-party system.

It is well known that the two-party system was entirely unforeseen by the founding fathers; indeed, Washington and others of our early leaders repeatedly warned against what they considered the baneful growth of factions in the body politic. Washington even went so far as to be afraid of a two-party system; but, above all, he did not want factions in the body politic. Nevertheless, our young Republic was immediately faced with the practical problem of organizing our political activity in such a way as to give expression to conflicting interests without allowing those interests to throw us into a state of anarchy. The practical solution which we found to this problem was the great two-party system, which we have had almost throughout our history, and which we still cherish today.

Mr. President, this two-party system, which grew up within the broad terms of our Constitution, is an essential part of our priceless American heritage of freedom. As we have progressed from a limited suffrage to our present principle of universal adult suffrage, this system has afforded us a mechanism through which every citizen can express his voice—let me emphasize that point—and can exert his personal weight and influence, in a practical way, on the public affairs of his community, his State, and his Nation. It has meant that a channel was always open, through the minority party, for the free and effective expression of opposition. The two-party system is the heart of the organization of our democratic process.

Yet there is one respect in which the practices of this system have tended to nullify the system itself. I refer to the unit rule, under which all the electoral votes of each State are awarded to the Presidential candidate winning a plural-

ity of the votes in the State. In my opinion, the abolition of this unit rule is the outstanding merit of the constitutional amendment proposed by Senate Joint Resolution 2.

Of course, I should point out that the distinguished Senator from Michigan takes issue at that point. That is the one thing the Senator from Michigan does not want to see happen, namely, the abolition of the unit rule.

It is not difficult to understand how the unit rule came into being. Political parties, like businesses, are in competition with each other. We all know how in industry, competition often tends to destroy itself, as one contending party succeeds in establishing a monopoly. We have long recognized that monopolistic practices are contrary to the public interest, and we have developed anti-trust laws to hold them in check.

The unit rule in presidential elections is essentially a monopolistic rule. Our parties early discovered the convenience of offering in each State a single slate of electors, pledged to vote in the electoral college for the party's presidential candidate. Under this system, the whole party slate either wins or loses, and the electoral vote of the whole State goes to either one candidate or the other; it is never divided between the candidates, no matter how close the popular vote for President in the State may be.

The result is that in any State where one party holds a clear and certain majority, this rule completely nullifies the party contest for the Presidency. It creates a presidential monopoly for the majority party in that State. So in all the States—some of them predominantly Republican, some of them predominantly Democratic—the competitive two-party system has virtually ceased to exist.

The Senator from Massachusetts has already ably indicated the evil effects of this situation. He has stressed the stay-at-home attitude of voters in the safe States, who know very well that the Presidential election result is a foregone conclusion which their votes cannot change. He has noted that party activity during Presidential campaigns in these States is practically nil. He has noted that the Presidential candidates themselves are never nominated from these States and never bother to visit them during campaigns. The picture in these States is one of complete apathy and indifference. The people of these safe States stand completely outside the process of electing a President, although the President represents them as well as all the other people of the country. They are fast becoming what may be called political backwaters, areas of political stagnation. I submit that in this age, when democracy is at stake throughout the world, such a development is profoundly serious. Let me note in passing, it is my judgment that this situation has much to do with the small percentage of votes in relation to the number of those eligible to vote. We found in elections over a number of years that that was true. In the elections of 1948, 90,000,000 people were eligible to vote, only 45,000,000 of whom actually voted. The actual percentage was

something like 49.5 of the total number of people eligible to vote. In my judgment, that is partly due to the fact that we have the division of so-called safe States, States in which people think their votes will not make any difference. It is my feeling that Senate Joint Resolution 2 proposes an amendment which goes directly to the heart of this evil. Just as our antitrust laws recognize that the people cannot afford to tolerate the economic stagnation of business monopolies, so this amendment would recognize that our free American people cannot afford the political stagnation of party monopolies in any of our States. It would open up the whole length and breadth of the United States to the healthy competition of our two great political parties. No longer would it be possible for a safe State to deliver its due number of electoral votes to one Presidential candidate without a single important campaign speech in favor of either candidate having been made in that State. No longer would a Presidential election day come and go in these States without causing even a ripple of interest among the voters. Even if the strength of the minority party in such a State were only 10 percent, that 10 percent would be worth contending for because it would be reflected in the final outcome. Our Presidential campaigns, instead of being concentrated in a few pivotal States, would be spread throughout the country, turning areas of stagnation into areas of real vitality.

We all know as a practical matter—and I served on the Republican National Committee for a time, so I know the practical side of this question—that before an election, we think in terms of States which are the ones in which it is most worth while to put forth our efforts. There are certain States we cannot get, anyway, so why waste time and money on them? Consequently, the people of those States are left out of the picture so far as active interest in the campaign is concerned, and it is little wonder they do not go to the polls.

I feel so strongly on the question of a larger percentage of our people voting in elections that I have even considered the possibility of exploring legislation which has been enacted in certain countries, of which I think Australia is one, where either an incentive to vote is provided by law, or a penalty for not voting is provided by law. I merely say in passing, if I am correct in my figures, Australia has raised its percentage of people voting from somewhere in the low fifties to between 85 and 90 percent, since the enactment of the law, and the people of Australia feel that they have improved the democratic processes.

But let me emphasize that the abolition of the unit rule would improve our electoral process not only in the so-called sure States, but in every State of the Union. The inequities of the present system are well known. It entirely fails to register minority sentiment in any State, and instead gives the leading candidate the votes not only of his own supporters but of his opponents as well. That is the effect of the present system. It enables third parties, by turning the balance of power in close

States, to exercise an influence out of all proportion to their strength, and even to decide the outcome of the election. My friend, the Senator from Michigan, made the point that we would probably be giving incentives to third parties and fourth parties and other minority groups to come forward and make trouble. I feel that under the present system minorities become strong enough in pivotal States frequently to swing an election, when they should not have that exaggerated power. And this distortion of the will of the people confronts us with the danger of electing a minority President who received fewer popular votes than his opponent.

There is not a doubt in my mind that a system containing all these inequities and dangers should be changed. But the question remains whether the pending measure which I am supporting offers the best solution.

There are some—notably the Senator from North Dakota [Mr. LANGER], and the Senator from Minnesota [Mr. HUMPHREY] has also offered an amendment on the subject—who suggest that the best cure is to go all the way to election of the President and Vice President by direct popular vote. This solution would eliminate not only the electoral college and the unit rule, but the whole system of electoral votes as well. I do not share the view that that is the proper approach.

Direct popular election of the President is an appealing idea from a theoretical point of view, but I cannot accept it because I believe it does unnecessary violence to the Constitution. The electoral votes of each State correspond exactly to the State's representation in the two Houses of Congress. Since this includes two Senators regardless of population, the effect is to give a disproportionate strength to the less populous States. But, Mr. President, this effect was the deliberate intention of the framers of the Constitution, who wanted a truly Federal Constitution. It seems directly from the great compromise by which all the States were given equal representation in the Senate. It was this compromise which actually saved the Federal Convention of 1787 and made possible the adoption of the Constitution. Without it, quite possibly we would never have become a single nation. I therefore suggest that it is the part of wisdom and also the part of sound principle under our Federal system, to leave this traditional principle intact. I agree therefore with the distinguished Senator from Michigan in his emphasis on that particular point. I think he is entirely correct; it would be a mistake to move over into the direct election of Presidents, ignoring the State break-down.

The pending measure wisely does just that. It preserves the principle of electoral votes, and in so doing I think it faithfully preserves the spirit of our fundamental law. In fact, this measure does not actually propose to abrogate any important provision of the Constitution as it is now written. It would, to be sure, do away with two relatively minor provisions, both of which are, as the Senator from Massachusetts has shown potentially very dangerous, namely, the rub-

ber-stamp electoral college—and who does not know that our electoral college is merely a rubber stamp?—and the illogical provision for election of the President and Vice President by Congress where no candidate receives a majority of the electoral vote. Heaven forbid that we should ever have to have an election by Congress under the system now prevailing.

But the most important effect of the abolition of the unit rule is that it strikes not at the Constitution itself but at a political practice sanctified only by habit. In what we do today, we are not dealing with constitutional principle. Under present laws we are perpetuating a practice which nullifies and frustrates the working of our great two-party system, because, as I have tried to point out, it simply puts some of our States into an area of political stagnation. Thus I think it is accurate to say that Senate Joint Resolution 2 proposes to spell out, in terms of modern actuality, a procedure on which the framers of the Constitution had nothing to say because in their time our party system was unknown and unforeseen. We are dealing with something which has grown up since the Constitution was first framed.

Some may ask whether the proposed amendment, if ratified, would benefit the Democrats or the Republicans. Fortunately, Mr. President, I do not think any of us has sufficient prophetic powers to answer that question with any confidence.

The Senator from Michigan in his address said that those of us who are proponents of the resolution were speculating as to what might happen under certain conditions. I return the answer to the Senator by asking whether he was not speculating in his address as to what might happen in the way of the dire effects he predicted with respect to minority groups. For my part I feel that this is no time for the close calculation of party advantage. I agree wholeheartedly with the observation of the Senator from Massachusetts, in his opening address, when he said: "Our parties exist to serve the people and have no other excuse for being."

Therefore I suggest that, in considering the pending measure, it is our duty to ask ourselves—not "Is it good for the Democrats?" or "Is it good for the Republicans?" but "Is it good for the American people?" For the reasons I have stated, I believe the answer is "Yes". In my judgment the proposed amendment would be a major step in releasing the pent-up vitality of our American democracy.

Mr. President, I sincerely hope the Senate will pass the joint resolution by an overwhelming vote.

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

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. SMITH of New Jersey. I yield.

Mr. LUCAS. The distinguished Senator has been discussing minority representation under the amendment, suggesting that a candidate with but very few votes compared to the majority number of votes cast might become President.

I should like, respectfully, to ask the Senator a question.

Mr. SMITH of New Jersey. If the distinguished Senator will pardon me, I am not quite clear what he meant by his statement. I was not suggesting that a candidate who received very few votes could become President. My own guess is it would never happen, if our parties were alive and on the job. I do not think a minority candidate could grab the Presidency under any conceivable set of circumstances.

Mr. LUCAS. Perhaps I misunderstood the Senator's statement. As I recall, he was objecting to the argument advanced by the distinguished Senator from Michigan along that line. In other words, if I followed the Senator correctly, it was the Senator from Michigan who said "splinter" parties might be developed throughout the country. Under the proposed amendment I can envision a case, where, for example, 26 percent of the vote of the people might elect a President. Does the Senator agree with me about that?

Mr. SMITH of New Jersey. It is mathematically possible, and it would be a challenge to the organization of further parties.

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

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. SMITH of New Jersey. I yield.

Mr. LODGE. It is not only mathematically possible, but it would be practically possible under the present system. It has happened 12 times.

Mr. LUCAS. The Senator may be correct about that. But what I wanted to ask the Senator was whether or not he is familiar with the amendment offered by the able Senator from South Carolina [Mr. JOHNSTON] which provides:

The person having the greatest number of electoral votes for President shall be the President, if such number be at least 40 percent of the whole number of electoral votes; and if no person have at least 40 percent of the whole number of electoral votes, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President.

It seems to me that amendment may have some merit, in answer to the argument made by the Senator from Michigan and I was wondering whether the Senator from New Jersey had considered it or whether the Senator from Massachusetts had considered it.

Mr. LODGE. Mr. President, will the Senator from New Jersey permit me to comment on that?

Mr. SMITH of New Jersey. I yield to the Senator from Massachusetts.

Mr. LODGE. I would be opposed to the amendment offered by the Senator from South Carolina, for two reasons, first, that it would continue the almost universally condemned method of having the House of Representatives voting for a President, with each State casting one vote.

Mr. LUCAS. I also object to that. I am dealing only with the 40-percent provision. I think the resolution offered by the Senator from Massachusetts is much better, so far as the proper representation is concerned. I was only questioning the argument made by the Senator from Michigan with respect to splinter parties which might arise. It seemed to me, as I read the Johnston amendment, that it might have some merit in curing that defect.

Mr. LODGE. If I may, I should like to complete my comment.

Mr. SMITH of New Jersey. I yield to the Senator from Massachusetts.

Mr. LODGE. Under our present system, it is possible for the person receiving less than a majority of the votes to be elected. It has happened in the cases of Presidents Polk, Taylor, Buchanan, Lincoln, Hayes, Garfield, Cleveland, Harrison, Wilson, and Truman.

There has never been any complaint, and no one has ever been able to point to any harm which has come from the fact that Abraham Lincoln was elected with 39 percent of the votes. It seems to me that the amendment offered by the Senator from South Carolina addresses itself to something which Senate joint resolution 2 leaves entirely alone. Under our present system a President might be elected by less than a majority of the votes, and under the proposed joint resolution that could still occur. There is nothing inherently wrong about that. Senate Joint Resolution 2 does not essentially change the present system insofar as plurality of the popular vote is concerned.

Mr. LUCAS. I do not think I quite agree with my friend from Massachusetts. I think if the joint resolution should become law it would encourage minority parties. Henry Wallace ran for the Presidency of the United States last year. Under this proposed resolution he would have received a number of electoral votes, because of the considerable popular vote he received. On the other hand, he received, under our present system, no electoral votes whatsoever. It is not very much encouragement to a splinter party to continue if it does not receive any electoral votes. A number of persons may look for an opportunity to say, "I ran for the Presidency and received one electoral vote. I want to pass that information down to the family to show that I was a candidate for the Presidency at one time, and that I did receive a vote for the Presidency of the United States." I think it would encourage splinter parties, which I do not particularly like, in view of what I know about them in some other areas of the world.

Mr. SMITH of New Jersey. I should like to say to the Senator from Illinois that if I thought that would be the result, I would be in grave doubt; but I do not think it will be the result. I agree that some persons like headlines, but I do not think we are going to be faced with that situation.

Mr. LUCAS. Everyone has been speculating about what is going to happen, and I thought I would put in my two bits worth.

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

Mr. SMITH of New Jersey. I yield to the Senator from Michigan.

Mr. FERGUSON. In 1934 the late Senator Norris sponsored a similar resolution containing a provision for 35 percent of the vote; in other words, that a candidate had to receive at least 35 percent of the vote. The Johnston amendment provides for 40 percent of the vote.

But I think the distinguished Senator from Illinois has hit the nail on the head. Everyone is speculating; and when we have to speculate we should not amend the Constitution to provide for a great contingency such as that which is being provided for here. We should be more sure of the outcome. We are now speculating about changing the habits of voters.

Mr. SMITH of New Jersey. I should like to say, in answer to the distinguished Senator from Michigan, that if we take that position I cannot see any possibility of ever making any change whatsoever, because any proposed change will have to deal with speculation as to what may happen in the future. Any possible change in our system of electing a President would be bound to produce speculations as to the result in its effect on the people. I do not share the fear which the distinguished Senator from Michigan has mentioned.

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

Mr. SMITH of New Jersey. I yield.

Mr. LODGE. I may say to my friend from New Jersey that if speculating as to the future were a very bad thing, we never would have had a Constitution at all. If we are never going to vote for any legislation because it might involve speculation as to the future, we shall not have much legislation.

Mr. SMITH of New Jersey. We never would have had the United Nations.

Mr. LODGE. That is correct. We might as well look back and confine ourselves to legislation concerning cemeteries. That would be about the only thing left for us to do.

Of course, the Senator is quite correct in saying that under the proposed system Henry Wallace, using the 1948 figures, could come out with 9.4 electoral votes, and he and his adherents would be entitled to whatever satisfaction they could get from that great and glorious fact. But over against that we must put the fact that Wallace and his party were influential in throwing the whole vote of the State of New York to Dewey, and, I think, the State of New Jersey, also—

Mr. SMITH of New Jersey. Let me correct the Senator in that connection. I think we carried the State of New Jersey in an entirely whole-hearted Republican vote.

Mr. LODGE. At any rate, I think the Senator from Illinois, in making up his mind on this matter, should carefully weigh the rather transitory advantage which a third party would receive, due to the publicity and the little burst of newspaper prestige that would come from nine electoral votes. It seems to

me the thing which really makes a political organization great is its actual influence and power. That is a far greater help to splinter parties than giving them the little bit of prestige which the Senator has mentioned. I hate splinter parties as much as does the Senator from Illinois, and I am giving up most of my waking hours to endeavoring to make our parties more effective and I think Senate Joint Resolution 2 eliminates any chance that a splinter party can throw the whole vote of a great State one way or the other.

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

Mr. SMITH of New Jersey. I yield.

Mr. LUCAS. The Senator from Massachusetts may be correct. I may be overemphasizing the situation, but I am seriously interested in the Johnston amendment.

I am glad to know that the late Senator Norris introduced in the Senate a similar proposal when he was a Member of the Senate, providing for 35 percent of the whole number of electoral votes. I am only attempting to make an argument against the increase in the number of parties which may exist in this country. I know what the situation is in Greece, in France, and in other nations. If we should have a dozen or 15 parties represented in the Senate or in the House of Representatives and should have to form three or four different coalitions before we could finally have an organization, we would not have any stability or responsibility in government for the American people. I seriously believe that this is a move in that direction. How much of a move it is I cannot say, but I believe it is much more serious than is the situation under the present system, in view of the things I have pointed out.

I do not want the Senator from Massachusetts to misunderstand the Senator from Illinois, because I believe I am in sympathy with what he is trying to do. I believe that the electoral college should be abolished. I think it is out of date. It is of the horse-and-buggy age, so to speak. But at the same time we should be rather careful in what we do when it comes to tampering with the Constitution of the United States. What I hope to do in my limited way, if I can, insofar as my vote is concerned, is to avert a multiple-party system. Having taken merely a brief look at the Johnston amendment, it appeared to me that it had merit. If the former able Senator from Nebraska, Mr. Norris, at one time had a similar view, I am more convinced than ever that I am right, because I had great respect for his opinions. Certainly no more liberal gentleman served in the United States Senate than the late great Senator from Nebraska, George W. Norris.

Mr. SMITH of New Jersey. Mr. President, I will add just a word, and then yield the floor. I agree, of course, with the sentiments expressed by the distinguished majority leader in opposing the principle of multiple parties. It is my judgment that nothing could be worse. If our main parties function as effectively as I think they can, they will both

be strengthened, in my judgment, under Senate Joint Resolution 2.

I yield the floor.

FINANCIAL ASSISTANCE FOR SMALL BUSINESS

Mr. LUCAS obtained the floor.

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

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

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

The PRESIDING OFFICER. Does the Senator from Illinois yield for that purpose?

Mr. LUCAS. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|-----------|----------------|---------------|
| Aiken | Hendrickson | Maybank |
| Anderson | Hill | Millikin |
| Benton | Holland | Morse |
| Bricker | Hunt | Mundt |
| Bridges | Ives | Murray |
| Butler | Jenner | Neely |
| Byrd | Johnson, Colo. | O'Connor |
| Cain | Johnson, Tex. | O'Mahoney |
| Chapman | Kefauver | Robertson |
| Chavez | Kem | Russell |
| Connally | Kerr | Saltonstall |
| Cordon | Kilgore | Smith, Maine |
| Darby | Knowland | Smith, N. J. |
| Donnell | Langer | Sparkman |
| Douglas | Leahy | Stennis |
| Downey | Lehman | Taylor |
| Dworshak | Lodge | Thomas, Okla. |
| Eastland | Long | Thomas, Utah |
| Eaton | Lucas | Thye |
| Ferguson- | McCarran | Tobey |
| Frear | McCarthy | Tydings |
| Fulbright | McClellan | Watkins |
| George | McFarland | Wherry |
| Gillette | McKellar | Wiley |
| Graham | McMahon | Williams |
| Green | Magnuson | Withers |
| Gurney | Malone | Young |
| Hayden | Martin | |

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). A quorum is present.

Mr. LUCAS. Mr. President, I shall leave the pending business for the time being, and take a few moments on a different subject.

I ask unanimous consent that I be permitted to introduce a bill to amend the Reconstruction Finance Corporation Act, as amended, in order to provide more effective financial assistance for small business, that the bill be properly referred, and that it also be printed at this point in the body of the Record.

There being no objection, the bill (S. 2947) to amend the Reconstruction Finance Corporation Act, as amended, in order to provide more effective financial assistance for small business, introduced by Mr. LUCAS, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subsection (b) (1) of section 4 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out the period at the end thereof and inserting a colon and the following: "Provided, That in order to encourage small business the Corporation is authorized to give management skills, past earnings, and prospective earnings consideration over security in the form of collateral, in the making of loans either directly or in cooperation with banks or other lending institutions under paragraph (1) of subsection (a) of this section for the purpose

of establishing new business enterprises or for meeting the long-term capital requirements of existing small-business enterprises. The Corporation shall make direct loans pursuant to the foregoing proviso only in those cases where loans cannot be consummated in cooperation with banks or other lending institutions."

Sec. 2. Subsection (b) (2) of section 4 is amended by adding before the period at the end of the first sentence thereof a colon and the following: "Provided further, That any loan made under section 4 (a) (1) for the purposes set forth in the proviso in paragraph (1) of this subsection as amended may be made for such period exceeding 10 years as the Corporation may deem proper for the encouragement of small business."

Sec. 3. Subsection (b) (3) of section 4 is amended by striking out the period at the end thereof and inserting a colon and the following: "Provided, That such participations by the Corporation may amount to 90 percent of the loan outstanding at the time of the disbursement, in the case of loans made for the benefit of small business enterprises in pursuance of the authority set forth in the proviso in subsection (b) (1) of this section as amended. In order to encourage loans in cooperation with banks or other lending institutions under the proviso in subsection (b) (1) of this section as amended, priority shall be given to private lending institutions over the Corporation against the assets of borrowers for the satisfaction of such loans made thereunder."

Mr. LUCAS. Mr. President, I am introducing a bill to amend the Reconstruction Finance Corporation Act for the purpose of encouraging small business enterprises in the United States.

The independence of small business and its continuing development and expansion have always been of primary interest to me. During the previous session of Congress, in July of last year, the distinguished chairman of the Banking and Currency Committee [Mr. MAYBANK] introduced Senate bill 2344, to amend the Reconstruction Finance Corporation Act. A short time later I prepared an amendment to Senate bill 2344 which contained the same provisions which are in the bill which I am now introducing. At that time I discussed my amendment with the distinguished chairman of the Banking and Currency Committee, and he agreed that such an amendment should be introduced.

It soon became clear that our crowded legislative program would not permit the consideration of Senate bill 2344 before adjournment. Consequently I withheld my amendment, intending to offer it during this session.

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

Mr. LUCAS. I yield.

Mr. MAYBANK. As I remember, it was last August or September when the distinguished Senator from Illinois brought the amendment up, but because of the crowded condition of the calendar and because the Committee on Banking and Currency had before it housing legislation and other emergency legislation, we were unable to hold hearings at that time.

Mr. LUCAS. The Senator from South Carolina is correct.

Mr. MAYBANK. I hope the calendar will not be crowded after the next 2 weeks. This week and next week the committee is disposing of the FDIC legis-

lation and the pending housing legislation. It will be a pleasure for me, as chairman of the committee, to ask that immediate hearings be held on the amendment of the distinguished Senator from Illinois, which I believe should result in legislation which will mean so much to the smaller business interests and smaller firms. I assure the Senator from Illinois of my full cooperation and support for the purposes sought by the bill.

Mr. LUCAS. I am very grateful to the Senator from South Carolina for his kind remarks. I assure him that at the earliest opportunity I shall be glad to appear before the Committee on Banking and Currency and present my views on this important measure.

Rather than propose these changes in the Reconstruction Finance Corporation Act as an amendment to another bill, I am now offering them as a separate bill. In view of the fact that the President in his state of the Union message emphasized the necessity for a small-business program, I am of the opinion that a separate bill restricted to the problems of small business should be immediately submitted to the Banking and Currency Committee.

Mr. MAYBANK. The Senator refers to the RFC legislation, I assume.

Mr. LUCAS. That is correct.

Mr. MAYBANK. Mr. President, will the Senator yield to me at this point?

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. LUCAS. I yield.

Mr. MAYBANK. Mr. President, let me say that I am in thorough agreement with the Senator that the needs of small business should continue to be examined, because it is almost impossible under the existing RFC legislation to make adequate provisions for many small, new firms if they must repay the entire loan in 10 years. This is particularly true of those going into businesses and industries in which the field is rather largely in the hands of a few large firms, in view of the added difficulties which are then presented.

Mr. LUCAS. I agree with the distinguished Senator from South Carolina. The bill which I have introduced would permit loans to small-business enterprises to be made for periods longer than 10 years.

Mr. MAYBANK. I thoroughly agree with the Senator from Illinois that the bill should be considered as a matter concerned with small business as well as a matter affecting the powers of the Reconstruction Finance Corporation.

Mr. LUCAS. I thank the Senator.

Mr. President, the President of the United States in his state of the Union message called our attention to the problems of small business in these words:

We must * * * provide aids to independent business so that it may have the credit and capital to compete in a system of free enterprise.

He went on to say that he hoped to submit to Congress—

A series of proposals to strengthen the antimonopoly laws, to assist small business,

and to encourage the growth of new enterprises.

I am introducing this bill now, realizing fully that although it may not be the complete answer to all the problems of small-business enterprises, yet it will enable the committee to begin work without delay in examining into the many problems of small businesses.

By beginning now, considerable headway can be made, so as substantially to assure the enactment at this session of small-business legislation along the lines suggested by the bill and in accordance with the recommendations which will be forthcoming from the President.

The most vital needs of small business today are tax relief and access to capital. The President in his message to Congress on January 23 recommended that small businesses with corporate incomes between twenty-five thousand and fifty thousand dollars be given tax relief. He recommended also in his message that the carry-forward provisions for losses incurred by businesses be extended from 2 to 5 years. This would unquestionably provide considerable tax relief to small-business enterprises, and I am certain this Congress will grant such relief, through proper legislation.

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

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. LUCAS. I yield.

Mr. MAYBANK. I should like to ask the Senator, if it is in order for me to do so at this time, whether he intends to introduce such proposed legislation in regard to the 5-year carry-forward period for business losses and also in regard to tax relief for firms having corporate incomes of between \$25,000 and \$50,000 annually.

Mr. LUCAS. The bill I am now introducing does not do so, but I am calling this matter to the attention of the Banking and Currency Committee, in view of the fact that I am discussing several ways and means of helping small business. I am confident that the Banking and Currency Committee or some other proper committee will handle the tax-relief question in due course.

Mr. MAYBANK. What concerns me in that respect is that of course proposed tax legislation comes from the Finance Committee, as the Senator from Illinois well knows.

Mr. LUCAS. That is correct.

Mr. MAYBANK. Unfortunately, the jurisdiction of the Banking and Currency Committee in connection with such matters does not extend to questions dealing primarily with tax legislation. I wish to assure the Senator of my full cooperation, and, of course, I am in thorough accord with the ideas of the Senator from Arkansas [Mr. FULBRIGHT] relative to the need for appropriate tax legislation to aid small business. But such legislation would normally come from the Finance Committee.

Mr. LUCAS. I am fully aware of the jurisdiction of the Finance Committee. I am merely suggesting these points as some of the subjects to be considered by

the proper committee at the present session of Congress.

Mr. MAYBANK. I think some of the most important subjects to be considered are the means of enabling such firms to amortize their loans on a better basis, to obtain the benefit of a more equitable corporate-tax schedule, to spread their losses over an ensuing 5-year period for tax purposes, and to be permitted a more rapid depreciation allowance for new equipment in computing taxes, because certainly in those fields a great need for improvement exists.

Mr. LUCAS. The Senator is entirely correct. I may say that I am a member of the Finance Committee; and in consultation with the distinguished chairman of that committee, the Senator from Georgia [Mr. GEORGE], I was advised that he is in constant touch with the chairman of the House of Representatives' Ways and Means Committee, Representative DOUGHTON, of North Carolina. I think we shall receive from the House of Representatives a program which will take care of the question I am now discussing more or less collaterally, as my bill does not deal with tax matters.

Mr. MAYBANK. I understand what the distinguished Senator has said, and I am happy to know that the Senator from Georgia and Representative DOUGHTON, the chairman of the respective committees of the Senate and the House dealing with the revenue, will give consideration to these tax matters as soon as possible, because a proper treatment of them is essential.

I may say to the Senator from Illinois that we hope to report, we from the subcommittee of the Banking and Currency Committee on Federal Reserve matters, a measure dealing with the FDIC either this week or next week.

Testimony has been given by witnesses appearing before the Senator from Virginia [Mr. ROBERTSON], who is the chairman of that subcommittee, and other Senators, including the Senator from Delaware [Mr. FREAR], that an increase in the guaranty from \$5,000 to \$10,000 will make more money stay in the small banks, so that the small banks in the country areas and in the smaller communities will have additional funds to lend. Every witness who has testified before the subcommittee has said that such a provision will help the small-business men in such places. In other words, there will be that much more insurance available to depositors in banks in these areas, making it unnecessary to deposit local money in banks in the larger centers in order to obtain adequate insurance protection.

Mr. ROBERTSON. Mr. President, will the Senator yield, so that I may comment on what the Senator from South Carolina has just said?

Mr. LUCAS. I yield.

Mr. ROBERTSON. In the bill which the Senator has introduced, and upon which we hope to complete action in the committee this week, provision is made for a mutual plan of insurance of deposits in insured banks. The present policy is resulting in overloading the reserves a little at the present time.

There has been no loss in 5 years, and only a small loss in 14 years; and the bill contemplates a dividend of 60 percent to the banks. That will be of considerable help to small business. Three-fourths or more of all the banks are small banks.

Mr. LUCAS. I thank both Senators for what they have said. Their statements are a clear indication of the fact that the Banking and Currency Committee is interested in small business; and I congratulate the committee and its members.

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

Mr. LUCAS. I yield.

Mr. FULBRIGHT. I wonder whether the Senator has any idea in mind regarding small-business loans. We have had some difficulty in connection with that matter. As the Senator knows, we have discussed it in the committee. For example, we have discussed the question of where a distinction can be drawn between big-business loans and little-business loans. It is a problem of very practical application, and in the committee we have to deal with it.

Mr. LUCAS. I shall discuss that as I proceed with my remarks. That problem is an important one, but I have not yet reached it in my discussion.

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

Mr. LUCAS. I yield.

Mr. WHERRY. The junior Senator from Nebraska is also intensely interested in small business, and is in complete sympathy with the observations made by the distinguished majority leader, namely, that two of the problems are relief from taxes and accessibility to loans.

I wish to remind the distinguished Senator that although I appreciate the fact that part of the program will be taken care of if the proposed legislation is enacted in the form in which the distinguished majority leader suggests, yet only one phase of these problems is covered by the bill, namely, loans.

The discussion and colloquy had here on the floor of the Senate in regard to taxes opens up another broad field. If the bill is properly referred, it will go to the Banking and Currency Committee, I think; I believe that the distinguished majority leader will agree with me as to that. If other proposed legislation deals with taxation, it will be referred to the Finance Committee. In such case, two standing committees will be considering problems affecting small business; and those committees will deal with those problems in their own separate ways. I think that example completely demonstrates the need for either a standing legislative committee or a special committee to consider all the problems of small business.

After making that statement, I should like to ask the distinguished majority leader whether, as majority leader, he proposes to bring before the Senate, either before this measure comes up for consideration or later, a measure proposing the handling of the very specialized problems of small businesses.

Mr. LUCAS. I think the Senator's question is pertinent to the discussion which is now proceeding in the Senate.

Mr. WHERRY. If not, I wish to make it so.

Mr. LUCAS. In reply, let me say that I think it was Wednesday of last week that I called a conference of the Democratic Members of the Senate, doing so for the sole purpose of having a discussion of the joint resolution now on the calendar, along with all other pieces of proposed legislation relative to or affecting small business.

There is a feeling on our side of the aisle among a number of Senators that if a committee having to do with small business is to be created, it should be a special committee similar to the committee of which the Senator was chairman in the Eightieth Congress. Other Senators feel differently about it. Others feel there should be a standing committee. Still other Senators feel that the subcommittee of the Committee on Banking and Currency is the proper place for the handling of small-business matters. Because of a slight illness, I was unable to attend the conference, but there was a very frank and fair discussion in the conference, and I may say to the Senator we are going to take up the matter before very long and dispose of it one way or the other upon the floor of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield for another observation?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. I appreciate deeply the very affirmative statement of the majority leader. By the way, I have already stated on the floor of the Senate that, whether provision is made for a special committee or a standing committee, and regardless of who submits the resolution, I shall support it. I am convinced that if small business is to receive aid, all its problems should be referred to a single committee which could formulate a complete program and make appropriate recommendations for legislation. So I say to the distinguished majority leader, while I am very glad indeed that the particular bill which he sponsors and which, as I understand, relates to the subject of loans, has been introduced, yet it seems to me it would be well if a standing legislative committee, or a special committee, if a legislative committee cannot be agreed on, is proposed to be created, to have that subject debated along with the measure which has been introduced. In the final analysis, I think, those of us who are interested, either in having a special committee or a standing committee, would at least be able to try to convince other Members of the Senate that all small-business matters should be handled by one committee. I should like to see such a proposal brought to the floor of the Senate, if possible, and as soon as possible.

Mr. LUCAS. I should like to make my position a little clearer with respect to small business, in view of the fact that

the distinguished minority leader has raised the question as to when the resolution now upon the calendar may be considered. The Senator from Nebraska and all other Senators who are familiar with the Legislative Reorganization Act understand that under it practically all special committees were outlawed. In the early days, under the Legislative Reorganization Act, in attempting to carry out the letter and spirit of the act, the Senator from Illinois opposed continuation of the Special Committee on Small Business. At the time, or perhaps before that, I think the Senator from Nebraska agreed that probably the end of the year would mark the end of the Small Business Committee as a special committee. Since that time, the Senator from Nebraska and the Senator from Florida have offered a resolution seeking to set up a small-business committee, and to make it a permanent standing committee of the Senate. A number of Senators object to that proposal because of the conflict of jurisdiction among the various committees, and the question of the appropriate reference of measures which come before the Senate. Arguments to that effect will be heard when it comes to the floor of the Senate.

I should like to make my position clear as I have been misunderstood and misquoted by certain persons who are interested in small business. I am not speaking now of Senators, but of persons outside the Senate, who have charged me with a lack of interest in the small-business men.

Mr. President, I happen to live in a small-business community. I live in a small city of about 4,500 population, and consequently I have been with small-business people all my life. I have never been affiliated with big business. But I have always been interested in the fellow in the drug store on the corner, in the grocery store in the middle of the block, and in the other small fellow who was having a somewhat serious time financially in trying to get along. Later in my remarks I shall make suggestions for legislative action directly in the interest of these very small-business people.

The bill which I am introducing today concerns itself primarily with the problem of long-term capital.

I should like to state now what is contained in this bill. After that I shall review in more detail the problems which I consider small business to be facing and the extent that this proposal will remedy them.

I want to make it clear at the outset that this bill is not being introduced to offer help to unsound, inefficient, or fly-by-night business enterprises, but rather it is being offered to give capital assistance to efficient businessmen at times when such assistance may be urgently needed.

This bill in effect authorizes the Reconstruction Finance Corporation to guarantee up to 90 percent, loans made by private banking institutions to individuals and small enterprises for the purpose of encouraging the growth of new enterprises on a sound basis and for the purpose of providing existing small

business firms with long-term capital when it is needed and when it cannot be obtained from any other source.

Mr. President, I should like to have those who are listening to my address to give particular attention to this. The Corporation in making funds available under this bill is authorized to give management skills, past earnings records, and prospective earnings consideration over collateral security. It is specifically provided that the Corporation shall make direct loans only in those cases where loans cannot be consummated in cooperation with banking and other lending institutions.

Mr. President, I may be seeking the reinstatement more or less of what was considered to be good at one time, among banks, that is, a character loan. It is no longer possible to obtain a character loan in my section of the country, because of reservations which at the present time hedge about the banking laws. In other words, it is necessary for the borrower to furnish adequate collateral—sometimes consisting almost of his right eye—before he can obtain a loan from a bank. The disappearance of the character loan is not particularly the fault of the banks. Following the depression, when 75 percent of the country's banks were in bankruptcy, Federal and State officials surrounded the banks with laws designed to protect depositors. I remember a certain man in my community who borrowed \$1,000 at the bank. On the endorsement of a friend of his. That was in the early days, when character loans were being made.

This particular man before any principal was due paid \$500 on the \$1,000 note. The banker said to that borrower, "From now on you can get \$5,000 on your own credit in this bank." That is a character loan. The banker believed in that individual; he believed he had integrity, ability, and energy to do the things that would make him succeed, and the banker was willing to take a chance.

That, Mr. President, is what I have in mind with respect to some of the small business concerns of the country.

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

Mr. LUCAS. I yield.

Mr. THYE. Does the Senator suggest a maximum and minimum limit, or would it be merely a question as to the character of the business? I am sorry that I was not able to be present when the Senator began his speech.

Mr. LUCAS. For a proposal such as this to be of essential assistance to small business, it must not be hemmed in with arbitrary restrictions. An arbitrary limit on the amount of a loan might result in aid being denied when it was most needed. If the ceiling were set at a reasonable and adequate level, of course, it would not have this effect. The desirability of such a restriction and the level at which it should be placed are questions which should be considered by the Banking and Currency Committee after thoroughly studying the capital requirements of small business. We can be sure, in any event, that the loans gen-

erally will be moderate, as the bill confines assistance to small-business enterprises.

Mr. THYE. I thank the Senator. I am sorry I interrupted him.

Mr. LUCAS. I am glad the Senator asked me the question. I am interested also in small-business enterprises which are looking for loans up to, say, \$5,000. The number of business enterprises needing a small amount of capital to put them over the hump at the right time is amazing. Later in my remarks I shall discuss these smaller loans more fully.

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

Mr. LUCAS. I shall be glad to yield to the Senator from Nebraska.

Mr. WHERRY. As I understand the explanation, it is necessary that such authority be given to the RFC on the theory that a borrower cannot obtain a loan from a banking agency. This question has come up previously in connection with requests for loans. As I understand the mechanics of the proposal, the RFC would underwrite loans up to a certain percentage. I think the Senator has mentioned a maximum of 90 percent. Is that correct?

Mr. LUCAS. That is correct.

Mr. WHERRY. Would the loans originate as they now originate?

Mr. LUCAS. They would.

Mr. WHERRY. But the percentage is boosted, is it not?

Mr. LUCAS. Yes.

Mr. WHERRY. Let us assume that a State law prevents a bank from making a character loan. Would it be the thought of the Senator to make it possible to make a direct loan without underwriting it through the State bank?

Mr. LUCAS. We could not change the laws of a State.

Mr. WHERRY. No. But let us consider a small-business man who has an opportunity to borrow through a State bank. He probably could go to the RFC and be referred to a national bank, but even national banks are operated under certain restrictions, and a character loan is not a basis for credit.

Does the measure provide that the RFC may make a direct loan without underwriting it, or would it still have to underwrite a proposal coming from a State bank or a national bank; and would that foreclose the applicant from getting the loan?

Mr. LUCAS. The Senator asks a very interesting and important question with respect to this proposed legislation. It is something to which I hope the Banking and Currency Committee will give thorough consideration. I am attempting to leave the responsibility for the loan in the community in which the individual resides, in order to give the bank or financial institution interested the opportunity, first, to make the loan, with the guaranty of the RFC back of it.

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

Mr. LUCAS. I yield.

Mr. KEFAUVER. Mr. President, I am delighted that the distinguished Senator from Illinois has brought up this subject. Such a provision has been greatly

needed in the interest of small-business men. I wanted to ask the Senator if his proposal would be somewhat in the nature of aiding small-business men, such as the FHA offers to persons who want to build houses. The Government would guarantee a certain line of credit, provided the small-business man met certain requirements made by the local lending institution which would then participate in the loan.

Mr. LUCAS. The Senator is correct.

Mr. KEFAUVER. I thank the Senator.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I can see that raising the amount up to 90 percent would be a distinct advantage to the applicant, because it would increase his chances of financing the loan over a long period. But I suggest to the distinguished Senator that there will be much conflict as to what can be done with a loan coming to a Federal or State bank, where the basis is that of a character loan, because, certainly, under the State banking laws of my State, certain requirements have to be met. I agree with the Senator from Illinois that those requirements certainly do not include a character-loan provision. I should like to ask the distinguished Senator whether he would provide that the borrower might go directly to the RFC and not have to go through a State or National bank, which has an entirely different basis for credit than that on which a character loan is made.

Mr. LUCAS. Under my bill the loan would not be altogether a character loan. There would be certain collateral assets. I assume that the borrower would have enough to satisfy the 10-percent requirement of the bank, and probably more. The guarantee feature, plus the assets which the borrower will offer for security should be sufficient to assure the soundness of the loan and thereby meet the requirements of most State laws. Because of the fact that management skills, prospective and passed earnings are considered, the loans will have many of the qualities of the character loan. This is as it should be in view of what the small, energetic businessman is compelled to suffer at times with respect to obtaining a loan.

Mr. WHERRY. I do not want to belabor the point and I do not want in any way to inject arguments into the Senator's speech.

Mr. LUCAS. I am glad the Senator has asked the question, because he is raising some very important points.

Mr. WHERRY. On last Thursday the Committee on Rules and Administration provided for an appropriation of \$50,000 for a subcommittee to investigate the type of loans which the RFC has been making, on the theory that the desired amount of collateral was not behind the loans.

Mr. LUCAS. I do not think the resolution to investigate RFC which has anything to do with the subject of small-business loans. I think it relates to an investigation of large business loans.

Mr. WHERRY. Whether they be small or large loans, the evidence presented was that the RFC was making

loans in direct opposition to banks which could not make the type of loan which the RFC was making. For that reason we felt we should see how the RFC was acting.

I have received more applications regarding this type of loan in the past year than I have received during the entire time I have been a Member of the Senate. Applications are coming in, and this will clarify to a great extent, certainly, some of the loans. I hope the Banking and Currency Committee will consider these observations when the proposed legislation is brought before the Senate, because I think there is a complete conflict as to the type of loan which can be made.

Mr. LUCAS. Insofar as the Reconstruction Finance Corporation is concerned, my experience has been that the small-business man, whom I am trying to help, has been unable to get needed loans.

As I move along in my address, I shall indicate that I am not so sure that the Reconstruction Finance Corporation is the proper instrumentality to do what I want done. That is another matter that can be worked out by the Committee on Banking and Currency. I do not know anything about what they are going to investigate. I should want to know something about that before I would, as majority leader, approve the resolution.

I make that statement now because I have confidence in the Reconstruction Finance Corporation, though I do not think they have been sufficiently liberal with the small-business men. That has been my chief complaint.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, the particular legislation now proposed would in no sense injure the local banks. It would assist the local banks.

Mr. LUCAS. That is the idea exactly.

Mr. THYE. He would be able to accept the paper offered by and do business with the local young businessman, so that it should be an asset and assistance to the local banks.

Mr. LUCAS. The Senator is absolutely correct. Our aim is to leave money in the community, and try to give the banker a little leeway, a little opportunity, so that money which is now loading down the banks all over the country may be loaned to small-business men who need help. The banks recognize the need, but they cannot give the help, because of restrictions under which they operate.

If they have restrictions which prevent their assisting small-business men—and most of them have—there is no question that the Federal Government should cooperate with the banks and, between them, provide assistance to small-business men throughout the country.

Mr. THYE. It will help the young man who is not eligible to come in under some veterans' assistance or rehabilitation program.

Mr. LUCAS. That is correct.

Mr. THYE. There are many young men in the communities who have no way of becoming established in business, and are not qualified or eligible to come under the veterans' acts, and in such a case a young man is absolutely lost. He

may have worked on the farm during the war years, which was a patriotic endeavor, but he is not now eligible to come in under the veterans' acts.

Mr. LUCAS. He may be the type of energetic, industrious businessman that the people in the community would like to see helped, but unless he can get money from a personal source he cannot obtain it at all, if he does not have the collateral to put up to secure the \$2,500 or \$3,000 or \$5,000 which he needs for his business undertaking. Under this bill the banker would be permitted to make the decision in the first instance. The banker would be given the first lien on the young man's collateral, so that the bank would be taking no chance whatever. The Federal Government might accept a slight risk. It might lose money on some loans, but at the same time the Federal Government, in recognizing the ability, the integrity, and the industry of certain groups throughout the United States, would be helping small business. What little the Government might lose would be made up many times through an increase in our national wealth and Government revenues.

Mr. THYE. Mr. President, it would present an opportunity something like that afforded under the Homestead Act after the Civil War. The homestead lands are gone, but in this case governmental assistance would be afforded to enable a man to establish himself in a small business.

Mr. O'MAHONEY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I wish to express my personal congratulations to the Senator from Illinois for taking the leadership in introducing legislation of the character he is proposing. I know that the Senator from Illinois was busily studying this problem at the last session. As a matter of fact, I understood at that time that he was about to introduce some such bill.

Mr. LUCAS. The Senator is correct.

Mr. O'MAHONEY. He was delayed only by a feeling that it should be given further consideration—and because, of course, he had a few problems on his hands about that time.

I believe it may be appropriate for me to add, Mr. President, that the Joint Committee on the Economic Report, by authority of a special statute which was passed last year, conducted a special study of investments. In the course of the study we held hearings, and I can say without any qualification that it seemed to me that the biggest problem presented was that with which the Senator's bill now deals.

The Department of Commerce, through its special Division on Small Business, sent its whole advisory group of small-business men to the committee, and they testified before the committee. This group was headed by a businessman from Chester, Pa. The group contained among its members a banker by the name of Bimson, from Arizona, and it presented a form of legislation which was designed to provide insurance of business loans after the type of FHA insurance. They were not altogether satisfied with the

text of the bill which was presented, and some additional work has been done. We had a very stimulating suggestion from Dr. A. D. H. Kaplan, of the Brookings Institution, who testified at length about the need of fiscal legislative policy along this line.

The committee report is now in process of formulation. I hope it will be presented to the Congress before the end of the week. It will contain references to the very type of legislation which the Senator proposes and also to some of the other suggestions which have been made.

One of the serious difficulties, it seemed to me from the presentation made before the committee, was the difficulty of a small-business outfit in a comparatively small town obtaining term loans, because local banks with their limitations cannot tie up their capital in sufficient sums to take care of all the local business opportunities which are presented in the communities. The result has been that unless big business concerns, great national businesses upon the one hand, or great national financial institutions on the other, are disposed to look at such a loan the applicant cannot get the money. He cannot get it from his local bank because of perfectly normal obstacles. He cannot get it from the large financial institutions because of other obstacles. But already, as a result of the discussion which has proceeded, there is a growing comprehension of the problem. The insurance companies, on the one hand, are seeking ways and means of making their reservoirs of capital more available to the little fellow. The Chase National Bank recently made an announcement on the subject.

Now that the Senator has introduced this bill, I hope the Committee on Banking and Currency will immediately tackle the problem. I am sure they will, and knowing the members of the committee as I do, I feel that they will be very glad to cooperate with the Senator from Illinois and all others who are trying to provide the capital by which we can increase the production of the United States.

Again I wish to thank the Senator from Illinois for his initiative.

Mr. LUCAS. Mr. President, I am deeply appreciative of the contribution made by the able Senator from Wyoming. As every Member of the Senate knows, the Senator from Wyoming has been conscious of this problem for a long, long time. I am sure he and the members of the Joint Committee on the Economic Report can be of considerable help in offering constructive suggestions to members of the Banking and Currency Committee at the proper time. To the solution of the problem of giving aid to the small-business concerns of the Nation we can all help.

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

Mr. LUCAS. I yield.

Mr. MAYBANK. For the benefit of the Senator from Illinois and the Senator from Wyoming I wish to say that this morning I introduced a bill to create a Coordinator of Small Business, to be appointed by the President, subject to Senate confirmation. During the past year many amendments designed to aid

small business have been placed on appropriation bills and other bills in Congress, but no attempt has been made to place anyone in charge of such proposed aid. If a Coordinator were appointed he could be of assistance to small-business concerns in their dealings with the War Department, the Navy Department, various other departments of the Government, and particularly the ECA. As it now is, it is difficult for small-business concerns to get in touch with the various governmental departments. Such a coordinator should report to Congress the results of his operations. He could see to it that small businesses were afforded an opportunity to bid on various projects or items by giving them notice of what was needed, and by proper advertisements, and other appropriate measures.

Mr. LUCAS. I thank the Senator from South Carolina.

Mr. President, the guaranty provisions in this bill utilize the present procedures of the RFC. The RFC participates with private lending institutions in making loans. The private lending institution makes the full loan with an understanding that at a later date it may call upon the RFC to take up a certain percentage of the unpaid balance. This bill authorizes the RFC to take up as much as 90 percent of the loans outstanding which have been made under the terms of this bill.

I have included a clause which provides that the private lending institution in the case of these loans will have priority against the assets of the borrower for the satisfaction of the debt. It appears to me that such a provision is necessary to assure the proper operation of the program. If such a provision were not in the bill private banks might hesitate to cooperate in these loans, as the 10 percent which the RFC did not take up might in numerous cases amount to a considerable sum of money which lenders would hesitate to risk in loans not fully secured with collateral. This problem is solved by giving the private institution first priority against the borrower's assets.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I do not wish in any way to delay the Senator in his presentation. I wish him to make a full explanation of his bill. When the proposed legislation is considered by the Committee on Banking and Currency perhaps some amendments may be suggested, considered, and acted upon. The argument now advanced by the majority leader should convince all of us that it is doubtful whether the objective we have in mind would be accomplished by the provisions of the bill. After all, private lending agencies must comply with State laws and Federal banking laws in the matter of the risks involved in making loans. The Senator well knows that the Farm Credit Administration was set up to take care of loans to farmers of the nature he is now speaking of to be made to businessmen. After every effort has been made to obtain money from private sources and from other agencies which are held to strict accountability, the

Farm Credit Administration is allowed to make loans on doubtful risks.

The Senator's bill provides that the RFC may take care of some such loans. Perhaps the Banking and Currency Committee may recommend some other agency to do so. The bill would authorize the RFC to increase its participation, which I think could be done, even though loss were incurred. But certainly that would be done in direct opposition, I believe, to many State laws affecting private agencies or in opposition to Federal banking laws. I hope when the distinguished Senator presents the bill to the committee it will take that point into consideration, otherwise it seems to me we open up the field for the RFC to make any type of loan it cares to make regardless of requirements which have heretofore attached to the RFC.

Mr. LUCAS. No; the Senator is wrong about that. I have included in the bill a clause which provides that the private lending institution in the case of these loans will have priority against the assets of the borrower for the satisfaction of the debt. The borrower may not have the collateral up to, say, 50 or 60 percent, which the banks require. He may have 30 percent collateral. In cases I cited a moment ago the borrower may have little or no collateral aside from a good reputation for being a hard-working man, who may want to establish a small gas station on the corner. He could pledge the assets of the gas station, so far as that is concerned. He could mortgage the station to the bank. Those would be the assets upon which the bank would have the first lien. I do not see any difficulty in the way the bill is drawn, and if there is any, we can straighten it out in the course of the hearings.

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

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Illinois yield to the Senator from Alabama?

Mr. LUCAS. I yield.

Mr. SPARKMAN. With reference to that particular point, I want to see if I understand the able Senator from Nebraska, correctly. As I gather from what the Senator from Nebraska has said, his point is this: If we make enabling provision for the RFC to participate in these loans on a character basis, in other words to make character loans, then if in some State there is a law forbidding a State bank to participate in a loan on that basis, the small-business man who seeks a loan from a State bank would be left out in the cold. I wonder if I am correctly interpreting what the Senator from Nebraska said.

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

Mr. LUCAS. I yield.

Mr. WHERRY. What I had in mind was that certain State laws do not recognize the character of a man as being an asset which can be used as such in the making of a loan. State laws require certain collateral to be furnished in connection with the making of loans. If a man wishes to make a loan, but does not have the required collateral, though he does have good character, his application, State-wise, would be denied.

When the RFC is authorized to underwrite a loan in which the character of the individual is taken into consideration along with the credit or security he can furnish as collateral, which is not, however, sufficient collateral for the loan, it seems to me the small applicant would be precluded because even though a participation by the RFC up to 90 percent were to be taken in the loan—a provision with which I am in agreement—yet because of State law requirements and Federal banking requirements the small applicant could not obtain from a State bank the loan he wished to obtain.

Mr. SPARKMAN. Mr. President, will the majority leader yield to me further?

Mr. LUCAS. I yield.

Mr. SPARKMAN. I want to be certain that I have correctly understood the able Senator from Nebraska, because I think there is merit in the statement he has just made. Certainly that is a matter which the members of the Banking and Currency Committee should take into consideration when the measure is before the committee. If I understand correctly then, the Senator from Nebraska would recommend that we include in the bill a provision that if, for any reason, because of any requirement in State law or Federal banking law, an applicant might be denied a loan jointly participated in by the local bank and the RFC, the RFC could make the whole loan?

Mr. WHERRY. That is the only way I can see it can be done. I do not say I would write in such a provision. I have not studied the measure sufficiently to make a definite statement. But unless we propose to extend to the RFC the privilege of making loans as they please on a character basis, an applicant of the type we are considering, will be denied the very privileges sought to be accorded by the bill.

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

Mr. WHERRY. I yield.

Mr. SPARKMAN. I commend the Senator from Illinois for introducing the proposed legislation. It is something I have long felt was needed. The Senator may remember that last year, along with the Senator from Montana [Mr. MURRAY] I introduced a bill providing for several things, of which a similar plan was one. As a member of the Committee on Banking and Currency, I certainly pledge my own support to the effort to enact legislation which will be effective. I, too, hope that the able Senator from Illinois will consider very carefully the recommendation by the Senator from Nebraska [Mr. WHERRY] that the RFC be empowered to make direct loans when necessary to effectuate the purpose intended.

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

Mr. LUCAS. I should like first to answer the colloquy which has been going on between the able Senator from Nebraska [Mr. WHERRY] and the able Senator from Alabama [Mr. SPARKMAN].

I have never overlooked collateral security, but I have not placed all the emphasis on collateral security. I hope that the individual who applies for a loan may have some collateral security. If he does, I want the bank to have a first lien upon such collateral security, to take

care of the 10 percent of the loan in which the bank is interested. However, I call attention to one provision in the bill, which reads as follows:

The Corporation shall make direct loans pursuant to the foregoing proviso only in those cases where loans cannot be consummated in cooperation with banks or other lending institutions.

As I see it, that provision would solve the problem. I do not wish to be placed in the position of saying that the Federal Government should become an agency to lend money to every Tom, Dick and Harry who may come along with any kind of proposal. It will be noted that at the outset I definitely stated that I was not interested in inefficient, fly-by-night organizations to be set up by one or two businessmen for the purpose of trying to get a loan directly from the Federal Government. That situation must be scrutinized with the utmost care. I am interested only in that man who, because of bank restrictions and conditions over which he has no control, is unable, even though he is fully qualified in management ability, to get into a small business which might provide for himself and his family.

Mr. WHERRY. Let me make this observation, because now the distinguished Senator has come to the meat of the problem which we had before us in the Small Business Committee. The only way we can accomplish the purpose which the Senator seeks to accomplish, when there is no collateral, is to make a direct loan. I certainly do not wish to vote that authority to the RFC at this time, because I feel that there should be participation, so long as we have State laws and Federal laws governing certain types of loans. That is where the impact comes. I am glad to hear what the Senator from Illinois has stated. There may be deserving cases in which such loans should be made. If they can be made, well and good, but that is the reason I raised the point which the able Senator has so ably discussed. Probably I should have waited until he had finished his speech, because I see that there is a provision in the bill for direct loans when private lending institutions cannot participate.

Mr. THYE. Will the Senator yield?

Mr. LUCAS. I yield to the Senator from Minnesota.

Mr. THYE. I thank the Senator for yielding. The last statement made by the able majority leader in explaining the bill answers the questions which I had in mind. I think he has set forth sufficient safeguards to make certain that the RFC does not bypass the bank; but in the event State laws tie the banker's hands so that he cannot do anything, the bill is broad enough to assist in taking care of the needy cases.

Mr. McMAHON. Mr. President, will the majority leader yield?

Mr. LUCAS. I yield to the Senator from Connecticut.

Mr. McMAHON. I must leave the Chamber for a few moments. I, too, am very much pleased that the majority leader has introduced this bill and is giving his attention to this problem. We guarantee bank deposits, I believe, up to \$5,000, and the Senator from Illi-

nois knows the success achieved in stemming the terrible deflationary tide with the Home Owners' Loan Corporation.

I admit that these analogies are not exactly in point, but it seems to me that anything we can do which will lend stability to the small businesses of this country should be a matter of prime concern to every Senator. Connecticut is predominantly a State of small businesses. There is a need for soundly conceived financing and for plans to encourage small business. I share with the Senator from Illinois his determination not to set up a mechanism by which many unworthy people could milk the Treasury. That is not the Senator's purpose, I know; rather, it is the promotion of sound small business, which literally is the backbone of the free-enterprise system. I congratulate the Senator on his approach.

Mr. LUCAS. I thank the Senator from Connecticut.

Another provision in my proposed bill would permit the Corporation to extend maturity dates on loans made under its terms for periods longer than 10 years. This is in accord with the President's recommendations.

I should like at this time to discuss the problems of small business generally. A program which will assure the continued independence and development of small-business enterprises must take into account three different segments of our small-business economy.

First, there are the one and a half million enterprises in which no more than three people are employed and which probably account for as many as 10 percent of the business work force. The capital assets of the business firms in this group do not average more than \$5,000 to \$10,000.

Secondly, there are those thousands of new business ventures which are born every year. The mortality rate among these new ventures is extremely high, as they are frequently started in a climate wholly uncondusive to their continuing existence. The President made specific reference to this group in his State of the Union message.

Finally, there is the group of firmly established business enterprises, employing in numerous instances several hundred workers. It is this group which is in need of long-term capital, and it is this group which has received the attention of most of the recent studies on small business.

A comprehensive program for the encouragement and preservation of small business in America should consider all three of these groups. The bill which I have introduced should considerably encourage the growth of new business enterprises and also assist the group which needs long-term capital.

Studies of small-business problems over the past few years by congressional committees and private organizations show that a large segment of small business is seriously in need of long-term capital which is not available today from private sources. Many private banking institutions as a general policy prefer short-term loans with maturity dates of less than a year. This is not a criticism of the private bank, as its primary con-

cern must be the security of the deposits of its patrons. However, such a policy deprives small business firms of a source of long-term capital. This statement is in line with the suggestion which was made a few moments ago by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Commercial lending institutions require high interest rates on moderate loans to small business. These interest rates are sometimes two- and threefold the rates of interest paid by large borrowers, even though the risk may be greater in the case of the larger borrower than it is in the case of the small business enterprise.

In any case private capital is available only when loans are perfectly secured against loss. Such security, even if it is available, frequently leaves the borrower with his assets so encumbered that he is unable to obtain working capital. This fact discourages small business firms from borrowing either for the purpose of expanding or for the purpose of instituting more efficient processes.

Investigations have shown that in many instances in an effort to become more efficient small business enterprises have so encumbered their assets in securing long-term loans that they were then unable to obtain working capital in order to put to work their new efficient processes.

This bill which I have introduced would remedy this problem. Established business firms would be able to obtain long-term loans without mortgaging every last dollar of their assets. This would leave them with unencumbered assets sufficient to secure working capital loans. The natural result would be to stimulate private banking business in the making of loans for working capital.

It is a well-known fact that small business firms cannot obtain capital by the marketing of their securities. Underwriters' fees amount up to as much as 20 percent. The records of the Securities and Exchange Commission show that a very small percentage of registered stocks of small companies are finally marketed. Underwriters are hesitant to deal in unknown securities, and the public is reluctant to purchase them. There is clearly a need today for a program along the lines of the one which I am proposing in this bill.

Whenever a Government program is proposed providing for the guarantee of loans, the question always arises as to which is the proper Government agency to administer the program. It is my view that the RFC is adequately organized to handle such a program, although I recognize that other agencies of the Government may also be qualified. This is a matter to which the Banking and Currency Committee should give serious study. It is for this reason that I am introducing this bill at an early date in this session.

The second group of small businesses, which any comprehensive program must consider, are those new business enterprises which are started every year and which fail at an extremely rapid rate. If we are to preserve small business as a healthy part of our economy, we must take steps toward assuring a climate

more conducive to the success of new business enterprises.

Ours is a growing society. The population of the United States has practically doubled in the last 50 years. During this same 50 years, trends have generally been toward concentration in business enterprise. Small business as an institution must be able to keep pace in this growing society. It must be able to withstand the trend toward concentration and it must be able to expand at a pace sufficient to supply the services and products demanded by our growing population. In his State of the Union message the President made this statement:

As our national production increases, as it doubles and redoubles in the next 50 years, the number of independent and competing enterprises should also increase.

The bill which I am introducing takes cognizance of this problem. It will permit loans for such enterprises when there is an economic justification and when there is reasonable assurance that such an enterprise will be successful.

Other programs which can be instituted, and which should be thoroughly investigated by the committee, would promote these new enterprises and also would benefit all of small business. One such program would provide for technological studies in the development of new products at reasonable costs. Small-business enterprises today are unable to maintain experimental laboratories. In this respect they are at a serious disadvantage in competing with large-business corporations.

The United States Government has vested rights in many thousands of patents, acquired during the war, which might be used by small-business firms. The Smaller War Plants Corporation at one time undertook to encourage the use of these patents by small-business enterprises. I am not sure that we did the right thing when we let the Smaller War Plants Corporation expire. Perhaps in the interest of small business we should have kept it as an independent agency.

Consideration should be given now to the possibility of having the Government technically develop these patents to the point where they might be used profitably by small business. This might be accomplished by the Bureau of Standards.

It is generally recognized also that small business enterprises are in need of a central source of information on Federal and State regulations and production and marketing methods. There should be closer cooperation between the Commerce Department and private business groups on a regional basis in providing a clearing house for such information. This suggestion is in line with the bill which the distinguished chairman of the Banking and Currency Committee introduced earlier today.

The last point under a comprehensive small-business program which I should like to discuss briefly is the assistance needed by the one and one-half million enterprises employing only a few individuals, but accounting for one-half of our business firms. I do not conceive that the bill I am introducing will sub-

stantially assist this group. The need of these businessmen is for small amounts of working capital ranging from \$500 to \$2,500. These funds are needed in order that they may take advantage of discounts on purchases. The failure to obtain these discounts leaves them in a bad competitive position.

Many of these firms are now obtaining this working capital from local banks. This is as it should be. Many of these firms, however, cannot obtain funds from local banks because of banking policies or for other reasons. Where this is the case, these very small enterprises must mortgage every last dollar of their assets or resort to mortgaging their accounts receivable, at interest rates ranging around 20 percent.

This problem might be approached through the Federal Reserve System. That organization should be in a position to encourage short-term loans, at reasonable interest rates, by private banks. We might here consider allowing the Federal Reserve to use a portion of its surplus to guarantee such small loans made by private banks. I urge the committee to give consideration to this problem as it affects a very large portion of our small business economy.

This bill does not change the aggregate amount of loans which the RFC is authorized to have outstanding. Such a change might be necessary for the proper administration of the terms of this bill. However, such a change involves many policy considerations, and should receive the serious consideration of the committee.

The bill which I am introducing is directed toward remedying the problem of supplying long-term capital to small business. I am hopeful that under its provisions, assistance can be given to new business enterprises.

This bill is based upon the concept that our problem is primarily one to be solved through private capital. The lending powers of the RFC are to be employed only where private financing is unavailable.

I have submitted suggestions, outside the provisions of this bill, which I believe should be seriously considered. They relate to programs for making working capital available to the very small business enterprises, making information available to all small businesses, and providing technological research in the interest of these firms. All these problems should be studied thoroughly by the committee.

I firmly believe that through a program such as this, we can vitalize free American enterprise and open up new horizons. We might truly say that this will be a point 4 program for America.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to ask a further question. In the event the proposed legislation is not considered favorably, can the Senator tell me what provisions of the present RFC legislation are preventing small business from getting the loans which big business is able to get today?

Mr. LUCAS. I cannot answer that question. I assume that if the RFC

wished to exercise the broad discretionary powers it now has, it could almost do, by means of the 90 percent provision alone, what we are attempting to do by means of all the provisions of this bill. But the RFC has not done so. We must bring to the attention of the Government generally the attitude of Congress in regard to loans to small business. This is in line with the President's statement in his State of the Union message. He is just as much interested in seeing something done along this line as are the Senator from Nebraska and the Senator from Illinois.

Mr. WHERRY. I agree that raising the participation up to 90 percent would be most helpful in some cases. I also agree that extension of the time in which to make repayment would be helpful, of course. I hope, however, that if the legislation now proposed or any other measure on the subject is not reported favorably, after due consideration, some thought will be given to what is apparently the discrepancy or discrimination existing in such cases. For instance, we read about loans being made to large operators; but under the present set-up we never read about loans being made to small operators. It may be that legislation on the subject will not be enacted. It seems to me, as has been stated here, that small business should receive treatment equal to that received by big business under the legislation now on the statute books. In the event that remedial legislation on the subject is enacted, I believe that small business should be placed on equal footing with businesses which happen to be able to obtain loans from the RFC, as big businesses now can do.

Mr. LUCAS. I thank the Senator.

Mr. President, I yield the floor.

PROPOSED CHANGE IN METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT

The Senate resumed the consideration of the resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President.

Mr. SPARKMAN. Mr. President, I wish to speak very briefly on the pending joint resolution to change the method of counting the electoral votes in the election of President and Vice President. I am joined as one of the sponsors of this measure, along with the Senator from Massachusetts [Mr. LODGE], who introduced the joint resolution, the Senator from Nevada [Mr. McCARRAN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. HOEY], the Senator from Mississippi [Mr. STENNIS], the Senator from West Virginia [Mr. NEELY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from New Jersey [Mr. SMITH], the Senator from Oregon [Mr. MORSE], and the Senator from Vermont [Mr. FLANDERS]. I joined in the sponsorship of this joint resolution because I have long felt that some improvement was badly needed in connection with the method of election of President and Vice President of the United States.

I know that the advantages of the change have been very fully and very thoroughly discussed. The able Senator

from Massachusetts [Mr. LODGE], the chief sponsor of the joint resolution, made a masterful presentation on the opening day of the debate. I know that practically all the points I might think of have already been developed. However, I desire to take a few minutes to state my position, as being unequivocally in favor of the passage of the joint resolution by the Senate. I hope it will be passed also by the House of Representatives, that the amendment will go to the States, that it may be ratified by the States, and may become part of the Constitution.

The electoral college has never functioned in the manner intended by those who devised the plan of electing the President and Vice President. Instead, there has developed or grown up in this country a two-party system. It is a system of nominating candidates for President, of the two parties going into the respective States in the campaign, of counting the votes in the respective States under the unit rule, and of counting those votes in the mythical electoral college, which is supposed to meet every 4 years for the selection of a President and a Vice President.

When those who wrote the Constitution devised the electoral system, it was their idea that electors, independently selected in the various States, would actually meet, and, exercising their independent judgment, would select for President and for Vice President the two best men they could find in the United States. We of course know that that system did not last very long, and that instead of having the whole United States from which to select, they were in effect limited in each case to two candidates, those put forward, respectively, by the two great political parties. They knew, before they went into the supposed meeting, what the outcome would be.

The people throughout the country, throughout the years, have recognized the weaknesses of the so-called electoral college, and the need of some change, but for some reason we have never been able to effect a change. There have been many proposals of different types, but I believe the proposal contained in the pending joint resolution is the best that has yet been suggested. I think it is fair. I cannot see how it would work to the advantage of any party, any section, or any person. I think it is realistic in the manner in which it proposes to have the votes counted. Credit is given to the votes in the respective States, on a proportionate basis; yet there is preserved and maintained the integrity of the several States in the spirit of the compromise agreement which was reached in the Constitutional Convention, whereby the States are given in the electoral college as many votes as they have Members in the two Houses of the Congress combined. Under the joint resolution that system would be maintained, yet in every State the division of electoral votes as between the candidates would be determined by the number of votes actually received by the candidates within the State.

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Alabama yield?

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

Mr. SPARKMAN. I am glad to yield to the Senator from Tennessee, who for a long time has been an advocate of reform of this kind. In the House of Representatives, I remember the interest the Senator from Tennessee always manifested in the effort to bring about some change in our method of electing a President and a Vice President.

Mr. KEFAUVER. I thank the Senator. The Senator from Alabama and I, along with the Senator from Massachusetts, Representative GOSSETT, and many others, have been working on the problem and thinking about it for a long time. The Senator said he did not feel that this plan would work to the advantage of either political party. I am certain, however, the Senator meant to say that, while it would not work to special advantage, or give one party an advantage which it does not now have over the other, yet, on the other hand, it would work greatly to the building up and strengthening of both our major political parties on a Nation-wide basis, in every section of the United States. Does not the Senator feel that that would be one of the chief advantages of the proposed new system?

Mr. SPARKMAN. Yes; and I am glad my friend, the Senator from Tennessee, interrupted me, because I certainly did not intend to say it would not be advantageous to the parties. I meant it would give neither party an unfair advantage over the other; that is what I really meant.

Yes, Mr. President, during the years there have developed in this country certain one-party sections. I come from an area which is a one-party section. It is a part of the country which is always looked upon as being safely Democratic. What is the result? First of all, consider our general elections. Very few people go to the polls to vote in a general election. We might as well not have a general election in most of the Southern States, because it is a foregone conclusion as to how the vote is going to be cast. Through the passage of the pending resolution, and the adoption of the constitutional amendment putting into effect this method of electing, or of counting electoral votes, there would be an incentive for every person in every State to go to the polls, because his vote would count just as strongly and would be given just as much weight as the vote of anyone in the most doubtful or most closely contested State.

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

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Tennessee?

Mr. SPARKMAN. I am glad to yield.

Mr. KEFAUVER. I was very much impressed with the observation of the Senator that the proposal, if put into effect, would help bring out a much larger vote in all the States in all sections of the United States. I wanted to ask the Senator whether he did not think it of equal importance that, in addition to bringing out a large vote, and resulting in more people exercising their right of franchise, we would have

in all sections of the United States the great educational value and benefit of political campaigns? In the Senator's State of Alabama, and almost to the same extent in my State of Tennessee, it is very infrequent that the candidates of the major political parties or any of the principal speakers of those parties come to our States for the purpose of discussing the issues of the campaign, and so the citizens of the South, and likewise the citizens of other sections, which have either been marked off or conceded to one or the other of the political parties, lose that great educational value which is so necessary in a democracy.

Mr. SPARKMAN. Mr. President, the able Senator from Tennessee is my closest neighbor, senatorially speaking. We live near each other. We served together in the House for approximately 10 years, and I think he must have acquired a very fine method of anticipating what I am going to say, because he has certainly brought out the very next point which I was going to mention, which is that we miss completely the whole presidential campaign.

Mr. President, I am 50 years of age. During that 50 years—while I cannot remember all the way back, I can remember back to 1908 when Mr. Taft was elected President—I have never seen a presidential candidate in the State of Alabama, with one exception. In 1928 I drove from my home town, Huntsville, to Stevenson, Ala., which is near Chattanooga, in order to see the train of the presidential candidate come through a small corner of Alabama on its way to the State of Tennessee. Tennessee had gone Republican in 1920, and because it had created a doubtful status for itself, the presidential candidate was going to Tennessee to make a speech. There was no need of his coming to Alabama. He did not come there, and no other presidential candidate has ever spoken in the State of Alabama.

That is true, Mr. President, of many of the so-called one-party States throughout the country, not only in the South, but in New England and in the Middle West. There are many States in the Union which are known as one-party States. The result has been that not only do they not have an incentive to vote, as the Senator from Tennessee has so well pointed out, but also they miss completely the educational part of a presidential campaign. In a certain sense it may be said that they are almost disfranchised in the election of a President and Vice President of the United States.

Mr. President, I think the passage of the joint resolution and the adoption of the amendment it proposes would change that situation, and we would have an election which would be truly National-wide. We would have an election which would be carried into every State of the Union. We would have an effort exerted by both the major parties to get out every voter possible.

I have often said, as have any other persons, that we need a two-party system in the South and in every State of the Union. We shall not have a two-party system in the South until some in-

centive can be given to persons, who may believe in the other party's doctrines, to vote their convictions. Under present conditions their votes simply do not count. I think they should be given an incentive to vote. I believe that is true in every section of the United States and in every State of the Union.

The fact of their being doubtful States, sure States, and "solid" sections has created a condition which was not intended by the founding fathers and which is not for the good of our parties or of our Government. I refer to the natural tendency of each party to limit itself in the selection of Presidential and Vice Presidential candidates to those States which are in the doubtful column and those States which, if won, can deliver, under the present unit system, a large block of votes.

I believe it was contemplated under our form of government that there should be considered eligible and available for those great offices of leadership in the United States every person, regardless of whether he came from one State or from another, a large State or a small State, a one-party State or a two-party State. Yet, under the present system, our parties are almost of necessity narrowed down to a relatively small part of the United States in the selection of the candidates who shall bear their respective banners. If the amendment proposed by the pending resolution should be written into the Constitution it would change that situation and would give us what I believe would be a better chance at republican government in the United States.

There is only one other point I wish to make. I am sure it has been stressed. It is stressed in the report. I refer to the growing tendency of relatively small pressure groups to exert a tremendous and even a dangerous power over the selection of candidates and the election of those candidates to the high offices of President and Vice President.

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

Mr. SPARKMAN. I yield.

Mr. LODGE. There has been considerable discussion as to the effect on our two-party system. Some contend it would tend to weaken the two-party system and to increase the power of splinter parties. I should like to ask the Senator to comment on that matter and the effect which this proposal would have on the vigor and general health of our two-party system.

Mr. SPARKMAN. Mr. President, I am glad the Senator has asked that question. I believe it would tremendously help and strengthen the two-party system. I personally believe in the two-party system. I do not want the time ever to come in this Nation when we have a multiplicity of parties. I think one of the great weaknesses besetting France today is the multiplicity of parties and the difficulty of forming a government, because always there has been the necessity of having a coalition of various parties, and no one party was responsible for the Government. I hope that condition shall never prevail in this country. I think the pas-

sage of the resolution and the subsequent adoption of the amendment would strengthen greatly the two-party system and would tend to defeat the development of splinter parties. I do not think a splinter party would have the ability to obtain a toe-hold such as it now has. A splinter party has a chance at this time, because, operating in a large State, such as New York, which has the largest single block of votes in the electoral college, a small minority can very often swing an election one way or the other.

I may be wrong, but I think I have heard many persons say that had it not been for the apparent ability of a third party to change the results in New York State at the last election there probably never would have developed the third party which was headed by Mr. Henry Wallace. I do not know whether that is true. I suppose no one knows. It is bound to be speculative. But we do know that the distinct possibility was held out to a small group that they might swing the great State of New York, and, perhaps, one or two other great States, and thereby might become the balance of power in the United States. That was the encouragement and incentive to a splinter party, if we want to apply that term.

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

Mr. SPARKMAN. I yield.

Mr. KEFAUVER. Ordinarily, in the case of third parties or splinter parties, is not the apparent effort—and frequently the publicized effort—not to put forward what they believe in, with the expectation of winning or doing some good to their own party, but is it not primarily for the purpose of defeating an enemy party and thereby getting the election thrown into the House of Representatives and creating as much confusion as is possible?

Mr. SPARKMAN. Yes; I think that is bound to be true, and I think the motive of so-called pressure groups quite often is to apply as much pressure as is possible to each of the major parties in order to place themselves as nearly as is possible into a position of holding the balance of power.

Mr. KEFAUVER. Is not that done by virtue of the fact that in the history of senatorial elections and elections of governors in the various States, since the beginning of our party system, there have been fewer third parties, or splinter-party efforts, insofar as senatorial elections and gubernatorial elections are concerned, than there have been in presidential elections under the electoral-college system?

Mr. SPARKMAN. I think that is true. In concluding, Mr. President, let me say that I have studied very carefully the proposal under discussion. I have studied it, I will say in all frankness, as a Democrat. I have studied it as one who comes from a solid Democratic section. But most of all I have studied it as one who is interested in orderly, efficient, and sound government in the United States. I believe that if the proposed amendment shall be added to the Constitution it will make for better, cleaner, purer elections.

I believe it will make for better and abler party platforms. I believe it will make for a better informed electorate, because it will serve to carry the campaigns to all corners of the Nation. Most of all, I believe it will make for better government, better legislation, better performance generally.

Mr. President, because I believe these things, I am supporting wholeheartedly the pending joint resolution.

CONTRIBUTION TO UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (H. DOC. NO. 459)

The VICE PRESIDENT. The Chair lays before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation for the authorization of a contribution by the United States to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The communication from the President and the draft of proposed legislation will be referred to the Committee on Foreign Relations and printed in the RECORD.

The communication from the President and draft of proposed legislation were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, January 30, 1950.
HON. ALBEN W. BARKLEY,
President of the Senate of the
United States.

MY DEAR MR. VICE PRESIDENT: I am transmitting herewith for the consideration of the Congress a draft of proposed legislation to enable the United States to participate in and contribute to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. This agency has been established by the General Assembly of the United Nations to deal with the problems created by the displacement of hundreds of thousands of persons as a result of the recent hostilities in Palestine.

The work of the agency will be to carry out the recommendations of the economic survey mission for the Middle East, appointed by the United Nations. This Survey Mission, under the chairmanship of Gordon Clapp, was directed by the United Nations to study the economic dislocation created by the conflict in Palestine and to recommend measures to reintegrate the Palestine refugees into the economic life of the area. Its recommendations are an example of the kind of development and planning which is essential to the economic growth and improvement of underdeveloped areas. The mission in this survey has taken into account the human and natural resources of the region in which these refugees find themselves, and has recommended a program of economic activity which will be of lasting benefit to these areas and to the standard of living of peoples who live there.

Our aid is needed to put this program into effect and to help the refugees and the inhabitants of these areas in the Middle East to achieve greater productivity through the steps recommended in the report of the mission.

In my inaugural address, I stressed the importance, in the interests of our foreign policy, of economic development of underdeveloped areas. In such a case as this, where relief for refugees is essential, it is advantageous to combine the relief program, with the beginnings of longer range economic development.

Point-4 legislation and legislation for the United Nations Relief and Works Agency for Palestine Refugees are complementary. There is no overlapping in the request for funds for the two programs.

The immediate reason for the establishment by the United Nations of the economic survey mission to the Middle East was the hope that through an economic approach it might be possible to facilitate a peace settlement between the Israel and the neighboring Arab states. The problems of Palestine and her neighbors are complicated by the continuing plight of over three-quarters of a million persons who left their homes during the conflict in Palestine, and are now refugees in the neighboring lands. Homeless and without work, these people cannot care for themselves. The nations now giving them asylum are themselves unable to care for them. For some time to come they will remain dependent on others for their support.

In response to an appeal from the General Assembly of the United Nations for relief funds, made in December 1948, I recommended to the Congress that the United States should bear up to one-half of the cost of a relief program which was estimated to cost \$32,000,000 for a 9-month period. The Congress appropriated \$16,000,000 for this purpose. Our contribution has been more than equaled by the contributions of 32 other countries. The fund thus raised has been stretched to its limits and is now exhausted.

The United Nations Economic Survey Mission has recommended a combined relief and public-works program, and has estimated the cost of this program at \$54,900,000 for an 18-month period beginning January 1, 1950.

This program is significant in its practical approach to our objectives of economic development in underdeveloped areas. The areas in question have unrealized economic potentialities but require technical assistance from abroad to assure their development. The projects proposed will be complete in themselves, representing intensive development in small areas, and have been so selected that they can be brought to completion by the middle of 1951. They will result in lasting economic benefits.

In illustrating what can be done with limited resources of soil and water by the application of modern engineering and agricultural techniques, these projects should point the way to further development not only in the countries where they are carried out, but in neighboring countries as well. The successful completion of this program should go far in furthering conditions of political and economic stability in the Near East. At the same time the proposed program, while costing little more than direct relief, looks to the end of the direct relief

program of the United Nations in the Near East, and to ultimate solution of the refugee problem.

I believe that it is appropriate that the United States should continue to bear one-half the cost of this program. I, therefore, recommend that the Congress authorize and appropriate \$27,450,000 for an 18-month period. I trust that other nations which have contributed to the program in the past will be equally generous in the future.

The importance of a substantial United States contribution to this program is very real. Not only is it consistent with the humanitarian spirit of the American people; it is also in our national interest to help maintain peaceful and stable conditions in the Near East.

It is with these considerations in mind that I recommend to the Congress the early enactment of legislation to enable the United States to take its part in this program of the United Nations.

Sincerely yours,

HARRY S. TRUMAN.

Joint resolution for the authorization of a contribution by the United States to the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Resolved, etc., That the Secretary of State is hereby authorized to make contributions from time to time before July 1, 1951, to the United Nations for the United Nations Relief and Works Agency for Palestine Refugees in the Near East, established under the resolution of the General Assembly of the United Nations of December 8, 1949, in amounts not exceeding in the aggregate \$27,450,000, for the purposes set forth in the said resolution.

Sec. 2. (a) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed \$27,450,000 to carry out the purposes of this joint resolution.

(b) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (a) of this section, to make advances to the Secretary of State, not to exceed in the aggregate \$8,000,000, to carry out the provisions of this joint resolution. From appropriations authorized under subsection (a) of this section, there shall be repaid to the Reconstruction Finance Corporation, without interest, the advances made by it under authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

Sec. 3. (a) The provisions of sections 301, 302, and 303 of the act of January 27, 1943 (62 Stat. 7), are hereby made applicable with respect to the United Nations Relief and Works Agency for Palestine Refugees in the Near East to the same extent as they apply with respect to the government of another country: *Provided*, That when reimbursement is made by said Agency, such reimbursement shall be credited to the appropriation, fund, or account utilized for paying the compensation, travel expenses, and allowances of any person assigned hereunder.

(b) Departments and agencies of the United States Government are authorized, with the approval of the Secretary of State, to furnish or procure and furnish supplies, materials, and services to the United Nations Relief and Works Agency for Palestine Refugees in the Near East: *Provided*, That said Agency shall make payments in advance for all costs incident to the furnishing or procurement of such supplies, materials, or services, which payments may be credited to

the current applicable appropriation or fund of the department or agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.

PROPOSED CHANGE IN METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT

The Senate resumed the consideration of the resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President.

Mr. KEFAUVER. Mr. President, I had desired to have recognition at this time in my own right, but the hour is late, and if I could be recognized at the beginning of the session tomorrow by unanimous consent, I should be glad to speak at that time.

The VICE PRESIDENT. Is there objection to the request of the junior Senator from Tennessee that he have the right to speak tomorrow when the Senate convenes? The Chair hears none, and it is so ordered.

RECESS

Mr. KEFAUVER. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, January 31, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 30 (legislative day of January 4), 1950:

UNITED STATES DISTRICT JUDGE

George W. Whitehurst, of Florida, to be United States district judge for the northern and southern districts of Florida to fill a new position.

IN THE ARMY

The following-named person for appointment in the Regular Army of the United States, in the grade of colonel, under the provisions of Private Law 352, Eighty-first Congress:

Kenneth D. Nichols, O17498.

Col. Elvin R. Heiberg, O16378, for appointment as professor of mechanics, United States Military Academy, under the provisions of Public Law 449, Seventy-ninth Congress, June 26, 1946, and section 520 (a) of the Officer Personnel Act of 1947.

The following-named person for appointment in the Regular Army of the United States, in the grade of lieutenant colonel, under the provisions of the act of June 10, 1949 (Public Law 96, 81st Cong.):

Melecio M. Santos, O14683.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 351, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 625, Eightieth Congress, and Public Law 36, Eightieth Congress:

To be majors

Lorenzo R. Berry, MC, O279792.

Silvia Cortesi, WAC, L904048.

William G. Dunnington, MC, O333305.

Harold E. Opsahl, MC, O330406.

Nick Perlmutter, MC, O930142.

Sanford M. Vaughan, MC, O395934.

Wilhelm A. Zuelzer, MC, O484406.

To be captains

Walter J. Bolbat, DC, O477483.
 Paul F. Brookshire, Jr., MC, O440311.
 William D. Bumsted, DC, O1786096.
 John D. Dimichele, MC, O1704772.
 John R. Ervin, MC, O1785785.
 Donald G. Fahy, MC, O1718476.
 Milton Flocks, MC, O412320.
 Gus J. Furla, MC, O1767230.
 Longstreet C. Hamilton, MC, O1735272.
 Warren S. P. Henderson, MC, O1786624.
 Stanley Karansky, MC, O423605.
 John M. Lukeman, MC, O1724769.
 Robert W. Parvin, MC, O404988.
 Martin A. Pfothenauer, MC, O470118.
 Henry P. Rosack, MC, O423100.
 Robert J. Rowan, DC, O477609.
 Walter A. Schoen, Jr., MC, O1766680.
 Leonard K. Schreiber, DC.
 Edward H. Stiesmeyer, DC, O1766061.
 Bruce D. Storrs, MC, O425964.

To be first lieutenants

Clarence L. Anderson, MC, O963365.
 Joseph J. Asta, MC, O960846.
 Lorenz L. Beuschel, VC, O938999.
 Heath D. Bourdon, MC, O965833.
 George J. Charlebois, Jr., VC, O1785428.
 Raymond C. Clark, Jr., DC, O1717134.
 Richard J. Deegan, JAGC, O383820.
 Austin H. Doren, MC, O963728.
 William C. Dunckel, Jr., MC.
 Richard H. DuFree, MC, O962912.
 Charles V. L. Elia, VC, O1775597.
 Jack D. Fetzer, MC, O963268.
 Ralph W. Flinchbaugh, DC, O945347.
 John T. Flynn, VC, O1784862.
 Fred F. Foxx, DC, O673135.
 Robert B. Greiner, VC, O1745729.
 Donald E. Guy, VC, O933073.
 Carlos B. Harmon, DC.
 Russell C. Harrison, MC, O962179.
 Frederick H. Hartwig, MC, O961947.
 John T. Hayes, ChC, O931276.
 Donald L. Howie, MC, O948537.
 Daniel W. Hubbard, VC, O1716505.
 Robert D. Hume, Jr., MC, O1717394.
 Robert T. Jensen, MC, O964251.
 Edward Jones, DC, O1178847.
 Herbert A. Keith, DC, O959928.
 Harold B. Lawson, ChC, O949086.
 William T. Lee, DC.
 Francis P. Martin, MC, O968434.
 Robert B. Mattes, DC.
 Robert C. McCord, VC, O1785299.
 Ora H. McKenney, Jr., ChC, O546033.
 Walter G. McLeod, ChC, O502334.
 Martin S. Oster, VC, O939012.
 Elwin R. Prather, VC, O386789.
 Joseph S. Quigley, VC, O1725228.
 Robert J. Reed, JAGC, O392414.
 Albert M. Richards, MC, O963144.
 Harry C. Robertson, DC, O945350.
 Donald E. Schwartz, DC, O959927.
 Donald J. Summerson, MC, O935461.
 Adolphus G. White, DC, O960090.
 David C. White, MC, O965831.
 John O. Wilson, VC, O1745608.

To be second lieutenants

Betty J. Baumgartner, WAC, L1010008.
 Beverly E. Bochman, ANC, N792562.
 Helen J. Buzzetti, WAC, L1010013.
 June L. Chambers, ANC, N792074.
 Joan M. Check, ANC, N792077.
 Jean M. Clawson, ANC, N792226.
 Jeanette M. Confort, ANC, N792570.
 Fred H. Diercks, MSC, O954634.
 Gloria J. Favors, ANC, N804040.
 Margaret E. Hallam, ANC, N785293.
 Adrian D. Mandel, MSC, O533784.
 Pettrina M. Mead, ANC, N792346.
 Marilyn M. Minton, ANC, N779710.
 Marguerite E. Moeller, ANC, N792217.
 Ralph W. Morgan, MSC, O453617.
 Evelyn K. Mullins, ANC, N792576.
 Carlos E. Newton, Jr., MSC, O1534828.
 Sylvia M. Paret, ANC, N799650.
 Florence L. Pettey, ANC, N764781.
 William S. Rooney, MSC, O958932.
 Helen M. Slater, ANC, N792167.

Virginia M. Sulpizio, ANC, N769885.
 Patricia A. Thrush, ANC, N792099.
 Phyllis J. Verhonic, ANC, N786871.
 Rebecca L. Williams, WMSC, R2518.

The following-named Distinguished Military Students in the Regular Army of the United States effective January 1, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as Distinguished Military Graduates, and subject to physical qualification:

Charles B. Arbogast, Jr.
 Lowell A. Aitken.
 Charles G. Avery, Jr.
 Stewart M. Baker, Jr.
 Cyrus W. Bassett.
 William A. Beddoe.
 David R. Blakelock.
 William S. Bouldin, O954671.
 Hal B. Brazil, O968024.
 Edward D. Brown, Jr.
 Samuel F. Burt.
 James C. Busson, O970928.
 Edwin T. Carroll.
 Robert L. Chamberlain.
 Fred R. Champion, O975750.
 Lodwick M. Cook, O974145.
 Richard A. Cope, O370927.
 Edward V. Crawford.
 George J. Crowe, O969439.
 James A. Daley.
 Jack E. Darling, O968042.
 Gordon B. DeLashmet.
 James R. Dilts.
 John Dissek, Jr.
 Logan B. Dixon, Jr.
 John J. Douglas.
 Robert J. Douglas.
 William L. Durham.
 Lewis V. Edner, O973275.
 Arthur J. Elian, O958584.
 Ronald L. Ellison.
 Henry H. Emerson.
 Grover C. Ethington, Jr.
 John G. Faulkner, O954134.
 Pelham L. Felder III.
 Robert A. Finney, Jr.
 John E. Foerst.
 Charles R. Fullmer.
 Paul P. Gotowicki, O949902.
 Horace R. Grant, Jr.
 Calvin E. Green.
 Kuhl C. Green.
 Joseph E. Greene.
 Frederick H. Griswold.
 Melvin G. Gross.
 John H. Haddock, Jr.
 Mickey T. Haggard, O968019.
 James F. Hamilton, O975751.
 Wallace R. Hansen.
 James M. Hanson, O955494.
 Hugh M. Hardaway.
 Errol E. Hayes, Jr., O971596.
 Robert M. Hill.
 Lawrence J. Hockman, O970921.
 Morris D. Hodges, O957478.
 Wilford J. Hoff, Jr.
 Lester E. Hopper, O966348.
 George C. Horton, O968228.
 Ernest O. Houseman, Jr.
 William C. Howton, Jr.
 Boyd L. Hulse, O954080.
 Charles M. Hunter.
 Tom P. Hutcheson.
 Arthur C. Jacobson, Jr.
 Calvin P. Jorgensen.
 George E. Kaso.
 William H. Kastner.
 George L. Kelley.
 Donald E. Kenney, O970291.
 Gerald L. Kotter.
 William S. Laney.
 James A. Lanier, O974580.
 Royce E. Lapp.
 Joseph S. Leszczynski.
 James E. Longsdorf.
 Max F. Lorence, O974336.
 Paul R. Lunsford.
 Wayman H. Lytle.

Frederick M. MacGregor, Jr., O978721.
 Harry J. Mack.
 Raymond A. Marks, O953796.
 Karl L. Martin, O945761.
 Doyle J. Matthews.
 Walter L. Mayo, Jr.
 Charles E. Mayrand.
 William C. McCorkle.
 Donald G. Meyer, O958154.
 Charles G. Mitchell, Jr.
 Charles S. Moody, Jr.
 Carl E. Morris, O978690.
 William B. Neal.
 Wesley G. Nichols.
 Rene J. Nickels.
 John M. Norton.
 Robert T. Ojendyk, O956619.
 Frank M. O'Quinn, O971383.
 Howard W. Overstake.
 Minor Peoples, Jr.
 John A. Peterson.
 Ellis A. Phillips.
 Ernest E. Phillips, Jr.
 Robert F. Phillips.
 Edwin M. Pilczuk.
 Bobbie J. Pinkerton.
 James V. Pogue.
 Robert E. Polewski, O947930.
 William M. Preston, O947800.
 William W. Privett, O971675.
 Benjamin H. Purcell.
 Bert R. Purgatorio, Jr., O971384.
 Quentin D. Quigley, O949948.
 Fred M. Ramos, O953992.
 Reuben Rose.
 Wesley C. Scarborough.
 Philip D. Sellers.
 Stanton E. Sill.
 Howard J. Simpson.
 Phillip B. Smith, O970904.
 Joe B. Sullivan, Jr.
 Karl F. Stark, O957539.
 Robert K. Swisher.
 Lawrence Tassie.
 Robert R. Taylor, O954455.
 Charles E. Thomann, O974408.
 Holcombe H. Thomas.
 Hal E. Tindall, O968051.
 William F. Turner.
 Eugene P. Walter, O970611.
 William A. Wells.
 Joe D. White, O968238.
 Edward T. Williams.
 John T. Wood, Jr., O954464.
 Clayton L. Wretling.
 Robert A. Yoder.
 Donald J. Zimmerlin.

The following-named distinguished military students in the Medical Service Corps, Regular Army of the United States, effective January 1, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Thomas J. Muldowney.
 George C. Stein.

The following-named distinguished military students in the Regular Army of the United States effective June 15, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Herbert E. Agnor, Jr., O970582.
 Peter L. Akers, Jr.
 Raymond W. Albright, Jr.
 John T. Alexander.
 Ace Allen.
 Bernard J. Alley.
 Charles N. Allgood.
 Bernard J. Ambrose, O971863.
 Paul K. Andersen.
 Charles H. Anderson, Jr.
 E. Preston Andrews, Jr., O978036.
 Frank Andrul.
 Charles R. Armstrong.
 Clarence C. Armstrong, Jr.

George H. Arnold.
 Alfred F. Aronson.
 Carroll Aslaksen.
 Orazio J. Astarita.
 Eugene R. Aten.
 John D. Attaway.
 Walter O. Bachus.
 Edmund A. Bacigalupi.
 James E. Bagley.
 Joaquin Balaguer-Rivera.
 Keith M. Baldwin.
 Mark C. Balkcom.
 Arnold L. Bamberg.
 William M. Barnes.
 Thomas H. Barnett, Jr.
 Samuel J. Bateman, Jr., O971258.
 Robert B. Beaumont.
 Zebulon V. Beck, Jr.
 David A. Beckner.
 Robert E. Belford.
 Charles W. Bell.
 Warren G. Bender.
 Rodney G. Benson.
 Frank S. Berall.
 Esai Berenbaum.
 Lyle C. Berner.
 Edward B. Berninger.
 William T. Berry.
 Donald G. Bickmore.
 Jack D. Billingsley.
 Harry S. Bingham.
 Lorne S. Black, O971057.
 William C. Black III.
 Julius W. Bleker III.
 John B. Blount.
 William A. Bocchino.
 Paul O. Boghossian, Jr.
 Donald E. Bohnett.
 Paul R. Bolin, O970394.
 Jesse B. Bolling.
 Carl D. Bolton.
 Robert M. Boyer.
 John L. Brammer.
 Robert C. Bransfield.
 John B. Bristow.
 Frank R. Britton, Jr.
 Harry J. Brockman.
 Albert B. Brown, Jr.
 David M. Brown.
 Herbert T. Brown, Jr.
 William J. Buchanan.
 Carrol W. Bufford.
 Wiley L. Bullard.
 Robert E. Bundy.
 Dudley T. Bunn.
 Emanuel Burack.
 Charles D. Burch.
 Lloyd L. Burke, O965718.
 Ellwood W. Burkhardt, O978032.
 Gary L. Burton, Jr.
 Robert A. Busse.
 James W. Byrd.
 William F. Byrd, O958396.
 James V. Caffrey, Jr., O971588.
 Sam L. Calhoun.
 Graham P. Callum.
 Luis R. Canetti-Gonzalez.
 Louis S. Caras.
 Leonard J. Carlson, Jr.
 William B. Carlton.
 Baldwin R. Carr.
 Thomas W. Carr.
 Joe T. Carrejo.
 Fredrick C. Cazin, Jr.
 Elliott Chaitt.
 Robert G. Chamberlin.
 Lee J. Chegin.
 Donald Chirafisi.
 Ralph T. Clark.
 Paul G. Clarke, Jr.
 Alexander B. Cleary.
 Frank A. Cleland.
 Joseph W. Cockerhan.
 Carroll F. Cogan.
 Jacque D. Cohen.
 Joseph T. Coleman, Jr.
 Joe H. Collier.
 Jack B. Collins.
 Joseph E. Collins.
 Lester L. Collis.
 Edward J. Comolli.
 Keith G. Comstock.

James P. Connick, Jr., O968242.
 Bernard J. Conroy, O970598.
 Dale J. Cook.
 Claude W. Cooper.
 John Covach.
 John E. Cowden.
 Robert L. Coxe, O972889.
 Clayton Craft, O978223.
 William H. Craig, O958327.
 Harry Cramer.
 Louis Cramer.
 David A. Crane.
 Harry C. Crews, Jr.
 Robert F. Croxton.
 Robert G. Cunningham.
 Newell H. Curtis, Jr.
 Roland E. Curtis.
 John N. Dale.
 Earl E. Daly, Jr.
 William M. Daly.
 Melvin H. Damon, Jr.
 Alvin R. Daniels.
 Harold O. Danielson, O974801.
 Raymond A. Dault.
 Carroll C. Davis.
 David H. Davis.
 Emmett I. Davis, Jr.
 Harvey C. Day, Jr.
 Charles E. Deitz.
 William L. Devane.
 Russell G. DeWitt.
 Adrian J. Dick.
 Pierre J. Dolan.
 Philbert C. Doleac, O968243.
 George M. Donovan.
 Robert G. Dorsey.
 J. T. Dotson.
 Mark H. Doty, Jr., O974904.
 Thomas W. Downes, Jr.
 Carl W. Dreyer.
 Grover A. DuBose.
 Winston A. Duchow.
 Raynald D. Dufour.
 James E. Dunley.
 Herbert W. Echelmeler.
 Edward H. Effertz.
 Raymond L. Eggert, Jr.
 William E. Eicher.
 Sidney N. Einhorn.
 Charles C. Elledge.
 William B. Erb.
 Thomas B. Eustis.
 Robert T. Evans.
 Wayne B. Fagg.
 Raymond L. Farmer.
 John D. Feehan.
 Victor R. Feicht.
 Maurice L. Fenderson.
 Richard Ferguson.
 Herbert A. Fincher.
 Burton B. Finigan.
 Emil Fisher, Jr.
 Eugene T. Fitzgibbons.
 Tyler H. Fletcher.
 Charles D. Ford, Jr.
 Earl R. Fore.
 Richard F. Fox.
 Edward L. Fronczak.
 Appleton Fryer.
 Billy T. Gaddis.
 Leonce E. Gaiter.
 Carl L. Gallher, Jr.
 George R. Ganung.
 Robert W. Garber.
 James M. Garrison, Jr.
 Paul L. Gaurnier, O970714.
 Thomas H. Gause.
 Richard J. Gavin.
 Allen A. Geiger.
 Thomas M. Gemmell.
 Richard E. George, O978097.
 Ross J. Gibson.
 James I. Gifford, Jr.
 Dewayne E. Gilbert.
 George A. Gilbert, Jr.
 Elbert E. Gilder, Jr.
 George T. Gilman.
 John L. Gilman.
 Pascal P. Glenn, Jr.
 William D. Glover.
 Siebert J. Goldenstein.

Theo H. Golding.
 Daniel J. Gormley.
 Lloyd L. Goulder, Jr.
 George T. Graham.
 Willis B. Graham.
 Robert L. Grandle.
 William A. Green, Jr.
 Robert A. Greenberg, O980922.
 Milton S. Greenwald.
 James F. Greer.
 Kenneth R. Greider.
 John T. Gressette III.
 Joel W. Griffith, O967939.
 Samuel E. Griffiths.
 Niles E. Grosvenor.
 Stephen F. Grover.
 James B. Gudikunst.
 Norman E. Hafen.
 Frederick X. Hallway.
 Warren E. Hammond.
 Thomas R. Handy.
 Charles W. Hanlon.
 Marcus W. Hansen.
 Howard S. Hardcastle.
 Arthur B. Harris.
 Brady R. Harris.
 Louis A. Harris.
 Francis H. Hart, O978017.
 Joseph M. Hartnett.
 Warren E. Hatcher.
 Lawrence K. Hay, Jr.
 Eugene B. Hayden, Jr.
 Andrew L. Haynes.
 Hall G. Haynes.
 Jimmie C. Hays.
 Franklin K. Hazen, Jr.
 Je M. Helt.
 Billy J. Henderson.
 James M. Henderson.
 John K. Henderson.
 Ralph G. Henley.
 Clarence T. Hewgley.
 Paul D. Heyman, O968059.
 Richard A. Hickland, O955194.
 David A. Hicks.
 Douglas J. Higgins.
 Eduardo Hiler-Rozas.
 Gene H. Hill.
 Jack K. Hinman.
 Clifford W. Hodgkins.
 Eugene F. Hoffmann.
 Louis L. Holder.
 John M. Holko, Jr.
 Robert B. Hoppe.
 Clifton A. Horn, Jr.
 James C. Horne.
 Kenneth B. Howe.
 Robert L. Howell.
 Donald H. Huffine.
 Donald W. Huffman, O970581.
 Charles W. Hulburt, O978718.
 Samuel W. Hull.
 Arthur Humphreys.
 George A. Hunter, Jr.
 John S. Hunter.
 Verne I. Hutchinson.
 Jack D. Hyer.
 Robert E. Ingalls.
 George H. Isley, Jr.
 Arthur W. Jasper.
 Donald D. Jenkins.
 Richard W. Jensen.
 Elvind H. Johansen.
 Robert F. John.
 Donald E. Johnson.
 James H. Johnson.
 Luther W. Johnson, O960589.
 Norman G. Johnson.
 Rolston Johnson.
 Clinton D. Jones.
 James D. Jones.
 Joseph L. Jones.
 Kirk A. Jordan, O975739.
 Allan F. Jose.
 J. Walter Joseph, Jr.
 Jon A. Jourdonnais.
 August W. Kallmeyer.
 Alvin E. Kaping, O970032.
 Edward L. Karn, Jr.
 Albert F. Kee.
 Arthur R. Keeley.

William R. Keenan.
 Morris J. Keller.
 Claud M. Kellett, Jr.
 Franklin E. Kelley, O970920.
 Johnny W. Kelley, O965902.
 William N. Kelt.
 James G. Kennedy.
 Joseph L. Kennedy.
 John R. Kenyon.
 Robert F. Kessler.
 Dewey H. Kim.
 Armand M. King.
 James E. Kingsman.
 Robert G. Kingsbury.
 Luddie E. Kinney, Jr.
 Ben B. Kirkland III.
 Harold Kitson, Jr.
 Richard D. Klitt.
 David Kladviko.
 Rudolph J. Klein, Jr.
 Melvin E. Kling.
 Richard J. Knopf.
 James H. Koelling.
 Roger A. Krause.
 John G. Kreuer.
 Ernest E. Kritzmacher.
 Robert E. Kroesch.
 Gordon D. Krum.
 Robert D. Kubeja.
 John B. Kuiper.
 Mark C. Kury.
 Harold O. Kuuttilla.
 James D. Labor.
 John H. Lafferty.
 Donald M. Laffoon, O972120.
 Robert M. LaFollette.
 Louis L. Landers.
 William D. Lane.
 Lee R. Larkin.
 William M. Larrabee.
 Donald W. Larson, O971879.
 Stuart H. Lassetter.
 Thomas R. Laube.
 Kenneth D. Lawless.
 Eugene G. Lawley, Jr.
 Andrew L. Lawrence, Jr.
 William H. Lawrence.
 Hassel K. Lawson.
 Richard H. Lee.
 Harvey A. Legate, Jr.
 Robert E. Legate.
 Edwin A. Lehman.
 Ralph M. Leighty.
 Carl A. Leishman.
 Merrill M. Lemke, O977639.
 Robert J. Leavitt.
 Leonard L. Lewane.
 William C. Lewis.
 James H. Lilly.
 William J. Lindberg.
 Samuel M. Lindsay II.
 John J. Link.
 Charles H. Lively.
 Gale C. Livengood, O970916.
 Russell L. Long.
 William E. Long.
 Robert W. Looby.
 Michael E. Lorenzo.
 William P. Lowry.
 Paul T. Lundstrom.
 Lon U. Lutz.
 Arthur P. Lux.
 James A. Lyons.
 Angus H. Macaulay, Jr.
 William S. MacMeekin.
 Thomas H. Maddox.
 John W. Main, O974906.
 Edward S. Maj, O971861.
 Gardner H. Marchant, Jr.
 Charles B. Marion.
 Patrick G. Markham.
 Jack R. Marsh.
 Elmer C. Martin.
 Stanley B. Marx.
 George Mason.
 Wallace E. Mathes, Jr., O970603.
 George A. Mattison III.
 Pope McCorkle, Jr.
 Joseph L. McCoy, O953797.
 Edmund McCullough.
 Daniel J. McDonald, Jr.
 John J. McDowell.
 Ralph L. McDowell.
 Duncan D. McDuffie.
 Harold S. McGay.
 John E. McGee, Jr., O965710.
 John J. McGuire.
 Alexander C. McKeen.
 Luther M. McLeod, Jr.
 Wilbur G. McMahan.
 Walter W. McMahon.
 Arlen A. McNeil.
 Charles H. Meacham.
 Terrence S. Meade, O978762.
 William H. Meador.
 Charles E. Means.
 Robert C. Meisel.
 Billy J. Mendheim.
 Lawrence C. Mendive.
 George M. Mercer.
 Leonard S. Mercia.
 William W. Metcalfe.
 William J. Metzger.
 Robert W. Michell.
 Paul G. Milbee.
 George A. Millener, Jr.
 James I. Miller.
 Glenn W. Million.
 Howard L. Miskelly.
 Gwinn N. Mobley.
 David H. Mock.
 Charles B. Modisett.
 Fred J. Moore.
 George R. Morgan.
 John J. Morgan, Jr.
 Billy M. Morrow.
 Robert L. Morrow.
 Leonard J. Morse.
 Paul J. Motiska, Jr., O970912.
 James H. Motz, Jr.
 William E. Muir.
 William T. Mundy, Jr.
 Clark C. Munroe.
 Jimmy D. Myers.
 David B. Mylchreest, O955193.
 Nicholas R. Nave, Jr.
 Barney K. Neal, Jr.
 Oliver J. Neslage, Jr.
 Virgil E. New.
 Robert N. Nicholson.
 Ernest A. Nordon, Jr., O955188.
 Max E. Norman.
 Kenneth E. Northup.
 Jack W. Nurney, Jr.
 Paul F. Oberleitner, O970910.
 Roy E. Obluda.
 Emmett J. O'Brien.
 Jose E. Olivares, Jr.
 Douglas S. Oliver.
 James S. Oliver, O978102.
 Michael J. O'Rourke, Jr.
 William C. Overman, Jr.
 Merrill R. Owen.
 Don A. Palmer.
 William D. Palmer, Jr.
 Zacharias G. Panagiotakis.
 James M. Paris.
 Emmett B. Parker, Jr.
 Joseph E. Parker, Jr., O968523.
 William L. Parker.
 George L. Parsons, Jr.
 Sam G. Pate.
 William E. Patrick.
 Thomas C. Penn.
 Paul J. Perecko.
 Vincent J. Perricelli, Jr.
 James H. Petersen.
 Daniel A. Peterson.
 Raymond E. Phares, O979144.
 Clifford J. Phifer, O971266.
 Lawrence C. Pitman, Jr.
 Walter H. Pogue, Jr.
 George J. Polick, O971267.
 Calvin M. Poole.
 Ewell G. Pope, Jr.
 Vernon R. Porter.
 Howard C. Potts.
 William F. Price.
 James C. Pruitt, Jr.
 Calvin K. Quayle.
 John E. Ramsey.
 Earle D. Randall.
 William W. Raper, Jr.
 Alfred J. Raskin.
 Eugene A. Ravizza.
 Henry W. Rawlings.
 Lynn R. Raybould.
 Walter W. Reed.
 Thomas W. Reese.
 Joseph E. Reger.
 Wallace L. Reimold, Jr.
 Gouch C. Reinhardt.
 Rollin S. Reiter.
 Douglas A. Reniger.
 Robert E. Rennerbaum.
 Laurie E. Rennie.
 Wayland W. Rennie.
 John W. Reynolds, O972893.
 Nolan C. Rhodes, O970080.
 Norman L. Rhodes.
 Nehemiah E. Richardson.
 Thomas N. Richmond.
 James P. Ricker.
 Harry P. Rietman.
 Tillman A. Riewe.
 Luke F. J. Riley, Jr., O970592.
 Radames Rivera-Vazquez.
 William P. Rivers.
 George L. Robbins.
 Kenneth P. Roberts.
 Douglas R. Robertson.
 Frank D. Roble.
 Donald L. Robinson.
 William C. Robinson.
 Thomas E. Rodgers, Jr.
 Vincent J. Romano, O971637.
 Jean R. Rondepierre.
 Harry R. Ross.
 John E. Ross.
 Walter L. Roy.
 Willis C. Royall, Jr.
 Murray Rubin.
 Robert O. Rushing.
 John M. Sakowski.
 John P. Santry.
 Alfred G. Sapp, O966939.
 Wayne B. Sargent.
 Paul S. Sather, O974180.
 Richard D. Scamehorn.
 Harry E. Schaaf, Jr., O973283.
 Albert A. Schmidt.
 Howard E. Schneider.
 Walter L. Schwaar.
 Anthony W. Schwab.
 Malcolm M. Schwartz, O972894.
 William H. Schwarz.
 Darrell E. Seasor.
 Robert A. Seelye.
 James D. Sehorne, Jr.
 Ralph P. Selch.
 Roy R. Severin.
 Donald J. Shannon.
 Harold W. Shear.
 Arvil L. Short, Jr.
 Joseph D. Shroder.
 Jerry A. Shuman.
 Nathan C. Sibley.
 Jack R. Siewert.
 William A. Sigman.
 Thomas R. Silk, Jr.
 Richard D. Simmering.
 Anthony J. Skardina.
 Julian H. Skinker, Jr.
 George B. Skinner.
 Clarence E. Skoien.
 George J. Sloan, Jr.
 Richard A. Sloan.
 Dwight W. Smith.
 Hansel Y. Smith, Jr.
 James D. Smith.
 William B. Smith.
 Herbert F. Somermeyer.
 Charles A. Sorenson.
 James D. Spangler.
 David R. Spencer, O968527.
 Richard A. Spencer.
 Robert E. Spiller.
 Robert H. Spillman, O964844.
 Harry W. Spraker, Jr., O971838.
 John L. Squires, Jr.
 Kenneth L. Stahl.
 Richard W. Statham.

Thomas E. Steiner.
 John C. Steinmetz.
 John K. Stewart.
 Warren F. Stewart, O978723.
 Harold A. Stieve.
 Gustav Stolz, Jr.
 William W. Storch.
 Ivan M. Storer.
 Carroll D. Strider, O956588.
 Samuel D. Stroman.
 Duane A. Strother.
 Darwin D. Talafuse.
 Phillip E. Talley, Jr.
 Lester K. Tate.
 Lloyd E. Tatem, O971592.
 Franklin R. Taylor.
 Geronimo Terres, Jr.
 Myron M. Thomason.
 John H. Thomson.
 Raymond R. Thomson.
 George E. Thurmond.
 Philip W. Tlemann, Jr.
 Edward L. Timmerman.
 William R. Todd.
 Lawrence J. Trachy.
 Thomas E. Tracy.
 William E. Tragert.
 William D. Turley.
 James W. Vance.
 Jack Vanderbleek.
 Robert D. Vanderslice.
 Frank D. Vasington.
 Salvatore J. Vento.
 Willard M. Vickers.
 Louis L. Vise, Jr.
 Thomas K. Waddell, O949373.
 David E. Wade.
 Luther G. Walker.
 Paul S. Walker.
 Glenn F. Walkup.
 Harold C. Walraven, Jr.
 James J. Walsh.
 Robert F. Wanek.
 Bynum P. Ward.
 James F. Warnock, Jr.
 John W. Warren.
 William M. Warren.
 Duane E. Warrick.
 Walton M. Watkins.
 James R. Watson.
 John E. Weaver.
 John V. Webb.
 Warren J. Weber.
 George H. Wedgworth.
 Earle M. Welch, Jr., O972629.
 Frank M. West, Jr.
 Orville M. Weston, Jr.
 Vorin E. Whan, Jr.
 Herbert W. Wheeler.
 Harry E. White.
 William E. White.
 Franklyn M. Whitney.
 Calvin D. Wible.
 Arthur Wilkinson.
 Don J. Williams.
 Edwin S. Williams, O955783.
 Francis L. Williams.
 Leroy L. Williams, Jr.
 Louis Wilson.
 Robert J. Wilson.
 Clark L. Wingate.
 William C. Winklock.
 Cecil E. Wise, O979118.
 John M. Wood.
 Thomas A. Wood.
 Richard T. Woodman.
 Ronald Woodrow.
 Glenn H. Woods, Jr.
 Robert E. Wright.
 Raymond H. Young.
 George W. Younkin.
 Dale W. Zadow.
 Earl R. Zamzow.
 Calvin E. Zongker.

The following-named distinguished military students in the Medical Service Corps, Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distin-

guished military graduates, and subject to physical qualification:

Ralph H. Paulick
 Roger S. Reid
 Vernon H. Wold

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Joe W. Akins.
 Alfred L. Allen, O1686829.
 Theodore P. Alvarez, O385882.
 Melvin C. Anderson, O2008370.
 Edward C. Anderton, O550423.
 Edward J. Appel, O430350.
 Andrew J. Armstrong, O1054896.
 Edward F. Astarita, O1540878.
 Claude V. Bache, O2044598.
 William R. Barwick, Jr., O390309.
 Kenneth R. Beard, O1999270.
 Thomas F. Begley, O554260.
 Jerry B. Bolibaugh, O538712.
 Julius L. Bragg, O964752.
 John A. Brenner, O537845.
 Lawrence S. Brice.
 Richard M. Brown, O977869.
 William A. Brown, O1339606.
 William J. Browning, O968023.
 Thomas W. Buchanan, O390320.
 Kenneth R. Bull, O1325963.
 Martin J. Burke, Jr., O445755.
 Donald F. Burr, O554643.
 Matthew W. Busey III, O517648.
 Thomas A. Callagy, O528464.
 Miguel A. Candal, O1327930.
 Richard A. Carlson, O956725.
 Ircel L. Carter, O516874.
 Donald E. Chamberlain, O537510.
 Norman P. Chandler, O118861.
 Julius E. Clark, Jr., O386464.
 Richard L. Clarkson, O1040895.
 Charles C. Clayton, O446021.
 John D. Coleman, Jr., O408290.
 John J. Conrado.
 Paul M. Crosby, O1100936.
 Ralph H. Cruikshank, O1329567.
 Galen L. Curry, O465086.
 Robert L. Danilavez, O968484.
 Oscar F. Danner, Jr., O979330.
 Carlos L. Davila-Coca.
 Dan W. Davis, O541575.
 William J. Dawson, Jr., O1299511.
 Anthony C. DeBellis, O1177360.
 Donald R. de Camara, O812060.
 Louie W. Donoho, O2208561.
 Warren S. Ducote, O411978.
 William L. Durrant, Jr., O1284433.
 Frank H. Earle, O1019037.
 George R. Edwards.
 Max Etkin, O1037477.
 Thomas H. Farrington, O1309475.
 John O. Ford, O1109294.
 John Frech, Jr., O978642.
 Calvin R. Freeman.
 John L. Fuller, O443938.
 Benjamin F. Gibbons, Jr., O1341876.
 Floyd S. Gibson, O546734.
 James M. Glauber, O964348.
 James H. Gordon, O1166273.
 Arthur P. Gregory, O429883.
 Allen J. Grierger, O549452.
 Leonard F. Griffin, O441288.
 Marion I. Guest, O482643.
 Ralph S. Gustin, O540513.
 Kenneth R. Haas, O957442.
 John D. Hale, Jr., O535750.
 William C. Hall, O970975.
 Richard L. Hammel, O949640.
 Charles D. Hargreaves, AO868509.
 William S. Hawkins, O534088.
 Robert T. Heder, O405421.
 David P. Heekin, O453825.
 Joseph H. Heiker, O964130.
 Thomas B. Hobson, Jr., O791426.
 John A. Hollingsworth, O968391.
 Hermon F. Holt, O968023.
 Willard V. Horne, O436573.

Cecil R. Huff, O829995.
 Edward F. Irick, Jr., O390561.
 Henry A. Jeffers, Jr., O413410.
 George W. Johnston, AO1846932.
 Lawrence M. Kellam, O1081279.
 Joseph C. Kiefe, Jr., O546281.
 Leonard H. Kushner, O526975.
 William M. Lipsey, O1286515.
 Charles H. Long, O964618.
 Raymond A. Love, O968456.
 Frank P. Lovett, Jr., O947918.
 James L. Lucas, Jr.
 George W. Mainer, O2020434.
 James E. Marshall, Jr., O415990.
 Charles A. Matlach, O956230.
 Henry H. McCurley, O445774.
 Daniel B. McKay, Jr.
 Ray A. McKinsey, O524579.
 Ulmer L. McNeill, O971692.
 Wallace N. McNicol, O1540863.
 George D. Merrill, Jr., O542581.
 George H. Meyer, O968014.
 Edward D. Middleton, Jr.
 Herman J. Miller, Jr., O957904.
 Robert B. Miller.
 Clifford E. Mize, O418722.
 Donald W. Moak, O971375.
 Aldo A. Modena, O970555.
 Charles W. Moffett, Jr., O1019603.
 Virgil C. Moon, O968227.
 Donald G. Moore, O1323344.
 John T. Morgan, Jr., O1342342.
 Francis X. Munisteri.
 George M. Nagata, O2033031.
 Harry Newman.
 Charles E. Nix, O971516.
 Maurice B. Nussbaum.
 Andrew R. O'Connor, O967450.
 Van C. Oxner, Jr.
 William O. Parker, O723511.
 Theodore R. Pickett, Jr., AO1849729.
 Jack T. Pink, O2058375.
 Joseph R. Pirkl.
 Wilbur F. Price, O1328636.
 Frank D. Proctor, O1340803.
 Robert D. Pryor, O971634.
 John H. Rafferty, Jr., O550148.
 John F. Regan, O576019.
 John W. Reynolds, O27736.
 George M. Richardson, O443150.
 John A. Richbourg.
 Ernest P. Robinson, O958300.
 Francis C. Rosser, O453347.
 Harry P. Schoen, Jr., O1042426.
 Adrian Scott, O423473.
 James H. Sellers, O1945486.
 Jack B. Shanahan, O1294027.
 Claude O. Shell, Jr., O535950.
 Robert Sherman, O1560567.
 Henry Simon, Jr.
 Bartholomew P. Smith, O404006.
 Charles D. Smith, Jr., O408348.
 Delbert D. Spahr, O405307.
 Americo W. Spigarelli, O534134.
 J. Wayne Staley, Jr., O1047338.
 Richard C. Stanton, O956776.
 Rufus C. Streater, O977651.
 David A. Teener.
 Addison Terry, O957960.
 William J. Tropf, Jr., O1047366.
 Richard D. True, O1100805.
 Jack K. Tuthill, O555984.
 Billy M. Vaughn, O956215.
 Caleb R. Vincent, O524014.
 Frank C. Vondrasek, Jr.
 Frederick E. Wadley.
 Gerhardt H. Weber, O1334787.
 Donal C. Wells, O1950307.
 William J. Whelan, O1549173.
 Adna G. Wilde, Jr., O535943.
 Harry E. Williams, O1579306.
 Robert W. Williams, O449018.
 Charles H. Wills, O945701.
 William A. Wise II, O1184610.
 Hiram M. Wolfe III, O460589.
 Marion M. Wood.
 Kenneth Y. Wright, Jr., O975141.

[NOTE.—These persons were given recess appointment on November 2, 1949, November 5, 1949, November 16, 1949, November 23, 1949, November 25, 1949, and December 1, 1949.]

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 30, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, surely our lines are fallen into pleasant places, Thou hast possessed us of a land flowing with milk and honey, but Thou who holdest our destiny in Thy hand, teach us that the glory of any people is in the moral and spiritual fiber woven into the Nation's heart.

Father of mankind, keep us in the realization that our assignment to this Chamber means a large privilege and opportunity. Grant that we may put our intelligence, our power of will, and our strength of moral earnestness into our every task and decision. In an ease-loving day, do Thou disturb our country's complacency and make us alert to every threatening force. Help us to build for peace rather than for war; for brotherhood rather than divisions, cherishing above all else the glorious destiny of our free land. In our Redeemer's name. Amen.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

| | | |
|---------------|---------------|---------------|
| Barrett, Pa. | Hall, | Philbin |
| Bland | Edwin Arthur | Potter |
| Boggs, La. | Hall, | Powell |
| Bonner | Leonard W. | Price |
| Boykin | Hand | Rabaut |
| Brown, Ga. | Heffernan | Redden |
| Bulwinkle | Heller | Rees |
| Burdick | Hobbs | Rhodes |
| Burton | Hoffman, III. | Ribicoff |
| Canfield | Jonas | Rivers |
| Case, N. J. | Jones, N. C. | Rogers, Fla. |
| Chatham | Kee | Rogers, Mass. |
| Chudoff | Kelly, N. Y. | Roosevelt |
| Cole, Kans. | Keogh | Sabath |
| Coudert | Kirwan | Sadlak |
| Crosser | Klein | Sadowski |
| Curtis | Lane | Scott, Hardie |
| Davenport | Lanham | Scrivner |
| Davies, N. Y. | Latham | Scudder |
| Davis, Tenn. | Lichtenwalter | Shafer |
| Dawson | Lynch | Shelly |
| Dingell | McConnell | Smathers |
| Dollinger | McGuire | Smith, Kans. |
| Donohue | Macy | Smith, Ohio |
| Eberharter | Marshall | Stanley |
| Engel, Mich. | Michener | Stockman |
| Feighan | Monroney | Taylor |
| Fellows | Morgan | Vorys |
| Fernandez | Morrison | Wadsworth |
| Fulton | Moulder | Walsh |
| Furcolo | Nixon | White, Idaho |
| Gary | Norton | Wier |
| Gilmer | Pfeifer, | Withrow |
| Granahan | Joseph L. | Wolcott |
| Green | Pfeifer, | Young |
| Gwinn | William L. | |

The SPEAKER. On this roll call 328 Members have answered to their names, a quorum.

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

The Journal of the proceedings of Friday, January 27, 1950, was read and approved.

PRESIDENT MCKINLEY'S BIRTHDAY ANNIVERSARY

Mr. JENKINS. 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 Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, yesterday was President McKinley's birthday. As you know, for more than 20 years the Ohio delegation in Congress has observed this event by making short addresses on this floor and by passing carnations around. The carnation was his favorite flower and for many Ohioans it is the State flower. I am glad to see today that many of the Members on the Democratic side are wearing the carnation.

It might be interesting for you to know that one of McKinley's staunchest friends was a Democrat from Texas, Roger Q. Mills. He and McKinley worked together for many years on the Ways and Means Committee on programs for the best interests of the country.

I might further say, just by way of more or less a matter of personal interest, that Mr. McKinley's greatest work, we think, was done here on the floor of the House. More important was his work here on the floor than his work as governor or President. His service on the field of battle in the War Between the States was very creditable.

A little incident has come out of his military service that will be very interesting. Much of his military activities were carried on in the Shenandoah Valley, and he naturally got acquainted with many privates and officers in the Confederate Army in that section. Just about the close of the War Between the States he was elected to membership in the Masonic lodge in Winchester, Va., and every officer in the Masonic lodge who was present at his initiation had been an officer in the Confederate Army. They thought that was a great compliment to him to be worthy and a greater compliment to them for their chivalry and fairness.

Although that was a great controversy, it shows how manhood and character were recognized by the officers and men of the contending forces.

Mr. Speaker, I ask unanimous consent that all Members who wish to extend their remarks about President McKinley may do so at this point in the RECORD.

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

There was no objection.

THE LATE PRESIDENT ROOSEVELT

Mr. McCORMACK. 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 Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, down through the history of our consti-

tutional government is a long line of outstanding men who served as Chief Executive of our country; all men of integrity; all men of honor; all men of deep patriotism and love for our country, without regard to party; and all men who served their country while they occupied that office to the best of their ability.

In this generation of America's contributions to not only the strong Presidents of our country, but to the great men of all times, is the late, lamented Franklin Delano Roosevelt. If he were alive, today would have been his sixty-eighth birthday. Most of us who are here today knew him personally, because we served while he was President of the United States.

Franklin D. Roosevelt was one of the great constructive figures of the known history of man. As we study history, we find two lines of outstanding figures, one on the destructive side of life, and the other on the constructive side of life. Franklin D. Roosevelt was one of the outstanding figures in history on the constructive side of life. Without regard to whether one agreed with his policies and his views, I know that each and every one of my colleagues have a deep respect for his memory, and that all Americans equally have a deep respect for his memory.

It is only fitting and proper that, as in the case of the late President McKinley, a great American, we should pause today to pay tribute to the memory of the late President who served during this generation, a man of deep faith, a man of intense religious feeling, a man who had love of God and love of country in his heart, a man who loved his fellow man, and who exemplified to the furthest extent humanly possible the brotherhood of man and the fatherhood of God. It is only fitting and proper that we pause today to pay tribute to the memory of that great man, the late Franklin Delano Roosevelt.

The SPEAKER. Without objection, all Members desiring to do so may extend their remarks at this point in the RECORD on the life and services of Franklin D. Roosevelt.

There was no objection.

Mr. CARROLL. Mr. Speaker, today is the anniversary of the birth of Franklin Delano Roosevelt 68 years ago.

This date of January 30, already of national and world-wide importance, is one which will come to be more and more significant in America's calendar of observances as time goes on. For, with the passing of the years, historic perspective will lend a truer evaluation of the greatness of the late President.

We of this generation are perhaps too close to the events of this era to assay President Roosevelt's full stature in accurate proportion to the whole sweeping panorama of America's progress and its contribution to the advance of civilization as a whole. We leave that timeless estimate to the historians of the ages.

For ourselves, we cherish the greener memories of the man as we knew him: his inspiring leadership, his love of humanity, his high ideals, and his courageous striving to attain those ideals.

It has been said that the divine providence who guides our destiny has always produced, in every crisis this Nation has faced, the right man to lead and to guide us. Such was the fortuitous advent of Franklin Roosevelt to the Presidency of the United States.

Who can forget his inauguration that bleak March day in 1933 when he flung into the teeth of despair his ringing challenge that "the only thing we have to fear is fear itself"?

From that very beginning, when he lifted up the spirits of a people who were bowed down, he carried us along the path of confidence to high achievement.

Such was the exuberance of the man, so great was his faith in our democratic principles and in our inherent and potential strength, that he stirred our spirit to the level of his own. He renewed our courage and restored our morale. He revived us from despondency.

Without this moral stimulation, recovery from the black depression of the early thirties would not have been possible. All of the delicate, artificial mechanisms of economics would not have sufficed alone to feed the starving, to make jobs for the unemployed, to restore profits to business.

It seems to me that it was President Roosevelt's unique gift and power to be able to give hope to the suffering that, above all, endeared him to the multitudes. All of us in our lifetime suffer in some way or other; a private grief, a physical ailment—but something. Franklin Roosevelt, as a young man, was the victim of infantile paralysis. Yet he overcame his infirmities sufficiently to rise to the highest office in the land.

He emerged from his ordeal physically handicapped but mentally and morally strengthened. It was something of this inner strength that shone in his personality and exuded from his whole being, which he was able to communicate to the men and women—and yes, particularly, to the children of the United States.

He personified and symbolized to millions of people the human struggle for survival against odds, and the ability to overcome handicaps, whether they be physical weaknesses, economic poverty, racial or religious prejudice, or political heresy. So, in that broad sense, in which he captured the imagination of a people and endeared himself to them, Franklin Roosevelt was a minister to our national soul.

But one who thus raises hopes runs the grave risk also of creating a vast disillusionment if he fails to fulfill those hopes. In the case of President Roosevelt, happily for the people, for the Nation, and for the world, the hopes he engendered were brought to fruition.

President Roosevelt lived up to his promises. He fulfilled his pledges; he demonstrated, to the amazement of other types of politicians, that good government is good politics; and he became the first man in the history of this country to be four times elected by the people to the highest honor within their power to bestow.

It is possible he may be the only President to achieve that honor because, as you know, the Congress has approved and submitted to the States a proposed

amendment to the Constitution to limit a President to two successive terms, and this has been ratified by 23 States.

The influence of Franklin D. Roosevelt lives on today. In April it will be 5 years since he passed away at Warm Springs, Ga., nearby the healing site that was established through his efforts to aid the victims of polio.

No more fitting tribute is paid his memory than the establishment of his annual birthday as a special time for remembering those afflicted with this disease. In death, as in life, he still gives inspiration to the cause of aiding your fellow men—helping those in need, lifting those who have fallen—restoring to the individual that dignity which proclaims we are all made in the image of God.

The political strife, the partisan differences, the debated issues during the heyday in office of Franklin D. Roosevelt have been swept into the past on the currents of time.

On the shore, in the wake of the tide, remain the clean and glittering solid rocks of achievement, the innovations and reforms, milestones of social justice, political democracy, and economic freedom for all.

That the heritage which President Roosevelt bequeathed to the people is treasured by his successor and by the Democratic Party today was eloquently demonstrated in this House by President Truman in his state of the Union message.

The greatest homage which can be paid the memory of the late President is the continuation in practice of those principles for which he fought throughout his life.

Mr. GORDON. Mr. Speaker, the 30th of January in this year of 1950 would have marked the sixty-eighth anniversary of the birthday of the greatest figure living in our time and one of the greatest of all time if Franklin D. Roosevelt had been spared to see this day.

With the advent of the midcentury mark, historians, journalists, chroniclers, and commentators have busied themselves with the publication of lists of the outstanding men of the preceding 50 years. In every one of these lists the name of our late beloved President has led all the rest. It has recently been tabulated that since his death a short 5 years ago, more than 100 books have been written about his astounding career, his life, his habits, and his philosophy.

The fascination of the man is a natural magnet for the biographer, the political analyst, and the historian. The material in these volumes is an outstanding story of history, and many more must needs be written before all of the facets of the great character of Franklin D. Roosevelt are made known by historians.

To those who knew him, however, to those who personally felt the impact of his genius, no accumulation of written words can ever be substituted for the warm friendliness, the deep understanding, the impressive vigor, and the genuine love which emanated from his vibrant personality.

It is characteristic of the man that so personal a thing as his birthday anniversary should now be a day of dedica-

tion to the humanitarian cause of relief from suffering and physical pain. This is as it should be, because if any one quality of Franklin Roosevelt's character took precedence over the others, it was that intangible but endearing quality of his humanitarianism. This quality, I believe, was the outgrowth of his religious faith, his great courage, and the magnitude of his physical and spiritual strength.

It was the basis of his political philosophy and his conception of government as an instrumentality for the service of man. His whole program of social legislation was aimed at the elimination of the cancers of fear, want, poverty, social injustice, physical suffering, and human indignity from the body politic.

Both in war and in peace, his primary concern revolved continually around the rights of man as an individual and as a member of society, and he acted with resolution on the principle that the salvation of the world lay in recognition and effectuation of the brotherhood of man and the fatherhood of God.

Time and the perspective of history will undoubtedly delineate the true picture of Franklin D. Roosevelt. No future research, however, can add a cubit to his stature in depicting what we already know of his vivid imagination, his bold courage, his diligent mind, his insatiable curiosity about the welfare of his fellow men, and the global range of his interests. With all of his multitudinous pre-occupations, his greatest virtue was that he had a deep, abiding, and genuine love of people as people.

On this his birthday anniversary, may his great and generous soul rest eternally in peace.

Mr. MULTER. Mr. Speaker, I think it is a wonderful idea each year on this day to interrupt our regular procedure and business of the day to pay homage to the memory of a great leader, whose name will remain immortal in the history of this country and in the annals of present-day civilization. This is the sixty-eighth anniversary of the birth of the late Franklin D. Roosevelt. He was not merely a dynamic leader of his people, but a great force for peace among all peoples in the world.

His tireless efforts for the welfare of all mankind are known throughout the world. It is all still so fresh in our minds and so vivid, that it is difficult to believe he has not been with us for almost 5 years. But just as his memory lingers and will continue to linger with us for many years to come, so will his ideas and ideals be a guiding light to us and we shall feel the effects of his work and accomplishments for a long time.

On the occasion of the anniversary of his birthday, I believe no better tribute can be paid to his memory than prompt ratification by the United States Senate of the Convention on the Prevention and Punishment of the Crime of Genocide. If Franklin D. Roosevelt were alive today, I have no doubt that he would be one of the strongest advocates for outlawing this unspeakable crime as a major blot on our civilization.

Furthermore, I am certain that, as a great reformer and advocate of human

progress, he would have urged immediate adoption of this convention whereby for the first time in history, nations would bind themselves in solemn covenant to assure that the barbarism of exterminating millions of people on racial, religious, or national grounds, which has so recently shocked the world, would never again occur.

Ratification and adoption of the Genocide Convention will be a milestone in the progress of civilization. The United States has always prided itself in being a force for human progress and constructive effort, particularly in recent years, and I am therefore hopeful that our country will also lead the way in ratifying this convention.

Before the memory of the recent horrifying genocidal acts has faded from the minds and conscience of man, let us take appropriate and positive action to outlaw the crime of mass murder of whole nations and peoples. Many nations are waiting for the United States to show the way. In so doing, we shall best honor the memory of Franklin D. Roosevelt, a great leader of his people, whose very name is today a symbol of world peace and human progress.

PRICING PRACTICES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, insist upon the House amendment, and ask for a further conference with the Senate.

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

Mr. PATMAN. I object, Mr. Speaker.

Mr. CELLER. Mr. Speaker, I wish to serve notice that tomorrow morning I shall make a preferential motion to send the bill to further conference.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. That motion is not in order in the House?

The SPEAKER. That motion will be in order because the bill has been to conference and disagreement has been reported.

Mr. RANKIN. Does it require a two-thirds vote?

The SPEAKER. No; a majority vote.

ARMY ENGINEERS

Mr. TABER. 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 New York?

There was no objection.

Mr. TABER. Mr. Speaker, I have been tremendously disturbed by the hearings that have been released from the Appropriations Committee indicating that the Chief of the Army Engineers has estimated that the cost in the fiscal year 1951 for certain rivers and harbors and flood-control projects, including flood control on the Mississippi River, will be increased \$583,000,000 over the figures that were sent up here for the

fiscal year 1949. Some estimates of the cost of individual projects have in that period been multiplied by five. This is one of the most terrific increases I have ever heard of, when a project is appropriated for in one year and then in the next year the estimate of cost is increased.

EXTENSION OF REMARKS

Mr. JACKSON of Washington (at the request of Mr. GRANGER) was given permission to extend his remarks in the RECORD and insert an article.

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

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an address by the Attorney General.

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

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

PROPOSED NEW CURRENCY DESIGN

Mr. SUTTON. 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. SUTTON. Mr. Speaker, on January 23 I introduced a bill (H. R. 6931) to provide for the issuance of currency of a new design and color, in exchange for our present currency, as a means of detecting violations of the Internal Revenue Code and the tariff laws of the United States, to rectify and correct other situations which have arisen, as it is believed that the Russians may have our dies and are printing American dollars. This bill would make any such bogus or counterfeit currency void as well as be most helpful in apprehending the holders of the currency recently stolen in the brazen and dramatic Brink robbery in Boston.

It is estimated that of the approximate 29 billions of dollars we have in circulation today, some five to ten billion dollars are in safety-deposit or lock boxes, much of which is being hoarded in seclusion for tax-evasion purposes. I have discussed this matter with the attorney general's office, Internal Revenue, the Office of the Secretary of the Treasury, local bankers and others. The figures I have just given to you have been verified by these inquiries. I trust that the Committee on Banking and Currency will hold hearings on this bill and I hope they will report it out favorably, thus directing the Secretary of the Treasury to correct situations that are unfair and which are an injustice to every honest taxpaying American citizen.

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

PERSONAL PRIVILEGE

Mr. RANKIN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. Will the gentleman state what it is, or let the Chair see the

matter of which the gentleman complains? The Chair does wish that Members who intend to rise to a question of personal privilege would let the Chair have some notice of their intention.

Mr. RANKIN. I rise to a question of personal privilege, Mr. Speaker, on one of the most stupid, asinine, and exaggerated articles that I have ever seen written about a human being which appears on the eighth page of the Washington Daily News of today and in other Scripps-Howard newspapers throughout the country.

The SPEAKER. The Chair does not yet know the matter on which the gentleman claims his question of personal privilege.

Mr. RANKIN. I will be glad to have the Chair read the article.

The SPEAKER. The Chair would at least like to see the article so that the Chair can know whether or not the gentleman is presenting a question of personal privilege.

After looking over the article hastily, may the Chair inquire of the gentleman what part of the article he objects to?

Mr. RANKIN. All of it, from the headline on down. It is written for the purpose of discrediting your humble servant.

The SPEAKER. Does the gentleman think there is anything in this which reflects upon him as a truthful man, or upon him in his representative capacity?

Mr. RANKIN. I think that is the purpose of it.

The SPEAKER. The Chair does not see it that way. There is argument on the other side of the question and the Chair is sure that all Members of the House understand it is not necessary for their colleagues to rise to a question of personal privilege to defend themselves against any article which criticizes them.

Mr. RANKIN. As I said, Mr. Speaker, it is one of the most asinine and stupid smears that I have ever seen written about a Congressman. All I want is an opportunity to answer it.

The SPEAKER. Without objection, the gentleman from Mississippi may proceed for 1 minute.

There was no objection.

Mr. RANKIN. Mr. Speaker, this article starts out with the heading "Representative RANKIN is very generous—with Government money." It goes ahead and accuses me of introducing bills which would cost the Government \$125,000,000,000.

It ignores the fact, and does not give the Congress the information, that the chairman of the Committee on Veterans' Affairs usually introduces, "by request," the bills presented by the various veterans' organizations, many of which of course are duplications.

This article is published to try to mislead the country and to discredit the Committee on Veterans' Affairs, of which I am chairman, by discrediting me.

The bills that we will report from our Committee on Veterans' Affairs this year will not cost half as much as the money that has been poured down the rat holes of Europe, Asia, Israel, Africa, and Japan, at the expense of the taxpayers of the United States—including the veterans and their children and grandchildren.

Mr. Speaker, I yield back the remainder of my time.

EXTENSION OF REMARKS

Mr. BECKWORTH asked and was given permission to extend his remarks with reference to the Sabine watershed, notwithstanding the fact that the time will cost \$382.62.

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

Mr. GORSKI asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the Common Council of the City of Buffalo.

Mr. MAHON asked and was given permission to revise and extend the remarks which he intends to make later in the day and include certain extraneous excerpts.

Mr. PRIEST asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on electoral college reform, by the former member from California, Mr. Lea.

Mr. BREHM (at the request of Mr. BROWN of Ohio) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MASON (at the request of Mr. BROWN of Ohio) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on Federal-State relations to education, made by Dr. James K. Pollack, late of the Hoover Commission and head of the department of political science of the University of Michigan.

ALGER HISS

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

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

There was no objection.

Mr. HALE. Mr. Speaker, Secretary Acheson in making his impassioned declaration of loyalty to Alger Hiss referred his critics to the Gospel of St. Matthew in the twenty-fifth chapter.

There is much other excellent material in the gospel according to St. Matthew which the Secretary might have cited. For example, in chapter 6, the evangelist reports a sermon preached upon a mountain and in verse 24 he quotes Jesus as saying, "No man can serve two masters: For either he will hate the one, and love the other; or else he will hold to the one, and despise the other."

The people of the United States are now led by the Secretary's own words to believe that he will hold to Alger Hiss who has been convicted of perjury, but everyone knows that his crime was of a treasonable character. Will not a man who publicly professes such devotion to a proven traitor despise his other master, the United States? He has lost a continent by coddling the friends of communism. His refusal to face the conse-

quences of the Hiss verdict is of the same quality as his refusal to face the consequences of Mao Tze-tung's conquest of China. Such usefulness as he has had has now terminated. The country expects him to resign. He should do so before causing us further embarrassment.

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

THE OIL INDUSTRY

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

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

There was no objection.

Mr. GAVIN. Mr. Speaker, oil producers in the Pennsylvania grade crude-oil fields are greatly alarmed, and rightfully so, over the President's recent statement concerning the depletion provision in the income-tax law.

This proposal would crucify the stripper oil fields of the Nation, and its enactment would end the oil-producing business in hundreds of communities where stripper wells make their daily contribution to the national oil supply.

I will vigorously oppose, as will other Members of this body, any attempts to make any change in the present law.

Mr. Speaker, I want to call to the attention of the House that our Government at the present time is permitting the importation of approximately 750,000 barrels of foreign oil a day; this flood of oil is working a tremendous hardship on the stripper fields and independent producers. It becomes increasingly evident the administration is endeavoring to deliver another crippling blow and impose another undue burden on the producing industry; particularly the small independent producer who has already been affected by decreased production, by sharp price cuts during the past year, by increased taxes, increased labor and material costs, and an increase on everything that enters into the production of oil.

In my district, the oldest of the oil-producing areas in the United States, there are thousands of these small wells. Operators are diligently striving to apply methods, as they get the capital to do it, which will prolong the life of the small wells, and thus help to provide for the national needs. In Pennsylvania, New York, West Virginia, and Ohio there is produced between 50,000 and 60,000 barrels daily of the highest grade lubricating base oil. It is my opinion that only because of this depletion allowance has this field been able to exist.

Mr. Speaker, the depletion provision in the law has existed in one form or another since there was a tax on incomes. Successive Congresses, without regard to party majority control, have reviewed the depletion allowance and have found it sound in principle and in amount. It has been agreed that the effect of the provision was to aid in the discovery and development of oil and gas. Without it the producer would find it necessary to sell his capital assets and wind up his business. In my district and through-

out my State, wells would be abandoned by the thousands in a short time if the administration's proposal should be accepted. The great and nationally important secondary recovery programs of the producers would be ended. Hundreds of millions of barrels of oil have been recovered under such programs that otherwise would be lost forever.

It would result in not alone a loss of oil to the Nation, but a loss in income taxes and would throw thousands out of work who are dependent upon stripper fields for their livelihood.

It would appear that the administration is trying to write off the stripper oil fields of the Nation as an economic casualty at a time when the small operator is struggling to exist. It seems the harder the people in the oil-producing business work, the more they risk, the more hazards they take to produce oil to meet the needs and demands of the Nation, the harder some Government bureaucrat works to think up a plan to stymie his efforts. To follow the recommendations of the administration would put a road block in the way of the stripper producer which would eventually put all stripper fields out of business. There should be no change in this law.

Mr. RICH. Mr. Speaker, I agree 100 percent with my colleague from Pennsylvania [Mr. GAVIN]. We must protect these oil producers.

SECRETARY ACHESON'S FRIENDSHIP FOR HISS

Mr. JENSEN. 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 Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, millions of Americans must have been shocked when they learned that Dean Acheson, our Secretary of State, had resorted to quoting the Bible to explain his reasons for his continued friendship for Alger Hiss, convicted of perjury about his giving of aid to ungodly Communist Russia and her henchmen, who deny Christ, and threaten everyone every place in this world who so much as dares publicly mention the word of God.

Mr. Speaker, our present Secretary has not only insulted every Christian in the world by quoting the Good Book in his support of Alger Hiss, but also our flag, the symbol of Christian constitutional Americanism, and everything for which it stands, has been dragged in the mire. Now I ask in all seriousness, why and how much longer will the State Department, with the apparent blessing of the White House, be permitted to give aid and comfort to the enemies of our liberties here as well as beyond our shores, while the deadly dagger of communism is stabbed in the hearts of decent people and nations all over the world?

Surely our President must be well aware of the fact that our Secretary of State must above all else have the full confidence and respect of the representatives of other Christian peace-loving people of the world in order to now foster, create, and perpetuate a strong

family of nations pledged to insure lasting peace and to protect and defend our Christian civilization against ruthless, barbarian, communistic aggression. Hence, it must be plain to every thinking person everywhere that Dean Acheson has by his recent utterances and avowed continued friendship for Alger Hiss rendered himself entirely helpless and ineffective to carry on the great responsibility of the office of Secretary of State of these United States of America.

Therefore, as a Representative of the American people and in all sincerity and humbleness, I respectfully urge our President to immediately request the resignation of the Secretary of State, Dean Acheson, as on the disposition of this matter will rest our destiny and world peace.

THE ALGER HISS CASE

Mr. HILL. 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 Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the Alger Hiss case is an infamous page in history. In it we see how the Communists have gnawed away at the pillars of our Government, like termites eating away the foundation of our home. The high respect in which we have held the State Department is destroyed. The light of suspicion will be thrown on every act of the Department in the future.

Since the Hiss red herring was snagged by the House Un-American Activities Committee, I wonder how many more Communist sympathizers are hidden in the State Department.

Hiss is only an individual. But he had all of the great advantages our country has to offer. He was given the greatest of opportunities to serve his country during a crucial period in its history. He followed the wrong path.

This case, which has had all of the benefits of our broad system of justice, has been decided. Hiss, like all others who would destroy all that is good, is finished.

Our country has been alerted. Other Hisses must go regardless of the close friendship expressed for them by the Secretary of State.

THE ALGER HISS CASE AND VERMONT

Mr. PLUMLEY. 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 Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I feel constrained to say to those Members who have rather scornfully referred to the fact that Alger Hiss undertook to get a change of venue and be tried in Vermont, by reason of the fact that he was a summer resident there, that the insinuation and the implication that Vermont is saturated with Communists is unfair and is not true.

THE ALGER HISS CASE

Mrs. ST. GEORGE. 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 New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, our present Secretary of State has proved himself of poor judgment in the choice of friends; he has also proved himself not very adept in his choice of quotations from the Bible. How anyone can compare the perjurer, Alger Hiss, to the poor, needy, and unfortunate whom we have been told to care for in the name of Heaven, is more than I can see.

There is, however, one apt quotation that might be brought home to our Secretary of State and others, and that is this one from St. Matthew: "Depart from Me, ye that work iniquity."

EXTENSION OF REMARKS

Mr. JENKINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper clipping.

Mr. MCGREGOR asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address given by John W. Haynes, chairman of the Tax Foundation.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Herald Tribune.

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD concerning the relief of Indians in Montana.

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

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD on the subject of dead animals on our highways.

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

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

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

Mrs. DOUGLAS (at the request of Mr. CARROLL) was given permission to extend her remarks in the RECORD and include an article.

PERMISSION TO ADDRESS THE HOUSE

Mr. RIEHLMAN. 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. RIEHLMAN addressed the House. His remarks appear in the Appendix of the RECORD.]

Mr. O'HARA of Minnesota. 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 Minnesota?

There was no objection.

[Mr. O'HARA of Minnesota addressed the House. His remarks appear in the Appendix of the RECORD.]

ALGER HISS

Mr. HUBER. 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 Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, I hold no brief for Alger Hiss or any other person who may be convicted of disloyalty to this great Government; however I would like to ask just who prosecuted and who convicted Alger Hiss? It was this Democratic administration.

The Republicans are so devoid of leadership and issues that they content themselves with hissing Hiss. If his conviction is sustained by the higher courts and he is eventually imprisoned, it will be no reflection on the President of the United States.

If it is found that Alger Hiss was disloyal to President Truman, we must remember that Benedict Arnold was disloyal to the Father of Our Country, George Washington.

DR. JAMES SHERA MONTGOMERY, CHAPLAIN, HOUSE OF REPRESENTATIVES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 453).

The Clerk read as follows:

Resolved, That immediately following his resignation as Chaplain of the House of Representatives, James Shera Montgomery be, and he is hereby, appointed Chaplain emeritus of the House of Representatives, with salary at the basic rate of \$2,350 per annum, payable monthly, to be paid out of the contingent fund of the House until otherwise provided by law.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD, and I also ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the subject of Dr. Montgomery.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, there is nothing so nice in life as to meet a person with a fine mind. A person's name is one of identification, a person's racial origin is a matter of accident of birth, a person's color is the accident

of birth, and a person's religion is a matter of his own conscience. In my journey through life the accident of birth plays no part, in my opinion, of my fellow man. Difference of religion is one which I thoroughly respect, and all I ask is that others respect my right to my conscience and to my right to exercise of it. In my journey through life what I like to analyze is the minds of people that I meet, and when I meet a person with a nice mind he is nice, no matter what his name might be, and no matter what his racial origin might be, or his color, or religion.

One of the nicest men, one of the most influential minds constructively that I have met in my journey through life to date is our beloved chaplain, about to become our chaplain emeritus, Dr. James Shera Montgomery. I think it might well be said that he and Mrs. Montgomery have truly led a blessed life. Born 87 years ago, in 1862, 67 years a minister, an ambassador of God on earth; 30 years, short a few months, chaplain of this great body, he has left his imprint upon the mind of everyone who knew him in the past and who knows him now. Time passes, and in his life the time has arrived when the strain of active work can only be maintained by him under great difficulty and at the expense of his health.

You and I, recognizing the great man that he is, and the love that we have for him, the justification for our action will soon be to adopt unanimously the resolution that I have the honor to offer. You will note that he is chaplain emeritus; not chaplain in retirement. I might say that you will note that we are placing him in the chaplain emeritus status of this House with practically the full salary that he is now receiving; a justifiable consideration on our part.

I know that he and Mrs. Montgomery will derive great pleasure during the remaining years of their lives in the action of confidence that the House has evidenced by the adoption of this resolution. My hope and prayer is that God, in His infinite wisdom, will bless them both with many future years of happiness together. I know, no matter how long Dr. Montgomery lives, that he will be carrying on in that wonderful way of his; an inspiration to all whom he meets, doing to the maximum extent possible, in accordance with his faith and as a spiritual leader, the work of God on earth.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I join with my good friend, the distinguished majority leader, in support of this resolution. It is a resolution that tells of our esteem, our respect, and our admiration for a great man, a man who for years has taught the gospel of the Lord. His prayers here have been an inspiration to all of us who have been privileged to hear them. I am very happy to join in support of the resolution.

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

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

Mr. GRAHAM. Mr. Speaker, to paraphrase the words of Abraham Lincoln, "Four score and seven years ago there was brought forth on this continent," today we can aptly apply those words to the birth of a man who has devoted himself to the spiritual leadership of this great legislative body. Hundreds of men have listened to him as his voice has been raised to Almighty God in supplication and in prayer.

Born during the fratricidal struggle in this great country, he has witnessed the most trying years of our national history. His faith has remained firm and steady, broad and tolerant. He has helped to inspire every man and woman who has come under the guidance of his leadership.

Now he retires to the quiet life of meditation and reflection and, under his own vine and fig tree, I know he will be comforted, inspired, and enheartened by the token of respect and esteem that is given him here today.

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

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. COX. I do not believe that in the long history of this body there has been one who has labored here that has exercised so profound an influence for good upon his coworkers, his fellows, as has our sweet and gentle friend who now changes somewhat his relationship to this body.

Mr. Speaker, this good man has erected in the hearts of his associates an altar where each may worship. Wherever he goes or whatever he does, I believe it to be the desire of this House that the love of his fellows follow him. It is the prayer of all that the blessings of the Good Master continue to shower upon him.

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

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

Mr. JENKINS. It was my privilege to know a little something about the preparation of this resolution. On behalf of all the Members of this House on both sides, I thank the distinguished leader on the Democratic side and the leader on the minority side and the Speaker, because these three men are entirely responsible for giving us an opportunity to do this fine thing that we are about to do—pass this resolution.

Mr. McCORMACK. I should like to include all the Members, because we are simply the conduit of the wishes of all the Members of the House. I appreciate the remarks made by my friend from Ohio, but I want the RECORD to show that the entire membership of the House were aware of or sensed that this event was going to happen, and they all concurred in it.

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

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. The distinguished majority leader has said there is nothing nicer than to meet a man with a nice mind. If there is anything nobler, it is a man with a fine spirit. Our beloved Chaplain is such a man. To me, the most im-

pressive thing about him is not that he opened our sessions with inspiring prayers, which is the official and expected function of a chaplain, but that he has been a chaplain, in fact, to each one of us individually. The many associations and conversations we have had with him here on the floor and elsewhere have made as great a contribution to us personally and to the spirit of this body as have the beautiful prayers of adoration, aspiration, and devotion in which he has led us, challenging us and helping us to be the kind of Christian servants that the Representatives of this Christian Nation ought to be.

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

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

Mr. BREHM. Dr. Montgomery lives in the same apartment building in which we reside. I have a few lines in mind which expresses my feelings toward Dr. Montgomery:

Oh, the comfort, the inexpressible comfort,
of feeling safe with a person,
Having neither to weigh thoughts nor words,
But pouring them all right out, chaff and
grain together,
Confident that a faithful hand will take them
and sift them, keep what is worth
keeping,
And with the breath of love and kindness
blow the rest away.

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

Mr. McCORMACK. I yield.

Mr. PLUMLEY. Mr. Speaker, having twice had the very distinguished honor of nominating the gentleman to whom we pay our respective tributes today as retiring Chaplain of the House of Representatives, I say I have done it on both occasions with the genuine feeling that here is a man who preaches to us—who talks to us; who leads us by his example in that he says, "Do not do what I say, but do as I do."

That as we all of us always know he has everywhere exemplified. He was, has been, and always will be, as Pope has said, "a minister, but a man."

Mr. McCORMACK. In conclusion, Mr. Speaker, the road to eternal and earthly happiness is to live close to God and to follow and obey His law. Dr. and Mrs. Montgomery have lived a happy life on earth and, while I am not the Judge, I am sure their eternal life will be favorably acted upon. They have led a happy life because they have both lived close to God.

Mr. RAYBURN. Dr. Montgomery has been with us a long time, during which he has endeared himself to us all—a man of high character, splendid ability, a man of God, a great soul. I feel a deep personal loss in his going. May his days be happy ones and his path an easy one.

"SILENCE, A HARD ARGUMENT TO BEAT"

Mr. CASE of South Dakota. Mr. Speaker, our gentle, lovable, helpful Chaplain, the Rev. James Shera Montgomery is to become our Chaplain Emeritus of the House of Representatives.

It is difficult to add to the fine tributes already spoken for his labors among us. As much as any minister I have ever

known, he has fulfilled that prayer of St. Francis of Assisi:

Lord, make me an instrument of Thy peace;
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
Where there is sadness, joy.

As has been mentioned, Dr. Montgomery's services as active Chaplain have not ended with the daily prayer that has opened sessions of the House. He has moved among us from day to day with a word of greeting, a word of cheer, a word of inspiration, friendly but never obtrusive.

I recall one day when the House was in a stormy mood. It was a question whether the debate was making votes or changing minds on either side of the issue that was up. Speeches were running toward personalities. Chaplain Montgomery happened to be seated beside me. I commented upon the fact that a certain member was holding himself pretty well under fire.

"My preacher father," Chaplain Montgomery remarked, "had a saying that went like this: 'Silence is a hard argument to beat.'"

I have been grateful for that observation many times.

"Silence is a hard argument to beat."

Mr. ARENDS. Mr. Speaker, I could not let this occasion pass without expressing my love and respect for our retiring Chaplain, Dr. James Shera Montgomery, who, for the past 29 years, has presided over this body as House Chaplain. As he retires, all of us wish for him real peace and contentment to which he is so greatly entitled, and that life will hold in store for both him and Mrs. Montgomery many, many enjoyable days together.

It is doubtful that Dr. Montgomery really understands just how great his influence has been over the many members of Congress who have been privileged to listen to his daily prayers. His prayers were always meaningful, sincere, and helpful. One of the things that has always attracted me to Dr. Montgomery has been the real glow of radiance on his face as he closed his eyes in prayer to Almighty God. One could understand and even visualize his nearness to the Master as the words came forth from the very depth of his heart. I might add that I hope it is not only my privilege but the privilege of all other Members of this House to live as near to their God as Dr. Montgomery has lived. Without doubt, there must today ring in the ears of the Chaplain the words of the Master when he said, "Well done, thou good and faithful servant."

Dr. Montgomery's service of 29 years to the House of Representatives is deeply appreciated by us all. I heartily join with all other Members in unanimous passage of the present resolution.

Mr. DAGUE. Mr. Speaker, it is my great privilege to join in the tribute that has been paid our beloved Chaplain and to herein set forth my deep personal appreciation of the inspiration and moral stimulus I have had from the guidance he has given us during my brief membership in this House.

In this day when material things are too often exalted to the exclusion of religious truth it has been good to have been able to start each day with a word of spiritual encouragement from this great man. That his prayers have been selective indicates the care with which he daily sought to fit his appeal for divine help to the problem at hand, and I am sure that no legislation has been enacted that is not better for having had written into it a portion of that human charity which he has so consistently recommended.

The life a man lives and the evidences of great character are the qualities which wield influence far beyond the power of the spoken word, and I am sure that all of us in the Congress are not only better public servants but are in fact better men for having had the opportunity to travel a part of this life's journey with this great Christian gentleman. May the God to whom he has shown such constant devotion continue to guide and protect him and his beloved helpmate as they relax from their labors and enjoy a bit of well-earned rest.

The SPEAKER. The question is on the resolution.

The resolution was unanimously agreed to.

RESIGNATION OF CHAPLAIN

The SPEAKER. The Chair lays before the House the following communication, which the Clerk will read.

The Clerk read as follows:

JANUARY 30, 1950.

HON. SAM RAYBURN,
House of Representatives,
Washington, D. C.

MY DEAR SPEAKER: It is with regret that I submit herewith my resignation as Chaplain of the House, to take effect February 1. Due to the condition of my health this becomes necessary.

Allow me to assure you of my great appreciation of our long associations through these years; they will remain in my grateful memory while time passes by. The Congress will always be very near to my heart; may generous blessings of a loving Father abide with each and every Member, officer, and employee is my prayer.

Ever faithfully yours,
JAMES SHERA MONTGOMERY.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF REV. BERNARD BRASKAMP AS CHAPLAIN

Mr. WALTER. Mr. Speaker, I offer a resolution (H. Res. 454).

The Clerk read as follows:

Resolved, That Rev. Bernard Braskamp, of the District of Columbia, be, and he is hereby, chosen Chaplain of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COTTON AND PEANUT ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of House Joint Resolution 398, relating to cotton and peanut acreage

allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of House Joint Resolution 398 with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. BROWN]?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I have asked for this time and obtained unanimous consent to speak out of order because I feel it necessary, at the earliest possible moment, to correct some misinformation which has been given to the American people recently.

I refer to the reports which have been published in the public press of a speech made by one of my colleagues, the Honorable FRANKLIN D. ROOSEVELT, JR., in New York on Saturday night.

When I first read this report I was a little disturbed and perhaps a little irked and angry over it. At that time I thought that I should take the floor for perhaps a longer period.

I attempted to reach the gentleman from New York this morning to tell him I would take the floor today, and failed to find him at his office. I was told that I could reach him at Murray Hill 8-3200 in New York, about noon or this afternoon today. So, I have been unable to reach him to tell him that I was going to comment on his speech and this press article.

Then, a little later this morning, I discussed the whole matter with one of his colleagues and friends, who said to me, "Clarence, if I were you I would not let Junior's speech concern me too much. You should be big-hearted and magnanimous in your actions. You should realize that this young man has been in Congress only a short time; and that he has not been in attendance at too many sessions of the Congress and he has, therefore, not had the same opportunity to know just what goes on in the Congress that many of us have who are more regular in our attendance. So you should not be too critical of him, because perhaps he has obtained his information as to what is going on in the Congress in a second-hand way by reading warped reports in the papers, rather than through first-hand information in the Halls of Congress."

That gave me cause to stop and think. I realized, as the gentleman told me, there is grave concern among many of the friends of this fine young man, Mr. ROOSEVELT, over the fact that he is not here as much as they would like to see him. So I decided I had better check up to see whether that was a legitimate reason for not being too critical of him.

I checked this morning, and I find that on 129 roll calls in the House between the time he entered it and January 27, Mr. ROOSEVELT was absent on 69 roll calls, or failed to respond, and answered on only 60 roll calls; that on 65 roll calls on important measures in that period of time, he voted on only 30, and was absent 35 times when the roll was called, or at least failed to answer.

So I do not want to be too critical of the gentleman. I just want to set him right, if I may.

In his speech he commented on FEPC. Incidentally, he does not give the Republican Membership of the House, who voted the same way he did on the 21-day discharge rule, any credit whatsoever; therefore that was entirely a victory of his particular group within the Democratic Party, he claimed. I am sorry that the gentleman did so.

He saw fit to attack a former great Senator from Massachusetts, Henry Cabot Lodge, claiming that he torpedoed somebody or other in some administration or other. I cannot help but feel it was not in good taste for him to attack the dead. There have been times when I have had the urge to say some things about certain deceased persons, but I have resisted the impulse because of the feeling that it was an indelicate thing to do. I hope the gentleman will not do such a thing again.

Then he gets down to where he talks about me, and that is why I am here. I quote from the New York Times, which quotes him:

Next, Senator TAFT's campaign manager, one Mr. CLARENCE BROWN of Ohio, who only the week before had pledged to the Civil Rights Mobilization Conference in Washington that he would vote FEPC out of the Rules Committee, forgot to practice what he preached and voted with four Dixiecrats only last Tuesday against the FEPC coming out of the Rules Committee.

Before I comment on that I should like to read the next sentence:

Mr. ROOSEVELT referred only indirectly to his dispute with Representative ADAM CLAYTON POWELL, Jr.

There are several misstatements of fact in that report. I would like to advise the gentleman, and I am advising him here and now on the floor of the House, despite the fact that he is absent, only because I do not want to permit this misinformation to go further—that, first of all, I am not Senator TAFT's campaign manager. I am a candidate myself out in Ohio; and while I am very strong for the Senator and am proud to say that in my opinion he will be re-elected overwhelmingly next November, I am not his campaign manager. I hope, therefore, that the attempt to involve Senator TAFT in House activities will come to naught.

Second, I have never been called upon, or never had the opportunity to appear before the Civil Rights Mobilization Conference in Washington or anywhere else; and, therefore, I have made it no pledges. I have not, to my knowledge, received any letters, and I am sure that I have not personally answered any letters from this organization.

Then, I wish to call attention to the fact that the press of the country carried the story as to why I voted as I did against reporting FEPC from rules; and I am sure the gentleman from New York would not want a great moral issue such as FEPC brought to the floor of this House through subterfuge or trickery. I, as the ranking Republican member on the committee present that day, tried to protect two of my Republican associates on that committee in their right to be heard and their right to participate and their right to vote on that important question. The gentleman from New York failed to say that such had been explained on the floor and that I later had made a motion to reconsider so as to keep this FEPC bill alive for further consideration by the Rules Committee at an early date.

I think also he has failed to mention here that I have voted for a great deal of civil-rights legislation in the past and that I did vote to report a FEPC bill in a previous Congress, so as to send it to the floor. The gentleman should further understand that I have always reserved the right, not only on this FEPC bill, but on every other bill, to vote on it when it reaches the floor according to the dictates of my own conscience, and according to my own discretion and best judgment.

I hope the gentleman will stand corrected and that he will be just a little more careful in the future in referring to the actions taken by Members of this House.

In conclusion, if I may be permitted, let me speak just a few words of general political philosophy. I would like to say to all of the Members of the House that after 35 years of experience in public office and a long term of service in this House, I am convinced no one can learn the rules of procedure for this House in any New York night club. I am also convinced from my political experience, and I want to say this to all of you as good advice, that no one can solve any of these great social and legislative problems which confront us through nocturnal meditations on Fifty-second Street. We can solve them only by staying on the job right here.

Mr. COOLEY. Mr. Chairman, I yield 9 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I hope the membership will bear with me for a few minutes so that I may get one or two fundamental problems involved in this legislation clearly before the House.

It has been suggested that this legislation is complicated and that it is technical. So it is as to the details. But the basic principles involved in this legislation are not complicated.

When we speak of farm legislation, most people think of what is known as the price-support program, which is not before the House today. The only question before the House today is the question of allocating acreage and production between the various growers of cotton and incidentally to the growers of peanuts. It is solely a question of dividing the production that is to be allowed between those who are in the business of growing

cotton. This bill does not involve price supports.

There are those who feel that the basic farm legislation—that is, price-support legislation—is solely for the benefit of farmers. They are wrong. Obviously the immediate effect of price support is to help the farmers but, clearly, it provides markets for the mills and factories and employment for the laboring man, thereby stabilizing the economy of the entire Nation; and it is upon that fact that we are justified in supporting such legislation.

We come then to the question of the allocation of cotton acreage. For whose benefit do we allocate acreage? Do we do it for the benefit of the cotton farmer? Why, certainly not. Every cotton farmer would be delighted if he could grow all he could plant to cotton and get a good price for it. We limit the acreage a farmer may plant to cotton. We limit the acreage of peanuts or of any other farm crop primarily for the benefit of the taxpayer. That is who we are trying to protect in all acreage-limitation legislation. Acreage allotments and marketing quotas are primarily for the benefit of the American taxpayer, not primarily for the benefit of any farmer or group of farmers. They are imposed so that there may be a reasonable limitation upon the obligation of the Government under the support program which is so essential to our entire economic welfare. So when we come to you with a program to limit the production of any farm crop, remember that we are not coming as special pleaders for farmers, but as advocates of moderation in the expenditure of public funds.

We came to you last summer with a proposal to limit the production of cotton from more than 27,000,000 acres, actually planted last year, so that it could not exceed 21,000,000 acres in the year of 1950. That is a substantial reduction.

At the same time we provided a substantial reduction in legal maximum, because had we not passed that bill last summer the law as it then stood, provided that the Secretary of Agriculture could not cut the cotton acreage below about 27,400,000 acres. So we cut 6,400,000 acres off of the legal maximum cotton acreage that the farmers of the United States could grow. That is a very substantial cut. If you will think in terms of industry—of cutting General Motors by any such percentage, or cutting the wages of any great group of workers in this country by any such percentage, you will readily appreciate the tremendous cut that has been given the production of the cotton farmers of this Nation. And this cut in production came along with a declining market, because remember that the price of cotton has gone down. Remember that the parity price of cotton has gone down and as parity goes down the support price goes down. The actual market price of cotton has already dropped approximately 25 percent in the last 3 years, and now the cotton farmer is taking a cut in production of approximately that amount. Surely everybody must agree that the cotton farmer is paying a rather high price for his price support. Very

few other farmers take any such reduction in return for the support of their prices. No group of workers take such a cut in their hours of employment in return for their minimum wage. Surely in view of the sacrifices that the cotton farmer is making to justify the price-support program, no fair-minded citizen would want the acreage allotments or the marketing quotas on cotton to be unfair or inequitable. If the operation of the law either through defects in its drafting or its administration results in an injustice to some farmers, I am sure that every Member of this House would want to correct those injustices just as far as we can.

Certainly we did not write a perfect law, I am sure; neither was it administered by supermen. It was administered by ordinary men just like you and I, and it did result in many inequities. In my own State a large part of the injustice resulted from what I consider to be a misinterpretation of the law we wrote. I speak as one representing the great State of Texas that has more than one-third of the total cotton acreage of America. In that State, through some kind of fumbling—I do not want to charge anybody with anything more serious; therefore I say through somebody's fumbling—there was imposed a formula that no one had thought could be imposed; which the subcommittee had been assured would not be imposed, but it was imposed after 10,000 acres of cotton were snatched out of clear air and added to our 1948 acreage so as to allegedly bring us 93 acres—93 out of 10,300,000 more acres under the formula known as the California gadget. Texas, a third of cotton-producing America, was arbitrarily placed under this formula which denies to our State all credit for the war crops our farmers had grown, in reliance on the promise of our Government to count such crops as cotton.

During the war the Government asked farmers who would otherwise have been required to go back into cotton to hold their allotments, not to plant cotton but instead to plant crops which were considered to be of greater immediate value to the war effort. These were known as war crops. This Congress by what is known as Public Law 12 promised the farmers that if they would stay out of cotton, they would lose no advantage in future years. The shift from cotton to war crops was particularly heavy through a great strip of Texas extending from the Gulf coast to the Red River and embracing particularly the country known as the Redlands, the Blacklands, the Cross Timbers, and the South Texas Prairies. The bill we passed last fall made specific provisions for credit for these war crops. I had insisted on that.

It also had a provision which stated that "notwithstanding any other provision of law," the Secretary should give each county credit for all of the war crops grown in the county. I think this provision clearly prevailed over any gadget or formula, but the Department held otherwise and held that Texas was entitled to no credit. We do not contend that our State is entitled to any more acres. We realize that the acres already allotted us are substantially the same

from a State-wide standpoint as the acres we would receive had the law been properly interpreted, but it makes a tremendous difference as to where those acres go within the State. Had the counties that shifted to war crops been given credit for their production, there would have been a much more even distribution of cotton over the State. As it is, there are counties in Texas that have a factor as small as 1.6 percent. That means farmers in these counties can plant only 1.6 acres in cotton out of each hundred acres they have in cultivation. There are something like 50 counties in the State that have a factor less than 10 percent. That means that in these counties nobody can afford to grow cotton. There are probably 25 counties, possibly a few less, that have county factors of more than 50 percent. That means that in these favored counties anyone who is a cotton grower can put more than half of his land in cotton and must follow cotton with cotton in order to plant his allotment.

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

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

Mr. COOLEY. The gentleman, of course, is talking about the quota law of 1949 which this resolution seeks to remedy.

Mr. POAGE. That is right.

Mr. COOLEY. I would like to ask the gentleman if it is not a fact that under this resolution the situation complained of would be substantially alleviated and hardships will be prevented.

Mr. POAGE. I think if this resolution passes as it is brought before this House, and with the amendments that might be desirable, that it will give very substantial relief, and it is for that reason that I urge you to support this resolution which will, in the first place, assure to every cotton farmer 70 percent of his average plantings for the basic 3 years, 1946, 1947, and 1948. The resolution now also provides that every cotton farmer will get 50 percent of the highest acreage he planted in any 1 of those 3 years. I hope that we would be well advised to eliminate that, not that I would like to eliminate it, but because I feel that we must keep the acreage added by this bill just as low as possible. This is a bill to relieve hardship, not a bill to enable people to make substantial money. We must keep it as low as possible, else we cannot expect to receive widespread support. It is for that reason that we have limited the new acreage authorized by this measure to 40 percent of a man's tilled acres, under any circumstances.

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

Mr. POAGE. I yield to the gentleman from Georgia.

Mr. PACE. I would like to add to what the distinguished gentleman from Texas has stated, that not only was there no intention on the part of our committee or any member of our committee that the so-called Memphis agreement or California gadget would apply to his State, but both the gentleman from Texas and I had been assured that that would not be done.

Mr. POAGE. That is exactly right. We had positive assurance that Texas would not fall under that formula, but they turned right around and brought us under that formula.

I again direct your attention to the provisions of the bill. This bill provides that each cotton farmer may have at least 70 percent of his average plantings during the base period, not to exceed 40 percent of his total tilled acres. This 40-percent provision is a limitation on our generosity. It is to protect the taxpayers by making sure that this bill will not be used to do more than relieve those now suffering with unfair allotments. It is written in the same words we used under the old law. This wording was in the law in 1938 and remained there till 1949. We put them back as a limitation to protect the taxpayer, not to protect the farmer, but to see to it that the man who must pay the bill will not be called upon to support an unreasonably large acreage. We ask only that those farmers who have been seriously discriminated against, those farmers who have been cut so low that they cannot stay in business, be given an opportunity to have just a minimum to stay in business. We are not asking that anybody make any substantial money out of this bill.

This resolution does not take any acres away from anybody, and it does not propose to give any acres to anybody except those who are now suffering, who have taken a cut of more than 30 percent of their average plantings, and we believe that that is not asking too much of a reasonable House. We should pass it with all dispatch. Impossible as it may seem to some of my northern colleagues, cotton planting has already begun in the lower valley of Texas. We should act at once.

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

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

UNIFICATION, THE NAVY AIR POWER, AND THE MARINE CORPS

Mr. HOFFMAN of Michigan. Mr. Chairman, the attention of the House is called to an article of vital interest to all those who desire to understand some of the issues underlying the current conflicts over our national military policies.

The article to which reference is made was printed in the Appendix to the CONGRESSIONAL RECORD, Volume 95, Page A6266, under the extension of remarks of the Honorable CLARK W. THOMPSON, of Texas, entitled "Sea Power and a National General Staff," and written by Lt. Col. J. D. Hittle, United States Marine Corps. The article first appeared in the October issue of the Naval Institute Proceedings. Because it was carried in an issue of the RECORD just prior to adjournment, there were many who probably missed it. Permit me to call your attention to this article and commend it to your attention, for I consider it one of the most significant studies of the problem of top-level direction of our armed forces that has yet appeared.

This article is of unusual interest and importance as it sets forth the reasons why adoption of a national—or supreme—general staff system would lead

to inevitable disaster in our country. With careful attention to historical fact, the author relates the manner in which the supreme general staff of Germany served as the means by which the Army and the Air Force were able to combine their efforts to bring about the destruction of German sea power. It will not take any imagination on the part of the reader to see that there is a clearly discernible similarity between what happened to the German Navy under a supreme general staff and what many thoughtful persons contend is happening to United States naval power at the present time when the naval element almost invariably is in the minority position where issues arise in a meeting of the Joint Chiefs of Staff.

Readers will also find much food for thought in the author's careful explanation of how a supreme general staff system in this country will mean the end of a naval air arm and the end of a Marine Corps capable of carrying out the duties assigned to those elements by Congress in the National Security Act of 1947. Although a national general staff has been and still is strongly supported by some high Army and Air Force persons, the House of Representatives has traditionally and, in my opinion, correctly rejected such proposals for establishing a Prussian-type national general staff, as such an agency would be alien to our democratic form of government and unresponsive to our requirements of national security. After reading this article, it would seem that Members of the House will feel a deep satisfaction in the realization that it was largely through the efforts of the House that the National Security Act of 1947 and the amendments in 1949 pointedly rejected the Prussian-derived proposals of those who would impose such a politically dangerous and militarily inefficient staff system on our Nation. Also, after reading this article, I hope that Members will find reason to be more determined than ever to ascertain whether or not our defense officials are actually at the present time proceeding with the development of a de facto national general staff in violation of the specific provisions of the National Security Act. That such a supreme general staff is now being developed would seem to be a logical interpretation of the testimony of certain high officers before the Armed Services Committee during its hearings last October.

There is another reason why this article is of more than passing interest. Lt. Col. J. D. Hittle, United States Marine Corps, is unusually qualified to write about a national general staff system, as he is a widely recognized military historian and writer. Among his works is the standard text on staff history, a book entitled "The Military Staff—Its History and Development."

Nor can Sea Power and a National General Staff be brushed aside—as many would like to do—as an oblique attack on unification. In the first place, the article pointedly supports the action of this Congress in its decision to prohibit the establishment of a supreme staff system. In taking such a stand, the

author is helping explain why members of Congress were correct in their insistence on such provisions in the National Security Act. Such an attitude on the part of a professional military man is a reassuring discovery, particularly at the present time when there is unremitting pressure to have Congress abandon our war-proven American-developed military concepts, substituting therefor the inferior ideas and methods of our defeated enemies.

It was my privilege to be chairman of the House Committee on Expenditures in Executive Departments at the time that committee was charged with writing the National Security Act of 1947. As former chairman of that committee I can say that I know of no other person in the armed forces who worked harder or who contributed more than did Lieutenant Colonel Hittle to the cause of constructive unification of the armed forces. And by constructive unification I mean that kind of unification we hoped for in passing the National Security Act of 1947, a unification that would bring genuine economy and efficiency under a system that would be in complete harmony with our form of government and our peculiar security requirements, a kind of unification that would be characterized by all elements of the armed services willingly accepting the decision of Congress as to the functions each would perform in making its contribution to a more effective national security. Constructive unification did not mean the kind of a so-called unification that would be used as the instrument for effecting the destruction of our balanced naval power based upon strong naval aviation and a powerful Marine Corps capable of discharging the functions assigned by Congress in the National Security Act of 1947; nor did it mean the kind of a unification that would lead to eventual establishment of a de facto national general staff.

For these reasons, and many more, the article, Sea Power and a National General Staff, is again committed to the attention of all members of the House.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I will be glad to yield to the gentleman from New York.

Mr. TABER. I am wondering how it happens that the Committee on Agriculture brings out a bill of this enormous size without any published hearings that might be available to the membership during its consideration?

Mr. AUGUST H. ANDRESEN. I will yield to the chairman of my committee for an explanation.

Mr. COOLEY. I shall be very glad to explain it.

We regard this as emergency legislation, due to the fact that cotton planting time is near at hand. Had we taken the time to have extended hearings we probably could not have gotten it passed in time to be of any benefit. We did extend an invitation to every Member

of Congress to come to the committee room for the purpose of discussing proposed changes in the quota law.

There was no real demand from any farm organization to appear, because apparently all farm organization men know and did know that this law had resulted in many inequities.

May I say to the gentleman that in the consideration of the quota law of 1949 perhaps more consideration was given to that one bill than any other bill that has been before the committee in a decade. The gentleman who is now addressing the House was a member of the subcommittee and I am sure will substantiate the statement I have just made. Nothing could have been accomplished by holding hearings, because I think we had all the information before us that was needed.

Mr. TABER. The thing that disturbs me more about it is that the rule was granted on Thursday and the bill was taken up on Friday. If the hearings had been sent to the Government Printing Office on Thursday they would have been available on Friday.

Mr. AUGUST H. ANDRESEN. As I recollect it, no reporters were present to make a transcript of the testimony that was given to the committee.

Mr. Chairman, I am very much distressed to be forced into a position where I must oppose this legislation. I voted against the reporting of the bill in the committee and I am opposing the bill now. I am disturbed, nevertheless, because I have been on the committee a good long time, I have worked with the gentleman from the cotton areas, and I have generally concurred in all of the proposals and ideas they have had for legislative consideration with reference to cotton and the other commodities.

I do not think there is a single man on the committee from the cotton areas who will get up and say now that for the last 23 years I have ever opposed any cotton legislation they have proposed in the committee. If there is a Representative from the cotton area who will now say that I have opposed him in the committee or on the floor on cotton proposals, I would like to hear it.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Texas.

Mr. WORLEY. I doubt if anyone can say that, but we think that is too good a record for the gentleman to break this late in the game.

Mr. AUGUST H. ANDRESEN. I thank the gentleman, who is not only a distinguished Member but has the reputation of being the handsomest man in the House of Representatives. I have high regard for him.

There is such a thing as an individual or group of individuals having their cake and eating it too. That is what we are running into in this legislation. The Committee will be interested in knowing that we have approximately 21,300,000 bales of cotton on hand. That is the cotton report issued by the Department of Agriculture to be released today. Approximately 8,000,000 bales of cotton are used in domestic consumption. It is es-

timated that 5,000,000 bales of cotton will be exported. I think that figure is a little high. But that makes 13,000,000 bales. That leaves approximately 8,000,000 bales for a carry-over into the next crop year, Officials of the Department of Agriculture appeared before our committee and stated that the production of cotton for 1950 should be on an acreage of between 16,000,000 and 18,000,000 acres, instead of 27,000,000 acres which was the acreage in 1949. I was on the cotton subcommittee. We sat for weeks and weeks on this cotton-quota law to determine—in other words to let the cotton boys write the cotton-quota law. I sat there and agreed with them. They had a lot of difficulty in agreeing amongst themselves, but they finally agreed that instead of having the 18 million acres recommended by the Department of Agriculture they would raise the ante so that there would be 21,000,000 acres for the 1950 cotton crop. Now they come before the House and ask to have that increased by 1,500,000 acres. That will give you a total of 22,500,000 acres, which is a reduction of only four and a half million acres or so from the acreage last year. The additional acreage will produce between eight hundred and nine hundred thousand bales of cotton additional.

Mind you, we are going to have about 8,000,000 bales of cotton in this country as a carry-over. The Department of Agriculture estimates that they will have in the current year approximately 6,000,000 bales under Government ownership and loan. Then we will go to work and raise a large crop in 1950. If we have the same weather conditions as we had last year or if they produce, let us say, an average of 300 pounds to the acre, that will give a total of 13,500,000 bales of cotton for 1950. Then you add the 8,000,000 bales carry-over and you still have 21,500,000 bales in the 1950-51 crop. So, you are just exactly where you were to start with.

The extra 8,000,000 bales of cotton will be in the hands of the United States Government. We have enough on hand so that they would not have to plant more than ten or twelve million acres of cotton this year to take care of the exports and safe domestic requirements.

This year we have a 90 percent of parity support price for cotton. That also goes for wheat and other basic commodities. This is the last year we will have 90 percent of parity support for cotton under the old formula because with the tremendous supplies we now have on hand and with what will be produced in the coming crop year, parity will go to 80 percent of parity under the old formula for the 1951 crop unless we pass legislation to revise it.

Therefore, this increase in acreage will mean that the Government will be the owner of at least 8,000,000 or 9,000,000 bales of cotton which some people, of course, think is the proper thing to do. The Government's investment in this cotton will be around \$1,200,000,000.

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

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

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

Mr. AUGUST H. ANDRESEN. I will be glad to yield to the gentleman from Colorado.

Mr. CARROLL. In view of the colloquy between the gentleman from Minnesota and the gentleman from New York about there being no hearings, I would like to know whether or not the Department of Agriculture has issued a report on this bill.

Mr. AUGUST H. ANDRESEN. I understand that the Secretary of Agriculture wrote a four-page letter, that I have not had an opportunity to see. The only letter I saw was a letter that appeared in the paper, from the Secretary to Mr. Klein, accusing Mr. Klein or the Farm Bureau of writing the cotton-quota law of last year. I take issue with that, because I sat on the cotton subcommittee, and I think our chairman will bear me out that the cotton-quota law was written by members of the Committee on Agriculture, who were interested in cotton production.

Mr. COOLEY. I agree with the gentleman entirely.

Mr. AUGUST H. ANDRESEN. So the Farm Bureau did not have a thing to do with writing the law, although the Secretary says that Mr. Klein, of the Farm Bureau Federation, wrote the law. The Committee on Agriculture wrote that cotton-quota law—after the members on the committee from the cotton area composed their differences and wrote the quota provisions of the cotton-quota law of 1949, which we are now told is not satisfactory. The small farmers, by and large, have gotten their quotas, but there has been a larger cotton acreage in some areas which produce a substantial portion of the cotton.

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

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

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MCCARTHY. The statement has been made that the need for this legislation is due to the failure of administration of the other act. Who was responsible for the mismanagement? Can the gentleman answer that?

Mr. AUGUST H. ANDRESEN. Well, I do not know. It has been rumored around that the act has not been administered according to the intent of Congress. The gentleman from Texas [Mr. LYLE], who made the statement on the rule the other day, made that statement. I do not like to say anything about the Secretary of Agriculture and his men in the Department. They are probably trying to do the best job they can, but I am satisfied that if they would carry out the act of 1949 according to the intent of Congress, and according to the intent that we had in the Committee on Agriculture, there would be no need for this legislation today.

Now, I just want to say another word about cotton. In all the years that I have been a member of the Committee on Agriculture I have wanted to keep

the cotton farmers prosperous. I have taken the same attitude toward the tobacco farmers, the wheat and the corn farmers, but we have not had the same consideration from gentlemen who are representing those areas as we have accorded to them. I refer in particular to the devastating damage that they have done to the great dairy industry of this country, where we have several million dairy farmers who are literally being put out of business. We are cut down on our dairy products market in the country. We are hemmed in through that great-Midwestern area. With a cut in the corn acreage and with a cut in the wheat acreage and not being able to produce cotton or tobacco in our area, we just cannot produce anything. So I hope that my friends from the South, who may be somewhat critical of me because I am taking the position that I am today in opposition to this legislation, will have a little more consideration for our great dairy industry, rather than try to hog everything for themselves. They know they are in a business that is gradually going out of business, and I have every sympathy for them. I want to have a proper workable agricultural program in this country. I want to do my part for the cotton farmers of the United States, and I will do that whether we have a Democratic administration or a Republican administration. I ask the same consideration from them when they consider agriculture in other areas.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I would like to ask the chairman of the committee a question with respect to corn. If in the commercial corn area where we face an anticipated reduction in acreage of approximately 20 percent whether the reduction will be on a percentage basis such as is being done here?

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

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

The CHAIRMAN. The gentleman from Minnesota is recognized for two additional minutes.

Mr. COOLEY. I may say to the gentleman from Illinois that the same proposition was brought up and considered by the committee before this resolution was reported. Certainly, the gentleman knows that I cannot speak for the House Committee on Agriculture, but I may say for myself that if it becomes necessary for legislation to be enacted which will enable the corn growers to cope with the situation—and I believe I speak for other members of the committee likewise—that we will consider the matter immediately, just as we did with regard to wheat. We first had a provision in this resolution dealing with wheat; and when the resolution was introduced by the gentleman from Kansas [Mr. HOPE] I immediately appointed a subcommittee, and the problems facing the wheat farmers are now being considered by a subcommittee. I would expect to do the

same think if a similar situation arose with regard to the corn farmers.

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

Mr. AUGUST H. ANDRESEN. I yield. Mr. JENSEN. Is it not a fact that a death blow was struck at the buying power of the hog farmer, the dairy farmer, and the poultry farmer when the last agricultural bill was passed? And also when the oleo bill was passed? This reduces the buying power for cotton goods which the South is so much interested in.

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. JENSEN. And so we are likely to have a carry-over even higher than the gentleman from Minnesota expects?

Mr. AUGUST H. ANDRESEN. The carry-over, whatever it is, will go into the hands of the Government and there is where it will be, excepting the amount that is exported and will be paid for by the American people and given away to other countries through the ECA.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HOEVEN. I am glad the gentleman from Illinois [Mr. ARENDS] propounded the question he did to the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, as to just what treatment we might expect if problems arise as to the corn acreage allotment or even the soybean acreage allotment. Let me confirm what the chairman stated here on the floor of this House, that if such problems arise, the Committee on Agriculture, according to my understanding, will give such problems immediate consideration. Am I correct?

Mr. COOLEY. The gentleman is entirely correct.

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

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. GATHINGS. I yield for a brief question.

Mr. HOLIFIELD. I wish to ask the chairman of the committee if we are to understand by this colloquy that this is just the prelude to bringing in bills which will increase the corn acreage and the wheat acreage as well as the cotton acreage?

Mr. COOLEY. Certainly not. The Members on that side were addressing themselves a moment ago to the question of a reduction in corn acreage rather than an increase.

Mr. HOLIFIELD. It is not confined to wheat?

Mr. COOLEY. No; the increase involved in this bill resulted from inequities which came about through the law we passed in 1949.

Mr. HOLIFIELD. We are not to expect then, that this is a prelude to additional corn acreage and additional wheat acreage?

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

Mr. GATHINGS. I yield.

Mr. HOEVEN. So there will be no mistake let me say that as far as the corn area is concerned the corn acreage allotment program has not as yet been broken down to the county and township levels. We do not know at this moment whether we are going to have any problems or not, perhaps not; but if we do, it is the understanding that such problems will have the immediate consideration of the Committee on Agriculture.

Mr. GATHINGS. Mr. Chairman, my good friend from Minnesota, and he is a good friend of mine, the gentleman who next to the former chairman of the committee, the gentleman from Kansas [Mr. HOPE], is the ranking member of the committee, left the impression with this group that there is a great amount of surplus cotton on hand today. He estimated that there would be 8,000,000 bales of cotton on hand on August 1, 1950. The gentleman's estimate is correct. There are expected to be on hand on July 31, the start of a new year, 8,021,000 bales of cotton.

Mr. Chairman, I call attention to page 14 of the House report where you will see what the cotton carry-over is in various years. In 1938, at the time that the Agricultural Adjustment Act was passed, there was a carry-over of 11,533,000 bales; in 1939, 13,033,000 bales; in 1940, 10,564,000 bales; and 1941, 12,166,000 bales. So by looking at this report it can be readily ascertained that the 8,000,000-bale estimate on August 1, 1950, would not be an excessive carry-over because we went into the war in 1941 with a carry-over of 12,166,000 bales.

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

Mr. GATHINGS. I yield to the gentleman from New York.

Mr. KEATING. But in those figures we are showing a decrease in the carry-over, which the gentleman, I am sure, will agree is a desirable trend?

Mr. GATHINGS. Yes. May I say to the gentleman that in the bill we passed in the first session of the Eighty-first Congress we provided that acreage will be limited in 1951 to that number of acres estimated by the Department of Agriculture, which would result in the production of 1,000,000 bales less than the domestic consumption plus exports for that year. So in future years we would deduct 1,000,000 bales from the carry-over each time under the law now on the statute books, which is most reasonable and proper.

Let me call attention to why we are here. The chairman of the Committee on Agriculture called us to Washington on the 12th day of December for the purpose of doing something about these inequities that exist. What were these inequities? Here they are. I hold in my hand some letters. Here is a man who says he has 261 acres of cropland, and he gets 30 acres of cotton. Here is a man who has 160. He gets only 32 acres of cotton to earn a livelihood. Here is another letter from a man who has 12 acres on one farm and 59 acres on another in cultivation. He gets 5 acres of cotton. Here is another small farmer who says he had planted 50 acres in 1946 to cotton, 55 acres in 1947, and 63 acres

in 1948. He is given 5 acres of cotton. Here is another letter from a man who has a 160-acre farm. One hundred and ten acres of cotton were planted in 1949, 100 acres in 1948, 95 acres in 1947. He is given an allotment of 36.2 acres. Here is a letter from a large farmer who has 1,001 acres of cotton. That was in 1947. In 1948 he had 1,030 acres and in 1949, 1,150 acres. He gets an allotment of 485 acres, a reduction of about 70 percent. These low allotments are the result of the percent of cropland approach to the problem and, further, because the county committees did not reserve enough of the 15-percent reserve to remedy these hardships. I hope this resolution is passed with a minimum of delay.

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

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, may I call attention to the statement on page 2 of the report that it never was the intention of the Congress that any inequities, no matter how small, should result from the application of the cotton-quota law. The purpose of this resolution is to authorize insofar as possible action to remedy these inequities.

The gentleman from Minnesota made the statement a minute ago that if Public Law 272 had been administered according to the intent of Congress there would be no need for this legislation. I think by that statement he has admitted that there is a need for this legislation.

I am in favor of controlled acreage for our cotton. I realize that we must have a reduction in acreage. If I thought that this resolution would permit an acreage which would exceed the 21,000,000 acres authorized by the Secretary of Agriculture, in conformity with Public Law 272, I would not want to support this resolution.

I do know that there is a need to adjust the inequities that have come about through the administration of Public Law 272. I do know that under the administration of that law—and it was not the intent of Congress—that we have allocated to many farmers in my district, as well as in all the cotton districts throughout the United States, acreage that is not going to be used. I do think that with this resolution which we will vote on here that there will be an opportunity for a reallocation and for those acres to be used by the farmers who need them very badly.

Most every Member has indicated here the great reduction that has been taken by farmers; in many cases a 70-percent reduction. We know that the statement was made that we expected a national reduction of 23 percent of their acreage from last year. We do know, and I have it in my district, that farmers are being cut more than 60 to 70, and in some cases having a cut of 80 percent. Now, that was not the intent of Congress. We can largely correct most of these inequities by adopting House Joint Resolution 398.

No doubt, when it is in order, various amendments will be offered to this resolution. While many of us might not

agree entirely with the percentage figures and some of the other minor provisions which have been included in this resolution, and would favor some of the provisions which were omitted from the original Cooley amendment, I think we must appreciate the fact that at least a majority of the members of the Committee on Agriculture have agreed on the provisions which are included in this proposal and which I am willing to accept in the belief that it will not only clarify but will serve to implement the intent of the original legislation which is now Public Law 272.

I realize it is confusing to Members who are not familiar with the problems which exist in a cotton-producing area to understand why all the Representatives from cotton-producing districts are not in entire agreement on legislation which will correct the inequities which are being brought to your attention. Suffice to say the problems are not identical in every State. In fact, it would be practically impossible for the farmers in any one county to agree on a formula which would serve their individual purposes 100 percent. By the referendum vote last December an overwhelming majority of the cotton farmers have indicated their approval of a cotton-allotment and marketing-quota program in order to enjoy the benefits of price supports, and generally speaking, I believe that an overwhelming majority realize that we must limit the 1950 planting to an acreage which will not exceed 21,000,000 acres. I believe that the legislation which we are considering here today will accomplish this goal.

I want to also call this to your attention, that a lot of people do not want to help the big planter. I am not here talking for the big planter. I am talking for those renters and sharecroppers who are living on these big plantations. I have one friend who has about 79 families living on his farm. These people are renters. That man has been planting about 80 to 90 percent of his acreage in cotton. However, he is in a county which has had a comparatively small percentage of the total county acreage in cotton, and the percentage in that county is only 16 percent, which means that there will be approximately 50 families on that 1 plantation who are going to be dislocated and who will have to try to seek some other place on which to live, and that is going to be hard to find, because they are cotton farmers.

I am in favor of a controlled acreage. I am in favor of reducing the national acreage, but I do say that this law is necessary to correct the inequities which presently exist.

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

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Chairman, I was distinctly surprised and very sorry to hear my good friend, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] say that he was going to oppose this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think the gentleman was in the committee when we had the vote on it, and I think he will say that I voted against it.

Mr. WORLEY. The gentleman is correct; the gentleman voted against it, but I thought by this time he would have seen the error of his ways.

Mr. AUGUST H. ANDRESEN. And I did so with a great deal of reluctance because of my great admiration for the gentleman from Texas and his associates.

Mr. WORLEY. I appreciate those words very much.

Mr. Chairman, this is not a perfect bill by any means. There is no way in the world, and there are not enough brains in the Committee on Agriculture or in the House or in the Department of Agriculture to write a bill which will be completely equitable and fair to all sections and all growers of the cotton industry. In fact, there is no way in the world that you can write a bill that is going to be perfect so long as it involves, as it must necessarily do, an acreage reduction.

Experience has shown that the first bill passed by the Congress was not perfect, but it certainly was not because the Subcommittee on Cotton, so ably headed by the distinguished gentleman from Georgia [Mr. PACE], did not do its utmost in the consideration of the bill. That group worked for many weeks hearing witness after witness. All who wanted to be heard had the opportunity. This bill now before us is not perfect. For example, I have 28 counties in my congressional district, about 15 of which grow cotton. Although this bill will add approximately 34,000 acres to those 15 counties, at the same time at least 4 of those counties have stated repeatedly that the only way we could care for their problem would be to allow 10,000 acres additional to each one of those counties. If you allot 10,000 acres additional for each of 15 counties, you allot 150,000 new acres. If exception were made in this instance then every other county in the country would be entitled to the same consideration.

We must keep the amount of cotton acreage as low as we can keep it, and still be as fair to all cotton growers as we can be, without running the risk of bankrupting the Government. Ninety-one percent of the people who grow cotton in this country said they were willing to trust the Government to work out the fairest program possible. They said in effect that in exchange for price supports they would be willing to accept acreage allotments and trust our Government to work out as fair a program as could be devised.

This legislation on cotton is just a forerunner of what is going to come in connection with corn-acreage allotments, wheat-acreage allotments, and all other acreage-allotment problems in connection with other agricultural commodities enjoying price supports. In the original cotton-acreage-allotment bill we attempted to put the administration as close to home as it was possible to place it. I do not say the fault was en-

tirely in the act itself or in the administration of the act. It seems to me it was a combination of both.

May I say in conclusion, Mr. Chairman, that I deeply regret to see the distinguished subcommittee chairman, the gentleman from Georgia [Mr. PACE], retire from Congress. In about 9 years of service in this body I have never seen anyone who worked harder, not only on cotton, but on all other agricultural bills, than the gentlemen from Georgia. I know he worked himself virtually to the point of exhaustion on this particular measure. I hope that his constituents will not let him quit, but will send him back for many years to come.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I am one of those who early saw that the operation of the act which we passed last fall was going to be most disastrous to that whole section of the cotton South where the first cotton was planted in this country and where the cotton gin itself was invented.

For instance, in my district one of the counties of which leads the State of Georgia in the production of cotton—it is always either first, second, or third in the State—is a county in which the average size farm is less than 50 acres. These farmers plant considerably more than half of their land to cotton. They cannot plant peanuts. That right was taken away from them in the Peanut Act. There is no other crop to which they can turn except poultry and dairying in a small way, which they have done.

In the summer, when I was at home, I went to the Farm Bureau meetings. These men were anxious and earnest. They asked me what was going to happen. Were the price guaranties going to continue, the price-support program? I said, "Yes; it will, if the farmers of this country vote crop control." "Well, how much reduction do they suggest that we make in 1950?" I said, "They tell me around 23 percent." So when the election was held 91 percent of the cotton farmers of this country voted for these controls. Now they confront me with the result of that law. Many of them have been cut 60 percent in their acreage.

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

Mr. CAMP. I yield.

Mr. BECKWORTH. Has the gentleman undertaken to find out how many additional acres will go in each of the counties in his district under the terms of this resolution?

Mr. CAMP. I understand that some of the counties in Georgia, where they planted what they call war crops, will get more cotton acreage than they had last year. Here is the whole trouble in the law. Please listen to me. I am pleading here for small farmers and in many instances small colored tenant farmers. The last day I was in Georgia a friend called up and said he had a tenant that he felt should be taken care of. He had been with him for 18 years. He was loyal and honest. He did not have enough cotton acreage to give him any land to work. He asked me if I could help him.

I moved him onto my farm and put him in a vacant house that I had there. This thing is serious. I do not worry so much about the big farmer. He can cut his acreage and do something else with his land. That is not going to hurt him too much. But I am talking about the small farmers now. They have divided the acreage all right on the basis of the State. The State of Georgia gets as much cotton as she should plant. They have allocated it to the counties all right. My county, Coweta County, had 26,830 acres in 1948 and it has about that many acres for this year. But here is the trouble. They do not allot this acreage on a historical basis. They allot it to the land. Hundreds of these farms have changed from cotton lands to pasture lands. Many of them have been fenced in and they are in grass now. They give the owner of such land, let us say, 12 or 15 acres, to plant in cotton. He does not want to plant any cotton and does not intend to plant any cotton and he will not plant any. I went into a store in Georgia recently to make a purchase just before I left. The man said, "Do you want to plant my cotton acreage?" I said, "I cannot if I wanted to. You cannot transfer it." He said, "I do not know why they gave it to me. They gave me 20 acres here and I did not plant any at all last year or the year before."

This amendment will permit these people to turn their cotton allotment into the committee and have it redistributed. There is only one question about it. You know these bills have too many ifs, ands, and buts and provisos in them. They have one here which provides that no man can plant more than 40 percent of his farm in cotton. If you have a man down there with 20 acres of land and he has been planting 16 acres in cotton, under this provision he could not get but 8 if somebody wanted to give them to him.

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

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from Georgia.

Mr. CAMP. Mr. Chairman, in closing, I want to say I favor this amendment, but there will be an amendment offered to strike out that 40-percent provision. Let us strike it out. It is not going to hurt the general purpose of the resolution, and it will help these little people that I am pleading for here today.

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

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, as so many of us have emphasized since the opening of this session of Congress, it is imperative that the Cotton Acreage Allotment and Marketing Quota Act be amended to correct gross inequities that unexpectedly developed.

This need is imperative because farmers are now making arrangements for this year's planting. Many are in a highly disturbed situation, and I think justifiably so.

I am supporting this resolution and urge my colleagues from all sections of this great country of ours to join us in

correcting the inequities that exist which no one intended or expected when this Congress passed the act last year. I cannot emphasize too strongly to you the urgent need in order to carry out the intent of this Congress to be fair and honest to the producers of cotton of this country when we provided for acreage controls which was urged upon us and recognized by everyone as an absolute necessity.

I have been much interested in the many justified inquiries from Members from the nonproducing cotton areas of the country as to how it appeared that we are faced with the present situation and so many farmers find themselves in such a precarious position and unfairly penalized. Before the war controls were invoked under authority of Congress and by the vote and approval of the cotton producers. Such controls were approved by the farmers annually until 1942. At that time we were engaged in a world conflict and as it was not necessary controls were lifted in 1943. During the war we did not have surplus production. Our production was needed and utilized and made its contribution to the winning of the war.

Since the war we continued to have a large volume of exports and only during last year, 1949, did we start to realize surplus production again.

We have had many highly important adjustments to make which were inevitable following the war. For 4 years now these adjustments have been undertaken as necessary. Everyone understands that it takes time to adjust any highly involved economy in our productive programs.

In our agricultural program, cotton is one of the most important factors. It is basic to our agricultural economy. Just as controls were determined necessary before the war to prevent enormous surpluses of cotton wrecking the cotton economy, it became obvious a year ago that the country was going to be faced with the same serious surplus problem.

This was recognized by the cotton producers themselves. It was recognized by all who manifested an interest in the welfare of the farmer. We have a surplus from 1948 but not serious. In 1949, we find that the farmers planted nearly 27,000,000 acres in cotton. Seven million acres more than was planted on the average in the years from 1944 to 1948 when no controls were in effect. Consequently, we find ourselves now with a surplus of about 8,000,000 bales of cotton.

Because of this situation, the Congress at the request of the cotton producers and others appropriately considered the reestablishment of cotton acreage allotment and marketing quotas. It was thought that such legislation was needed as an essential part of a well-rounded agricultural program to provide a proper balance between supply and demand of agricultural commodities.

This viewpoint was adopted and urged throughout the country because it is necessary to maintain a more adequate price support so that the farmers may have a more adequate price for cotton products.

In discussing this fundamental problem with the farmers of my district, I

find that they definitely understand that we could not continue the planting of more than 26,000,000 acres of cotton annually in the United States and producing more than 15,000,000 bales—continuing to build up great surpluses—without destroying the cotton market and the economy of the cotton farmers.

Therefore, the Congress last year provided for the reestablishment of controls by acreage allotments and marketing quotas.

It was generally believed and I personally had the impression that we were providing for a reduction in acreage generally of about 23 percent, from approximately 26,000,000 to 21,000,000 acres. If the act had worked out in actual practice as was intended and the reduction been general throughout the cotton-producing area many hundreds of farmers would not have now found themselves in such a desperate situation. I thought the reduction under this approach would generally provide for the 20 or 25 percent. The farmers thought it would work that way and so accepted it. Most everyone believed that it was the most equitable and fair approach. However, I will say to you, my colleagues, in all candor, it just did not work out that way.

I can say, Mr. Chairman, with the same degree of assuredness, that an effort was made to see that equity did prevail. The Congress did not approach it lightly, but after the Agricultural Committee had made a very serious attempt to provide an act that would bring about a general reduction.

This I want to emphasize as the intention of Congress which is stated in the report on page 2. It says:

It was never the intention of Congress that inequities, no matter how few, should result from application of the cotton-quota law and the purposes of this resolution—

That is, the one before us now—House Joint Resolution 398—

is to authorize insofar as possible, action to remedy those inequities.

Under the 1938 Agricultural Adjustment Act, the historical approach to acreage allotment was authorized. From experience, it was thought that there was need for substantial revision.

In reestablishing controls under the act in the last session of Congress, a definite approach was made which is known as the cropland approach. That is a percentage of the total tillable cropland of the county.

This policy was approved only after the committee had made a careful and thorough study and was led to believe that it would be more acceptable. It was what generally became known here as the Memphis agreement, which was worked out at a belt-wide cotton conference held in Memphis in April 1949.

I make this explanation to show you, my colleagues, the reason this situation has developed as it has now showing the necessity for this resolution which I ask your support of.

This so-called Memphis agreement was preceded by several regional meetings as I understand and as recorded in the hearings by cotton producers. At the conference in Memphis, the House Committee on Agriculture participated in the

hearings. Producers throughout the area participated. Committees, farm organizations, individuals all were present and helped to work out this plan so we were advised and the hearings so reveal.

Following this meeting in Memphis, the committee in Congress held hearings. The steering committee of the belt-wide cotton committee appeared and supported the program which was adopted. The steering committee represented farm organizations and producers so they claimed throughout the Cotton Belt area. Many farm organizations appeared before the committee urging this approach.

Mr. H. L. Wingate, who is chairman of the steering committee for the belt-wide cotton conference testified on behalf of the committee. The entire committee was presented with him and introduced. Mr. Wingate is also president of the Georgia Farm Bureau Federation. Mr. Harvey Adams, of the Agricultural Council of Arkansas, was a member of the committee.

Mr. Walter Randolph, president of the Alabama Farm Federation, testified on behalf of the American Farm Bureau Federation. Mr. R. E. Short, from our State of Arkansas, vice president of the American Farm Bureau Federation, appeared in behalf of the program. Other farm organizations testified before the committee to the effect that the cropland approach would be the most equitable method. They claimed they represented all cotton producers throughout the cotton-producing areas.

Therefore, this program was presented to Congress with wide support and I say there was no intention to do gross inequity to any cotton-producing farmers.

The allocation program on a National and State scale was naturally on a historical basis. Allocations to counties were made on a historical basis but the inequities resulted when the cropland method was applied within the county to the individual farmer.

Therefore, in reestablishing cotton controls the Agricultural Committees and the Congress considered these two methods: The historical formula, based on history of planting by the farmer, and the cropland formula. By this formula a factor is applied within each county by the percentage of cotton production within the county for the years of 1946, 1947, and 1948, to the total tillable cropland within the county as determined by reports of the Bureau of Agricultural Economics.

For example, a county with say 100,000 tillable cropland acres has according to BAE reports a history of cotton production for the years 1946, 1947, and 1948 of 12,000 acres. This would mean 12 percent on an average of the total cropland of the county was planted to cotton during these years giving that county a factor of 12 to 100.

In other words, a producer in one county with 100 acres of cropland having the percentage factor of 12 would have an allocation of 12 acres. A producer in an adjoining county with 100 acres of cropland with a percentage factor of 24 would have 24 acres. In another county a producer with 100 acres with a percentage factor of 48 would get

48 acres. These three examples—if the farmers had been producing, say, 60 acres each year out of their cropland, the first would have a reduction of 80 percent, the second a reduction of 60 percent, and the third a reduction of 20 percent.

The Agricultural Act of 1938 provided a form of cropland approach which was found after brief experience to be wholly inadequate to give the most equitable program. After a short trial amendments were provided and the historical formula was developed.

It is also true at that time we had fairly accurate figures on acreage of the individual farms which made it a more satisfactory formula. We have no accurate figures because we have not had controls for several years. Naturally this further aggravates the difficulty.

In my opinion, however, the cropland approach is not the best and most satisfactory way. In fact, I think it is morally wrong if applied to counties. The Department of Agriculture has contended that from years of experience it cannot work satisfactorily and from my study of this problem, I am in accord with that view. No doubt it would have worked some better had there not been such a divergence of views and unfortunately I fear some feeling among certain groups.

For example, there is no reason why a farmer with 100 acres or any number of acres in county X with a 47-percent county factor should be permitted under similar circumstances, identical situations, to have several times as much cotton as the grower with 100 acres, the same history and everything, in county Y with a 10-percent factor. In other words, Mr. Chairman, the producers in the counties with the highest percentage factors are given the advantage, an unfair advantage, over the producers in counties with low factors.

If the cropland formula is to be used it ought to apply State-wide as it is considered the allocation to the States are as equitable as possible, which is based on the historical formula.

Because this advantage is obvious to the high-factor counties, is it no surprise that generally the producers in those counties are expressing their satisfaction with this plan.

It appears to me that the historical formula would have been much better and certainly more equitable as it would not only be effective with the National allocation, the State allocation, and the county allocation but apply to the individual farms as well. Each farmer then would have his percentage reduction, which was believed by me, and I think the Congress, to have been our intention when this act was adopted last year.

To further aggravate this problem, a difference in BAE acreage and acreage reported by the farmers developed. As I have said heretofore, the figures of the Bureau of Agricultural Economics—BAE—apply to the State and county. There are no BAE figures on the individual farm. Because of this difference, I am thoroughly convinced that the inequities became much greater in many instances.

It is true, Mr. Chairman, that the Congress provided in the act for a reserve of 10 percent to the State and 15 percent to the counties. Authority was given to the State and county committees to adjust these inequities with the reserve. I am sure because of the general inequitable developments, the county committees in a great many instances determined no better way than to make this reserve acreage uniform to the cotton producers. In any event, it is so obvious that it has not worked out right.

The Allotment and Quota Act was passed in the latter part of the session last year. When we returned to our districts in October, the farmers began to get information as to its application to the individual farm. It was brought to my attention and I could hardly believe that there could be so many instances in the applicability to the farm where such gross inequities would occur. After meeting and discussing with many of my farmers and investigating this matter on the local level, I immediately became convinced it was only fair, honest, and just that it be corrected. I went to the State office in Little Rock. After conferring with them and finding the dilemma that existed there, I came on back to Washington. The first of December I met with the distinguished gentleman from North Carolina [Mr. COOLEY], chairman of the committee, and the officers and staff members of the Department of Agriculture. Many others throughout the cotton-producing areas also saw how the situation was and a serious effort was made to correct it.

This was just a few days before the referendum when the farmers were to vote on whether or not, by a two-thirds majority, controls would be invoked. Under the act, we left this determination to the farmers. There was grave apprehension that if this matter was not resolved more equitably, that the farmers would vote against the controls and I think rightly so.

It was, therefore, proposed that the very able chairman, Mr. COOLEY, would introduce a resolution and we would make an effort to see that no farmers would be reduced by more than 30 percent of his actual planting for the years 1946-48.

The chairman called his committee to meet here in Washington a few days later. The committee met, being convinced that something must be done, approved and announced that a resolution would be sponsored and immediately when the session opened, to provide that no farm, notwithstanding other provisions of law, should be reduced more than the higher of 30 percent of their actual planting of these base years or 50 percent of any one of the years 1946, 1947, 1948.

Announcement was made of the action of this great Agricultural Committee of the House. It was carried on the front page of the papers throughout the country just before the referendum.

The cotton farmers went to vote with that promise and assurance of such effort to make these adjustments.

In the referendum the farmers voted overwhelmingly for controls, realizing the necessity of doing something to prevent the destruction of the economy of

the South. I am thoroughly convinced, Mr. Chairman, that they voted overwhelmingly for this program because this committee gave the assurance through the press the day before. We, therefore, are committed not only as a responsibility now but an obligation that we owe. I know if we maintain fair play with the farmers they will likewise cooperate in a program that is deemed best for all the country and not merely one section.

I want to highly commend, Mr. Chairman, this committee in its effort to carry out the responsibility and commitment. There is some difference of opinion as to this or that amendment. This will all be resolved under the 5-minute rule, but the committee has done, I am sure, the best it can and deserves the support of this House. I cannot too strongly urge your favorable consideration.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, naturally, I favor the adoption of this resolution. Ever since the allotments of cotton acreage were made last fall the farmers of my district have been muchly concerned about the inequalities and inequities of these allocations. Therefore, upon my return to Washington the first of this year I discussed this problem with the chairman of the House Agricultural Committee, the gentleman from North Carolina [Mr. COOLEY], and a number of the members of that committee in an effort to correct the original bill by appropriate resolution insofar as possible. Many other Members from the Cotton Belt have also been disturbed, and, as a result, the Committee on Agriculture in the House has brought forth this resolution.

When this resolution, House Joint Resolution 393, was first reported out of the committee, I contacted the State authorities in Mississippi, requesting them to advise me what, if any, relief this proposed legislation would give the cotton farmers of my congressional district. I was furnished this information by Mr. T. M. Patterson, executive officer, Production and Marketing Administration, United States Department of Agriculture, Jackson, Miss. According to Mr. Patterson, the 16 counties would receive increased acreage allotments, as follows:

| County | Additional acreage required to furnish each county with— | | | Estimated number of frozen acres released |
|----------------------|--|---|--|---|
| | 70 percent of 1946, 1947, 1948 average actual cotton acreage | 50 percent of 1946, 1947, 1948 highest planted cotton acreage | Higher of 70 percent or 50 percent provision | |
| Covington..... | 499.5 | 169.5 | 510.0 | 500.0 |
| Jefferson Davis..... | 127.0 | 39.5 | 162.5 | 2,000.0 |
| Lamar..... | 285.0 | 216.0 | 324.0 | 100.0 |
| Lawrence..... | 121.0 | 196.5 | 290.0 | 350.0 |
| Marion..... | 449.5 | 186.5 | 531.0 | 800.0 |
| Forrest..... | 47.0 | 35.5 | 59.0 | 225.0 |
| George..... | 15.0 | 0 | 15.0 | 100.0 |
| Greene..... | 3.0 | 16.5 | 19.5 | 150.0 |
| Hancock..... | 0 | 0 | 0 | 43.4 |
| Harrison..... | 0 | 0 | 0 | 78.1 |
| Jackson..... | 0 | 0 | 0 | 5.0 |
| Jones..... | 773.5 | 415.0 | 880.5 | 500.0 |
| Pearl River..... | 0 | 0 | 0 | 50.0 |
| Perry..... | 10.5 | 2.5 | 13.0 | 150.0 |
| Stone..... | 68.5 | 0 | 68.5 | 140.0 |
| Wayne..... | 160.0 | 3.0 | 163.0 | 500.0 |

While I am disappointed that this resolution does not grant greater and further relief, I must recognize that it does help out in this rather difficult situation. Therefore, I shall support the legislation.

Again, Mr. Chairman, I am disappointed with the 40-percent provision of the bill.

When members of the House Agricultural Committee were before the House Rules Committee seeking a rule on this legislation I asked the direct question if, under the resolution, any farmer could be cut more than 30 percent, and I was told that, under the resolution, no farmer could be cut less than 70 percent of his 1946, 1947, and 1948 average; but the debate has disclosed that, under the 40-percent provision of the resolution, it shall not operate to increase the cotton-acreage allotment of any farm above 40 percent of the acreage on such farm which is tilled annually or in regular rotation. I am, therefore, constrained to support the White amendment which would cut this 40-percent provision out of the bill. Mr. Chairman, we all realize that the production of cotton must, of necessity, be curtailed if we are to continue to receive governmental price support, but I am sure that we, also, further realize that this must be a gradual process and that the economy of the South will not stand too drastic a reduction. Certainly, it cannot stand any further reduction than that proposed under the provisions of the bill as amended by this resolution.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, you have heard from many of the representatives from the cotton-producing States as to their objections to the law establishing 1950 cotton acreage allotments, and on December 19, 1949, I attended a meeting of PMA officials and other interested parties in my home town from the three largest cotton-producing parishes in my district—St. Landry, Evangeline, and Acadia—and it was the opinion of those present that it was essential that certain changes be made in the law to cure the inequities and in order not to demoralize the industry. The group felt that farmers having more allotment than they want should be permitted to release part or all of their allotments to the PMA county committee for reapportionment to other farms which the county committee determines received inequitable allotments.

The group also thought that the acreage released should be considered released for 1 year only and that for the purpose of establishing acreage allotments in 1951 and subsequent years the acreage released in 1950 by a farm should be considered the same as acreage planted to cotton in 1950 on that farm.

This change in the law would not increase the national acreage allotment but would, in the opinion of those attending the meeting, provide a more equitable distribution of the national allotment.

Mr. Chairman, I feel that from all of the suggestions and debate here on the floor that the new bill which will be finally agreed upon will go just as far as it is possible to cure the inequities in the program, and while the new bill will not

be perfect, it will include provisions to take care of the greatest number of complaints which have been voiced by those who have preceded me.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, the purpose of House Joint Resolution 398 is to remedy certain inequities which have resulted from cotton- and peanut-quota laws. It has never been the intention of Congress to pass legislation which would impose undue and unnecessary hardships upon any group of American citizens. Yet, such unfortunate circumstances have arisen under the existing quota laws which were enacted by this body last year. Unless we act immediately, many farmers will be thrown into a state of despair and destitution.

I was in my district some 6 or 8 weeks ago, when the farmers began receiving their peanut and cotton quotas for 1950. During my tenure in Congress I have never seen any one circumstance, or even a group of circumstances, bring forth such an outburst of indignation. Never have I received as many letters and calls pleading for assistance. These pleas—these earnest appeals—are not without foundation. They are made by honest, sincere, hard-working Americans who ask only that their one means of livelihood not be taken from them. These appeals come from black and white alike.

Let me give you a brief picture of the outlook for my section in 1950. Agriculture predominates—there is very little industry. The major—generally speaking, the only—cash crops are peanuts and cotton. The 1950 quotas reduced peanut acreage for local farmers by 31.2 percent—almost one-third. This is in addition to a cut of 11 percent in 1949. Thus, in 2 years, the farmer has been compelled to reduce the production of his principal cash crop—peanuts—by almost one-half.

To further aggravate his position, the State cotton acreage was cut about 14 percent for the coming year. On the surface, this seems to be equitable and in line with the Government's attempt to maintain parity prices; but, looking further, quite the opposite is revealed.

Had the 14-percent reduction fallen upon all alike there would be no squawk. Such is not the case. The existing law does not treat all farmers alike. Some counties within the State receive a much greater cut than 14 percent. Others might have received less. The discrepancies within the counties are even greater. For example, some farmers who have abandoned the plow and turned to cattle are given cotton acreage which, of course, they have no need for. Others, who have always been big cotton planters, are receiving cuts of nearly two-thirds of last year's acreage.

Early in December, while visiting a small community within my district, a tenant farmer approached me with his quota problems. I do not remember just how many acres he has under cultivation, but I do remember that he has a wife and eight children to support. I have known him for some time—he has a good reputation and is known for his ability to work. His cotton acreage for this year has been cut from 18 acres to approxi-

mately 7.4 acres, almost 60 percent, and with his peanut acreage cut nearly in half, I challenge any man present to show how that farmer can support his family on the money he will net from farming this year under such conditions. This is only one instance. There are others too numerable to mention.

The picture is not so dark for the large landowner. Though he, too, has been cut severely, he can take care of himself by decreasing the number of tenants on his land—and that is exactly what he is doing. Most all of such landowners with whom I have talked say they are cutting off half their tenants in order that the other half will have enough acreage to provide a living.

Now, what are these cast-offs going to do? They are permitted to stay on the land, but how will they live? They have no cotton and peanut acreage, though they have been growing these crops all their lives. Yes; they could move, but where would they go? The same situation prevails in most of the other agricultural areas, so they could not migrate to other farms. An unbalanced economy precludes a movement to nearby cities. Any migration to highly industrialized areas would be impossible, first, because these people are unskilled laborers; secondly, there is no demand for such labor at this time. If assistance is not given through the passage of this resolution, then the Government will find itself feeding these farmers through the more expensive alternative of relief agencies before many months have elapsed.

These people cannot be held responsible for the plight in which they find themselves. The truth of the matter is that they were making progress toward diversified farming when war broke out in the early 1940's. At that time they were urged to return to high peanut and cotton yields. They responded with full knowledge that a reduction would be forced in the postwar years. After the war when we returned to controlled acreage and support prices, the farmers expected a gradual and uniform decrease in acreage. They expected, and were promised, an equitable system of quotas. This was our intention in passing the 1949 quota law. We were acting in the utmost good faith, yet unforeseen injustices have arisen. Last Friday my esteemed friend, the gentleman from Georgia, Congressman PACE, clearly outlined how such injustices have come about.

This resolution is a corrective measure. Its provisions will allow any farmer to bring his cotton acreage up to the minimum set out under the 1949 quota law. That minimum would be either 70 percent of his average over 3 years—1947, 1948, 1949; or 50 percent of any one of these years, so long as it does not exceed 40 percent of his cultivatable acreage. Granting that this adjustment will add a relatively small acreage to the national allotment, reliable estimates show that the acreage actually planted will not exceed the original national acreage allotment of 21,000,000 acres. Therefore, the national cotton acreage for 1950 would, in all probability, still be 23 percent below the 1949 acreage.

Section 5 of the resolution is designed to give relief to certain peanut-producing States. In establishing minimum State allotments, a few States were forced to take more severe cuts than others, and substantially in excess of the national reduction. This hardship is corrected by providing that the 1950 allotment for any State will not be reduced by a percentage greater than that by which the national acreage is reduced below the 1949 allotment. It is estimated that this will require adding only about 100,000 acres to the national allotment.

There is one other point that I would like to impress upon you. The effect of the existing law does not stop with the farmer. The banks in my area are in a state of consternation with regard to farmers' loans. A goodly portion of their business comes from this source. Colloquially speaking, they furnish many farmers on a yearly basis. They cannot furnish those who have little or no acreage for cash crops. Hence, they are shaking their heads when approached by these customers. With no money, no acreage, and no future under present laws, these farmers are turning to Congress—their last hope—with a prayer for justice.

I reemphasize, this is an emergency measure. The welfare of human beings is at stake. It is imperative that we take immediate action. Let us not break the faith of our farming friends.

Mr. COOLEY. Mr. Chairman, I yield to the distinguished gentleman from Oklahoma [Mr. ALBERT] such time as he may desire.

Mr. ALBERT. Mr. Chairman, the purpose of House Joint Resolution 398 is to relieve hardships which have become manifest in the application of Public Law 272 of this Congress, throughout the cotton belt. The cotton provisions of this bill seek to do this in two different ways. Section 1 of the bill would allow farm cotton acreage allotments for the 1950 crop to be not less than the larger of 70 percent of the average acreage planted to cotton or regarded as planted to cotton under the war-crop provisions of Public Law 12 on the farm in 1946, 1947, and 1948 or 50 percent of the highest acreage planted to cotton or so regarded as planted during any 1 of these 3 years. The relief thus granted is further limited by a proviso to the effect that the cotton-acreage allotment of no farm shall exceed 40 percent of the cultivated land of such farm.

In order that those farmers who have not heretofore filed a notice of appeal regarding the cotton history on their farms for 1946, 1947, and 1948 may reopen this question, section 3 of the bill allows 15 days after the passage of this act for this purpose. This provision of the bill is necessary for two reasons. In the first place county committees were required to make their reports of cotton land in their respective counties conform to BAE estimates. The attention of the committee has been called to numerous instances in which arbitrary reductions were made by county committees in order to meet this requirement

of the Department of Agriculture. In the second place, when notices of allotments were sent out to farmers, few, if any of them, knew that relief of the kind afforded by this resolution would be forthcoming. The result was that a large number of farmers undoubtedly failed to go to the trouble of filing notices of appeal. Had they known that relief of the kind contemplated here might be forthcoming, undoubtedly, many appeals would have been made by farmers able to prove what their cotton history actually was during the years contemplated by this measure.

Section 2 of the bill provides for the release and reallocation of acreage in accordance with regulations prescribed by the Secretary. Such released acreage must be used first to provide the allotments authorized by section 1 of the act. Any remaining acreage may be used in amounts determined by the secretary to be fair and reasonable for other farms in the same counties receiving allotments which the Secretary determines to be inadequate. Such surrendered acreage shall be credited to the State and county in future years unless hereafter otherwise provided by law. The provision which was contained in the previous resolution introduced by the chairman of our committee and in a resolution which I had heretofore introduced, allowing credit to the farm from which such acreage was released, has been depleted from the present resolution.

So far as I have been able to ascertain, just about everybody connected with the cotton business in my State, including State and County Production and Marketing Administration committees, farm organizations, associations of ginners and processors, and growers, had hoped from the beginning that any bill which might finally pass the Congress would vest simply authority in county committees to reapportion allotments voluntarily surrendered by growers who did not desire to plant all or any part of them. I have been advised by every section of the cotton industry of Oklahoma that were this authority given, Oklahoma could live within its present allotment and would not require its share of the additional bonuses contemplated by this measure.

There is a reason for this. In Oklahoma, State and county committees have reserved the full 15 percent allowed under the present law to take care of hardship cases. It is generally understood that it was the failure of State and county committees to make these reservations that has prompted the request for legislation of this kind. It has also been suggested that had this been done in all parts of the belt, no further relief would be necessary. I doubt that statements to this effect are true. I say this because Oklahoma committees did administer this law in accordance with the intention of Congress. Still, we have had brought to our attention innumerable cases of hardships, particularly in counties where the county factors were unusually small. In all of these instances consistent cotton growers have been severely crippled in their operations. Yet, I am advised on the best of authority that all such inequities could be eliminated if

county committees were simply authorized to reallocate released allotments.

Section 2 of this bill does not go far enough in this direction. As construed in the committee report it virtually restricts the authority of county committees to reallocate any acreage beyond that needed to meet the requirements of section 1 to any farm not classified as a new farm.

I sincerely hope that before this measure is finally enacted, section 2 will be liberalized to give county committees broad authority to reallocate acreage so as to satisfy the needs not only of new farms but of consistent cotton growers. I hope also that as an incentive to growers who do not desire to plant their allotments this year, the law, as finally enacted, will authorize such growers to be given credit for the acreage thus released for future allotment purposes.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I take this time to inform the Members of the House of a very interesting happening in the disposal of surplus commodities. It seems that two of our colleagues from Pennsylvania have been doing a very fine job in their areas in securing surplus potatoes for the families of the miners who are on strike and who are destitute. When they went to the food depot to see the potatoes they found two carloads of apples. So they hurriedly put in a request for the apples to be distributed to these same families; and they were informed that the apples were under consignment to the free-lunch program at Winchester, Va., the apple capital of the world.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. AUGUST H. ANDRESEN. Do I understand that the Department of Agriculture is sending surplus potatoes and other food to the miners who are on strike over in Pennsylvania?

Mr. CORBETT. That is correct. They are releasing right now potatoes to the families of those miners.

Mr. AUGUST H. ANDRESEN. By what authority of law are they doing that?

Mr. CORBETT. I cannot answer, but they have received permission from the proper persons here and the aid has gone through the local agencies, in most cases the Salvation Army, which has been handling the distribution.

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

Mr. CORBETT. I yield.

Mr. COOLEY. Is that not the explanation, and the answer to the question propounded by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], that they are not making the food available to the families but to agencies?

Mr. CORBETT. Well, it all ends up with the food being distributed to the families.

Mr. COOLEY. That is specifically provided for in the law we passed last fall.

Mr. CORBETT. Regardless of the merits of that law, I do not want the point to be skipped that in Pennsylvania we are now shipping surplus apples to the apple capital of the United States, Winchester, Va.

Mr. MURRAY of Wisconsin. I just wanted to agree with what the chairman said. That is permissible under the law.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CORBETT] has expired.

Mr. HOPE. Mr. Chairman, I yield myself the remainder of the time on this side.

The CHAIRMAN. The gentleman is recognized for 6 minutes.

Mr. HOPE. Mr. Chairman, it is a little difficult for me to understand why there should be opposition to this legislation. I realize there are some Members from the cotton area who feel that the House should go further than this bill goes in attempting to remedy some of the inequities which have arisen under this act and the way it has been administered. But I think we all recognize that this is purely an emergency measure; that it is late; that we can only pass legislation which can be administered under a program which can be worked out in a hurry, and that we cannot at this time, in this hurried fashion, attempt to correct all of the difficulties which may have arisen under the administration of this act. This measure is a sincere attempt, and I hope a fairly effective attempt, to do away with as many of the injustices that have arisen under this act, as it is possible to do in emergency legislation.

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

Mr. HOPE. I yield briefly.

Mr. HOLIFIELD. Some of us would like to know why the views of the Department of Agriculture have not been given to the House on this matter. I understand there is a four-page letter from the Secretary which does not appear in the hearings and there is no attempt, to my knowledge, to bring it before the membership.

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

Mr. HOPE. I am glad to yield to the chairman of the committee to reply.

Mr. COOLEY. I intend to bring that letter to the attention of the House at the earliest opportunity. Let me point out the fact that the Department does approve of this legislation. I did not receive this letter until at the moment we were appearing before the Committee on Rules. The letter will be inserted in the RECORD.

Mr. HOLIFIELD. In today's RECORD?

Mr. COOLEY. In today's RECORD.

Mr. HOPE. I may say that it is my understanding that the Department of Agriculture approved of this legislation. This approval was expressed by a representative of the Department at the time the bill was under consideration. But at that time we did not have a specific letter under the signature of the Secretary. The Department was consulted, however, and its views were presented to the committee at the time the matter was under consideration.

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

Mr. HOPE. A little later, if the gentleman will permit me to proceed.

Statements have been made to the effect that passage of this legislation would cost some money. Such statements are predicated entirely on the idea that it may result in an increased cotton acreage, and that it may result in some increased yield which, in turn, may result in the Federal Government's having to make more loans upon cotton than would be the case otherwise. It may happen or it may not happen. And if it does happen will not necessarily suffer a loss. No one knows what the cotton crop is going to be this year, but I call attention to the fact that this bill in connection with the bill which we passed last fall reduces the cotton acreage of this country by several millions of acres; it reduces the cotton acreage of this country below what it was 20 years ago by more than 50 percent. You cannot do those things all at once. We are dealing here not with bales of cotton, not with acres of land; we are dealing with human beings, with people who have to make a living on the land. You cannot regiment them or control them beyond a certain limit. I do not want to try to do it. I know injustices have occurred under this legislation, and I want to see every effort made that we can make at the present time to correct those injustices. I fail to see how others representing different areas of the country, for instance, the dairy section, can very well complain about this legislation, because dairy farmers are not operating under any restriction, they are operating under a program which provides for a mandatory support on dairy products, but there are no restrictions upon the acreage of crops they can plant for their dairy cattle; there is no restriction upon the number of dairy cows they can milk, or the amount of milk or other dairy products they may sell; yet they have practically the same mandatory price support provisions that are contained in the bill for commodities which are under restrictions. It is very likely that we are going to have in this session legislation dealing with other crops which are under restrictions, in an effort to make it possible for farmers to go along with those programs without being injured. We have not had restrictions since 1942 upon any crops except tobacco and peanut. During that time tremendous changes have taken place in acreage and production of all of our field crops. Farmers were asked to change the character of the crops which they produced; and, in order to win the war, they did so and they did so gladly. Now we are getting back to normal times. We cannot do it all at once; we are trying to do it gradually and with as little harm as possible to the individual farmer living out on the land and who must make his living on the land.

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

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I desire to call to the attention of the Members of the House

a letter dated January 26 from the Secretary of Agriculture as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 26, 1950.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
House of Representatives.

DEAR MR. COOLEY: This is in response to your request for the Department's recommendations concerning House Joint Resolution 398, relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended. The purpose of these amendments is to correct inadequate and inequitable allotments for a number of farms that have resulted in carrying out the provisions of Public Laws 272 and 439, Eighty-first Congress.

On the basis that the reported resolution is an emergency measure for 1 year designed to authorize the correction of certain gross inequities which have resulted from the application of the provisions of Public Laws 272 and 439, Eighty-first Congress, the Department is in favor of its enactment. However, the Department's recommendation is based on an understanding that you intend to reconsider Public Law 272 with the object in mind of rewriting the cotton acreage allotment provision of that law in a manner which will not require similar emergency measures in the future. The history of emergency amendments for correcting inequitable cotton acreage allotments is that the additional acreage allotted is always over and above the amounts considered necessary for proper adjustments of supplies to demand.

The basic principle involved in House Joint Resolution 398, particularly with reference to providing minimum 1950 farm cotton acreage allotments of not less than the larger of 70 percent of the average acreage planted or regarded as planted to cotton on the farm during the years 1946, 1947, and 1948, or 50 percent of the highest acreage planted or regarded as planted to cotton on the farm during such 3-year period, is a straightforward and practicable means of alleviating hardship cases now in existence because of the 1950 cotton acreage allotment established for such farms.

The committee's attention is called to some of the less desirable provisions of the resolution. Section 2, providing for farmers who have allotments in excess of what they desire to plant in 1950 to voluntarily surrender such allotments to the county committee for reapportionment to other farms in the county, will not actually reduce the amount of cotton that would otherwise be planted in 1950. The provisions of section 1 will give all farmers who request it the larger of 70 percent of the 3-year average acreage planted or regarded as planted to cotton or 50 percent of the highest acreage planted or regarded as planted to cotton in any 1 of such 3 years even though no acreage is surrendered by other farmers in the county.

The counties that will benefit most from surrender and reapportionment of unused cotton acreage allotments are those counties which have the most generous allotments in relation to the acreage of cotton which is being currently planted in such counties. For example, one county planted only 750 acres of cotton in 1948 and under the provisions of the law has an initial 1950 acreage allotment of 4,295 acres. Obviously, it will be quite easy for the farmers in such areas to release allotments and thereby retain credit for such county for subsequent years. On the other hand, a county having planted 21,100 acres of cotton in 1948 and having an initial 1950 acreage allotment of only 15,601 acres, which is a very substantial reduction from 1948, will have little, if any, cotton acreage allotments to release.

Counties and States in which little or no acreage would be released or reapportioned under section 2, will be at a disadvantage to those in which considerable acreage is released and reapportioned since the acreage so released and reapportioned would be used in establishing future State and county cotton acreage allotments. This could lead to major problems in the future in establishing State and county allotments.

If section 1 is enacted into a law as written in the resolution, the Department plans to use the acreage planted or regarded as planted to cotton on the farm as determined by the State and county committees which was used in computing farm acreage allotments under the current provisions of the Agricultural Adjustment Act of 1938, as amended, including the provisions of Public Laws 272 and 439, Eighty-first Congress.

Based on available information, an additional acreage of at least 1,400,000 acres would be allotted under the provisions of section 1. The provision relating to reopening allotments to appeal to review committees will add a substantial number of additional allotted acres to the minimum 1,400,000 acres previously estimated. The estimated additional cost represented by additional CCC loans ranges from \$90,000,000 to \$120,000,000. The estimated additional cost in connection with the administration and application of the provisions contained in the resolution is \$2,000,000.

The difficulties encountered by the use of the cropland as a primary basis in establishing farm cotton-acreage allotments were clearly written in the history of the legislation and the administration of the Agricultural Adjustment Act of 1938. When the act was first enacted in February of 1938, no provision was included for establishing minimum cotton-acreage allotments for farms except for some of the smaller ones. Regulations and instructions were prepared for the administration of the original provisions of the act and were applied in some counties. Immediately it was noted that the same type of inequities about which many complaints are now being heard with respect to Public Law 272 likewise resulted when the original provisions of the act of 1938 were applied in these counties. A minimum farm allotment provision based on history to remedy such inequities, which provided that no farm would receive an allotment of less than 50 percent of its 1937 planted plus diverted cotton acreage up to 40 percent of the land tilled annually or in regular rotation on the farm, was enacted in April of 1938. This amendment, as well as the provision now proposed in this resolution, relies on cotton-acreage history in order to have satisfactory allotments established. In 1938, when the cropland-factor approach did not work satisfactorily, we had the actual measured acreage of cotton and cropland for each farm for each year in the base history.

Thus, the cropland approach for establishing farm cotton-acreage allotments did not work in 1938, when accurate farm data were available. It did not work for 1950, when reported farm data formed the basis for determining basic data for individual farms. Accordingly the underlying cause of inequitable allotments was the use of cropland as a primary basis for apportioning county allotments to individual farms.

Section 5 provides for minimum State peanut acreage allotments. On November 30, 1949, a national peanut marketing quota of 643,000 tons for the 1950 crop was announced. This quota would result in a national acreage allotment of 1,933,835 acres for 1950. However, Public Law 272, Eighty-first Congress, provides that the 1950 national acreage allotment shall be not less than 2,100,000 acres. The provisions of section 5 would increase the national acreage allotment to 2,200,194 acres. On the basis of the 5-year normal yield, the 100,194 additional acres

would produce 33,315 tons of peanuts. Since these would not be required for use in domestic edible channels, they would be delivered to CCC and would have to be crushed for oil and meal. The additional loss to CCC as a result of this additional acreage is estimated from \$3,500,000 to \$4,000,000. This provision is intended to lessen the reduction in acreage required of certain States by virtue of provisions of Public Law 272 and further illustrates the consequences of legislation requiring producers in one area to make a greater reduction than that expected of producers in other areas.

Although certain difficulties will arise as pointed out in this report in administering the provisions of the resolution, the Department offers no objections to its enactment since remedial legislation is urgently needed to provide relief. However, this type of legislation should not be continued for future years but in lieu thereof the basic legislation should be revised to apportion the county cotton allotments to farms primarily on the basis of recent cotton acreage history, giving due weight to sound land use, agricultural conservation, crop-rotation practices, etc. To do otherwise will necessitate reenacting next year this type of a provision to again provide relief.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

Mr. Chairman, I ask unanimous consent that all Members may have permission to revise and extend their remarks at this point in the RECORD on this resolution.

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

There was no objection.

Mr. LANHAM. Mr. Chairman, I am in favor of House Joint Resolution 398, amending H. R. 272, of the Eightieth Congress, setting up a program of crop-acreage allotments. While I do not think the resolution will entirely solve the problem that has arisen in the administration of the acreage-allotment law, I think it will go a long way toward eliminating the inequities that have resulted from the administration of the law.

The statement has been made repeatedly by members of the Committee on Agriculture, that the crop-acreage-allotment law as passed by the Eightieth Congress took care of the small farmer. In this connection, I think we should distinguish between the small land owner and the small tenant or share cropper who does not own his land. It may well be that the law as originally passed does take care of the small land owner who was growing cotton during the years 1946, 1947, and 1948. I am sure, however, that it has not had this result as far as the small share cropper and tenant are concerned. As a matter of fact, it has had the result of driving many of these small farmers off the farm and into the cities to become a charge on the public-welfare agencies of the cities or to wander from place to place seeking employment. This is true because of the unforeseen results that have followed the attempt to put the law into effect. This is true because the larger land owners who operate their farms with tenants or share croppers have received such heavy cuts in acreage, sometimes as much as 80 to 85 percent, that they

have been unable to keep the tenants on their land.

I am sure when we voted for the original act that none of us anticipated any such a result. To me it is a powerful demonstration of the fact that it is difficult for the planners to substitute their plannings for the laws of supply and demand. Do not misunderstand me, I know that a certain amount of long-range planning on the part of the Government is necessary if we are to keep our economy on an even keel and make it an ever-expanding one. In the first place, let me say that I believe in the price-support program and I fully realize that if the Federal Government is to support prices, we must have some means of controlling the crops upon which price supports are to be paid. And what I say is not in any sense in criticism of the Committee on Agriculture and especially of the subcommittee which devoted long hours to hearings and gave the best of its thinking in the drafting of the act. The act was drawn, as the committee has said, after a period of time during which we had no price-support program and no control over the crops planted. For that reason, the Department of Agriculture had no definite figures and data upon which the committee could base the acreage-control law.

But after all, it seems to me that the effect which this bill has had certainly in its application to cotton acreage, should be a warning to us that even with all of the information from statistics it is possible to obtain, nevertheless, it is very, very difficult to foresee all the results of any planning we may do. This should warn us to interfere as little as possible with known economic laws as we seek to legislate for the benefit of all segments of our complicated and complex agricultural and industrial economy.

While it may see at first blush that the adoption of this resolution will increase the total acreage of cotton planted for the coming crop year, this will not necessarily be the effect since so much of the previous allotment is "frozen," so to speak, due to the fact that it has been made to farmers who do not intend to plant cotton. Past experience has shown that efforts to recover any such frozen acreage are, as a rule, not very effective. Consequently, this resolution even with the elimination of the 40-percent provision will not result in the planting of any more acreage than was at first contemplated under the original act.

Unless this resolution is adopted, it is going to mean real suffering in my district and the dislocation of our entire farm economy. Therefore, I urge the early adoption of the resolution after the elimination of the 40-percent clause and even if the 40-percent clause is not stricken, the resolution should be adopted.

Mr. EVINS. Mr. Chairman, on Friday last when this measure first was brought before the House for consideration, I was pleased to speak briefly in the interest of this proposed amendment to the Cotton Acreage Allotment Act and to urge strongly that approval be given to this legislation without delay. I cannot too strongly emphasize the urgency of this situation and the tremendous burden of financial loss which threatens hundreds

of farmers in my district, the Fifth District of Tennessee, unless adjustments are made in the present statute.

The committee failed to take conclusive and affirmative action on this proposal at the last meeting and I rise again to reassert the urgency of the cotton acreage situation and imperative need for immediate action.

Within the Fifth Tennessee District, there are several counties which may be classified as major cotton-producing counties—counties which are as clearly and definitely a part of the so-called Cotton Belt as any section of the South. The economy of these counties is largely dependent on and based upon the production of cotton. The counties of Franklin, Giles, and Lincoln Counties, of my district border upon the State of Alabama and are predominantly cotton-producing counties.

While the situation is similar in this concern for all three counties, for the sake of brevity at this time, I should like to cite figures affecting only Lincoln County to illustrate the tremendous inequities which have developed in the operation of the cotton-acreage quota program.

The Quota Act has established for Lincoln County, Tenn., a cotton factor of 12.4—that is, as we know, an allowance of 12.4 acres of cotton in 1950 based on the 1946, 1947, and 1948 average acreage planted in cotton. That will mean that an average acreage of an estimated 23,126 acres, will, this year, be cut to 13,894 acres—this is a cut of 39.9 percent.

The national cotton-acreage cut, as we know, amounts to approximately 21.9 percent. Thus, Lincoln County, with a cut of 39.9 percent has suffered a forced reduction in cotton acreage which is 17.9 percent greater than the national average. Further than that, the same county has suffered a reduction 25 percent greater than the average for the State of Tennessee—which has an average reduction under the present program of approximately 14 percent. No wonder the farmers of Lincoln County voted against continuation of the present cotton-acreage program—the only county in Tennessee that so voted in the recent cotton referendum.

Now, Mr. Chairman, to further illustrate the inequities under the present program I should like to cite a few other figures. As I indicated a moment ago, Giles, Franklin, and Lincoln Counties in the Fifth District of Tennessee, all border upon the State of Alabama.

I have cited the figures affecting Lincoln County, Tenn., which has a 1950 cotton factor of 12.4 percent, allowing for a total acreage of 13,894 acres.

Madison County, Ala., has been given a 1950 cotton factor of 30.66 allowing a total of 34,352 acres while Limestone County, Ala., has been given a 1950 factor of 28.66 allowing a total of 32,113 acres.

The above figures, Mr. Chairman, illustrate how unfair and unequal the system has proved under operation. Lincoln County, Tenn., Madison County, Ala., and Limestone County, Ala., are all adjoining counties, each having similar land, all being in the basin of the Elk River. Yet, because Madison and Limestone Coun-

ties are in Alabama and therefore considered to be in cotton-producing areas, they are given more than twice as much cotton acreage as Lincoln County, Tenn.—the same conditions prevail also for the other two counties of my district which border upon the State of Alabama—Franklin and Giles Counties. It seems to me unfair in the highest degree that the boundary of a State line should be allowed to work such inequities as has resulted in the case which I have been pleased to cite by way of illustration. The lands are the same, the crops are the same.

It is not my intention to take the time of the committee to great length—and I believe that the illustration which I have given offers definite proof of the inequities which exist under this system. We see how it is possible for the entire economy of a prosperous county to be put in the position of being completely upset and ruined through the operation of a particular statute. The loss for one county in my district alone will run to approximately \$1,000,000 unless some changes are made in the present program.

Again may I say that the present resolution may not provide all the relief desired, but it is certainly a step in the right direction and should be adopted.

I earnestly urge that we act now to revise the law in this respect—these cotton farmers must be allowed to know what is in store for them well in advance of the planting season to make their plans for a crop. Delay would be disastrous. Let us act now, decisively and affirmatively, on the proposed amendment to bring some measure of relief to these hard-pressed cotton farmers.

Mr. COOLEY. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, first I want to express my appreciation for the very fine statement which the gentleman from Kansas [Mr. HOPE], just made in support of this resolution. As his statement indicates, he has never confined his service to the great wheat area which he represents. On the contrary, he has for years labored hard for the benefit of all of agriculture, not just a part of it. We are grateful for his fine service. Those of us who come from cotton areas also appreciate the interest which has been manifested in this matter by the Members who live outside the cotton sections of the South, Southwest, and far West.

It has been inferred that no hearings were conducted on the pending resolution. Such is not the case. I would like to have the Members bear in mind that this is a piece of legislation dealing with an extreme emergency. When the emergency came to the surface last fall the chairman of our committee called our subcommittee to Washington to consider the problem. At that time we conferred with and sought the counsel of officials in the Department of Agriculture. Immediately preceding this conference the Secretary of Agriculture, Mr. Brannan, in a speech made in Memphis before a meeting of Production and Marketing Administration officials, specif-

cally stated that emergency legislation was needed for the purpose of correcting inequities.

My chairman has just referred to the Secretary's letter endorsing the resolution before us. Some questions have been asked about it. Therefore, I would like to quote from the letter:

On the basis that the reported resolution—

He is speaking with regard to the resolution now before the House.

On the basis that the reported resolution is an emergency measure for 1 year designed to authorize the correction of certain gross inequities which have resulted from the application of the provisions of Public Laws 272 and 439, Eighty-first Congress, the Department is in favor of its enactment.

Mr. Chairman, that should lay aside once and for all any question in the mind of anyone as to whether or not this resolution has the support of the Department of Agriculture.

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

Mr. ABERNETHY. I yield to the gentleman from New York.

Mr. KEATING. I did not understand whether the gentleman said there were or were not hearings on this measure?

Mr. ABERNETHY. I am getting to that. We conducted hearings but they were informal. We had a hearing in December. I have already referred to that. We gathered in Washington in January. On many, many occasions since January 3 the subcommittee was in conference with Members of Congress, representatives of the Department, representatives of the Farm Bureau, and many individuals. During one morning in the committee room I would say there were at least 65 Members of Congress present, many of whom expressed their views and all of whom had the privilege of expressing their views had they so desired.

Not less than four or five officials of the Department of Agriculture met with the subcommittee time after time and expressed their views. Now with the assistance, advice, and counsel of all of these people, farmers, the Farm Bureau, the Secretary of Agriculture, his assistants, and Members of Congress, it cannot be said that this resolution resulted without hearings. This matter has been well considered. It will help. It is not perfect. It represents a compromise of views. We know that inequities have resulted and many people will seriously suffer this year unless you pass this resolution. The committee commends it to your serious consideration and urges its adoption.

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

All time has expired. The Clerk will read the resolution for amendment.

The Clerk read as follows:

Resolved, etc., That, notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended, including amendments made by Public Law 272, Eighty-first Congress, and Public Law 439, Eighty-first Congress, no farm cotton acreage allotment established for the 1950 crop in conformity with the law and the regulations of the Secretary of Agriculture shall be less than the larger of 70 percent of the average acreage planted to cotton or regarded as planted

to cotton under Public Law 12, Seventy-ninth Congress, on the farm in 1946, 1947, and 1948, or 50 percent of the highest acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, on the farm in any one of such three years, if the owner or operator of the farm applies in writing for the allotment authorized by this section and certifies that the acreage allotment will be planted to cotton: Provided, That this section shall not operate to increase the cotton acreage allotment of any farm above 40 percent of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and National acreage allotments proclaimed by the Secretary of Agriculture for the 1950 crop of cotton, and the production from such acreage shall be in addition to the national marketing quota for such crops. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Chairman, it is said that this is a piece of emergency legislation. I do not know whether it is or not. Certainly, up until this point, no one has been hurt by the present law.

About a year ago most of the metal mines of the country were closed. It was said that it was due to the decrease in the price of metals. As the result of the closing of the mines, the miners were laid off, and you people who know anything about mining know that these people own their own homes, they are men of middle age, and it is impossible for them to change their employment.

As a result of that disastrous event there was legislation introduced in the Congress by a member of the Committee on Public Lands, the gentleman from California [Mr. ENGLE]. There was also legislation introduced in the other body. That was introduced for the purpose of meeting an emergency that was real. That legislation was sent to the Committee on Rules. It is still there slumbering and gathering dust.

You talk about an emergency. What do we have here? We have a piece of legislation that has hurt no one as yet, but it takes precedence over a piece of legislation that has been before the Committee on Rules since last October, and no action has been taken upon it. I would like to know what kind of justice this is. We have thousands of miners in this country who are walking the streets, out of work, and the reason we did not get this rule out of the committee was because they said it would cost \$80,000,000. It will not cost one-tenth of what this legislation will cost which we are considering today.

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

Mr. GRANGER. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman contend that the fact that we have this

bill on the floor today is in any wise interfering with the passage of the bill in which he is interested?

Mr. GRANGER. I am not saying that at all. I will say to the gentleman that is beclouding the issue. I am telling you what is a fact and what consideration we have had from the Committee on Rules. There are many members on the Committee on Rules that are tremendously interested in this piece of legislation, and we are interested in other legislation, and we think it is unfair to come here with a bill that will cost \$1,000,000,000, likely, under the guise that the other bill would cost the taxpayers some money.

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

Mr. GRANGER. I yield to the gentleman from Tennessee.

Mr. SUTTON. Does the distinguished colleague on the Committee on Agriculture realize that there are more of us interested in cotton legislation than the few on the Committee on Rules; that they are not the only ones in the United States of America that produce cotton and that they are not the only ones that represent cotton districts, and that actually the members on the Committee on Rules have a very minor part in the cotton production in the United States; in fact, half of the cotton produced in the United States is produced in Texas and California.

Mr. GRANGER. I do not yield further. That is beside the point. That is not what I am talking about. I am not accusing the Committee on Agriculture of doing anything it should not do, but I do say that this is a situation on which we expect to get some cooperation from the Rules Committee, we hope very early, because a tremendous emergency exists in the mines of the country. The men are out of work. They have used up all their unemployment compensation. The situation is desperate. We want something done about it.

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

Mr. GRANGER. I yield to the gentleman from Texas.

Mr. PICKETT. The gentleman states that under the present law in allocating cotton acreage no one is hurt.

Mr. GRANGER. "Yet," I said. No one is hurt yet.

Mr. PICKETT. May I say to the gentleman that he probably is not accurately informed, because I can tell him that a good many people are already hurt because of the low cotton factor and acreage allotment that is being made all over the country. The reason for it is that preparation has to be made in December and early January to take care of the tenants that work these cotton crops. The farm-implement dealers and other suppliers of the necessary equipment that goes into the making of a cotton crop are not able to sell their implements, and everything else that goes into the economic factor toward making a cotton crop is already hurt by this low allotment.

Mr. GRANGER. I agree with everything the gentleman said.

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

Mr. GRANGER. I yield to the gentleman from California.

Mr. FOULSON. The gentleman is bringing out the point that if it is fair for one it certainly is fair for another industry to be treated that way?

Mr. GRANGER. That is what I have been trying to put across—the fairness of this thing. This is a situation with which we are confronted. You are going to have wheat up here the next time, and maybe corn.

Mr. RANKIN. Before the gentleman gets away from that situation, will he yield for a question?

Mr. GRANGER. I yield to the gentleman from Mississippi.

Mr. RANKIN. Would the enforcement of the Taft-Hartley law help any?

Mr. GRANGER. No; this is a case where the miners did not go on strike. It is a case where the mines closed because the owners claim they could not operate because of the prices paid for ore. It has nothing to do with the Taft-Hartley Act.

Now we are facing the music. Sometimes Congress has to face the facts we are called upon to face today. We are going to have it in wheat, we have it in cotton, and we may have it in corn. Of course, if we do that we are going to go down the line and include everybody.

In this instance, if it were not for a case such as we have in Texas I would be against this legislation, because I believe that in Texas there has been some maladministration that needs to be rectified. I am willing to go for the bill because of that feature in it, but some of these days we will have to face up to these things. We should not be forced into the position where every time someone complains we increase the acreage to satisfy complaints of a small minority, as we are doing in this legislation. In this time of economy, of course, this bill today will cost the taxpayers a lot of money.

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

Mr. GRANGER. I yield to the gentleman from New York.

Mr. KEATING. Can the gentleman tell us how much it is going to take out of the pockets of the wage earners of this country if this bill is passed?

Mr. GRANGER. I do not know that I could say, and I do not know that there are any actual figures that could be quoted on that score. There are a lot of "ifs" in any estimate. As I understand it, the cotton program this year, at the minimum, might cost close to three-quarters of a billion dollars.

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

Mr. GRANGER. I yield.

Mr. TABER. The average production of cotton is supposed to be something like 300 pounds to the acre; is that right?

Mr. GRANGER. Three hundred and fifty or three hundred and sixty pounds, I think.

Mr. TABER. Suppose we take 300 pounds as the figure. With a million and a half additional acres in production, that would be about 900,000 bales, and at 90 percent of parity that would be something like \$144 a bale, which would be \$130,000,000, according to my figures.

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

Mr. GRANGER. I yield.

Mr. COLMER. Is it not also fair to say—and I know my friend always wants to be fair as well as my friend here—that it might not cost the Government anything?

Mr. GRANGER. Yes; there is always that possibility. As I said, there are a lot of "ifs" in it. I would not say what it is going to cost, but it could cost some money.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WHITE of California. I know the gentleman from New York did not intend to create a false impression. According to his figures, if he had placed the decimal point correctly, it would be \$130,000,000.

Mr. GRANGER. Mr. Chairman, I am going to go along with this legislation. I think it is necessary in this one particular which I have mentioned. I just know that sometimes we have to stand up and face the facts of this situation and not be stampeded every time we get a letter from somebody who is dissatisfied with his acreage allotment. I can assure everyone that the Secretary of Agriculture is in favor of and advocates the passage of this legislation.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I also ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I want to clear up the atmosphere here a little bit today. First of all I wish my distinguished colleague from Kansas would read the law we passed last year. He will find that the dairy products do not have 90 percent of parity support, but instead have from 75 percent to 90 percent. So I hope to get the record straight in that respect. It is not a question of the dairy industry. It is nothing new so far as I am concerned. As I said Friday, when I presented a table which I had prepared in 1940. Let us get out of the Cotton Belt here altogether. Under that table the State of Kansas and the State of Wisconsin for years had been the sixth and seventh agricultural States in the Nation. Up until 1940 Kansas had around \$175,000,000 or \$180,000,000 either for growing or not growing, something I never could figure out which, and never could be sure, and the State of Wisconsin had some forty-and-some-odd-million dollars. There is not that much difference between the two States. The difference is in the kind of agriculture that they had. One congressional district in Texas, one in Kansas, and one in Iowa each had a subsidy equal to what the whole State of Wisconsin had received. This is a livestock against an anti-livestock attitude and that is all this is a part of right here today. The cotton people are faced with a serious problem. They face a declining demand for their product and very surely

face a rural social problem. But the people who have lived and made a living on these 6,000,000 acres are most assuredly faced with a serious problem. But are you going to solve it by providing a 90 percent parity support for 70 percent of the production on a million or a seven and one-half million dollar cotton farm? Or are we going to solve it by providing the little producer a quota of 2½ bales or 5 acres and the big operators a quota or an allotment of 1,000 to 3,000 bales? As serious as this problem is on this cotton section, the facts are that cotton farmers are not asked to face problems any more serious than all the rest of the farmers face.

Did you ever figure out how much of the public funds will be needed to support the cotton on the Clayton-Anderson seven and one-half million dollar California farms? That gives you an indication of one of the troubles of the whole agricultural program.

We have been talking for the little fellow but we have been putting him out of business. That is the objection I have had to the agriculture program since the day I arrived here, and even before. In fact, I maintain it has been nothing but a landowners' program. The little get smaller and the big get bigger. If we keep on this road we have been going for the past 10 or 15 years, it will not be too long before the land of this country will be owned by too few people.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield for a question.

Mr. AUGUST H. ANDRESEN. That is just what the trouble is. They are talking about tenant farmers on these large plantations. Is there anything in this legislation to prevent the owner of these large plantations from securing machinery and putting all this land into cotton and doing away with the tenant farmer altogether?

Mr. MURRAY of Wisconsin. Of course not.

Mr. AUGUST H. ANDRESEN. That is what they have done in a great many areas.

Mr. MURRAY of Wisconsin. Now, what is going to become of the people who live on 10,000,000 acres of land that the wheat is going to be cut back or the 11,000,000 acres of corn that will be cut back? But that is the kind of an agricultural economy we have had for the last 16 years—corn, cotton, and wheat. It does not make sense to continually pour out public funds, year after year, for these soil-depleting crops, and spend a million or more dollars for exports—they have a subsidy on exports year after year, and all we are doing now is going back to what we had in 1939. In August 1939 when we had 54-cent wheat and paid 27 cents per bushel as an export subsidy and 8-cent-plus cotton, and so on down the line. If it makes sense to subsidize the shipment of \$500,000,000 worth of cotton and at the same time import \$497,500,000 worth of livestock and livestock products, as we did in this last fiscal year, then there is no use for any agricultural colleges in the United States. You might as well cut out all

appropriations. This is livestock versus the kind of economy that is going to ruin the country; asking the public to roll out money in order to carry on that kind of economy.

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

Mr. MURRAY of Wisconsin. Yes. I will yield to my friend from Missouri because I feel sorry for him. On Saturday night I heard over the radio from Wheeling, W. Va., that they wanted to sell their chickens for \$2.95 per hundred. Missouri is a great chicken State. I feel sorry for my friend to try to explain that to his people.

Mr. CHRISTOPHER. I will be brief. I would just like to ask the gentleman, if our agricultural program is wrong and always has been wrong, what does the gentleman suggest to take the place of it?

Mr. MURRAY of Wisconsin. Well, that is a good question, and I sure have worked at it, and I will give it to you right now.

I sat around here for the first year or two. I was not very hard to get along with. There was a man came along by the name of Henry Steagall, of Alabama, a man who had made more contribution to American agriculture than any Congressman in the history of this country. It is just too bad he has not been with us, because Mr. Henry Steagall did not say, "Oh, we have got to talk about corn and cotton and wheat," which is less than 25 percent of American agriculture; but Henry Steagall produced legislation that took support right straight across the board. There is no one man who ever made more contribution to agriculture than Mr. Steagall made so far as legislation is concerned.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. I want to sympathize with the gentleman from Wisconsin. He has not been hard to get along with, but he has been taking some kicking around in the Committee on Agriculture. The recent passage of this so-called oleo bill does not set very well with him and many of us. If you people want to have your hearts torn out, I wish you would go to the gentleman's office and see "Old Rosy," with crepe hanging over her horns and a sign on there which says, "Weep not for me but for those who would destroy me." That is something that is the matter with some parts of the agriculture program. People who are supporting this legislation now, wanting it in such a hurry, might think for a moment that they have stabbed in the back one of the greatest industries in this country—the little-business man who has a dairy outfit who is liable to be destroyed, or at least he thinks so.

Mr. MURRAY of Wisconsin. That is a livestock approach, it is not only for the dairy industry. The dairy is only a little over 20 percent of the national farm income. The remainder is beef, hogs, eggs, poultry, and sheep, all that go with them. Remember now, that eggs in the Midwest today are bringing but 39 percent of parity. I never heard of baby chicks selling for \$2.95 a hundred before either.

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

Mr. MURRAY of Wisconsin. In just a moment.

I have not criticized this bill because when I criticize I want to have something constructive to offer in its place. I would not oppose this or any other bill without a constructive substitute. My constructive proposals are: One, to recognize the fact that the rural people of this country are Americans and are entitled to the same laws that govern the rest of the people. That sounds simple, but why do we not do it? Why do we not extend wage-and-hour legislation to agricultural labor? Now, would not that be terrible if we should do that? We know one of our great labor organizations, the A. F. of L., has been trying to do that ever since I have been here in Congress. My colleague, the gentleman from Utah, knows the situation with reference to sugar beets. He made the fight for it. We could not get it properly considered by the committee; it had to wait until it came to the floor to be amended, and when the amendment was offered to include labor in the beet fields, he took one of the leading parts in that fight.

I would extend social security to rural people. Can anyone tell me why we should not when we are doing it for everybody else? We have a real problem in the matter of farm labor, a problem of employment caused by the large operators, not by the small farmer at all, but the large operator who pulls people in legally or illegally at the time of harvest and then dumps them on the community after the harvest is over.

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

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes. We gave the opponents a lot of time even on my side.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin is recognized for five additional minutes.

Mr. MURRAY of Wisconsin. Can anyone tell me why we should not deal with this problem created by these big employers of farm labor who bring employees into this country legally or illegally to help them harvest the crops, but when the harvest is over expect the community to support the labor on the relief rolls? Does that make good sense? Should the support be provided the small farmers instead of the speculative interests? What we need is a farmers' program, not a land owners' program. If we had one we would have fewer embarrassing surpluses. These embarrassing surpluses are made by a comparatively few people.

Now, I have been here many years and most of you know my views. I am speaking today of problems of the rural people of this country and pleading for the genuine farmers, the small farmers, not the speculators. You protect the other

groups and expect Uncle Sam and the taxpayer to foot the bill.

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

Mr. MURRAY of Wisconsin. I yield. Mr. ABERNETHY. As I understood the gentleman last week when he made the first part of his statement, he said that he had been making this fight for some 8 or 10 years. I assume that the gentleman is rather at odds with the present program and that he is proposing a different program. Can the gentleman tell us the number of his bill so that we might make a study of it?

Mr. MURRAY of Wisconsin. I shall be very glad to answer that in all humility. I supported the Steagall bill and the Hope bills. They were sufficient if administered correctly. The Committee on Rules is not the only place where they bottle things up, and if I could only get my bills out of the Committee on Agriculture I would not worry about the Committee on Rules. I will answer the gentleman by saying that if he is on the committee he knows that the only Hope bill that came out in the Eightieth Congress was just exactly the same as this: Corn, cotton, and wheat. How about H. R. 6514 to support five bales of cotton and bushels of wheat? No consideration yet?

Mr. ABERNETHY. Did the gentleman support the bill he just referred to?

Mr. MURRAY of Wisconsin. It was the same as the Steagall bill; I do not see why I should not.

Mr. ABERNETHY. Did the gentleman support the agriculture bill last year?

Mr. MURRAY of Wisconsin. Support the Hope bill? Yes; after the livestock supports were included but not before.

Mr. ABERNETHY. The 1949 act.

Mr. MURRAY of Wisconsin. That was a matter of taking a little mouthful instead of not getting anything at all. It was not a case of my liking it. Of course, I could take 10 minutes to explain that.

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

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman refers to a 75-cent minimum for farm labor. Does he mean by that those who are doing productive work on the farm, not just the hired man?

Mr. MURRAY of Wisconsin. I did not mention the amount. I was referring to a comparable minimum wage. I did not make any particular statement on amount. They are entitled to a minimum wage comparable to what everyone else is accorded in the United States. That is my position.

Mr. CRAWFORD. Would the gentleman have that arrangement, whatever the arrangement is, made before so that the farmer knows he will get that wage before he prepares the seedbed, before he plants, before he cultivates, before he harvests and before he goes to market with his stuff? I raise that question because in the case of manufactured goods the collective-bargaining agreement does provide the wage before the worker goes

through the time clock office on the way to the factory and the farmer is entitled to the same protection from the Congress of the United States if you are going to give that to organized labor in the factory. I think that is the point the gentleman is making.

Mr. MURRAY of Wisconsin. I thank the gentleman. If this bill is to go into effect, the family-sized farm should have a chance. There is the subsidy of \$2,500 provided to the large operators. During the last session, the hearts were beating for the little ones, so they upped it to \$2,500 again.

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

Mr. MURRAY of Wisconsin. I yield to the gentleman from Utah.

Mr. GRANGER. I do not suppose the gentleman was inferring that the sugar-beet industry was paying less than the 75-cent minimum wage?

Mr. MURRAY of Wisconsin. I did not say they were. I used that as an example. There is the letter from the Department of Agriculture, and I do not want anyone to say I am criticizing Mr. Brannan, but a Secretary of Agriculture fixed it from 25 to 32 cents an hour.

Mr. Chairman, I have never met the author of this article which appeared in one of our oldest agricultural publications, the Country Gentleman. I happened to note this article yesterday. The remarks I have made about the cotton resolution, that will exact another \$5 bill from each American family this year for a crop we have no possible use for, surely coincides with the thoughts expressed in this article. Why are several countries ahead of us in the use of the most protective diets? The article is as follows:

[From the Country Gentleman of April 1949]

WE CAN'T TAKE CHANCES ON TOMORROW'S MEALS

(By H. E. Babcock)

Soon after the Eighty-first Congress settled down to work, I spent a week in Washington looking it over. There are too many men in Congress to get acquainted with each one, so at the end of my stay I resorted to a stockman's device. Mentally I ran them through a cutting chute and sorted them according to their qualifications to vote on farm and food legislation.

My first cut was less than a score of Senators and Representatives who seem to me to have a grasp of the over-all farm and food problems confronting the Nation. My second cut showed up 40 or 50 captive Congressmen—fellows whose thinking is entirely dominated by the problems of the districts or States they represent.

The balance—I'll call them confused Congressmen—includes a great majority of the Members of both Houses. Mostly these are men of fine ability and the best of intentions. But they are completely mystified by the numberless and contradictory demands of farmers and consumers.

Nor is this vast unhappy majority being helped out much by the national farm organizations. They, too, are split, both among and within themselves. Only by Herculean efforts are the heads of these organizations able to hold a working majority of their members in anything resembling a line.

With conditions as chaotic as this, there is an obvious need for spelling out a few fundamentals for a national farm and food program which will be in the interests of

everyone. Country Gentleman has recognized this need by publishing a statement by Secretary of Agriculture Charles Brannan in its January issue, and in the March editorial, Price Supports Don't Make a Farm Program. Now I have my opportunity.

I shall begin by laying down the common-sense premise that a population soon to number 150,000,000 human stomachs can't take chances on tomorrow's meals. I suggest that we accept this principle as a basic test of all future farm and food legislation.

I'll even go a step further. Does the proposed program hold out hope of more Americans eating better? If it doesn't, it's not in the national interest and should not be written into law. I repeat that 150,000,000 people can't take chances on tomorrow's meals.

Surely no one can quarrel with this start. But there is a lot of farm and food legislation due to come before the Eighty-first Congress which will not square with this ideal. Some of it will be proposed by the captive Congressmen backed by powerful commodity and regional farm lobbies. Some of it will be put forward by individuals at the moment more interested in socializing agriculture than in our future food supply. These individuals would like nothing better than to cross 6,000,000 farmers off the list as private business managers. If they cannot do this any other way, they are prepared to buy them off with public funds.

It is going to take statesmanship, clear thinking, and stout courage on the part of the administration and Congress to stand up against these drives by the representatives of special interests and the subtle foes of private enterprise.

If we can agree on better meals for more Americans as a national long-time goal, it is only common sense to describe such meals in terms everybody can understand in order to secure maximum public acceptance of the goal. In previous articles in Country Gentleman I have done this.

The foods for such meals (when they are available at reasonable prices) are found in any well-stocked home refrigerator on any Saturday night, anywhere in the United States. They are the milk, meat, eggs, butter and cheese, and fresh fruits and vegetables with which most American housewives like to prepare the meals they serve. Any American family which eats free choice from a well-stocked home refrigerator certainly should be well nourished, happy, and content.

A second premise is that a nation with a growing population and the task of selling its philosophy of free enterprise to the rest of the world cannot afford to eat at the expense of its soil. Mere soil conservation is not enough for America. We must actually increase the productivity of our land. If we don't do this, there is no chance over the long pull of maintaining even our present dietary standards, much less of improving them. Fortunately, thousands upon thousands of farmers know how to do this job and are doing it.

Summarizing, I offer two guiding principles for everybody's farm and food program:

1. It must provide an ever-increasing American population with an ample supply of the foods we like best and which are best for us—the refrigerator foods.

2. These foods must be produced by the kind of farming which will build up soil productivity as well as conserve it.

As a security measure (I will discuss this later) we also must so farm and eat that we maintain at all times a substantial food reserve against war or natural disaster.

Only by the wise management of our food-producing livestock can we develop such a program. Under our system of farming, even soil fertility depends to a great degree on our animal population.

The ratio between our domestic livestock and our humans is one of the most impor-

tant figures in our so-called way of life. How much food-producing livestock should there be behind the family refrigerator?

In an endeavor to get at some answer to this question I appealed to the chief of the USDA's Bureau of Agricultural Economics. As I expected, his staff already had a figure in which all food-producing livestock (including milk cows and laying hens but excluding horses and mules) was annually reduced to a hog-equivalent. I asked the Bureau to compare this figure on an annual basis with our population figures. My object was to see if it would be possible to keep track of the balance between our food-producing livestock and our human population. While this may come to be known popularly as a hog-man ratio, it must never be forgotten that the hog-equivalent figure includes the all-important dairy cow and laying hen as well as meat animals.

The Bureau came up with some most interesting comparisons. In 1919-20 we had 1.67 head of productive livestock to one human being. In 1934-35 this hit a low of 1.27. At the present time the ratio is estimated to be 1.41 hog-equivalents to one man.

For myself, I need no more accurate measure of the progress being made in working out a satisfactory farm-and-food program for everybody than this ratio. As it inches upward, we shall have well-stocked family refrigerators, improving soil fertility, and the kind of food stock pile we need for national safety. If it goes the other way, we shall be headed for a poverty-standard of eating.

I am convinced that there is only one way for us to stock pile any substantial amount of food—on the hoof. No better storage bin has ever been devised than the flexible hide of a steer or a dairy heifer. It is storage which also can be eaten if necessary. As we expand the numbers and weight of our livestock, we achieve everything the ever-normal granary ever tried to accomplish, including support of grain prices.

Actually, no country's livestock population should be a stationary thing. Traditionally, it operates as a cushion between our human population and the land. When good crops are produced, the bulk of them (normally over four-fifths of our cereal production) is naturally taken up by an expanding livestock population. Then, in the event of war or other disaster, we have a reservoir of high-quality, nutritious food just when we need it most. Killing the livestock releases the cereals and other foods that animals were eating for direct human consumption as we need them.

Stock-piling grain in dead storage is quite another thing. To go into storage at all, more has to be paid for the grain than the owners of livestock are willing to buy it for. The natural adjustment that would be made by feeding it to livestock thus is stopped in its tracks and the surplus is frozen. This is a bad thing for everyone.

Once in storage, the grain overhangs the market and becomes a football for politicians and the pressure boys. It costs money to hold it in storage and keep it in condition. Even then, the grain tends to deteriorate in nutritive quality. Finally, the whole economy is denied the turnover of this wealth in improving its standards of living.

In the long-time farm-and-food program which I am suggesting, grain in dead storage is a stand-by factor. Experience has indicated the normal carry-overs of grain that we should expect to maintain. The prudent livestock man will naturally attempt to protect himself. Our stored grain, in addition, should be sufficient to protect and to encourage the livestock producer who operates in regions where weather brings wide fluctuations in crop yields and the threat of liquidation of his herds because of lack of feed.

What really counts in dealing with big crops and building useful stock piles of food is our productive livestock population. Let

farmers on their own move the present ratio of 1.41 hog-equivalents to one man up to, say, 1.75 to 1, and we shall have improving soil fertility and a better supply of foods for the home refrigerator. The alternative is simple: an ever-increasing amount of grain in dead storage, acreage controls, progressive regimentation of 6,000,000 farmers, and finally no market for—refrigerators.

Now for some positive ideas for producing better meals for more Americans. The first step in implementing such a program is to manage our food-producing livestock to the maximum advantage of the human population. This is a job we have never tackled squarely.

We have been dealing with it in sections. We have veterinary schools for the health protection of animals. We have divisions in our experiment stations studying animal genetics. We have others dealing with the growing of forage for livestock, and still others with barn and feed-lot nutrition. But nowhere in the United States do we have an institution which brings together and correlates all these programs for the preservation and improvement of our domestic food-producing animals.

A few such pace-setting institutions are badly needed. I seriously propose for the consideration of some of the leading land-grant universities the establishment of schools or institutes of animal agriculture, the purpose of these institutions being to deal with our food-producing livestock population as a whole and to bring together for the teaching of graduate students who are destined to become skilled in the management of livestock all we know about the preservation and management of this basically important part of our way of life.

I am reliably informed that at least one leading land-grant university is considering setting up just such a school.

As a second positive step I feel that the great mass of publicly supported agricultural research should be inventoried and reviewed. This review should be by a committee representing all the people. Perhaps the National Research Advisory Committee might do this job.

Primarily, such review should seek to determine whether or not the public dollar appropriated for research in agriculture and food is being spent in the right proportions. Is enough aimed at the problems of our animal agriculture; or is too much of it devoted to fringe production, to specialty crops and the like?

Such a review should extend clear down to the State experiment stations. If it turns out as I expect it may, that we need to spend more research money to learn how to control animal diseases, breed them better, feed them cheaper and make better utilization of the food they produce, then this money should be made available. Or better still, it should be saved from projects which are not as fundamentally important.

As a third step, in putting a long-time farm-and-food program into effect we must cancel out, gradually but thoroughly, all those activities of Government which work against an expanding livestock industry with all the benefits it can bring to our standard of living.

It is at this point that our present conception of price supports must be brought into focus. It is at this point, too, that our ways of supporting soil conservation and soil building must come under critical study.

The above are complicated activities. Some of them are sired by socialism. Others are the children of pressure groups. All these devices must be kept under continuing review and constantly challenged to see if they are in accord with a long-time program of soil building, an expanding livestock population, and better meals for more Americans.

For these are the three objectives toward which our economy must move. Actually,

I think the question of whether our agriculture shall remain in the hands of free farmers or be State-managed, important as it is, is secondary to the question of how well we want to eat in the future. Which system will fill the most home refrigerators? That is what we all want to know, because we all have stomachs.

Realistically, this is the question now before the Eighty-first Congress. But in my opinion neither the Administration nor Congress but the market place eventually will answer this question.

If 150,000,000 Americans become sufficiently sold on the importance of the kind of meals they like best and is best for them, they won't kick in the long run on paying 6,000,000 farmers well to grow these meals. But this supposes two developments: (1) that through mass education and mass selling the American people will buy the ideal of good nutrition, and (2) that 6,000,000 farmers will be left free enough to apply their courage, their ingenuity, and their proved ability to produce cheaply adequate quantities of the foods for such nutrition—the refrigerator foods.

If we can gradually straighten ourselves out to a point where everybody appreciates the health, energy and social satisfaction of good eating; and farmers—principally through keeping more livestock—can get set to provide what the market really wants, we shall be on our way.

Consumers can be sold on the idea of paying fair prices for the foods they like best and which are best for them. Dairymen, poultrymen and livestock feeders under such circumstances will be willing to pay fair prices for grain. Remember that right now they provide four-fifths of the grain market. And, finally, the whole Nation will be safer because it is preserving its soil fertility and maintaining as it goes along a food reserve, the best which possibly can be devised, against war or natural disaster.

While actually the kind of farm and food program I have sketched should be self-sustaining because of the great flexibility which is inherent in our food-producing livestock population, let us suppose that we run into such a depression that too many of our 150,000,000 can't buy an adequate diet.

If this happens, then it seems to me that through school lunches and other diet subsidies which may be devised we can deal much more effectively with the emergency than we can if we try to meet it by shutting off production of food by acreage controls with resultant restriction of livestock numbers and, finally, State management of farming.

It must never be forgotten that over the long pull it is the suction of the market place on the food supply which determines the pay farmers get for raising food.

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

Mr. WHITE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of California. On page 2, in line 8, after the word "cotton", strike out the colon, insert a period in lieu thereof, and strike out the balance of line 8 and all of lines 9, 10, 11 and 12.

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

Mr. WHITE of California. I yield to the gentleman from Texas.

Mr. POAGE. Before he discusses his amendment I would like the gentleman to discuss a misstatement that was made a minute ago of the burden this program might impose on the taxpayers. Nobody wants to give a misunderstanding to the House. I understand how easy it

is to make miscalculations when you are trying to do it in a hurry. I do think that we should make it perfectly plain that you cannot spend a billion dollars buying the product of even 2,000,000 acres of cotton and this does not add 2,000,000 acres of cotton anyhow.

Mr. WHITE of California. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BECKWORTH. Mr. Chairman, reserving the right to object, and I shall not object, I want to ask the gentleman in charge of the bill, the gentleman from North Carolina [Mr. COOLEY], if it is his inclination to cut off debate or will the rest of us who have amendments have time to discuss our amendments?

Mr. COOLEY. Certainly I have no desire or intention to unduly restrict debate. The gentleman will have an opportunity to introduce his amendment and to speak on it. We should realize that there are some limitations to our time. I am not going to object to any further extension at this time, but if they become too numerous I may have to.

Mr. BECKWORTH. The reason I ask that question is that I undertook to offer some amendments in August, and I remember very distinctly that I was not privileged to explain some of the amendments which I had. Certainly I trust, within reasonable limitations, I shall have that opportunity today.

Mr. COOLEY. Within reasonable limitations I am sure the gentleman will have the opportunity.

Mr. BECKWORTH. I hope so.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

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

Mr. WHITE of California. I yield to the gentleman from Texas.

Mr. POAGE. As I understand under the most generous figures that the Department could suggest, that this bill would result in the planting of more than 1,400,000 acres; that was the testimony before us; was it not?

Mr. WHITE of California. That is correct.

Mr. POAGE. And of that sum 400,000 acres came in under the 50-percent gadget, leaving approximately 1,000,000 acres otherwise; that is right, is it not?

Mr. WHITE of California. That is right.

Mr. POAGE. And the actual average production in the United States is approximately half a bale per acre; is it not?

Mr. WHITE of California. That is right again.

Mr. POAGE. And if you take half a bale per acre on 1,000,000 acres, that would be half a million bales.

Mr. WHITE of California. That is right.

Mr. POAGE. The support price on cotton is a little less than 30 cents; is it not?

Mr. WHITE of California. That is right.

Mr. POAGE. With a 30-cent support price, you get only \$150 a bale; do you not?

Mr. WHITE of California. That is right.

Mr. POAGE. At \$150 a bale on half a million bales of cotton it could not amount to but \$75,000,000, could it?

Mr. WHITE of California. That is correct. And, I make the further point, if the gentleman will allow me, that even if the money is loaned by the Government, it is not necessarily lost. The cotton program stands at a \$200,000,000 profit as of this date.

Mr. POAGE. Exactly. If they spend \$150 a bale on each bale that could possibly be produced, certainly the Government is not going to lose \$150 a bale as the gentleman so well pointed out, and for the past 10 years it has not lost a single dollar per bale.

Mr. WHITE of California. That is correct.

Mr. POAGE. There is no possibility that they could lose \$150, and even if they did, it could only be \$75,000,000. And, even with all of that, is it not further true that the bill as it now stands, the law as passed last year, provides a minimum of 21,000,000 acres of cotton which can be planted?

Mr. WHITE of California. That is correct.

Mr. POAGE. And is it not further true that the Department of Agriculture estimates that even with this bill, with all of the gadgets in it now, that we still will not plant the 21,000,000 acres this coming year and instead of actually increasing anything, it will still wind up with less acreage planted than the present law authorizes for planting?

Mr. WHITE of California. That is right.

In explanation of my amendment, Mr. Chairman, I want to say this, that the 40 percent crop-land provision in this bill, which my amendment would strike out, was not in the original Cooley resolution when the subcommittee on cotton met here in December and the farmers voted without this limitation in there, and I submit that it is not fair, it is not right, it is not equitable that this should be now crammed down their throats. It certainly is a limitation placed upon the acreage that was promised to those farmers when they voted 90 percent in favor of this program.

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

Mr. WHITE of California. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is, of course, correct, and the gentleman also realizes that we liberalized the 70-percent provision by making it applicable to acres of cotton regarded as planted under Public Law 12.

Mr. WHITE of California. That is true, but that would not help the man who had been planting all of his land in cotton. The little fellow who has 40 acres all planted in cotton would, under the limitation you have put in the bill, be cut to 16 acres. I fought it in the committee and I have fought it here. It is not right, and my amendment would remove that injustice.

Mr. COOLEY. The gentleman has been fighting constantly. I will say to the gentleman that I am not wedded to the idea, but it was placed in the bill and it is now in the bill. I am sure there are Members in the House who will agree with the gentleman and I am likewise certain there are other Members here who will take the opposite view.

Mr. WHITE of California. I agree with the gentleman, there will be plenty on both sides.

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

Mr. WHITE of California. I yield to the gentleman from Oklahoma.

Mr. ALBERT. This 1,400,000 acres contemplates the bill if the gentleman's amendment is adopted, because we had no estimate after the 40 percent was put in.

Mr. WHITE of California. That is correct. I should like to point out that the Department of Agriculture's letter in regard to this legislation is highly critical of the cropland approach which this 40-percent provision reinstates. The bill as originally conceived in the House Subcommittee on Agriculture in December was based on the historical basis, in order to give relief to these people who had been hurt by putting it on the county factor basis, which is the cropland approach, and which caused all this trouble. Now they have come in here and stuck this 40-percent provision in which reverts back to the very cropland procedure which I tried so hard to get away from, and which the Department of Agriculture opposes.

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

Mr. WHITE of California. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. If I understand the observation made by the gentleman from Oklahoma [Mr. ALBERT], the estimate that this bill would add 1,400,000 acres to the plantings of 1950 was made without the 40-percent limitation.

Mr. WHITE of California. That is right.

Mr. ABERNETHY. Can the gentleman tell us what the estimate will be with the 40-percent limitation in it?

Mr. WHITE of California. I am sorry I cannot. I have tried in vain to get those figures, and I have not been able to get them. However, it naturally should be less. That is a point that has been made.

Mr. COOLEY. If the gentleman will yield further, is it not a further fact that the original resolution was amended to take into consideration irrigated land which was not actually planted to cotton but that was planted to other crops at any time during the crop year? I thought the Department of Agriculture had cleared that up for the gentleman to his satisfaction.

Mr. WHITE of California. That is not my complaint at all, Mr. Chairman.

Mr. COOLEY. I know it is not, but that was the gentleman's complaint until it was satisfied.

Mr. WHITE of California. That was one of my complaints.

Mr. COOLEY. In other words, the gentleman will admit we have satisfied one of his complaints?

Mr. WHITE of California. One of my complaints has been satisfied, and I thank our distinguished chairman for that, but this is the same proposition the gentleman from Georgia [Mr. CAMP] was talking about here a while ago. He knows the situation. He knows that the little farmer is being discriminated against. Certainly, this is only temporary legislation. The relief that is asked for here is asked for on a historical basis. So why put back in here a provision which throws it onto the cropland basis, and which caused all the trouble in the first place? If we are going to have a cropland basis, let us have it in the permanent legislation, not in this temporary legislation.

I should like to ask the gentleman from California [Mr. WERDEL], my distinguished colleague from the minority side, if it is not his understanding that the farmers in California are in favor of the removal of this 40-percent limitation.

Mr. WERDEL. As far as I have heard, that is correct.

Mr. WHITE of California. I am glad to hear the gentleman say that.

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

Mr. WHITE of California. I yield to the gentleman from New York.

Mr. KEATING. Can the gentleman tell us how much more it will add to the cost of this measure, to come out of the taxpayers of this country, if this provision is eliminated from the bill? What is the difference in dollars and cents?

Mr. WHITE of California. I am sorry I do not have the exact figures, but it is not a considerable sum when compared to the total relief that would be afforded under the 70-percent and 50-percent provisions.

Mr. KEATING. The gentleman does concede that to eliminate this provision would make this bill cost something more than it would with the provision in it?

Mr. WHITE of California. Undoubtedly it would, but I call the gentleman's attention again to the fact that this provision was not in there when the farmers voted, and it is a fraud by the United States Government to have them vote with that assumption and then turn around and pass legislation which knives them.

Mr. KEATING. Does not the gentleman feel that we should have the exact facts about the cost of this measure before us before we are asked to involve our Government in the sums of money contemplated by such a measure, or by his amendment?

Mr. WHITE of California. I will give the gentleman this much definite information: It certainly would not exceed \$25,000,000.

Mr. KEATING. That is a great deal of money out in my section of the country.

Mr. WHITE of California. It certainly is, but it was committed to the farmers when they voted on the acreage-quota referendum.

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

Mr. BECKWORTH. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Chairman, in the first place, I wish to say I shall support the resolution because a little acreage for some exceedingly poor farmers who need it in my section will do some good. But I shall not try to convey the idea to my people back home and to the people of Texas that this will help in a measurable way the ones who probably were hurt the most as a result of this legislation. I have some PMA letters from counties which I received, in which I asked them how a 70-percent amendment and a 50-percent amendment, as originally proposed, would help in their respective sections. I want to read the answers to some of those inquiries. One of them comes from the county of Shelby, which is not in my district. It says:

The county set aside 1,045 acres as a reserve for new grower cotton allotments. We have in Shelby County 2,242 farms which come under this above classification. It is estimated that 50 percent of these farms will apply for a new grower allotment, and, mind you, not by any means are those all new growers. They are simply people who did not grow cotton in the base years 1946, 1947, and 1948. Many of these are veterans who have returned home.

Now, what have you according to the situation today? A thousand acres to distribute among 1,100 applicants. The important thing is how many additional acres will this resolution give that county. At the most, it will give them, according to information sent me January 6, 1950, by Mr. Vance, our State committee PMA chairman, 995 acres—995 acres added to a thousand will mean that the county of Shelby, which is not in my district, will have about 2,000 acres to distribute to about 1,000 or 1,100 farmers—amounting to 2 acres apiece of not very fertile land. If you think that is a square deal, you have a right to your own conclusion.

Here we have another county, Harrison County. Their communication is dated January 3. The PMA office wrote me and said:

Under the 1950 allotment formula up to 300 and 400 farmers will be forced to cease farming, as their acreage is too small to obtain credit. Under the 70-percent provision they will get 749 acres. They will get 768 acres under the 50 percent. At the most, 1,214 acres. One thousand two hundred and fourteen acres of poor land will not go very far toward taking care of 300 or 400 families.

I talked to the gentleman from Arkansas [Mr. TACKETT] a moment ago. I have a letter from his county committee in Pike County, which is in the State of Arkansas. They say:

Under the 1950 allotment program 200 farmers stand a good chance to be driven off their farms.

I asked him how much they will get under this, and according to his information, they will get some 50 additional acres.

I have a letter from Smith County, Miss. Incidentally, I am going to put all these letters in the RECORD. Some already are in the RECORD. They say that

200 farmers stand a good chance to be driven from the farm. How much additional acreage does Smith County get? According to some figures which the gentleman from Mississippi [Mr. COLMER] obtained, they get 369 acres under the 75-percent provision, 124 acres under the 50-percent provision, and at the most 392 acres.

We have other counties. We have one down here which is not in my district—Trinity County. Here is what they say in their letter:

We have 175 acres of cotton to be distributed to new grower cotton farms. To date there have been at least 320 applicants for this acreage. The applications for the acreage are from farmers who shifted during the war to other crops and GI's returning from the war.

That is, they have under the present situation 175 acres to distribute to 320 farmers.

How much do they get under this new amendment? They get 103 acres under the 70 percent; they get 321 acres under the 50 percent; and, at most, 340 acres.

I have a note here from Forsyth, Ga. I asked them for a comment on the 70-percent and 50-percent provisions. "What good will this amendment do your county?" The letter that comes to me from Forsyth, Ga., says this:

The amendment attached, if approved, would be of no benefit to this county.

I do not know whether they are right or wrong, but that is what they say.

Let us see what we find from Rusk County, in Texas, with reference to the 70-percent and the 50-percent provisions. These figures are very pertinent. Here is what they say:

If Resolution 384 goes through as now written, it will be very damaging to the farmers of Rusk County. A 20 percent sample of the 2,550 farms receiving allotment was tabulated with the following results—

This was written January 10—

1,347½ acres would be the increase, of which 160 farms would receive less than 1 acre and 295 farms would receive the balance. This would leave 2,095 farms receiving less than their original 1950 allotment.

I read that letter to the gentleman from Missouri [Mr. JONES], and he thought it was wrong. I sent it to our State committee chairman. He said as far as he could see it was correct. I hope it is not correct, but I fear it is correct. I repeat, I trust it is not correct.

I have a letter from Sabine County. What does it say? The letter was written January 3:

What this county needs is additional acreage for established allotments of new farm operators who have been released from wartime jobs and have no other ready means of livelihood. We have 115.3 acres and approximately 250 farmers have requested this acreage.

What does this amendment do? It gives them 196 acres under the 70 percent; it gives them 157 acres under the 50 percent; and, at most, 240 acres.

I have a letter from Natchitoches Parish, La. The letter was dated January 4:

There may be about 300 farm families in Natchitoches Parish displaced because of reduction of acreage.

This bill, according to figures I have put in the RECORD, gives them 320 additional acres under the plan which gives them most.

We have a county that Mr. REGAN, my colleague, represents. As I understand, it was drastically cut. If the figures that Mr. Vance gave me are correct with reference to that county, under the 70-percent provision, it will get 396 more acres; under the 50-percent provision, 1,211 more acres; and, at most, up to 1,343 acres.

I have another friend down in another section of Texas. He is what you call a big farmer. The county is Willesy. Under the 70 percent, that county gets 1,906 more acres. Four hundred and thirty acres under the 50-percent provision, and 1,949 acres at the most.

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

Mr. BECKWORTH. I shall yield in just a moment.

Here is what I want to say to those here today. I submit that although an attempt has been made to be helpful, we are falling far short in helping the group of people who need help most. Do not tell me that these people, many of them, are not genuine cotton farmers. They are people who may not have been there in 1946, 1947, and 1948, but many of them, with the exception of the time which they spent in the war, and with the exception of the time they spent at war plants, and perhaps 2 years after the war closed, have farmed all of their lives. Do you think that is a good thing? Do you think it is justified or that it is a good type of economy to deny genuine cotton farmers the right to have a crop? That, in my opinion, is what is occurring under the provisions of the legislation originally passed in August 1949, and it will not be cured to any great extent in many cases by that which we are passing today.

Mr. Chairman, under most of the letters herewith I am placing the number of additional acres which would be required for the respective counties. I refer to the (1) 70-percent plan, (2) the 50-percent plan, (3) higher than 50 percent. I believe my figures are reasonably accurate and indicate in the main how many additional acres the counties would get.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Center, Tex., January 6, 1950.

HON. LINDLEY BECKWORTH,
Congressman of Third District of
Texas, House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: In reply to your letter of January 3, 1950, in which you quote a portion of Mr. B. F. Vance's letter in regard to a reserve set aside by the county committee for adjustment purposes, I wish to advise:

In answer to the first question as to how many acres the county committee reserved for old farms which have not been growing cotton recently, and the second question, "How many new farms", we wish to say that new farms and old cotton farms, as well, are put under one classification as "new grower" farms. These farms are eligible to apply for a "new grower" cotton allotment. The county committee set aside 1,041 acres as a reserve for "new grower" cotton allotments.

We have in Shelby County 2,242 farms which come under the above classification. It is estimated that approximately 50 percent of these farms will apply for a new grower allotment.

We hope that this information will clarify these questions for you.

Very truly yours,

JOHN A. KIMMEY,
Secretary, Shelby County PMA.

Shelby County, 781 acres, 70 percent; 676 acres, 50 percent; 995 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Marshall, Tex., January 3, 1950.

HON. LINDLEY BECKWORTH,

Member of Congress, Washington, D. C.

DEAR MR. BECKWORTH: I would like to reply to your letter of December 23, 1949, on cotton allotments with answers to each question in sequence.

The 1942 Harrison County allotment was 75,000 acres. We believe if we could distribute the unused 1950 allotment we would have 1,500 to 2,000 acres to distribute.

If we can allot unused acres not many genuine cotton farmers would have to abandon farming although some larger farms might drop some tenants before their allotments are corrected.

War crop credits in this county amounted to approximately 2,000 acres.

Under the 1950 allotment formula up to 300 and 400 farmers will be forced to cease farming as their acreage is too small to obtain credit.

The Negro farmers with large families on farms with 20 to 50 acres of cropland are the hardest hit by this method of calculating allotments.

Yours very truly,

WALCOTT S. BLACK,
Administrative Officer,
Harrison County, PMA.

Harrison County: 749 acres, 70 percent; 768 acres, 50 percent, 1,214 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Hemphill, Tex., January 3, 1950.

HON. LINDLEY BECKWORTH,

Congress of the United States,
House of Representatives,
Washington, D. C.

SIR: In answer to your questionnaire of December 23, 1949, the following information can be furnished:

The official cotton allotment for Sabine County was 2,920 acres.

Final allotment was 3,272.7 acres.

If we could distribute the unused 1950 allotment in this county we would gain approximately 100 acres. Very little of this would come from genuine cotton farmers who could not continue to farm because of small allotments, but from small farms being taken out of cultivation.

The type of war-crop credits being talked about would probably help this county very little.

Probably 12 families may be compelled to cease cotton farming because of allotments. Most of these will be tenants.

What this county needs is additional acreage for establishing allotments on new farms having operators who have been released from wartime jobs and having no other ready means of livelihood. We have only 115.3 acres for the purpose, and approximately 200 farmers have requested this acreage on that many farms.

There are also many GI's who were not operators of farms when called into service because they were still unmarried boys with no family responsibilities.

These boys were able to purchase farms in 1948 and 1949 and are now able to cultivate them.

Because of acreage history they can get no cotton, except new allotments. Can they be helped?

Thanks for your interest.

Yours truly,

HARRIS H. MINTON,
Secretary, Sabine County PMA.

Sabine County: 196 acres, 70 percent; 157 acres, 50 percent; 240 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Henderson, Tex., January 4, 1950.

HON. LINDLEY BECKWORTH,

United States Congressman,
Third District,
Washington, D. C.

DEAR MR. BECKWORTH: This is in reply to your letters of December 23, 29, and 30, 1949, requesting information on the 1950 cotton allotment situation in Rusk County.

There was set up in this county a reserve of 1,349.7 acres to distribute to new growers. We now estimate that between 900 and 1,000 farmers will request this acreage. The demand for farms with any kind of cotton allotment is enormous.

We estimate that there will be approximately 200 farms with 2 or more tenants and only enough cotton allotment for 100 of them. Also, there probably will be over 100 farms with 1 tenant who will be forced to cease farming under the present 1950 allotment formula.

Texas probably has enough acres if it could be redistributed more equitably between counties and also within the county.

Trusting this information will be of use to you and with best wishes, we are,

Respectfully yours,

E. D. MANSINGER,
Chairman, Rusk County
PMA Committee.

Rusk County: 639 acres, 70 percent; 933 acres, 50 percent; 1,364 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Tyler, Tex., January 3, 1950.

Mr. LINDLEY BECKWORTH,

Member of Congress,
Washington, D. C.

DEAR MR. BECKWORTH: In reply to your letter of a few days ago, in which you requested information relative to the cotton allotment situation in Smith County, the following is submitted.

1. 1942 Smith County cotton allotment: 58,000 acres.

2. Number of acres we would have to redistribute, if the unused 1950 allotment could be used. It is estimated that about 1,000 acres would be released by farmers for redistribution.

3. Number of acres that would come from genuine cotton farmers who cannot continue to farm because of too little acreage. It is doubtful if any acres would be released by such farmers, as they would merely reduce the number of tenants on the farm, so that a reasonable crop could be had by each tenant.

4. War crop credit: Smith County would receive about 3,000 additional acres if this credit were granted.

5. Number of genuine cotton farmers that will be forced to quit farming in Smith County due to the 1950 cotton allotment formula (including tenants). It is estimated that at least 500 will be forced out of farms due to insufficient cotton acreage.

Hoping this to be the desired information, and should additional information be needed don't fail to call on us.

For the county committee:

DAN G. OWEN,
Secretary, Smith County PMA.

Smith County: 319 acres, 70 percent; 680 acres, 50 percent; 829 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Carthage, Tex., December 29, 1949.

HON. LINDLEY BECKWORTH,

Member of Congress,

Washington, D. C.

DEAR MR. BECKWORTH: This will acknowledge your letter of December 19, 1949, requesting certain data relative to cotton allotments in Panola County, Tex.

In comparing 1950 with 1942 allotments we note that Panola had an allotment of approximately 52,700 acres in 1942 and 17,367 for 1950. These figures include the allotment for new growers also.

You ask about release and reapportionment of unused cotton acreage allotment. We expect very few acres from this source. We estimate 150 for the county. Farmers anticipate changes in procedures and fear that the surrender of cotton allotment may affect any future allotment that would be established on the farm.

We are in bad shape on new grower farms (those who did not grow cotton in any of the years 1946, 1947, or 1948); 1,300 such farms, and only 1,000 acres to distribute. Of this 1,300, at least 400 will apply for a portion of this acreage.

I hesitate to estimate the number of tenants that will be without homes as a result of the small allotments in this county. The big move will start in the spring and after Congress has considered giving some relief. They still have hopes that something better will come their way. No doubt the gentleman from Wills Point, Tex., was about right in his estimates. For example, in Panola County, in 1942, 0.3145 percent of the cropland was allowed for cotton while in 1950 only 0.1398 percent is allowed.

We appreciate your interest and will gladly furnish any additional information upon request.

With kindest regards, I am,

Yours very truly,

T. L. VINCENT,
Administrative Officer, PMA, Panola
County, Tex.

Panola County: 515 acres, 70 percent; 1,396 acres, 50 percent; 1,570 acres, higher.

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT
ADMINISTRATION,

Forsyth, Ga., January 23, 1950.

Mr. LINDLEY BECKWORTH,

House of Representatives,
Washington, D. C.

DEAR SIR: In answer to your inquiry dated January 16, 1950, the following is submitted:

1. The county committee reserved the full percent it could reserve.

2. The committee reserved 15 percent of the total county allocation.

3. The amendment attached, if approved, would be of no benefit to this county.

4. If this county had 50 acres, with no strings attached, we could satisfy every cotton farmer in the county.

For the Monroe County committee:

HUGH W. MERCER,
County Administration Officer, Mon-
roe County PMA.

I was reading Sunday the remarks of Representative EVINS, of Tennessee. He referred to some of his counties. As I understand, Franklin County, Tenn., would set 379 acres, 70 percent; 429 acres, 50 percent; 464 acres, higher; and Lincoln County, Tenn., would get 8.5 acres, 70 percent; 919 acres, 50 percent; 919 acres, higher.

Mr. Chairman, please note some information from other States:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Natchitoches, La., January 4, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reply to your letter of December 24, this is to advise that the 1942 cotton-acreage allotment for Natchitoches Parish, La., was 50,233.7 acres.

If we could distribute the unused 1950 allotments to other farms within the parish, I believe that we could pick up between 2,500 to 3,000 acres. I do not think that any of this acreage will come from genuine cotton farmers who cannot continue to farm because of the reduced acreage.

I am not familiar with the type of war-crop credit that is being talked about; therefore I cannot answer this question.

There may be about 800 farm families in Natchitoches Parish displaced because of reduction of acreage.

As to the acreage to be distributed to old farms which have not grown cotton recently and to new farms which have recently come into production, we do not have any acreage in the parish for this purpose.

I understand that there are 35,000 acres set aside at the State level to take care of new-grower allotments.

We believe that if we can pick up unused acreage and distribute it to farms where additional cotton acreage is needed, many of our problems will be solved. Cotton-acreage allotments have been computed for quite a few farms where no cotton at all will be planted in 1950.

If you are in need of any additional information on this subject or any other phase of the PMA program at the parish level, please feel free to call upon me at any time.

Yours very truly,

H. L. SISSON,
Parish Administrative Officer.

Higher: 320 acres.

MURFREESBORO, ARK., January 4, 1950.
HON. LINDLEY BECKWORTH,
Member of Congress,
Washington, D. C.

DEAR MR. BECKWORTH: Pike County is not a genuine cotton county as is no doubt the area which you represent. Few renters are in this county. Each owner cultivates his own small farm but the allotment for more than one-half of the farms is less than 5 acres.

The allotment for 1942 was 6,750 acres. The additional acreage with the distribution of the unused 1950 allotment could be well 500.

No genuine cotton farmer will pool his allotment but will cut his renters from 5 to 2 or 4 to 2.

The war-crop credit would not help this county very much.

There will be at least 200 farmers compelled to quit farming because of the 1950-allotment formula.

To old farms without allotment and "new farm," I have 50 acres. I have 200 requests for cotton allotments. This would mean at least 600 acres.

Thanking you for your interest and wishing you the best of success in your untiring efforts, I remain,

Yours very truly,

REEDER DILDY,
County Administrative Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Raleigh, Miss., January 4, 1950.
HON. LINDLEY BECKWORTH,
Congress of the United States,
House of Representatives,
Washington, D. C.

Mr. BECKWORTH: Reference is made to your letter dated December 24, 1949, in regard to some information you need concerning the cotton allotment. This information is as follows:

1. The allotment for Smith County in 1942: Approximately 23,000 acres.
2. Additional unused 1950 allotment that could be distributed: 700 acres.
3. Of this unused acreage, this amount will come from genuine cotton farmers who cannot continue to farm because of too little acreage: 200.
4. Number of war-crop credits which is being talked about which will mean more acres to Smith County: 100 acres.
5. Number of genuine cotton farmers in Smith County that might be compelled to cease to farm in Smith County under the 1950-allotment formula: 200.
6. Number of acres to be distributed to farms which have not grown cotton recently including new farms: 350.

Yours very truly,

ELLIS E. ROBINSON,
County Administrative Officer,
Smith County PMA.

Three hundred sixty-nine acres, 70 percent; 124 acres, 50 percent; 392 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Groveton, Tex., January 3, 1950.
HON. LINDLEY BECKWORTH,
Member of Congress, Third District, Texas,
House of Representatives,
Washington, D. C.

HON. LINDLEY BECKWORTH: This is with reference to your letter of inquiry, date of December 12, 1949, on the cotton situation in Trinity County. We have 175 acres of cotton to be distributed to new grower cotton farms. To date there has been at least 320 applicants for his acreage. The applicants for the acreage are from farmers who shifted during the war to other crops, and GI's returning from the war. A few of the applicants, approximately six to eight, are people who have been working in defense industry, but have returned to the farm because they are too old and are being laid off from work, due to their age.

Several applicants are tenants from the farm having allotments so low the landlord will work the entire crop of cotton; example, tenant owning 80 acres of land, approximately 45 acres in cultivation, has worked peanuts (for market) and cotton on the adjoining farms for the years 1946, 1947, 1948, and feed crops on his own farm. Under the present law the tenant is a new grower and the landlord has a small allotment, which necessitates the tenant requesting new-grower allotment.

To clarify the situation in this county, we would like to point out that in 1942, 1,400 farms were growing cotton, compared to 516 allotment farms in 1950. You can imagine the number of requests this office will have for new grower allotments.

May I make a personal observation and state that we are 12 months behind on cotton. Everyone realizes there is a surplus of cotton, due to bumper crops in 1949, thereby necessitating a reduction in acreage. However, if we, or the farmers, have to accept a drastic reduction, the buying power of the farmer will be reduced so much that industry, labor, etc., will be affected to such

an extent as to drive our country back to a depression.

In a recent meeting with the local merchants in our small town, everyone, without an exception, has already felt the effects of this program. The farmers are holding their money and doing without everything except the absolute necessities.

I wish that you, as well as Mr. PICKETT and the others, could be in our office and get the reaction of the farmers that visit this office. Then you would have a clearer picture of the whole situation. The farmers are not as critical as you would expect, but are disturbed.

It is hard for us to write the story as it actually is in our county, but hope this will help you in your fight for better farm programs. Please call upon us for any information you need and we shall work day and night to supply you with the information.

Very truly yours,

FRANK N. CATES,
Secretary, PMA, Trinity County.

Trinity County: 627 acres, 70 percent; 1,316 acres, 50 percent; 1,442 acres, higher.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Athens, Tex., January 18, 1950.
Mr. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Henderson County reserved 1,450 acres of its official county allotment, all but 334 acres were used in adjusting 5- to 15-acre and other farms.

The chief concern of the committee is new-grower allotments as you see we only have 334 acres for this purpose, which will only be a drop in the bucket when distributed among 1,000 new growers.

We think you could relieve the situation in east Texas if you could get a price support on dry black-eyed and cream peas. Understand the State of California has one on black-eyed beans, which is the same as our peas.

The county committee concurs with Houston County in that the amendment will not help this county if we have to use the BAE acreage for the county. I am enclosing copy of a letter we sent Tom Pickett.

If we can be of further help, please advise.

Yours sincerely,

RAYMOND G. MAGERS,
Chairman, PMA Committee of
Henderson County.

Henderson County: 599 acres, 70 percent; 3,404 acres, 50 percent; 3,454 acres, higher.

At this point I desire to include some additional letters and one table:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Henderson, Tex., January 10, 1950.
HON. LINDLEY BECKWORTH,
United States Congressman, Third District, Washington, D. C.

DEAR MR. BECKWORTH: This will acknowledge your letter of January 6, 1950, relative to the cotton allotments in Rusk County. We also received a copy of House Joint Resolution 384.

The copy of Judge Selman's telegram attached to your letter states the situation in Rusk County the same as it applies to Houston County. If Resolution 384 goes through as now written, it will be very damaging to the farmers of Rusk County.

A 20-percent sample of the 2,550 farms receiving an allotment was tabulated with the following results:

One thousand three hundred and forty-seven and one-half acres would be the increase, of which 160 farms would receive less than 1 acre and 295 farms would receive the balance. This would leave 2,095 farms receiving less than their original 1950 allotment.

This penalty to the bulk of the cotton farms would be a direct result of an arbitrary adjustment of the planted history by the county committee in order to meet the figures of the BAE.

We have 2,105 other farms which do not have a planted history for 1946, 1947, or 1948 but many of them did grow cotton in 1949. There is a reserve of 1349.7 acres set up for new growers. We have over 100 applications for "new grower" allotments and more coming in every day. It is estimated there may be as many as 900 in all.

Respectfully yours,

B. A. DINWIDDIE,
Secretary, Rusk County PMA.

Mr. Chairman, according to some figures I have taken from records of the Department of Agriculture and from the 1949 Texas Almanac, a publication of the Dallas Morning News, some very interesting county cotton acreage comparisons exist in Texas. In 1942 the cotton acreage allotment of some 14 east Texas counties I refer to was 720,501; the 1950 cotton acreage allotment of the same 14 counties is 225,953 acres—less than one-third of the number of acres they had in 1942. The 1940 total population of the 14 counties was 494,004. They have more people now, I would estimate. The 1949 Texas Almanac shows the 14 east Texas counties to have some 43,127 farms.

I think it can be shown, on the other hand, there are counties in Texas individually having in them considerably less than 100,000 people and individually less than 2,500 farms that have more allotted cotton acreage than all the 14 counties with their over 40,000 farms and almost one-half million people—whereas the latter counties referred to individually had less than one-fourth of the cotton acreage then allotted the 14 counties in 1942.

At this point I desire to include a table which I feel is reasonably accurate based on the sources referred to:

Some cotton allotment comparisons

| County | 1950 cotton allotment (acres) | 1942 cotton allotment (acres) | Population, 1940 | Number of farms |
|-------------|-------------------------------|-------------------------------|------------------|-----------------|
| Wood | 10,404 | 42,003 | 24,360 | 2,431 |
| Van Zandt | 26,387 | 84,486 | 31,155 | 4,432 |
| Upshur | 10,160 | 40,496 | 26,178 | 2,856 |
| Smith | 16,595 | 74,680 | 69,090 | 5,313 |
| Rusk | 23,762 | 71,397 | 51,023 | 4,294 |
| Panola | 17,367 | 52,883 | 22,513 | 2,540 |
| Gregg | 3,108 | 14,537 | 58,027 | 1,460 |
| Camp | 6,941 | 16,395 | 10,285 | 1,300 |
| Anderson | 14,516 | 45,761 | 37,092 | 3,096 |
| Cherokee | 15,440 | 57,695 | 33,970 | 4,490 |
| Henderson | 12,542 | 53,337 | 31,822 | 2,896 |
| Houston | 26,758 | 71,291 | 31,137 | 3,884 |
| Nacogdoches | 12,704 | 48,001 | 35,392 | 2,854 |
| Grimes | 19,260 | 47,539 | 21,960 | 1,864 |
| Total | 225,953 | 720,501 | 494,004 | 43,127 |

CARTHAGE, TEX., January 5, 1950.

HON. LINDLEY BECKWORTH,
Member of Congress, Third District of Texas, Washington, D. C.

DEAR MR. BECKWORTH: This will answer your letter of December 23, 1949, regarding proposed legislation to relieve the deplorable situation that cotton growers in Panola County, Tex., find themselves. No doubt the

same conditions exist in most of east Texas, parts of Arkansas, Oklahoma, Louisiana, Alabama, Georgia, and the northern part of Mississippi. In referring to these areas, I have in mind sections of the country where poorer land and smaller farms are located. They were populated with people, both colored and white, with limited education, small incomes, large families, and low credit ratings. Then the war came and age groups affected by selective service could not be deferred because of insufficient units on these small farms. For economical and patriotic reasons those rejected for military service went to nearby shipyards, defense plants, and other employment necessary to the war effort and even to large farms in other sections of the country where farming is carried out on a mass-production scale. Rising prices made it necessary that they earn more money than could be expected from a small farm.

After the war was over these farmers did not readily return to the farm for economical reasons. This resulted in little or no cotton history on many farms in Panola County during the base period—1946-48. In fact 1,300 of the 2,860 farms in this county have no cotton history. Many of these farm people that we refer to have returned to their farms now, because industries are catching up with orders and this labor is no longer needed. Since industry is not obligated to pay men they don't need, these people must be allowed the privilege of earning a living and farming is all they know. This county has only 1,000 acres of cotton allotment to give these non-history farms and if one-half of this 1,300 apply for an allotment, there will be less than 2 acres of cotton allowed for each farm. On these 1,560 history farms in Panola County, most of them will be allowed less than 14 percent of their cropland for a cotton allotment—the county factor is .1398. This situation makes many farmers unreasonable to talk to and you can hardly blame them. Their normal farm life was interrupted by the war and they became displaced persons for such period and it will take time, even a longer period of time, for their readjustment than most any other industry. By comparison, farmers were allowed over 31 percent of their cropland for a cotton allotment before the war.

You asked about the proposed 70-50 amendment for the sections of the country that we mention, but I doubt if very much relief can come from this amendment. In this country it was necessary to make severe downward adjustments in cotton acreages reported by the farmer, to come within BAE estimates. These adjustments had to be made on an individual farm basis and when the farmer complained he was told that such adjustment would not affect his cotton allotment because at least 1 of the 3 years 1946, 1947, or 1948 had been left reasonably high. We told him wrong if the 70-50 amendment is passed and many appeal cases will result.

You asked what provisions would be needed to give some relief. I will say an amendment as follows would give us much relief and not take too much additional cotton acreage: (1) Irrespective of the county factor, the cotton allotment on any history farm shall not be less than 75 percent of the highest acreage reported by the farmer to be planted to cotton in 1946, 1947, or 1948 but not to exceed 30 percent of the cropland on the farm. (2) Grant additional cotton acreage to the county committee for distribution to extreme hardship cases including nonhistory farms. (3) Allow unused cotton acreage to be returned to the county committee for redistribution to other farms.

This is what I think about the situation in general. We are dealing with the same farmer who grew cotton for 5 and 6 cents per pound in the early thirties. That is why they voted for marketing quotas on December 15, 1949, and not because they were satis-

fied with their newly established allotment. They do have hopes, however, that some relief will be offered when Congress meets in January. Mr. BECKWORTH, I believe you will agree, it's no time for any one to be trying to place the blame on the other fellow for criticizing or grabbing glory. The welfare of many people are affected and cannot be helped by "passing the buck." I have confidence in Congress and the Department of Agriculture working out a program fair to the areas of the country that I mention.

Be assured of my sincere appreciation for your personal interest in this subject. With kindest regards, I am,

Yours very truly,

T. L. VINCENT,
Secretary, Panola County PMA.

HENDERSON, TEX., January 10, 1950.

MR. BECKWORTH.

DEAR SIR: I am writing you in regard to my farms. I have 278.02 acres of cultivated land and five tenant houses and they did not give me any land to work in cotton. It looks like I ought to have got some acres. Everybody around me got some acres but me. I would like for you to tell me how to get some land so the tenants can grow some cotton, if they don't get some it is going to be the worst depression that has been in this part of section for many years.

If there is any way you see to help me, will appreciate it.

Your friend,

H. E. PRICE.

JANUARY 11, 1950.

MR. B. F. VANCE,
Production and Marketing Administration, Department of Agriculture, College Station, Tex.:

Please wire me immediately why you reserved only 3.7 percent for State reserve cotton acreage rather than 10 percent for reserve.
LINDLEY BECKWORTH,
Member of Congress.

Note why no higher percentage was reserved by the State committee:

COLLEGE STATION, TEX., January 11, 1950.
HON. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.:

Less than 10 percent of State cotton allotment was reserved by committee for the reason that it was felt that the amount reserved was enough to take away from the stable cotton-producing area of Texas. Details relative to studies made by committee too voluminous to wire.

B. F. VANCE.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Tyler, Tex., January 10, 1950.

MR. LINDLEY BECKWORTH,
Member of Congress,
Washington, D. C.

DEAR MR. BECKWORTH: About 300 to 400 additional acres would be given to Smith County if the 70-percent amendment were added. This is taking into consideration that we were required to adjust downward the reported acreage to get within the BAE figures. If the actual farmers' reported acreage were used as a basis it would greatly help this country.

The number of acres that we have to distribute to old cotton farms which grew cotton first since the war in 1949 is 600 acres, new farms will have to draw their allotment from this same 600 acres. There are 5,600 farms in this county. Only 2,190 of these were eligible to draw a regular cotton allotment. This leaves about 3,400 to draw their allotment from the 600 acres.

Up to the present time we have about 300 requests for this acreage, each day adds a good many more, and it is estimated that we will have at least 500 requests for this acreage by the time we are required to quit taking applications.

Trusting this to be the desired information, I am,

Sincerely,

DAN G. OWEN,
Secretary, Smith County PMA.

THE CAIN BANKING CO.,
Winnsboro, Tex., January 26, 1950.
UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT AGENCY,
Quitman, Tex.

GENTLEMEN: It is indeed very seldom that I am so aroused to the extent that I write a letter of this sort, but from actual facts that have come to my attention in the past weeks, I cannot but write and express my personal views concerning this new agricultural allotment program.

Let me give you a concrete example of the situation as it exists in Wood County: Yesterday a man came into my office, who started farming last year, and will in all probability need assistance in making a crop this year. He is a good man, and has a good credit rating with us. Yet this man is allowed no cotton allotment, and no peanut allotment on his place for the year 1950.

As a banker, I feel that it is my duty to make funds available to good farmers on a sound, conservative basis. My question, then, is this: How can I help the community and how can I help the farmers when in the beginning I know that it is impossible to hope for any repayment of a loan on such conditions. My second question is this: Is the government lending agency going to take care of farmers who are burdened by this limited acreage allotment? My third question is this: How is one of our east Texas farmers going to produce, and how is he going to live?

I am aware of the fact that this letter will in all probability create no adjustment of the many inequalities; yet I urge you to consider it, and if necessary forward it to the persons who control and promulgate your rules. I want my protest to be recorded.

Yours very truly,

MALVIN CAIN.

BEN WHEELER, TEX., January 13, 1950.
HON. LINDLEY BECKWORTH,
Washington, D. C.

DEAR SIR: We, the undersigned farmers in the Ben Wheeler area of Van Zandt County, Tex., hereby protest the cotton program as passed to apply to 1950 acreage allotments.

We feel that the quota for this section of this county is inadequate for the maintenance of decent living standards.

We further object to its arrangements whereby it cuts the scale of acreage too low for new farmers and farmers who, on account of the war and postwar labor shortages, and the planting of wartime crops, were unable to plant their usual cotton acreage for a period of several years prior to the census taken to determine the acreage allotments for this area. A large number of our farmers are not represented or permitted to participate in the regulation of this measure as it is now set up; and

We respectfully request that you use every facility at your command to work this measure into more equitable and desirable form. Respectfully,

O. H. Moseley, W. H. James, H. I. Brooks,
G. R. Preston, L. Pinkerton, S. O. Cooper, H. A. Land, J. T. Butler, Tom Jenkins, N. A. Urvier, A. J. Burnett, J. E. Howell, H. J. Adrian, W. G. Gilchrist, C. R. Stouford, Joe Palmer, F. A. Easley, J. T. Parsons.

KCVI—71

BEN WHEELER, TEX., January 13, 1950.
HON. LINDLEY BECKWORTH,
Washington, D. C.

DEAR SIR: We, the undersigned farmers in the Ben Wheeler area of Van Zandt County, Tex., hereby protest the cotton program as passed to apply to 1950 acreage allotments.

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John N. Huff, Ollie Hall, J. E. Smith, Jack Hancock, C. D. Briggs, G. H. Mullins, O. B. Biggs, E. E. Leine, R. S. Miller, C. M. Hancock, J. E. Wallace, A. G. Oxford, C. L. Youngblood, O. R. Cade, G. M. Martin, J. F. Allen, L. C. Moor, A. G. Cole, J. S. Grisham, M. L. Ayres, J. P. Mayon, C. Myers, E. Myers, Arch Johnson, Bishop Beasley, Homer Hixon, A. C. Pope, A. L. Norton, E. H. Brown, J. O. Fletcher, J. L. Fletcher, M. E. Jones, Bontee Jones, I. H. Slaughter, J. D. Brown, Sr., J. D. Smith, Bon Leybrand, T. B. Thornburgh, F. F. Watts, J. F. Sides, H. A. Reynolds, J. E. Davidson, J. B. Coker, James O. Jenkins, W. B. Jenkins, Jack Stanger, Billy Moseley, G. T. Clarke, C. T. Gray, T. D. Stangor, Hubbard Palmer, Leroy Walker, L. P. Davidson, B. L. Stevens, G. R. Beggs, A. L. Clark, A. F. Butler, C. R. Peaney, H. C. West, Roy Spencer, M. H. Huddle, C. R. Cotton, Raymond Cotton, N. E. Hardwick, J. R. McCraw, W. G. Gilbert, C. F. Ayers, L. D. Ayers, John L. Jones, Clyde Friess, D. R. Thornburgh, J. E. Thornburgh, J. Y. Lane, W. J. Johnson, Ardeon Hallman, J. B. Hardwick, C. H. Love, H. L. Love, W. H. Minburn, N. R. Cantrell, A. B. Pyros, L. F. Hines, R. M. Eling, Howard Preston, J. J. Hopp, S. H. Ruske, T. T. Hines, Tommy Jack Hines, W. S. Byrd, L. J. Veazey, C. L. Clark, Ralph Stanfarb, W. H. Phillips, M. A. Reid, C. B. Rector, A. S. Rector, V. E. Stringer, C. W. Shaw, J. J. Hobbs, Jr., W. E. Fountain, Billie J. Beggs, Ray Stone, A. C. Phillip, R. J. Hilburn, A. W. Hall, J. V. Thornbush, Al Smith, W. H. Walker, W. L. Jackson, J. F. Love, W. L. Jones, P. P. Russell, A. C. Heard.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 14, 1950.

DEAR SECRETARY BRANNAN: I note several cotton States, including Texas, did not reserve the 10-percent cotton acreage their States offices could have reserved.

Did the Department of Agriculture advise these State committees to reserve the amounts reserved? Did it advise them not to reserve the amounts reserved? Was the Department consulted on this?

Please have the proper person call me when this is received.

Regards,

LINDLEY BECKWORTH.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 28, 1950.

DEAR SECRETARY BRANNAN: If a cotton farmer in a cotton county is given the allotment of 10 acres this year, 1950, and under the Cooley resolution releases it—the Cooley resolution now being considered—the House will be assured the same 10 acres next year is he desires it, assuming the cotton acreage in his county remains the same? Will he be allowed to vote if he grows no cotton in 1950 or has no interest in any cotton that is grown in 1950?

I'd like this information on the Hill, if possible, before the vote comes on the resolution.

Regards,

LINDLEY BECKWORTH.

P. S.—Would he be regarded as a new cotton farmer in 1951?

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Nashville, Tenn., January 19, 1950.

HON. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: We are enclosing a summary by counties of the probable acreage required under certain provisions of the proposed legislation quoted in your letter of January 10, 1950, in which you requested this information.

We shall be glad to furnish you with any further information that we have available. Very truly yours,

CARL FRY,
Chairman, State PMA Committee.

County summary of total additional acreage required—Re 50- and 70-percent provisions of proposed legislation

| | Additional acreage required based on adjusted acreage | | |
|-----------------|---|----------------------------|--|
| | Under 70-percent provision | Under 50-percent provision | Under higher 50- or 70-percent provision |
| Bedford..... | 0 | 0 | 0 |
| Benton..... | 14.5 | 17.5 | 19.0 |
| Blount..... | 0 | 0 | 0 |
| Bradley..... | 171.9 | 119.0 | 203.1 |
| Cannon..... | 0 | 0 | 0 |
| Carrroll..... | 1,525.0 | 2,953.5 | 3,623.5 |
| Chester..... | 211.0 | 33.5 | 212.5 |
| Coffee..... | 69.0 | 70.5 | 84.5 |
| Crockett..... | 599.5 | 190.0 | 621.5 |
| Davidson..... | 2.7 | 0 | 2.7 |
| Decatur..... | 224.5 | 857.5 | 892.0 |
| DeKalb..... | 0 | 0 | 0 |
| Dickson..... | 0 | 0 | 0 |
| Dyer..... | 930.0 | 446.5 | 1,065.5 |
| Fayette..... | 168.5 | 183.0 | 290.0 |
| Franklin..... | 379.5 | 329.0 | 464.5 |
| Gibson..... | 255.0 | 220.0 | 420.0 |
| Giles..... | 1,714.0 | 1,574.5 | 2,036.5 |
| Grundy..... | 0 | 0 | 0 |
| Hamilton..... | 15.9 | 76.3 | 83.1 |
| Hardeman..... | 1,855.0 | 3,856.0 | 4,103.5 |
| Hardin..... | 615.0 | 302.5 | 731.5 |
| Haywood..... | 2,011.0 | 1,274.0 | 2,614.5 |
| Henderson..... | 928.5 | 336.5 | 965.5 |
| Henry..... | 93.0 | 80.0 | 135.5 |
| Hickman..... | 0 | 12.5 | 12.5 |
| Humphreys..... | 0 | 0 | 0 |
| Knox..... | 0 | 0 | 0 |
| Lake..... | 1,775.0 | 0 | 1,775.0 |
| Lauderdale..... | 0 | 0 | 0 |
| Lawrence..... | 1,786.5 | 3,166.0 | 3,863.0 |
| Lewis..... | 0 | 20.0 | 20.0 |
| Lincoln..... | 8.5 | 919.0 | 919.0 |
| Loudon..... | 0 | 0 | 0 |
| McMinn..... | 44.3 | 6.5 | 44.3 |
| McNairy..... | 2,855.0 | 1,343.0 | 3,078.0 |
| Madison..... | 980.0 | 167.5 | 1,045.0 |
| Marion..... | 81.2 | 112.6 | 120.6 |
| Marshall..... | 88.0 | 117.5 | 117.5 |
| Maury..... | 0 | 2.5 | 2.5 |
| Meigs..... | 41.7 | 21.5 | 46.7 |
| Monroe..... | 2.0 | 7.5 | 9.5 |
| Moore..... | 0 | 10.0 | 10.0 |
| Obion..... | 1,499.5 | 1,117.0 | 1,805.0 |

County summary of total additional acreage required—Re 50- and 70-percent provisions of proposed legislation—Continued

| | Additional acreage required based on adjusted acreage | | |
|------------------|---|----------------------------|--|
| | Under 70-percent provision | Under 50-percent provision | Under higher 50- or 70-percent provision |
| Perry..... | 0 | 0 | 0 |
| Polk..... | 20.0 | 51.4 | 52.5 |
| Rhea..... | 0 | 0 | 0 |
| Roane..... | 0 | 0 | 0 |
| Rutherford..... | 263.0 | 266.0 | 360.0 |
| Sequatchie..... | 0 | 0 | 0 |
| Shelby..... | 29.5 | 24.0 | 53.5 |
| Stewart..... | 0 | 0 | 0 |
| Tipton..... | 557.0 | 56.0 | 590.5 |
| Van Buren..... | 0 | 0 | 0 |
| Warren..... | 14.9 | 34.1 | 36.3 |
| Wayne..... | 59.0 | 347.0 | 353.5 |
| Weakley..... | 2,732.5 | 2,896.0 | 3,180.0 |
| White..... | 0 | 0 | 0 |
| Williamson..... | 8.5 | 0 | 7.0 |
| Wilson..... | 0 | 0 | 0 |
| State total..... | 24,629.6 | 23,617.4 | 36,095.8 |

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Nashville, Tenn., January 19, 1950.
HON. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reply to your communication of January 13, 1950, regarding the State committee reserve under the 1950 cotton marketing quota program, we desire to inform you that the State committee withheld 10 percent of the State acreage allotment for distribution to counties on the basis of historical trends in acreage, abnormal conditions affecting plantings, small farms, and applications for new farm allotments. All of this reserve has been distributed to cotton counties with the exception of that for new farm allotments which will be distributed after February 15, which is the closing date for applications for new farm allotments in Tennessee.

We believe that this reserve has been adequate from a State basis.

Very truly yours,
CARL FRY,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 24, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letters, one of which was dated January 3, 1950, two January 4, 1950, one January 5, 1950, and one January 13, 1950, with which you enclosed a copy of a telegram which you had received from Mr. Roy Selman, county judge of Crockett, Tex., dated January 3, 1950. You will note these telegrams are all exactly alike and were transmitted to us under five different memorandums on the dates described above.

Each of the inquiries is relative to the use of Bureau of Agricultural Economics data in the determination of cotton acreage allotments. Section 301 (c) of the Agricultural Adjustment Act of 1938, as amended, provides that:

"The latest available statistics of the Federal Government shall be used by the Secretary in making the determinations required to be made by the Secretary under this Act." (7 U. S. C. 1940 ed. 1301 (c), February 16, 1938, 52 Stat. 43.)

Therefore, we have in accordance with the law used the latest available statistics of the Government in the determination of cotton acreage allotments.

Sincerely yours,
CHARLES F. BRANNAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, January 24, 1950.

HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: Your note of January 9 to the President with which you enclosed a copy of the CONGRESSIONAL RECORD of January 3 has been referred to us for consideration.

I find that we have already given you our comments on the present cotton-acreage-allotment law, and our Solicitor and Acting Director of our Cotton Branch have discussed corrective measures with you.

Sincerely yours,
CHARLES F. BRANNAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., January 20, 1949.

HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This is in reply to your letter of December 29, 1949, with reference to a letter you received from Mr. Forrest Gilbert, Rural Route No. 3, Grand Saline, Tex., concerning acreage allotments on cotton and peanuts.

It appears that the farm in which Mr. Gilbert is interested is not eligible for an old grower cotton allotment under the provisions of Public Law 272 because there was no cotton planted on the farm in 1946, 1947, and 1948, or regarded as planted in 1946 and 1947 under Public Law, 12. If Mr. Gilbert wishes to grow cotton on his farm in 1950, he should contact his county PMA committee and make application for a new farm cotton allotment. The State committee has established March 1, 1950, as the final date for applications for new farm allotments to be filed with the county committee, with the county committee having the privilege of setting an earlier closing date. In view of this, we suggest that Mr. Gilbert contact his county committee within the near future.

Under legislation contained in the Agricultural Adjustment Act of 1938, as amended, 1950 peanut acreage allotments are at this time being established by county PMA committees for farms on which peanuts were picked or threshed in one or more of the years 1947, 1948, and 1949. If Mr. Gilbert's farm did not have peanuts picked or threshed in any of these 3 years and if he wishes to apply for a new farm peanut allotment for 1950, he should contact his county PMA committee within the near future.

The producer indicates in his letter that he may possibly desire to plant peanuts for feed purposes. You may possibly wish to advise him that there will be no restriction in 1950 on the acreage of peanuts planted and hogged-off.

With reference to the eligibility of farmers to vote in the cotton referendum held December 15, 1949, it may be pointed out that farmers eligible to vote in this referendum were those engaged in the production of cotton in the calendar year 1948.

We hope that we have made the matter clear to you. When we can be of further service to you, please advise.

Very truly yours,
B. F. VANCE,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., January 19, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 6 with which you enclosed a copy of a letter from Miss Cora Johnson, Longstreet, La. Miss Johnson had requested your assistance in securing cotton allotments for Panola County farmers.

As you know, 1950 farm cotton allotments have been determined in strict accordance with regulations and instructions issued by the Secretary of Agriculture. These are based on public laws passed by the Congress. Consequently, there is nothing that the State committee can do to increase farm allotments except as the Congress may provide in amendatory legislation. I believe suggestions made in my letter of this date, if enacted into law, will provide considerable relief, particularly in east Texas counties where small allotments have been established.

Very truly yours,
B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., January 19, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 7 with which you enclosed a copy of a letter from Mr. B. B. Rabb, Point, Tex. Mr. Rabb suggested an alternate method of apportioning county cotton allotments to eligible farms in the county.

The suggestions made for making farm cotton allotments are substantially the same as those included in my letter of this date which was in reply to your letter of December 30. I believe the proposal has considerable merit, particularly for east Texas counties. It is also approximately the same proposal that was made by the Department of Agriculture spokesmen at the time recommendations were made to the first session of the Eighty-first Congress on ways and means of making farm cotton allotments.

Very truly yours,
B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., January 19, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 10 with which you enclosed a copy of a letter from Mr. A. M. Mainier, route 3, Carthage, Tex. Mr. Mainier had requested your assistance in securing a larger cotton allotment for a neighbor's farm.

There is no indication in the letter that county and community committeemen have not established the 5-acre allotment in accordance with regulations and instructions issued from this office. However, if the neighbor of Mr. Mainier is dissatisfied with the allotment he should file an application for review with the local PMA secretary at Carthage, Tex. A duly constituted review committee will review the determination of the cotton allotment to see that it is fair and equitable and that it was determined properly.

There is a possibility that amendatory legislation now being considered by the Congress will increase the cotton allotment referred to above, but I can make no commitment since I do not know the provisions of the legislation that may be passed.

I regret that under the circumstances there is nothing that we can do here to increase the farm cotton allotment.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., January 19, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 11 in which you quoted a pertinent portion of a letter from Mr. J. Perrin Willis, box 5, Rusk, Tex. Mr. Willis had suggested an alternate method of making farm cotton allotments.

I do not agree with the suggestion made by Mr. Willis. Instead, it is my opinion (for diversified counties) that the county cotton allotment be apportioned among farms primarily on the basis of the average cotton history during the 3 years immediately preceding the year for which the cotton allotment is being made. Secondary factors

of cropland, work stock and equipment, labor and adaptable soil, of course, need to be injected into this method of apportioning the cotton allotment. I do not recommend that this suggestion be extended to straight cotton counties where the percentage of cropland method in apportioning the county allotment is satisfactory and workable. In this manner, State and county committees will have considerable latitude in making farm cotton allotments and in minimizing the percentage reduction in average cotton acreage on small farms. Also, at the same time, small cotton farmers will have made a contribution to the national reduction in cotton acreage.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 20, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 10 regarding cotton legislation and acreage allotments.

The Department does not have available by counties data as to the additional cotton acreage that would be required or allotted under the present proposed legislation.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Washington, D. C., January 20, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 7, 1950, requesting information regarding tobacco acreage allotments for 1942 and 1950 for all counties in the United States growing tobacco.

Marketing quotas were in effect in 1942 and are in effect for 1950 for flue-cured, burley, fire-cured, and dark air-cured tobacco. Quotas are in effect for Virginia sun-cured tobacco for 1950 for the first time. We are enclosing a tabulation by States and kinds of tobacco showing the total acreages allotted in 1940 through 1949.

The total tobacco acreages allotted in each State in 1950 will vary from those for 1949 by kinds of tobacco approximately by the following percentages: Flue-cured tobacco, increase 1 percent; burley tobacco, decrease 10 percent; and fire-cured and dark air-cured tobacco, decrease 13 percent. The total acreages allotted in each county are not available. However, it is hoped that the enclosed tabulation by States and kinds of tobacco will serve your need.

Sincerely yours,

RALPH S. TRIGG,
Administrator.

Tobacco acreages allotted by States and by kinds, 1940-49

| State and kind | 1940 acreage | 1941 acreage | 1942 acreage | 1943 acreage | 1944 acreage | 1945 acreage | 1946 acreage | 1947 acreage | 1948 acreage | No. 1949 allotments | 1949 acreage |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|
| Flue-cured: | | | | | | | | | | | |
| Alabama..... | 453 | 445 | 487 | 489 | 588 | 516 | 568 | 560 | 487 | 171 | 511 |
| Florida..... | 13,598 | 13,673 | 15,168 | 16,169 | 19,893 | 21,526 | 24,634 | 25,863 | 18,746 | 7,407 | 20,008 |
| Georgia..... | 73,224 | 73,659 | 81,053 | 85,860 | 105,907 | 110,115 | 124,153 | 124,111 | 90,995 | 29,384 | 96,447 |
| North Carolina..... | 508,557 | 511,224 | 564,378 | 602,220 | 733,836 | 747,578 | 839,121 | 828,121 | 602,235 | 120,254 | 635,879 |
| South Carolina..... | 85,003 | 85,054 | 94,244 | 99,027 | 122,463 | 125,095 | 141,341 | 142,068 | 103,836 | 25,155 | 109,895 |
| Virginia..... | 77,375 | 77,604 | 85,892 | 91,687 | 111,440 | 113,658 | 127,408 | 126,042 | 91,701 | 23,903 | 96,717 |
| Total..... | 758,210 | 761,659 | 841,222 | 895,452 | 1,095,127 | 1,118,488 | 1,257,225 | 1,246,765 | 908,000 | 206,274 | 959,457 |
| Burley: | | | | | | | | | | | |
| Alabama..... | 157 | 162 | 161 | 167 | 218 | 232 | 128 | 108 | 86 | 60 | 64 |
| Arkansas..... | 85 | 82 | 84 | 99 | 115 | 103 | 127 | 105 | 102 | 102 | 104 |
| Georgia..... | 121 | 138 | 135 | 106 | 139 | 113 | 119 | 101 | 103 | 155 | 120 |
| Illinois..... | 34 | 36 | 12 | 37 | 54 | 62 | 61 | 41 | 37 | 42 | 36 |
| Indiana..... | 10,436 | 9,722 | 10,223 | 12,075 | 16,509 | 16,435 | 14,407 | 12,114 | 11,804 | 9,304 | 11,975 |
| Kansas..... | 433 | 451 | 344 | 509 | 660 | 598 | 454 | 366 | 335 | 117 | 342 |
| Kentucky..... | 260,306 | 261,352 | 265,153 | 299,927 | 394,700 | 409,790 | 376,986 | 311,953 | 308,155 | 143,795 | 311,598 |
| Missouri..... | 5,458 | 5,155 | 5,499 | 6,331 | 8,093 | 8,231 | 7,402 | 5,945 | 5,711 | 2,131 | 5,673 |
| North Carolina..... | 7,850 | 7,139 | 8,022 | 10,188 | 15,132 | 15,578 | 14,198 | 12,833 | 12,872 | 15,999 | 13,049 |
| Ohio..... | 13,074 | 12,068 | 12,124 | 15,555 | 21,014 | 21,496 | 18,934 | 15,714 | 15,418 | 10,800 | 15,567 |
| Oklahoma..... | 7 | 5 | 8 | 9 | 10 | 12 | 8 | 5 | 5 | 1 | 5 |
| Pennsylvania..... | | | | | | | 12 | 6 | 5 | 3 | 3 |
| South Carolina..... | 97 | 98 | 98 | 99 | 91 | 15 | 18 | 15 | 14 | 27 | 11 |
| Tennessee..... | 62,180 | 61,791 | 63,723 | 76,000 | 108,014 | 111,649 | 102,062 | 89,984 | 89,369 | 84,580 | 90,422 |
| Virginia..... | 10,429 | 10,535 | 9,016 | 12,935 | 18,092 | 18,615 | 17,015 | 15,005 | 14,920 | 15,437 | 15,112 |
| West Virginia..... | 3,938 | 4,020 | 4,053 | 4,703 | 5,992 | 5,954 | 5,344 | 4,346 | 4,256 | 4,102 | 4,176 |
| Total..... | 374,605 | 372,764 | 378,695 | 438,741 | 588,833 | 608,888 | 557,335 | 468,641 | 463,192 | 286,745 | 468,257 |
| Fire-cured: | | | | | | | | | | | |
| Illinois..... | (1) | 14 | 15 | 10 | (1) | (1) | 11 | 11 | 7 | 2 | 6 |
| Kentucky..... | (1) | 33,151 | 33,415 | 36,081 | (1) | (1) | 46,877 | 46,333 | 30,961 | 11,451 | 26,342 |
| Tennessee..... | (1) | 35,176 | 33,775 | 36,400 | (1) | (1) | 47,290 | 47,799 | 31,797 | 9,824 | 26,843 |
| Virginia..... | (1) | 15,976 | 13,730 | 16,191 | (1) | (1) | 23,436 | 21,973 | 14,577 | 8,052 | 12,337 |
| Total..... | (1) | 84,317 | 80,935 | 88,682 | (1) | (1) | 117,614 | 116,116 | 77,342 | 29,329 | 65,531 |
| Dark air-cured: | | | | | | | | | | | |
| Illinois..... | (1) | 13 | | | (1) | (1) | | | | | |
| Indiana..... | (1) | 379 | 382 | 391 | (1) | (1) | 444 | 361 | 252 | 261 | 245 |
| Kentucky..... | (1) | 30,777 | 30,989 | 33,763 | (1) | (1) | 41,198 | 37,627 | 28,836 | 21,433 | 26,074 |
| Missouri..... | (1) | 7 | 7 | 6 | (1) | (1) | | 11 | 8 | 3 | 7 |
| Tennessee..... | (1) | 4,633 | 4,403 | 5,103 | (1) | (1) | 6,266 | 5,740 | 4,347 | 4,661 | 3,871 |
| Total..... | (1) | 35,809 | 35,781 | 39,263 | (1) | (1) | 47,908 | 43,739 | 33,443 | 26,358 | 30,197 |
| Grand total..... | 1,132,815 | 1,254,549 | 1,336,633 | 1,462,138 | 1,683,960 | 1,727,376 | 1,980,082 | 1,875,261 | 1,481,977 | 548,706 | 1,523,442 |

¹ Marketing quotas not in effect.

² Quotas terminated for 1943 prior to harvest.

COLLEGE STATION, TEX., January 13, 1950.
HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: As requested in your wire of January 12, I am attaching a listing sheet showing a distribution of the 1950 State cotton acreage allotment and the

State committee reserve of 290,207 acres. The State committee reserve represents 3.3 percent of the total State allotment.

The State committee reserve was required to be used for (1) adjusting computed county allotments and upward trend in cotton planting, (2) abnormal conditions affecting cotton plantings, (3) for assisting county

committees with the establishment of fair and equitable allotments for farms whose indicated allotments were between 5 and 15 acres, (4) for assisting county committees with the making of 1950 new farm allotments, and (5) to assist county committees with the making of minimum farm allotments of not less than the smaller of 5 acres

or the highest cotton history of the farm during the years 1946-48.

The adjustment in county allotment for abnormal conditions affecting cotton plantings was the most difficult one since it required that consideration be given to (a) all types of weather conditions affecting cotton plantings in 1947 and 1948, (b) soil crusting in irrigated areas, (c) production of designated war crops instead of cotton in 1947, (d) disproportionate movement of farm operators and farm labor to off-farm employment as between counties, and (e) other minor abnormal conditions affecting one of more counties.

The State committee formula for use in distributing the State reserve is as follows:

1. Trend: For counties and administrative areas where the 1948 actual planted cotton acreage exceeds the 1947-48 average planted acreage by more than 10 percent, an allotment adjustment for such trend was computed as the product of (a) the increase in 1948 acreage over 1947 acreage and (b) 0.0904686.

2. Abnormal conditions: For counties and administrative areas where the 1947-48 average planted acreage is less than the 1941 planted acreage, an allotment adjustment for abnormal conditions of production affecting cotton plantings was computed as the product of (a) the decrease in planted acreage from 1941 to the 1947-48 average and (b) 0.0904686.

3. Five- to fifteen-acre allotment farms: For assisting county committees with the adjustment of allotments for 5- to 15-acre allotment farms, 50 percent of the amount of acreage used for this purpose under the 1942 allotment program (but not less than the smaller of 5 acres or the amount actually used under the 1942 program), except that an additional 1,204 acres was allocated to McLennan County, 859 acres to Hill County, and 214 acres to Coryell County above the amounts specified for use in determining fair and equitable allotments for such farms that will be comparable with allotments established for other similar farms in the communities in these three counties.

4. Group II: For assisting county committees with the establishment of group II (new grower) allotments in 1950, these amounts were allocated:

(a) For counties with official 1950 allotments of less than 1,000 acres, 25 acres, but not more than 25 percent of such official allotment.

(b) For counties with official allotments of 1,000 acres or more but less than 3,000 acres, 50 acres.

(c) For counties with official allotments of 3,000 acres or more but not more than 5,000 acres, 75 acres.

(d) 19,613 acres to certain counties in which substantial acreages of land in farms were devoted to cotton and other crops for the first time in 1949, on the basis of the amount of such cropland of record in the State office.

5. Small-farm increases: The remaining amount of such 3.8 percent State reserve to be added to the State reserve of 5,287 acres, which amounts of allotment are to be used for providing minimum acreage allotments for small farms in all counties.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

[From the Washington (D. C.) Post of January 30, 1950]

MATTER OF FACT

(By Joseph and Stewart Alsop)

TUNG NUTS AND HONEY

If you are a bit bemused by all the bellowing about the welfare state, it is a good idea to look into the present status of national farm policy. Here is where you can see how state economic planning may really

work in America, simply because state planning has advanced further in this particular economic sector than in any other.

Because of Federal farm support prices, a very high proportion of all the major crops of this country now pass through the hands of a Government agency, the Commodity Credit Corporation. The CCC makes loans on, or purchases outright, everything from cotton and wheat to blue lupine seeds. It controls vast storage facilities, deals actively on the commodity exchanges, and offers farm products for exports. Secretary of Agriculture Brannan has just asked that the CCC's capital be increased by \$2,000,000,000.

Nor does the Government stop at subsidizing the farmers under the cover of the CCC's highly philanthropic banking and trading operation. The Government is also empowered to exercise a considerable measure of control over the acreages of each crop that the farmers may plant.

The first thing you discover when you venture into this vital area of national policy, is that this is the happy hunting ground of special interests. Last year, for example, Secretary Brannan very nearly succeeded in getting an administration-approved farm bill through the Senate. At the last minute, however, he was defeated by his great enemies, the American Farm Bureau Federation, and the previous Secretary of Agriculture, now the strongest man in the Senate Agriculture Committee, Senator CLINTON ANDERSON, of New Mexico.

How was this great defeat administered to Brannan? The answer is simple. The Brannan-approved bill did not offer support prices to tung nuts, honey, and pulled wool. The Senators from the honey, tung-nut and pulled-wool States were easily made to see how vital it was for these commodities to be subsidized by the taxpayer. Honey, tung nuts, and pulled wool went into Senator ANDERSON'S bill. And Senator ANDERSON'S bill passed instead of Secretary Brannan's.

Behind all the present clamor for and against the Brannan farm plan, the same sort of process operates on a much larger scale. The principles of the Brannan plan are very simple.

Instead of the present disguised subsidies, farmers are to be paid on open subsidies in the form of "production payments," whenever crop prices fall too low. Instead of being stored, or even destroyed, the subsidized farm products are to be sold on the open market for what they will bring, and eaten by the taxpayers. And because profits will thus be guaranteed to farmers, much more effective Government controls are to be imposed on acreages planted.

It is not the purpose here to say whether the Brannan plan is, or is not a good plan. What needs to be pointed out, rather, is the extreme hypocrisy that pervades the whole debate about this great issue.

The American Farm Bureau, for instance, bitterly denounces the plan as socialistic. But the Farm Bureau is led by Allan B. Kline, who was spotted for Secretary of Agriculture in the Dewey administration. The Farm Bureau is also controlled by large farmers. And one of the original Brannan plan's best features was a clause aimed at the present shocking situation, in which large farmers are given enormous annual presents by the American Treasury.

When the potato support-price mess was at its worst, for instance, more than one "farmer" in Aroostook County, Maine, was getting above \$500,000 annually from the Government for his factory-farmed crop. Such "farmers" made profits of \$250,000 a year or more. To end this nonsense, Brannan proposed to put a ceiling value of \$25,000 on the crops that would be eligible for subsidy from any one farm. This was socialism, and aroused natural indignation.

The other really impelling objection to the Brannan plan is the increase of Government

controls over farmers. But even the most conservative Republicans in Congress now accept the rule that our farmers must be guaranteed profits. If the farmers are to be guaranteed profits, but not controlled, the temptation will be irresistible to increase output until there is a hopeless glut of every crop, and the whole system collapses in chaos. In short, farm controls are the essential price of guaranteed farm profits. And if controls are to be honestly attacked, subsidies must be attacked, too.

From all this a conclusion perhaps arises. The real danger of state planning in the American society lies less in the fallibility of the planners, than in the power of special interests in the Congress, and in the widespread belief that you can have your cake and eat it, too.

DEPARTMENT OF COMMERCE,
BUREAU OF CENSUS,

Washington, January 6, 1950.

Mr. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

MY DEAR MR. BECKWORTH: This is to confirm answers to the questions you discussed yesterday with Mr. Ray Hurley, Chief, Agriculture Division of this Bureau.

According to the 1945 census there were 601,273 farms with 9 acres or less of cotton harvested. These farms with 9 acres or less of cotton harvested produced a total of 2,386,668 bales of cotton or an average of 3.97 bales per farm. If these farms were limited to a maximum production of 4 bales each, then the maximum total cotton production on such farms would be 2,405,092 bales. As we have pointed out, we do not know how many of these 601,273 farms produced more than 4 bales of cotton in 1944. If it could be assumed that there are now 1,500,000 farms producing cotton and that the same proportion of these 1,500,000 farms as in 1944 grew 9 acres or less of cotton, then 740,700 farms would have 9 acres or less of cotton. If each of these 740,700 farms were limited to a maximum production of 4 bales each, the maximum total production of such farms would be 2,962,800 bales.

According to the United States Department of Agriculture, approximately 32,200 farmers producing Irish potatoes were eligible for the price-support program in 1948. In 1944 there were 2,105,757 farmers producing Irish potatoes. The 32,200 farmers eligible for the price-support program is equivalent to 1.5 percent of all farmers harvesting potatoes in 1944. It should be noted that a large number of farmers producing potatoes grew them for use only on the farm. In 1944 only 432,923 farmers reported 1 acre or more of potatoes harvested.

Please let us know if we can be of further assistance.

Sincerely yours,

PHILIP M. HAUSER,
Acting Director, Bureau of the Census.

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

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the most constructive provision in the pending bill is the 40-percent provision that the gentleman from California seeks to strike. As has been observed by the gentleman from Georgia [Mr. PACE] and by the gentleman from North Carolina [Mr. COOLEY], chairman of the committee, there is nothing new about that 40-percent provision; that language was contained in the Agricultural Adjustment Act of 1938, as amended.

When asked as to what this amendment would cost, the gentleman from

California, not once but twice, declined to state, but finally said that it might cost \$25,000,000. Permit me to say that I asked the Department what it would cost or how many acres would be added, and my opinion is that \$25,000,000 is just the beginning, as the Department would not even give me a guess, much less an estimate.

I should like to ask the chairman of the committee at this time as to whether or not the 40-percent provision of the pending bill involves the determination just as the determinations have been made by the Secretary of Agriculture under the act of 1938, as amended. I would like an answer for the information of the House.

Mr. COOLEY. I think the gentleman is correct.

Mr. WHITTINGTON. Agricultural surpluses hang like a pall over agriculture; they are a burden today to the Federal Treasury. During the year 1948 the amount of the advances by the Commodity Credit Corporation reached the staggering total of approximately \$3,500,000,000. Just a few days ago the Secretary of Agriculture recommended to Congress that the authority of the Commodity Credit Corporation be increased by \$2,000,000,000. Agriculture is profoundly interested in the preservation of the integrity of the laws under which, beginning with the act of 1938, the farmers have prospered. I know that inequities and injustices under the act of 1949 have developed. The purpose of this bill is to provide for a correction of these inequities and discriminations. Some say that the fault is with the county committees. Others say that the fault is with the State committees. Under the act, provision for reserved acres was made. The acres should have been reserved to correct inequities. However, the Department of Agriculture is not without blame. My understanding is that all adjudications by the county committees and by the State committees had to be approved by the Department of Agriculture. The Department and the committees must share the blame. I agree with the report of the Agriculture Committee that the mistakes were of administration; but no matter who made the mistakes, they should be corrected. These mistakes can be corrected by reducing the 70 percent to 60 percent and by eliminating the 50-percent provision of the bill. I would have favored an amendment as to the regulations, but the statement of the chairman, the gentleman from North Carolina [Mr. COOLEY], and of the gentleman from Georgia [Mr. PACE], as well as the undisputed intent of the House, makes such an amendment unnecessary.

No additional acres that are not absolutely essential to remove inequities and injustices should be added.

Those who advocate the 70-percent as well as those who advocate the 50-percent provision of the bill maintain that the 21,000,000-acre allotment was made and that the Department guessed that some one and one-half to two million acres would not be planted. This was one reason for the 21,000,000-acre limitation. The committee and the Congress knew that it was not contemplated that

21,000,000 acres would be planted. The addition of 1,402,000 acres would increase the acreage to be planted and that increase would be over the acreage that it was contemplated would be planted under the act of 1949.

I favor substituting 60 percent for 70 percent, because 60 percent, with slight differences, has obtained in the previous administration of the law. The 50 percent would result in inequities. It would favor the grower and the region where new lands have been taken in. The advocates of the 50 percent, under the guise of aiding the little man and the veteran, are in reality promoting the interests of the new lands that have been brought into cultivation. The average planted acres for the 3 years is fair. The selection of 1 year would be most unfair.

We have heard a lot about the little man and the big grower. Whenever you eliminate the 40 percent for the 40-acre man who grew cotton with the 40-acre provision in 1942, you eliminate it for the 4,000-acre owner who has gone into cotton in the last few years, whether the 4,000-acre owner lives in the lower Mississippi Valley or in the valleys of California. The average of 3 years rather than the 50-percent high of 1 year is fair and just to all whether the growers or acreage be large or small. The veteran believes in equality. The small owner believes in justice.

I advocate the substitution of 60 percent for 70 percent and the elimination of the 50-percent provision, because as best I can ascertain it will reduce the additional acreage from 1,402,000 to around 800,000 or 900,000 acres, and at the same time provide for the elimination of injustices. I want to remove inequities but I want to prevent surpluses. Such a program is for the general benefit of all cotton growers.

The committee, in 1949, after almost a year, reported and Congress finally passed a bill that I think is generally satisfactory. The mistakes in administration should be corrected. I believe that if the pending bill is amended as I have recommended additional acres will be provided that will amply correct the mistakes.

In speaking with respect to cotton, I have in mind the long-range program. Of course, a program for 1950 that is fair is important but, in view of there being no control since 1942, it is imperative that the existing surplus be increased no more than absolutely necessary on the one hand and, on the other hand, that these surpluses should be reduced as fast as possible. I repeat the act passed some months ago is generally fair. Errors have been made by the committee. The report of the committee admits that they were largely mistakes of administration. It is no answer as I have said, to say that the county committees and the State committees had discretion. Their allotments had been approved by the Department of Agriculture in Washington. The fault was either with the act or with both of these agencies, and probably both with the act and both of these agencies. The pending bill will increase the allotment by 1,402,000 acres. The farmers, when they voted for the program in December

1949, knew that the allotment was 21,000,000 acres.

As I have stated, the constructive feature of the pending bill is the 40-percent provision. I understand that the rules and regulations prescribed by the Secretary of Agriculture will be determined under the regulations that have heretofore been made in accordance with the Agricultural Adjustment Act of 1938, as amended. The author of the pending bill, the gentleman from North Carolina [Mr. COOLEY], agrees with this interpretation. Otherwise, I would offer an amendment that the regulations must be in accord with the act of 1938, as amended.

I am in sympathy with the real purpose of the bill. I believe that injustices can be removed by substituting 60 percent for 70 percent and by eliminating the 50-percent provision in the bill.

The amendment to eliminate the 40 percent would defeat the very purpose of the pending bill. Neither the Department nor any responsible individual or organization has attempted to estimate how many additional acres would be added by the elimination of the provision. It was in the act of 1938 as amended. It is being interpreted now and will be interpreted in the future as provided by the act of 1938 as amended. The provision has been tried. It has been tested. The pending amendment should be defeated.

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

Mr. WERDEL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is time to reiterate that this is a 1-year bill. It is a temporary bill. Also it cannot be clearly considered unless the admission is again pointed out that the difficulties we are in are administration failures. The fact is that a bill which was believed to be well drafted at the last session of the Congress has been interpreted to mean other things than the Congress intended in two outstanding examples; one, in regard to the war acreage which is a part of the Texas problem, and, second, the fact that the State cotton committees were not instructed as to their powers and what they should do.

It also should be pointed out that the admission has been made that if the bill as drafted had been made to function as intended practically all of the difficulties we are now in might have been alleviated.

The fact is, however, that when the cotton acreage went to the States, some of the committees, not being properly advised as to the powers of the State committees to withhold acreage, went ahead and allocated that acreage and determined the county factors. The acreage is out. It cannot be reallocated. I for one would like to see more acreage come down through the bill with proper instructions to the committees so that we can see just what is faulty with last year's bill at the end of this growing season. But we are not getting that opportunity in this legislation.

I am supporting this legislation and I am supporting the amendment offered by the gentleman from California [Mr.

WHITE] for several reasons. It is a 1-year bill, necessitated by an administration failure. The bill concedes of the discovery of hardship cases at the local level. The county committees could have withheld 15 percent, and the State committees another 10 percent. In my State this means 166,000 acres, only 20,000 of them earmarked for any purpose, but all the rest of which could be used in the discretion of the committee at local level to aid hardship cases. If you think that is not beneficial to the little man you are wrong because there is where the protection was in the last bill. That is, for the little farmer through local committees.

In this bill, the limitation is already there for the 70 percent of the average of 1946, 1947, and 1948 or 50 percent of the largest growing of 1946, 1947, and 1948. Then the 40-percent provision is in there which to me just cements into the law for another 1 year the failure of the county and State committees to withhold enough acreage which would have brought the county factors down and would have left in my State of California 166,000 acres to help the small growers. But when you pass this bill the small grower will still be in the same position. He cannot get above 40 percent by reason of the difficulties created by the failure of administration, and as long as it is an administration failure, then it seems to me we should admit that here. We should take care of the people who have been hurt by that failure and who are now forbidden by law to plant cotton.

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

Mr. WERDEL. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that if this amendment does not prevail, it will limit the 40-percent factor in all of the counties which are now under 40 percent, and those counties with more than 40 percent throughout the country will have more than 40 percent of their total cropland, but yet the further inequity will prevail reducing the other counties below the 40-percent factor?

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

Mr. DEANE. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the subcommittee, the gentleman from Georgia [Mr. PACE] if he will assist me in analyzing the statement that I have prepared and shown here on the chart. Over the week end I advised with a widow lady in my county of Richmond, N. C., on her cotton acreage allotment.

On this board you will see that she grew in 1946, 1947, and 1948, 225 acres of cotton each year; 60 acres of wheat each year; 50 acres of corn each year, and 15 acres of other crops each year; or a total of 350 acres of cropland cut out of a total acreage of 366. She has been allotted only 80 acres of cotton for 1950. On this farm are located 10 families employing 35 tenants. On the basis of this present cut she has notified five of those families that they would have to leave, or an equivalent of half of the tenant population.

My good friend, the gentleman from Utah [Mr. GRANGER], stated some moments ago that there was no suffering going on. I wish to point out to the gentleman that these serious inequities, as represented in this actual case represent much present suffering. These displaced tenants are even now coming to our county welfare offices and the State and the Federal Government must and they even now are taking care of many of these displaced tenants.

I asked the lady represented by the illustration how much additional cotton acreage she would need in order to maintain all of these families on this farm. She said she could get by if she was awarded 125 acres.

Now I want to ask the chairman of the subcommittee the gentleman from Georgia [Mr. PACE] to tell me, on the basis of this illustration, just how much acreage of cotton she would be allowed under the pending resolution.

Mr. PACE. Under the pending resolution the farm would receive an allotment of 140 acres, which would be 40 percent of her total tilled land of 350 acres.

You understand that this lady's home county has already received its fair portion of the national allotment, and the committee is building that up, and the committee bill simply says that when you increase it to 70 percent, we will not increase it beyond 40 percent of the cropland.

Mr. DEANE. I wish to thank the gentleman.

Mr. Chairman, I support the pending resolution, since based upon this lady's actual statement, and I feel it is representative of most growers. She could protect her tenant population and give them full employment if she is awarded 125 acres. I repeat, I feel that the actual case history is characteristic of most of the farms where large numbers of tenants are being displaced.

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

Mr. DEANE. I yield to the gentleman from Arkansas.

Mr. HARRIS. May I ask the gentleman this question? Under the formula that he has explained here to the House, how much has she been allocated for 1950 under the present act?

Mr. DEANE. She has been allocated 80 acres.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from California.

Mr. WHITE of California. Suppose the lady had only 40 acres which she had been planting, all in cotton, does not the gentleman realize that under the 40-percent limitation she could not plant but 16 acres?

Mr. DEANE. In answer to the gentleman, there is a growing feeling on the part of those of us interested in the southern cotton grower that he must diversify on a larger scale. But I return to the subject of these displaced tenants. These particular families have been growing cotton in this community for 40 years, at least the greater number of them. They are completely displaced. They are not familiar with any

other occupation. As we think in terms of displaced persons from Europe, we must not overlook the growing number of displaced persons in this country. I am satisfied, Mr. Chairman, that for every 100 acres of cotton crop land that is removed from production at least 25 people are going to be without employment.

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

Mr. DEANE. I yield to the gentleman from New York.

Mr. KEATING. Does not the gentleman's argument boil down to this, that he is asking the Federal Government to take over a relief activity which should be the responsibility of the community concerned?

Mr. DEANE. No, I do not agree with the gentleman.

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

Mr. DEANE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

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

Mr. DEANE. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman has made some very fine remarks and has been very helpful to those of us who are not from the Cotton Belt. I particularly commend the gentleman from North Carolina for pointing out that this is a human problem, that people will be unemployed and will have to go on relief unless this bill is passed. Would not the gentleman say in response to the gentleman from New York that this is not a relief question? If we pass this bill and it is properly administered, we will keep people from going on relief.

Mr. DEANE. The gentleman is absolutely correct.

Mr. CARROLL. May I commend further the gentleman from North Carolina, whose votes have always been on the side of human beings. It would seem to me, when those people who come from the Cotton Belt can now see this real problem that confronts them, can they not see these other problems that confront human beings in other areas of the country? It would seem to me that this ought to open their minds more than any one measure to the fact that if we do not give this relief there are no industries to which these people can go. Therefore, they will go on relief. They should have some concern for the other industrial areas of this Nation, instead of voting as they do on many important issues.

Mr. DEANE. I thank the gentleman for his contribution.

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

Mr. DEANE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. In answer to the gentleman from New York, is it not a fact that this situation has been the result of a Federal law, and a Federal law ought to change it? These people should not

be thrown by Federal act onto the mercy of the local communities.

Mr. DEANE. The gentleman is correct. I think this will be found. As you study a great many of the cotton growers, the individuals who are growing 200 to 300 acres of cotton, you find they are going to make every possible effort to maintain the tenant population. I know I have talked with several outstanding farmers, and in many cases they indicate that regardless of the cut they would try in some way to maintain their tenants' employment. I do not agree with the philosophy of the gentleman from New York who made the statement a moment ago, because we are either going to help them in their employment by recognizing the need for this adjustment in acreage or we are going to pay for it through charity and our welfare programs.

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

Mr. DEANE. I yield to the gentleman from Texas.

Mr. BECKWORTH. Does the gentleman happen to know how many additional acres of cotton will be provided this county? What is the county?

Mr. DEANE. I do not have the figures. All I can say is I trust the House will adopt this resolution promptly, because the longer we debate it the more serious will become the problem because our cotton farmers must prepare their land and make plans for the approaching season.

Mr. BECKWORTH. What county is this?

Mr. DEANE. My county is Richmond.

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

Mr. DEANE. I yield.

Mr. COOLEY. Did I understand the gentleman to say that the person he has in mind would be satisfied with a 125-acre allotment?

Mr. DEANE. She stated if she was awarded an allotment of 125 acres she could maintain her entire tenant population. I talked also with the manager of her farm and he confirmed this position.

Mr. COOLEY. Under the resolution as now drawn with this provision in it she will get an allotment, not of 125 acres, but of 140 acres?

Mr. DEANE. That is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been some talk about people not planting the entire acreage that they will be given this year. But do not fool yourselves on that score because cotton will be their most profitable crop which they can plant in 1950 under the 90-percent support program and the 22,400,000 acres will be authorized if this bill passes, together with the allocation made under last year's act will all be planted to cotton. When the Department of Agriculture or someone on our committee says that they will only plant nineteen or twenty million acres, why, they are just fooling themselves. This lady, whose case we saw illustrated, said that she would be satisfied with 125 acres. She had 225 acres last year and if she is given 140 acres you

can be sure that she will plant the entire 140 so that she will have more work for her tenants and profit for herself.

There is another point that has been brought out here, and that is that this would only cost the Government, if it cost anything, \$75,000,000. The cotton production in 1948 was 312.5 pounds per acre. Last year it was 285.8 pounds per acre. I recognize the fact that the 10-year average was 254 pounds to the acre. But if we have comparable weather this year, and I am satisfied that with the additional fertilizer they are putting on the land we can probably get the average of 1948 and 1949, which would be about 300 pounds to the acre, it would cost the Treasury about \$120,000,000 if the Government is forced to buy all of this cotton.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. PACE. I am sure the gentleman does not want to leave that statement stand in the RECORD. It does not necessarily mean that the Government will lose \$120,000,000 if it makes a loan on that much cotton, does it? We know that the Government made a profit of \$200,000,000 on its loan cotton.

Mr. AUGUST H. ANDRESEN. Of course, we might have a crop failure, too, and it might be a blessing to have this amount of cotton on hand. But the gentleman knows eventually you have to get rid of the cotton. You can keep it for a number of years, but you have to get rid of it and the only way we are getting rid of about 3,000,000 or 3,500,000 bales of cotton a year is through the ECA. The ECA gets its money from the taxpayers of the country. That is why it can be said that the Commodity Credit Corporation shows a profit. Is not that correct?

Mr. PACE. The Commodity Credit Corporation certainly cannot take the losses of the ECA expenditures. Nobody expects that.

Mr. AUGUST H. ANDRESEN. No, but the ECA gets its money from the taxpayers through the Treasury. ECA buys cotton from the Commodity Credit Corporation and then gives it away to other countries. When that program comes to an end, when no money is appropriated for ECA to buy this cotton, then the gentleman will admit we will have a real problem in this country.

Mr. PACE. Then the cotton and wheat growers and all the other farmers of this Nation are going to be in trouble; yes, sir.

Mr. AUGUST H. ANDRESEN. That is right and that is the problem we have to face.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COOLEY. Certainly the gentleman does not object to the ECA money being spent for cotton and other agricultural commodities, does he?

Mr. AUGUST H. ANDRESEN. No; I want that money spent for cotton and tobacco and other commodities produced in this country rather than to have the money appropriated and given to England and some of these other countries to buy cotton, cheese, wheat, and bacon

and other products in other parts of the world outside of the United States.

Mr. Chairman, I want to say something about the dairy situation, in view of what my good colleague, the gentleman from Kansas, said.

There is no restriction on the production of milk, but there is a restriction upon the marketing of milk and dairy products throughout the United States. We are producing too much milk in the Middle West. That milk must go into cheese and butter. Limitations have been placed upon the marketing of milk and cream in the United States. In the first place, Congress put through the milk marketing agreement and orders, back in 1937, which built up trade barriers between sections of the country. That action stopped the surplus-producing areas of milk from shipping milk and cream into those areas where we have the heavy consumption.

The other restraint is this oleo legislation which is gradually taking away the butter market from dairy farmers, and after June 30, 60,000,000 pounds of butter will be imported under a duty of 7 cents per pound. These three acts on the part of the Roosevelt and Truman administrations will rapidly liquidate the great dairy industry of the Midwest.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. WHITE of California. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. HARRIS. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. WHITE of California. I yield.

Mr. HARRIS. What is the pending amendment?

The CHAIRMAN. The pending amendment is a pro forma amendment to strike out the last word.

Mr. HARRIS. Have we voted on the amendment offered by the gentleman? I have been here right along and I did not think we had.

The CHAIRMAN. It is still pending. This is an amendment to the amendment.

Mr. WHITE of California. Mr. Chairman, dealing with the situation in regard to the cropland approach to farm cotton allotments, as compared with the historical approach, I want to read an excerpt from a letter from the Secretary of Agriculture, which was written within the last few days. It deals very pointedly with that subject. I am quoting from the letter:

The difficulties encountered by the use of the cropland as a primary basis in establishing farm cotton acreage allotments were clearly written in the history of the legislation and the administration of the Agricultural Adjustment Act of 1938. When the act was first enacted in February of 1938, no provision was included for establishing minimum cotton acreage allotments for farms except for some of the smaller ones. Regulations and instructions were prepared for the administration of the original provisions of the act and were applied in some counties. Immediately, it was noted that the same type of inequities about which many complaints are now being heard with respect to Public Law 272 likewise resulted when the original provisions of the act of 1938 were applied in these counties.

Now, if that is not a condemnation of the cropland procedure, I do not know what it is.

He says further:

Basic legislation should be revised to apportion county cotton allotments to farms primarily on the basis of recent cotton acreage history.

Now that is certainly a repudiation of the 40 percent limitation which my amendment seeks to strike out.

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

Mr. WHITE of California. I yield.

Mr. PACE. Of course, the gentleman knows that he and I must sooner or later face that situation in the committee. You get your State allotment on history and you get your county allotment on history.

Mr. WHITE of California. That is all right for permanent legislation, but this is temporary legislation.

Mr. PACE. How does it strike the gentleman to let it stay like it is and then let each county and each State determine whether the allocation shall be by cropland or by history?

Mr. WHITE of California. Well, we could discuss that at the time, but at the moment I think this should be stricken out of this temporary legislation, because, after all, we are dealing with complaints from farmers all over the Nation. We told them that this 40 percent would not be in there and yet it was put in. It is a fraud on the farmers.

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

Mr. WHITE of California. I yield.

Mr. COOLEY. Who told them that that would not be in there?

Mr. WHITE of California. The committee issued a press release in which the provisions of the relief were clearly outlined. It was done for the express purpose of informing those farmers just what the situation would be.

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

Mr. WHITE of California. I yield.

Mr. COOLEY. The gentleman made the statement that the gentlemen's committee has told the farmers that the 40 percent provision would not be in the bill. The gentleman knows that I made no such statement. The gentleman knows that I introduced the bill in exactly the same form it was—

Mr. WHITE of California. I am not criticizing the gentleman from North Carolina. He has acted in good faith all the way through. I did not mean any reflection on him.

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

Mr. WHITE of California. I yield.

Mr. SUTTON. How much additional acreage will the knocking out of this 40-percent provision give the State of California? Has the gentleman got those figures?

Mr. WHITE of California. No; I am sorry I have not got them. But I know of several cases that are directly affected, and they are little people. I have complaints; in fact, I have a petition on it over in my office.

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

Mr. WHITE of California. I yield.

Mr. GROSS. The gentleman said that the Government perpetrated a fraud in this matter. Will the gentleman say who in the Government perpetrated the fraud?

Mr. WHITE of California. I did not say that the Government had perpetrated a fraud; I said that it would be a fraud if we left this provision in the legislation, and I have moved to strike it out. I therefore ask all the Members to support my amendment to keep from perpetrating a fraud upon the farmers of the Nation.

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

Mr. WHITE of California. I yield.

Mr. GATHINGS. I want to commend the gentleman for introducing this amendment. This provision ought to be stricken out. As a matter of fact, a press release was issued and it was sent out to the American cotton farmers and showed exactly what would be provided.

Mr. WHITE of California. The gentleman is absolutely right.

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

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment proposed by the gentleman from California [Mr. WHITE], a member of the committee, would strike out the proviso in the resolution limiting all farms to 40 percent of the total tillable cropland on the farm, notwithstanding the previous provision assuring that no farm shall be reduced less than the larger of 70 percent of the average acreage planted to cotton or regarded as planted on the farm 1946, 1947, and 1948, or 50 percent of the highest acreage planted in any one of three such years.

I am supporting the amendment. I believe it is fair; I believe it is right; I believe it to be more equitable. I say this because I think that if we are going to have the cropland approach to this problem it is inequitable for one county to have 47 percent of its total tillable cropland production in cotton and other counties to have but 40 percent. It just is not right for one county in my State, Mississippi, as represented by my distinguished, lovable, and able colleague, from Arkansas [Mr. GATHINGS], a member of this distinguished committee, to have 47 percent of its cropland and for Union and many other counties throughout the United States with less than 40 percent to be limited to 40 percent; but that is what is being attempted.

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

Mr. HARRIS. I yield.

Mr. GATHINGS. I agree with the gentleman wholeheartedly that if one county in the Cotton Belt gets 47 percent that all counties should, that neither Union County nor any other county should be damaged by being forced to take but 40 percent.

Mr. HARRIS. If this provision remains in the bill it penalizes the county with the low factor in favor of the county with a high factor. I regret to be forced to disagree with the distinguished gentleman whose work I appreciate very much, the chairman of the committee, the gentleman from North Carolina [Mr.

COOLEY]. But I honestly believe he is wrong. This is a Farm Bureau amendment and continues inequities instead of correcting them as they should be.

Mr. Chairman, I think one thing that has brought this matter back to us at this time is that we have not understood generally how it actually worked when applied to the individual farm. The broad policy appears to be all right for the proper acreage reduction. We understood it on a national basis, on the State level, and its application to the county, but when it got to the individual farms the trouble started; there is where we failed to understand its application. I think for the record and information we should know now just how this is going to work and how it will be administered. I talked to Mr. Woolley about it with a view of learning how this law would be administered, and I shall be glad to include in the RECORD, following these remarks, a letter which I received from him advising just how it would be administered if passed as it is now before us reported by the committee.

Let me carry this just a little farther, using the example stated by the gentleman from North Carolina [Mr. DEANE], as he has outlined here on this chart. Mrs. A has a total cropland production of 350 acres. I do not know what her factor is, but it gives her 80 acres allocation to cotton for 1950.

If this resolution were to be adopted, it is my understanding, and this letter from the Department of Agriculture bears out my statement, that the present listings will be used. The farmer will be notified what his present listing is. If he has 100 acres he will be notified of that 100 acres allotment and the 70 or 40 percent, if this is maintained, limitation. The farmer will be notified as to what his crop will be under the present listing, applying the 70-40 percent, as this resolution provides. He will also be notified at the same time that if he is satisfied that will be the end of it. That is his allotment.

If he is not satisfied he may come to the county office and file in writing an appeal with the county committee within 15 days. The county committee will refer it to a review board, which board will be from outside and come into that county for the purpose of hearing his case. Then the review board will say to Mrs. A.: "You have shown here that you are entitled to more than 80 acres. If that can be shown, we will give you 70 percent of your average planting for 1946, 1947, 1948 or 50 percent of any one of such years whichever is the larger is it is not more than 40 percent of the total cropland." This will be an independent board before whom the farmer can go and show and prove that he is entitled to have.

The additional question comes up as to whether or not the reported acres of the farmer will be used or the adjusted BAE acres will be used. Under this review or request for review, if she can show the BAE figures are not correct, the review board will correct her allotment accordingly and give her what the resolution says, the larger of 70 percent of the actual planting of the years 1947, 1948, and 1949 or 50 percent of any one

of these years if within the 40 percent limitation of total cropland.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,

Washington, D. C., January 30, 1950.

HON. OREN HARRIS,
House of Representatives.

DEAR MR. HARRIS: This will confirm our conversation Friday afternoon about the plan the Department of Agriculture intends to follow in carrying out that part of House Joint Resolution 398, provided it becomes law, with respect to notifying farmers of their new allotments.

It is our intention to use the present data on the listing sheets as to the average production of cotton for the 3 years, 1946, 1947, and 1948, or regarded as planted to cotton, and derive what 70 percent this figure would be. From the same source we would determine what 50 percent of the highest planted or regarded as planted would be for one of those three years. This information would then be included in the notice to all producers whose allotments would be raised thereby with further information that if they were dissatisfied with their base, they could likewise appeal this information. The appeal would be to a review committee composed of farmers outside the county in which their farm is located. The notice would indicate that to obtain the additional allotment it would be necessary to file an application at the county office with a certification of intention to plant the additional acreage. All other producers who had received an allotment in excess of 70 percent of the average of the 3 years, 1946, 1947, and 1948, or 50 percent of the highest planted in one of these years would not be given any special notice. However, each county committee would be instructed to publicize the fact that the law permitted an appeal from the base acreage and indicate the procedure that should be followed in filing the appeal.

It is my understanding that the foregoing is in accordance with the desires of the House Agriculture Committee.

Sincerely yours,

FRANK K. WOOLLEY,
Deputy Administrator.

The CHAIRMAN. The time of the gentleman from Arkansas has expired. Mr. POAGE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, let it be known that the committee as such is not supporting this amendment. It is true that some members of the committee did meet in Washington in December and without having an opportunity to go into all of the details suggested that they wanted to give to the farmers certain relief which this bill carries. These members did not tell the farmers of the United States that they had at that time written in all of the details of the legislation. They simply outlined the type of relief that they would attempt to secure.

When we considered the entire matter we found we were getting into some rather deep water. As I said a while ago, the purpose of cotton allotments and all other allotments is to protect the taxpayers, not to protect the cotton farmer, but to protect the United States Treasury from having to pay out too much money.

We have been rather liberal, in my opinion, in the bill we have brought before you. We have sought to take care of all of the real hardship cases. There will be some we cannot take care of. I think the gentleman from Texas [Mr.

BECKWORTH], has described some. I do not know how you can take care of those in this emergency legislation. It is not however necessary to give a man a cotton allotment on 70 percent of all the land each farmer owns in order to take care of hardship cases.

Let me give you a personal illustration. In 1934 we had this kind of provision in the law. That is, we had no limitation. In 1934 I was farming a section of land in Texas. Adjoining me was a section of land which was as identical to mine as two pieces of land could be. Since 1929 I had been growing about 200 acres of cotton, about 200 acres of wheat and about 200 acres of feed, being the most reasonable rotation I knew on that kind of land. The neighbor who owned the section adjoining me had been planting 600 or more acres in cotton every year. When they gave out allotments they gave him 300 acres of cotton and they gave me 102 acres. I did not feel it was fair then, I do not feel it is fair today. The men who created this cotton problem in 1934 and the men who created it in 1949 were the men who were planting cotton to their doorsteps. They were the men who brought cotton "history" to their counties, it is true, but it is equally true that they were and are the men who brought a cotton surplus to our country and who brought cotton acreage control to their neighbors. I cannot agree that such planters should be rewarded for bringing about the conditions which imperil every cotton farmer in the country and which impose a burden on every taxpayer, and yet the man who has planted a very large part of his land in cotton in the past is the only man who could benefit by this amendment.

The man who was planting all of his land in cotton—he is the man who created the cotton problem. It was not the little farmer who was planting only a portion of his land in cotton; it was not the big farmer who was diversifying and rotating his crops who caused this surplus. It was the cotton hog. I am not going to pin any medals on his breast.

The gentleman from California now comes before us representing a district of the largest cotton farms in the United States. He asks us to give those people the right to plant 70 percent of their entire acreage provided only that they have in the past planted all their acreage in cotton and saying that it would be unfair to cut them down to 40 percent of their total acreage. The gentleman suggested that we must give them the right to plant 70 percent.

Now, in the name of all that is sound, is that fair to the taxpayer? Is that fair to the farmer who has diversified his crop? Is that good farming practice? Can any man say that when you have to follow cotton with cotton, to plant your allotment, that you are following sound farming practices? I submit that sound cotton farming in California, Texas or Arkansas would suggest that a man not plant cotton on the same land more than once in about every three years, and that he plant something else in the meantime. Now, if we are going to try to care for the man who has followed the practices that our Department of Agriculture has

suggested, and who has sought to institute a sound and balanced farming program, then let us give the acreage to the man who is really suffering and not give it to the man who has been planting all of his land in cotton over a long period of years.

Let us, my friends, give consideration to whether the man has followed sound farming practices. Can you justify using Government money to support a program of unsound farming practices? Can you justify a program of using Government money to plant 70 percent of any man's land, in cotton? I do not think you can.

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

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. May I inquire of the Chairman when the Republicans will be heard on the subject of cotton?

The CHAIRMAN. Any time that the members of the committee do not seek recognition and the gentleman does.

Mr. GATHINGS. Mr. Chairman, the gentleman from Texas would have you think that there was a difference between a man that farms a big farm, using tenants on his farm, and a man who lives on his farm and owns 20 acres of land. There is no difference under the shining sun whether a man owns 2,000 acres of farm land and has 10, 15, or 20 families on his farm or whether that man owns a farm consisting of 40 acres. A tenant family farms just like a man who owns his own land. Just because he is a sharecropper or tenant he deserves the same treatment.

The gentleman from Texas is a fine man, an excellent and learned legislator. I am amazed at his argument. I have never heard the gentleman from Texas do a thing like that, or make a demagogic statement.

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

Mr. GATHINGS. I yield to the gentleman from Arkansas.

Mr. TACKETT. I will ask the gentleman, knowing the State of Arkansas as he does, suppose in the Delta area they have been planting cotton, as they have for the last 100 years, and built up a wonderful history, and suppose in western Arkansas where I live, that one farm has been planting cotton for 100 years, a farm consisting of 2,000 acres, is there any more reason why that man over in western Arkansas should not receive 70 percent, or at least as much, based on the history of that farm, as the man who lives in the Delta area?

Mr. GATHINGS. Let me answer the gentleman.

Mr. TACKETT. One more thing.

Mr. GATHINGS. Just a moment now. The gentleman will have plenty of time. There will be no difference under the hardship cases of any county. The bill would take no acreage away, however it is intended to help those who are trimmed drastically in all counties the same way.

Mr. TACKETT. I will have to do it now, because I may never get the floor again.

Mr. GATHINGS. There is no difference whatever. As a matter of fact if you come from Pike County, as the gentleman does from the adjoining county of Howard, you will get the same percentage as they do in any other county. You get that now. It is a question of administration of the act solely and exclusively. We grow cotton in eastern Arkansas in a big way, that is true.

Mr. TACKETT. In eastern Arkansas you will get 40 per cent and over in western Arkansas, unless the amendment offered by the gentleman from California is adopted, my farmer of 2,000 acres is not going to get 40 per cent. I want to be sure that the farmers in my area are accorded the same treatment as those in any other section of the country.

Mr. GATHINGS. This bill seeks to do equity to all counties throughout the cotton growing States, but the farmer must apply in writing to his county committee stating that he had received an inequitable allotment.

Let me say here and now that cotton trends ought to be considered in any legislation this Congress passes. In one county in the southwestern section of Arkansas a county agent said, "I hope to the Lord that I live to see the day that there is not an acre of cotton ever planted in this county, because the farmers can make more money out of something else." They had gone out of cotton. The trend has gone over to where, the land being fertile and rich down in the delta, there is a type of staple grown that the trade demands. You do not go into the loan as on this cheap grade of cotton raised in the hills, you get a buyer for your product.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. WHITE of California. I should like to correct the statement of the gentleman from Texas that California has 35,000-acre cotton farms. There is a corporate farm out there that has 35,000 acres, but it has only 10,000 acres in cotton. Under this bill, with the 40-percent minimum knocked out, as I propose in my amendment, they could plant but 70 percent of their cotton, and it would be 7,000 acres, which would be one-fifth of their total land. They have hundreds of families on those farms. I hold no brief for the big farmers, I am talking about the 40-acre fellow. It would cut his throat, figuratively speaking. He could plant but 16 acres.

Mr. GATHINGS. The 40-percent provision should not have been incorporated in this bill, it is detrimental to all sizes of farms. I fought this 40-percent proposal in the committee and I am fighting it now.

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

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. PICKETT. The gentleman made reference a moment ago, purely inadvertently, to something about demagoguery. Will not the gentleman correct that before he leaves the floor?

Mr. GATHINGS. I will say I have never heard the gentleman from Texas ever make a demagogic statement. That is what I said. I would not think that any man would object to a person marrying any woman he desired, even if she weighed 300 pounds. That is a privilege we have in America. We cannot and should not attempt to regulate the size of his farm or the size of his home, or his business. That is why our forefathers came to America. We are entitled to freedom of choice and freedom of opportunity as well as any other right accorded a free people. Let us preserve those heritages.

Mr. RICH. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. RICH. Mr. Chairman, the slogan I have taken for the year is "Be nifty and thrifty in fifty." If we do that, how are you going to pay all these subsidies? Think it over.

That is not the question that is so much in my mind right now, as to paying all these subsidies to the cotton farmers, as it is a letter I got this morning that might be interesting to all you cotton-farmer Congressmen. It is a resolution from the Pennsylvania Society of Arizona. I never heard of it before today. It reads as follows:

RESOLUTION

Whereas the State of Arizona faces a grave emergency because of lack of water which threatens to undermine the State's economy by forcing out of production one-third of the State's agricultural lands; and

Whereas to overcome this threat, the only remaining source from which supplemental water is available is from Arizona's share of water from the Colorado River; and

Whereas legislation has been introduced in the Congress of the United States, now designated as S. 75 and H. R. 934 and H. R. 935, the passage of which will preserve, without reduction, our present acreage and provide a needed supply of hydroelectric energy: Now, therefore, be it

Resolved by the Pennsylvania Society of Arizona (representing over 500 former Pennsylvanians now residing in or adjacent to Phoenix, Ariz.), this 12th day of January 1950 at Phoenix, Ariz., That we wholeheartedly endorse the above-designated legislation and exhort the people of Arizona to continue their unified efforts until success is assured; now, be it further

Resolved, That the Pennsylvania Society of Arizona urges the congressional delegation from Pennsylvania to act favorably on the above legislation when it comes before them for a vote and that a copy of this resolution be sent to each and every Member of the Pennsylvania delegation in the Congress of the United States.

PENNSYLVANIA SOCIETY OF ARIZONA.
CLYDE J. COATES, *President.*
PATRICIA BENTZ, *Secretary.*

I never knew there was a Pennsylvania Society of Arizona. They say it represents about 500 people in the State. I wonder what percent of the population that is in Arizona?

The bills referred to in the resolution seek to do just the opposite of what you are trying to do now. You are trying

to take land out of cultivation. They want to build a dam on the Colorado River that will put into cultivation a great many thousand acres. It may be well for Arizona to put this land into cultivation, but it will cost from one and a quarter to one and a half billion dollars, a tremendous sum of money. Where will you get such big money? I got the information in reference to this bill after I saw what was coming here from the Pennsylvania Society of Arizona. That disturbed me, so I inquired. It is going to cost \$1,250,000 to \$1,500,000 to construct that dam. After you construct that dam, the ground which it would put into cultivation will cost you \$1,600 an acre. Now, get that—\$1,600 an acre. After you get the land in cultivation then the land will be worth about \$200 an acre. If that is not a good way to make money for Arizona, then I do not know anything. A terrible thing to do considering the country. But here is the sad part about it. When you have Members of Congress of both bodies with the predicament that our country is in today advocating the construction of such new projects as this, there is something wrong in Denmark and something wrong with the men who are advocating it. They know our country today is in the red \$256,000,000,000. I am sorry the gentleman from Arizona [Mr. MURDOCK] is not in the Chamber at the moment, because I wish he were here. He was here earlier, but is not on the floor at the present time. But think of it. It is going to cost \$1,250,000,000 to put the land under cultivation, which will then cost you \$1,600 an acre, and after you get the land it will be worth \$200 an acre. Is not that asinine? It will be more cotton land to subsidize. Terrible!

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

Mr. RICH. I yield.

Mr. POULSON. And they are going to raise cotton on that land?

Mr. RICH. Yes; that is why it is of such interest to the cotton boys. And that is the reason why it is in the interest of the cotton boys to help me and you kill the bill before it is made a law. I am trying to nip it in the bud. I am going to nip every proposition in the bud that I can on the floor of the House that is as wrong as this bill is at this time. The thing that gets me is that the Pennsylvania Society of Arizona wants the Pennsylvania Congressman to vote for it. I am telling you right now I do not propose to vote for it. I am going to fight it all I can.

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

Mr. RICH. I yield to the gentleman from California, to whom I might say, it is going to take water away from you, too.

Mr. McDONOUGH. Yes; I know. The gentleman has not heard from the Pennsylvania Society in California. When he hears from them they will not be raising cotton on that land, but they will be raising a lot of hell in California.

Mr. RICH. I hope they win in California.

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

Mr. RICH. I yield.

Mr. SUTTON. The gentleman from Pennsylvania always wants to know where we are going to get the money. It is a good question. But in this instance the gentleman wants to know whether we are going to be repaid. The \$1,250,000,000 which will be spent to make land cultivable which will be worth \$200 an acre will also produce public power which will in time repay this money.

Mr. RICH. Do you need the power down there now? Do you need the acreage down there now? I say "No; a thousand times no." You cotton farmers want more acreage in Arizona now to raise cotton and put the people in Texas out of the cotton business and put the people in Alabama out of the cotton business and the people in Tennessee, yes, and Oklahoma, too, out of the cotton business. You have asked us to subsidize you now, so you cotton Congressmen should not spend this money to increase cotton acreage when you want to take cotton land out of cultivation. It does not make sense; it is not sound. Be nifty and thrifty in fifty.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I probably will not take the full 5 minutes. I just rise to ask two questions, which I realize are indications of support of this amendment. I am not absolutely certain I am going to vote for it, but I think I will.

In the first place whether a direct promise was made or not, if an implied promise was made to the farmers before they voted that there should not be any 40 percent limitation in this resolution, would that not be in the nature, as the gentleman from Texas just suggested offhand of a contract? Why should we violate that? If we want to put that limitation in, let us put it in later, but not now. Let us advise the farmers that we are going to do it before doing it and give them a chance to pass on it. After asking that question, is this not a sound and correct approach? It is sound and logical to assume that every business in our fine society more or less establishes a custom and practice over a period of years and evidently the cotton industry has established a practice both on the part of the little fellows and the big fellows, of planting about what would be within the economy of that particular area or that particular section of the country. Now we are cutting them down to 70 percent, in the first instance, of what they established as good practice. Why complicate it and put more gadgets in? Why not leave it at 70 percent? They ought to have 100 percent, but it seems we cannot if we are to have controlled prices. But why not let them have 70 percent? Why put in something else?

Now, I think there is no man in this House who has worked any harder than I have since I have been here—I have been here only 3 years it is true, but I have worked night and day since being here for what I believe is for the interest of the common man. I have not sent out a speech since I have been here; not one. Of course I may some time but as I see it now I do not intend to send one out. Also, I suppose there will be no notation made in the press of what I am saying.

So I am not speaking for the press nor publication of any kind. But let me say this, that while I have been for what I believe is for the interest of the common man, I want to ask what is wrong with being fair with the big man? You cannot substitute anything for fairness. You say this may be helpful to the big man. Suppose it is. Should we not be fair with him? There is nothing wrong with that. You cannot properly substitute for fairness on any occasion. I say to you that unless we are fair we will lose the respect of our people.

Then just this thought and I conclude: In addition to the two questions I have raised what I am afraid of is that there will be thousands of our farmers—not just a few, but thousands of the fellows who are just barely able to stay on the farm, who will be discriminated against by this 40-percent limitation of the tilled annual acreage provision.

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

Mr. MORRIS. I yield.

Mr. HARRIS. The gentleman mentioned 70 percent; just give him 70 percent. Is it not a fact that the national average reduction was estimated to be 20 percent or about 22 percent?

Mr. MORRIS. Yes, sir. It was estimated, as I understand it, that the average reduction would be 22 percent. We have reduced him 30 percent, and then you come along with another gadget and reduce him some more. You complicate it. Why complicate it? Why not make it a simple reduction of 30 percent?

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

Mr. MORRIS. I yield.

Mr. ALBERT. This 23 percent reduction is over the 1949 acreage. Actually there is a smaller reduction over the 1946, 1947, and 1948 average.

Mr. MORRIS. Yes, I believe that is correct. I do not believe this cotton program is going to cost Uncle Sam one thin dime. You cannot take the history of the cotton program and say there is any reasonable expectation that it is going to cost Uncle Sam anything.

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

Mr. MORRIS. I yield to the distinguished gentleman from Georgia.

Mr. PACE. I have doubt that it will cost anything, but the gentleman understands it is six of one and a half dozen of the other; that the more we add on now, the greater the cut will be next year and the year after that. That is to say, under the permanent law, under the formula, the more cotton that is produced now the further down he must cut it next year and the next year.

Mr. MORRIS. That of course is true. But should not we wait until we notify them before we cut?

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MORRIS] has expired.

Mr. KEATING. Mr. Chairman, I move to strike out the last word. For the sake of clarification, I want to ask a couple of questions. The intricacies of this cotton legislation are a little difficult for some of us to understand. I know the Members want to be helpful. There seems to be a pretty general idea

that the cost of this bill, if enacted, will be somewhere around \$150,000,000. The answer was made to me by the gentleman from Utah, when I put the question, that it might be three-quarters of a billion dollars, but I believe that the consensus is that it would be \$150,000,000. If we enact this amendment offered by the gentleman from California, I assume that will increase that figure somewhere around \$25,000,000.

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

Mr. KEATING. I will be glad to yield, if I am wrong or if you will clarify it.

Mr. SUTTON. According to the Department of Agriculture, provided the Government buys all this cotton, that will be \$90,000,000 to \$120,000,000—if the Government takes it all over.

Mr. KEATING. I am correct, am I not, in saying that even without the enactment of this law, the Government is going to have about 8,000,000 bales of cotton on hand? Is not that correct?

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. WHITE of California. The figures given by the gentleman from Tennessee, it should be understood, represent the amount of money which the Government will have invested in cotton; it is not necessarily a loss.

Mr. KEATING. No; but they will have the cotton on hand; the Government will have it.

Mr. WHITE of California. That is right, but there has never been any loss in the cotton program from the time of its inception to the present; in fact, there has been a \$200,000,000 profit.

Mr. KEATING. That is by shipping a lot of the cotton overseas; that is a matter of bookkeeping.

Mr. WHITE of California. I wish the gentleman would tell me just what we would have done in World War II without the 11,000,000 bales of cotton we had on hand.

Mr. KEATING. I am not questioning that; the gentleman apparently does not understand the point I am making. I am trying to clarify some of the matters which, in my judgment, should have been in the report. This report is singularly silent about the cost of this measure and I would like to get a few of these matters cleared up.

In addition to cotton, we have here an item which has not been discussed at all; peanuts. I see that peanuts are in for a little ride in this bill. Can some member of the committee tell me how much the enactment of section 5 of this bill relating to peanuts is going to take out of the pockets of the taxpayers and the wage earners of this country?

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

Mr. KEATING. I yield.

Mr. COOLEY. My recollection is that the estimate is \$3,500,000. The gentleman from Georgia [Mr. PACE] can probably give the gentleman more accurate information than I on the subject of peanuts; but it is something in the neighborhood of 2 or 3 million dollars; and that is not any loss to the taxpayers and to the workers of this country, as pointed out a moment ago by the gentleman from

California [Mr. WHITE]. It is difficult for me to understand all this excitement about losses. Certainly, there are some potential losses involved, but cotton is still good collateral. We now have on hand a supply that is less than the average for 7 out of the last 10 years; so it is not a gift or gratuity that is being handed to the cotton farmers; it is not a bounty, because we contend that cotton is now worth \$150 a bale, and hereafter will always be worth \$150 a bale. If we sustain the price, cotton will not sustain a loss.

Mr. KEATING. The gentleman's program boils down to this; that the cotton subsidy and the peanut subsidy that are in this bill will not result in any eventual loss to the Government provided the price of cotton and peanuts stays up; but if the production of these products, stimulated by such measures as this, is increased to the point where the price does not stay up, then the taxpayers and the wage earners of this country have got to pay any loss entailed by the overproduction of cotton and peanuts.

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

Mr. KEATING. I yield.

Mr. PACE. In order that the gentleman may fully understand the situation, let me state that during the war the peanut acreage was built up to 3,300,000 acres. Last year under the quota program that was cut to 2,650,000; this year it has been cut to 2,100,000. Our acreage has already been cut from 3.3 to 2.1 but this cut involved an inequity in area between Alabama and Texas, and this provision is to correct that situation.

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

Mr. KEATING asked and was given permission to revise and extend his remarks.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. As I understand, the pending amendment is the amendment offered by the gentleman from California [Mr. WHITE].

The CHAIRMAN. The gentleman is correct.

Mr. McCORMACK. Can the Chair advise us how many other amendments are pending?

The CHAIRMAN. Only eighteen.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I realize that there are a lot of amendments pending and a lot of Members wish to be heard on this particular amendment, but I do not know of a section that is more interested in the cotton allotment matter than the Fourth Congressional District of Arkansas which I have the honor to represent. I think it is important that I give you some idea of the

feelings of my people concerning the issue covered by this amendment.

Mr. Chairman, is it fair that a man who has a farm with a cotton history of 100 years not be given the same rights as the man with a cotton history of a similar number of years in some other section of the same State? It cannot be anything but fair that my neighbor over there in my congressional district be given, based upon number of years or the history of his farm, the same rights and justice as the man who happens to live in some other place in my State.

Here is what I am getting at. In my congressional district there is a farm, we will say, with 2,000 acres of cotton land. That farmer has been planting it for 100 years. Unless the amendment offered by the gentleman from California [Mr. WHITE] is adopted, this cotton farmer will, in effect, be permitted to plant only 40 percent of his tillable acreage in cotton. That is too great a reduction—more than this Congress or the Department of Agriculture intended. With the adoption of this amendment, there would still be a 30 percent reduction, which is sufficient. I think that the amendment which the gentleman from California [Mr. WHITE] has offered should be adopted.

The people over in my area will be drastically hurt unless that amendment is agreed to. May I say very frankly I do not think this piece of legislation that has been introduced is going to do a lot of good anyway. It is not going to relieve a lot of farmers in my district. We have been telling them we are going to do something for them, but they will find themselves on the same hook they were on a couple of months ago.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, we have heard a great deal here today as to how much additional money the resolution now under consideration will cost the Government. To the gentlemen so concerned, it is my impression that they are taking counsel of their own fears. I would admonish them to remember the scriptural passage that sufficient unto the day is the evil thereof. A few minutes ago, the gentleman from Arkansas [Mr. HARRIS] made a very enlightening statement to the effect that originally the Congress and the farmers of this country were under the impression that their acreage would be cut approximately 20 percent. When the vote was taken on December 15, many of them were still under that impression. Now we are asking for a cut of 30 percent. Do not misunderstand me. That is a 30-percent cut from the acreage actually planted and not from the acreage allotted to a county by the bureau of agricultural estimates. I know of no farmer who is not willing to take a 30-percent cut in the acreage which he actually planted in 1946, 1947, and 1948. Of course I am referring to farmers whose acreage was not substantially reduced during the war years. Most every farmer realizes that he must make a reduction in cotton acreage in order to prevent a greater surplus of cotton. He further realizes that we must

prevent a surplus of any enormity if we continue to have a fair parity support-price program. So I sincerely hope that the amendment offered by the gentleman from California will be adopted.

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

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

Mr. COOLEY. Does not the gentleman know that every cotton farmer had his cotton-acreage allotment in his possession long before the vote on December 15 and knew exactly what his allotment was going to be?

Mr. HARE. That was supposed to be the case but many did not.

Mr. COOLEY. Does the gentleman say to the Members or wish to leave the impression with the House that these farmers voted in ignorance of what their actual allotments were?

Mr. HARE. Many of them did; that is true.

Mr. COOLEY. Well, I would like to have the gentlemen send the names to me, because they were issued officially and mailed to me. I never heard of such a complaint.

Mr. HARE. The gentleman well knows that I did not make a list of them because I had nothing and he had nothing to do with the actual making of the allotments. Congressmen don't administer the law. But I had numerous complaints to that effect during the period following the vote and until I returned to Washington on January 3.

It is incumbent on this Congress to act immediately in order that the farmers of this country may be protected and, by their protection, we insure economic prosperity to the textile employee, the storekeeper, the filling-station operator, the banker, and all mankind.

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

The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I wish to congratulate the chairman and the Committee on Agriculture for bringing in House Joint Resolution 398.

On page 1 of their report the committee states that this resolution is a "1-year emergency measure," designed to authorize the correction of certain gross inequities and elimination of hardships which have appeared in the application of the cotton-quota law enacted at the last session of Congress.

May I say not only inequities and misapplications, but inequities as well. May I also state that the same inequities and hardships apply to the wheat quota as misapplied by the Secretary of Agriculture. I am sure that the committee will also straighten out those inequities in the very near future.

This very morning I received a number of letters complaining particularly over these inequities and inequities. Here is a farmer with 800 acres under cultivation in western North Dakota, and about the only thing they can raise as a cash crop because of weather conditions is wheat. Here is a family of seven and yet the wheat allotment out of 800 acres is only 250 acres. This will not be suf-

ficient to take care of the family and pay real-estate taxes.

May I also state to the able chairman of the Agriculture Committee that the time has arrived to enact a real farm bill. A bill that will give the farmers cost of production for that part of their products consumed domestically. Do that for the principal agricultural commodities and then no subsidies will be necessary. Then the Government will not have to subsidize any farmer but the farmers will help bail the Government out of the six hundred and sixty-three billions that it now owes, including future commitments and obligations.

I sincerely hope that when the chairman of the Agriculture Committee gets through with straightening out the inequities and the iniquities, and the misapplications by the Secretary of Agriculture of Public Law 272, that then he will take up H. R. 1686, the bill that I have introduced to regulate interstate and foreign commerce in agricultural products.

Here is H. R. 1686:

A bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes

Be it enacted, etc., That this act may be cited as the "Agricultural Equality Act of 1949." The term "agricultural product" as used in this act shall mean any and all kinds of poultry, livestock, and any farm product of the soil, and any product or byproduct thereof, produced in the United States, in an unmanufactured or unprocessed state, which the Secretary of Agriculture shall determine, on the basis of available statistics, having a farm value in excess of \$30,000,000 during the preceding marketing year. The word "producer" as used in this act shall mean the original producer of agricultural products as above defined.

SEC. 2. (a) The Secretary of Agriculture shall ascertain and determine for each year the average cost of production to the farmers of each such agricultural product. Such average cost of production shall be determined after public hearings, participated in by the representatives of farmers' organizations and by other interested parties. It shall include depreciation and soil depletion and all items of cost, including production expenses, interest, taxes, wages of farm and family labor, a return of 4 percent on farm property equity, and compensation to the average farm operator equivalent to the average weekly earnings of the industrial worker as found and determined by the Secretary of Labor.

(b) The Secretary shall determine, prior to the beginning of each marketing year for each basic grade, staple, classification, or quality of each of such agricultural products, an average-cost-of-production price, at the principal interior primary markets or centers of distribution, which shall be equal to the average cost of production of such agricultural product as determined under this section.

(c) The Secretary shall also calculate, and take into consideration, the average yields and production during the previous 5-year period in determining the average-cost-of-production prices. If necessary, in order to carry into effect the purposes of this act, the Secretary of Agriculture shall further ascertain and allow an equitable differential against varying transportation costs to differ-

ent markets and shall establish appropriate zones or classifications therefor.

SEC. 3. The Secretary of Agriculture shall annually ascertain, determine, and designate the beginning and the ending of the marketing year for each such agricultural product and shall estimate the volume of production for the current year of each such agricultural product. He shall also annually prior to the production or planting season estimate with respect to each such agricultural product (1) the quantity and percentage of the total volume marketed from farms that is required for domestic consumption and warehouse reserve and which is to be distributed in the current of interstate commerce; (2) the quantity and percentage to be distributed in intrastate commerce affecting the price of the portion to be distributed in the current of interstate and foreign commerce; (3) the quantities and percentages remaining for foreign commerce and export.

SEC. 4. (a) The Secretary of Agriculture shall, annually, prior to the beginning of the calendar year or prior to the beginning of the marketing year of each of such agricultural products make proclamation and announcement of such determination of such average-cost-of-production price for each basic grade, staple, classification, or quality of each of such agricultural products. Such cost of production shall be the minimum price for that portion of each such agricultural product domestically used, consumed, or stored. He shall also recognize and allow the usual and customary price differentials now or hereafter recognized and established in the channels of trade on grades, staples, classifications, or qualities of each such agricultural product.

In case there is no recognized basic grade, staple, classification, or quality for any such agricultural product, then the Secretary, after public hearings, participated in by representatives of farmers' organizations and other interested parties, shall promulgate a basic grade, staple, classification, or quality for such agricultural product. He shall announce the date when such minimum prices are to take effect and they shall continue in effect during the marketing year. He shall, at the same time, announce the estimated production and domestic consumption and warehouse reserve. He shall, also, announce the total quantities and percentages of such agricultural products that are to be held for foreign commerce and export.

(b) **Domestic price:** After the beginning of the marketing year, for any such agricultural product, which begins July 1 in 1949, all dealers, manufacturers, millers, elevator operators, processors, packers, butchers, ginners, compressors, and other agencies dealing in interstate or foreign commerce shall pay to the producers of such agricultural products not less than such average-cost-of-production price, subject to differentials allowed under subsection (a) of this section, determined and proclaimed as aforesaid, for such percentage of each delivery of any grade, staple, classification, or quality of such agricultural product as is estimated for domestic consumption, or storage for domestic consumption.

(c) **Licenses:** No dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or other agency engaged in the business of dealing in or handling any agricultural product in interstate or foreign commerce shall operate as such dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or agent dealing in or handling such agricultural product without first procuring from the Secretary of Agriculture a license pursuant to such regulations as the Secretary of Agriculture may prescribe in accordance with the provisions of this act: *Provided*, That no license shall be required of any producer under the provisions of this act for selling, disposing of, handling, or storing any agricultural product produced by him: *Pro-*

vided further, That the provisions of this act shall not apply to poultry or livestock shipped from one State into another for working, breeding, or production on a farm or for raising, feeding, fattening, finishing, or conditioning for market prior to the sale for consumption in the regular channels of trade.

(d) **Surplus receipts:** Whenever the world price on the quantities and percentages of any such agricultural product remaining for export is lower than the cost-of-production price on the domestic consumption and warehouse-reserve quantities and percentages, then, when any producer of any grade, staple, classification, or quality of any such agricultural product shall deliver any such agricultural product to any dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or any other agency dealing in or handling such product in interstate or foreign commerce, such purchaser shall pay to the producer the cost-of-production price on the domestic consumption and warehouse-reserve quantities and percentages as determined by the Secretary of Agriculture and the world price on the quantities and percentages for export: *Provided, however*, That each individual producer of any such agricultural product shall be entitled to market at the cost-of-production price a quantity of any such product produced during the marketing year in an amount not to exceed \$1,000.

The Secretary of Agriculture shall cause to be issued to such dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or any other agency dealing in, or handling such product in interstate or foreign commerce, producers' receipts in triplicate showing on their faces, when filled in by the purchaser, the grade, staple, classification, or quality and quantity and the percentage of such agricultural product, as proclaimed by the Secretary of Agriculture to be the percentage and quantity that is required for domestic consumption and warehouse reserve, and the grade, staple, classification, or quality and quantity and the percentage remaining for export.

Every dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or any other agency dealing in or handling such product in interstate or foreign commerce, shall fill out such receipts so as to show accurately the amount of such product purchased from the producer, the amount for domestic consumption and warehouse reserve, the cost-of-production price paid, the amount purchased for export and the world price paid to the producer. Such receipts shall be signed by the purchaser and countersigned by the seller, and one copy shall be retained by the purchaser, and one delivered by him to the producer, and the third copy shall be mailed by registered mail at the end of each month to the Secretary of Agriculture at Washington, D. C., or such other post-office address as the Secretary may designate.

In the case of cotton any producer may dispose of his domestic consumption and warehouse reserve quantity and percentage and may, at the same time, keep or store his export quantity and percentage, properly earmarked for identification. Such producer, if he decreases his production or the production under his control, may, in the following marketing year, sell or dispose of such earmarked export quantity, or cotton of the current crop, to any dealer, ginner, compressor, or other agency, engaged in the business of dealing in or handling such cotton, as the cost-of-production price, to an amount equal to the quantity and percentage he would be allowed to sell for domestic consumption and warehouse reserve if he produced the same quantity of cotton as he produced in the previous year.

Such producer shall be required to file a reasonable and sufficient bond with the Secretary of Agriculture, through the dealer, ginner, compressor, or other agency, engaged

in the business of dealing in or handling such cotton, to the effect that he will not sell, or permit to be sold or disposed of, directly or indirectly, any of such export quantity and percentage in the domestic market during the marketing year in which it is harvested.

Sec. 5. (a) Marketing of surplus: No dealer distributor, manufacturer, corporation, or cooperative corporation, person, firm, or association, of whatever nature, engaged in export of foreign commerce, shall, whenever the world price on the quantities and percentages remaining for export, of any agricultural product named in this act, is lower than the cost-of-production price on the domestic consumption and warehouse reserve quantities and percentages, buy, sell, exchange, or otherwise acquire or dispose of any such product intended or designated for export without first procuring from the Secretary of Agriculture a license pursuant to such regulations as the Secretary may prescribe in accordance with the provisions of this act.

Every such dealer in foreign trade and export shall be required to file a reasonable and sufficient bond with the Secretary of Agriculture to the effect that he will not sell, or permit to be sold or disposed of, directly or indirectly, any such export quantities and percentages in the domestic market, and to the effect that no part, whether manufactured or unmanufactured, whether processed or unprocessed, will be sold for distribution in the domestic market. The domestic market shall mean the continental United States and its Territorial and insular possessions.

No dealer, distributor, manufacturer, corporation, or cooperative corporation, person, firm, association, miller, elevator operator, processor, packer, butcher, ginners, compressor, or any other agency dealing in or handling such export products in interstate or foreign commerce, shall buy, sell, exchange, acquire, or dispose of any such agricultural product produced, bought, manufactured, processed, or acquired by him for export, except to a licensed buyer engaged in the business of foreign trade and export.

(b) Such dealer, distributor, manufacturer, corporation or cooperative corporation, person, firm, or association engaged in export of foreign commerce may sell at or above the world price export quantities and percentages of any agricultural product to any processor or manufacturer for processing or manufacturing into finished or semifinished and manufactured or semimanufactured products: *Provided however*, That such processor or manufacturer be first required to file a reasonable and sufficient bond with the Secretary of Agriculture to the effect that such finished or semifinished or manufactured or semimanufactured product or any byproduct thereof will not be sold or disposed of directly or indirectly for domestic consumption or warehouse reserve. Such finished or semifinished or manufactured or semimanufactured product together with any byproduct shall be exported to foreign markets unless the Secretary upon investigation finds that there no longer is an exportable surplus and that some or all of such products or byproducts are needed for domestic consumption and warehouse reserve.

(c) Adjustment of supply to demand: If the quantity and percentage estimated for domestic consumption and warehouse reserve should be insufficient by reason of flood, drought, pestilence, or other calamity, or for any other reason, to supply the demand for domestic consumption and warehouse reserve, then the Secretary of Agriculture is authorized to supply such shortage out of export quantities and percentages, still owned by the producers, at the cost-of-production price, plus storage and expenses. If, however, the quantity and percentage estimated for domestic consumption and warehouse reserve is more than suffi-

cient, then the Secretary shall allow the same for domestic consumption and warehouse reserve the following year and shall reduce by an equal amount his estimate for domestic consumption and warehouse reserve.

REGULATIONS

Sec. 6. The Secretary of Agriculture is hereby directed to prescribe regulations for carrying out the provisions of this act. The regulations prescribed pursuant to this act shall include among other things requirements with respect to the issuance of licenses to dealers, manufacturers, millers, elevator operators, processors, packers, butchers, ginners, compressors, and other agencies engaged in the business of dealing in or handling such agricultural products in interstate or foreign commerce, systems of accounts, auditing of accounts to be kept by licensees, submission of reports by them and the entry and inspection by the duly authorized agents of the Secretary of Agriculture of the place of business of such licensees.

The Secretary of Agriculture shall upon request furnish to all persons required to have a license under this act, such information as may be necessary or appropriate for carrying out the provisions of this act.

PENALTY FOR VIOLATION

Sec. 7. Any dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginners, compressor, or other agent dealing in or handling any agricultural product in interstate or foreign commerce, who violates the provisions of this act by knowingly and willfully paying less than the average-cost-of-production price determined and proclaimed by the Secretary of Agriculture, or violates any other provisions of this Act, shall be punished by a fine not exceeding \$5,000 or imprisonment not exceeding 1 year, or by both such fine and imprisonment.

Sec. 8. Any agricultural product, now owned or hereafter coming into the possession of the Government of the United States, or any department or agency thereof, shall be conclusively deemed to be exportable surpluses, and shall be disposed of only in accordance with the provisions of this act providing for the disposal of export quantities and percentages.

Sec. 9. In order to carry out the purposes of this act, the Secretary of Agriculture is hereby directed that whenever he finds, upon investigation, that the world price, computed in United States currency, of any foreign agricultural product or substitute, in its processed or manufactured or in its unprocessed or unmanufactured state, is below the cost-of-production price of any competing domestic agricultural product, in its processed or manufactured or in its unprocessed or unmanufactured state, to notify the Secretary of the Treasury thereof. It shall thereupon become the duty of the Secretary of the Treasury to levy and collect upon such foreign competing agricultural product or substitute notwithstanding that such agricultural product or substitute may have been originally produced in the United States or in any of its possessions, in its processed or manufactured or in its unprocessed or unmanufactured state, when imported from any foreign country into the United States or any of its possessions, a duty equal to the difference between the world price and the cost-of-production price of such product, plus 5 percent of such cost-of-production price.

Sec. 10. Until further action by Congress the following agricultural products as defined herein shall come under the provisions of this act: Milk, butterfat, corn, beef cattle, veal calves, lambs, sheep, goats, hogs, wool, mohair, wheat, cotton, eggs, oats, chickens, tobacco, potatoes, cottonseed, barley, soybeans, oranges, apples, wool, grain sorghums, beans, turkeys, tomatoes, sweet sorghums, peanuts, grapes, peaches, rice, sugar beets,

sweetpotatoes, flaxseed, lettuce, strawberries, pears, grapefruit, onions, peas, snap beans, celery, lemons, rye, cabbage, and sugarcane.

Sec. 11. It shall be the duty of the Secretary of Agriculture, on or before January 1 of each year after January 1, 1950, to report any agricultural product as herein defined and not included under the provisions of this act, that had a farm value in excess of \$30,000,000 the previous year, to the chairman of the Agricultural Committee of both the House and the Senate. He shall state, in such report, the average market price paid to the producers for such product or products during the previous year, and shall state the cost-of-production price of such product or products if they had been under the provisions of this act.

Sec. 12. This act shall apply to agricultural products, as herein defined, as may be owned by the producers or as may be grown, produced, and harvested during the fiscal year beginning July 1, 1949, and all subsequent years.

Sec. 13. For the purpose of expediting the sale and distribution of any agricultural product under the provisions of this act, the Reconstruction Finance Corporation is authorized to make loans to any dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginners, compressor, or other agency engaged in the business of dealing in or handling any agricultural product on that percentage of any such agricultural product as is designated for domestic consumption and warehouse reserve. The amount of any such loan on any such product shall not exceed, together with interest, the cost-of-production price as determined under the provisions of this act.

Sec. 14. No penalty shall be imposed or license canceled, under the provisions of this act, until the person to be fined, or whose license is to be canceled, has been found guilty of violating the provisions of this act by a United States district court.

Sec. 15. All acts or part or parts of acts in conflict herewith are hereby repealed. Nothing, however, herein shall be held to repeal, amend, or modify the Soil Conservation and Domestic Allotment Act, as amended (U. S. C., 1946 edition, title 16, secs. 590a-590h, 590i, 590j-590q); sections 201 or 202 of the Agricultural Adjustment Act of 1938 (U. S. C., 1946 edition, title 7, secs. 1291, 1292); the Federal Crop Insurance Act, as amended (U. S. C., 1946 edition, title 7, secs. 1501-1519); or section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, as amended (U. S. C., 1946 edition, title 7, sec. 612c).

Sec. 16. If any provisions of this act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the act, and the application of such provision, shall not be affected thereby.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, there was a question asked by the gentleman from Oklahoma [Mr. MORRIS] whether a promise was made to farmers that no 40-percent provision would be included in this resolution. I would like to answer that question, being a Member of the subcommittee that wrote the bill on cotton.

No promise was made to anyone on any provision. In December some of the Members of the cotton subcommittee came to Washington; some did not. It was not an executive session of the subcommittee, so no promise was made to any cotton farmer in the United States of America that the 40-percent provi-

sion would be or would not be included in the bill; in fact, I believe I am correct in this, and if not, the Chairman will correct me if I am wrong that in his original resolution the 40-percent provision was not contained therein, but after Members of Congress came over to our committee and testified—and there were about 60 Members present, they suggested that this provision be inserted in the resolution. It was also suggested by the Department of Agriculture. So, at their suggestion this 40-percent provision was added. In the subcommittee on agriculture I voted against this 40-percent provision, but now I see that I was wrong, and the reason it is wrong is because it is a promise to the people that next year we will have this 40-percent proviso excluded. With all due respect to my able colleague, the gentleman from California, this will take cotton away from Alabama, away from Arkansas, and away from Oklahoma, and add to California's quota. I do not blame my able colleague from California, for he is doing a wonderful job for the farmers out there. But, that is exactly what this will do.

It is a matter of doing one of two things, my friends. We are supposed to allot this cotton acreage. Do you want additional cotton or do you want to reduce the yield?

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment. If this 40-percent limitation is stricken from the bill, of course additional acreage will be added and the financial responsibilities of the Government to that extent will be increased. The information we have indicates that with the 40-percent limitation in the bill, approximately 100,000 fewer acres of cotton will be needed to bring the reductions up to 70 percent of the average number of acres planted in the years 1946, 1947, and 1948, or to 50 percent of the highest acreage planted in any 1 of the 3 years, allowing in both instances for such acreage as might have been diverted to war crops. This provision is definitely a limitation on the other provisions, through which we hope to eliminate hardships and inequities. To plant 40 percent of the cleared and tillable land in one crop, year in and year out, certainly would not be compatible with our ideas of good farming.

As just pointed out by the gentleman from Tennessee [Mr. SUTTON], no promise was made with regard to this limitation either expressly or by implication, other than to the extent that the expression of one thing is the exclusion of another. Nothing whatever was said about the 40-percent provision, but it is deemed to be in the interests of good husbandry and proper soil-conservation practices and in the rotation system. It seems to me that to strike it out would carry with it some implication to the effect that we were not so much interested in the rotation of crops and in good soil-building and conserving practices.

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

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

Mr. POAGE. Is it not true that this 40-percent provision in the identical words that it is carried now has been in the law since 1938?

Mr. COOLEY. I think the gentleman is correct. It seems to me this limitation should remain in the bill, in view of the fact that we did liberalize the 70-percent provision when we permitted diverted acres to be considered in the final acreage allotment.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WHITE of California. May I ask the gentleman how on earth a soil-conservation matter can be involved in a 1-year emergency program?

Mr. COOLEY. Certainly it can be involved. It is just a matter of degree. There is no reason why a man with 2,000 acres of land, as stated in the illustration used a moment ago, should be permitted to plant 1,400 acres of cotton on that land, because it is not good farming to engage in such practices. So I insist that this amendment be defeated.

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

Mr. HALE. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

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

There was no objection.

The White of California amendment was again read.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. WHITE of California) there were—ayes 21, noes 56.

So the amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 2, line 2, after "1948" insert, "or 70 percent of the average acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, on the farm in 1940, 1941, and 1942."

Mr. WICKERSHAM. Mr. Chairman, I ask unanimous consent at this time that when the vote is taken on my amendments, the amendments be reported again. I will use my time now, Mr. Chairman, to explain 4 very brief amendments. I want to state that I intend to support H. J. Res. 398; however, this resolution would be greatly improved with the adoption of the amendments which I am offering.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, one of these amendments is very brief. It provides a base of 70 percent of the years 1940, 1941, and 1942, which were the last years marketing quotas were in effect. During those years the farmers and the PMA committees have the records and it would be fair to the certain areas which diversify. The other amendment would provide that

you could not cut a farm below 50 percent of the 1949 acreage. In the areas which have diversified so greatly, as in western Oklahoma, even though on paper Oklahoma apparently has a good acreage, in the areas which I represent, many of the farmers are cut from 75 percent to 100 percent, even though they failed to grow cotton only 3 years out of the last 50.

Many of our farmers in Oklahoma farm 3 years to cotton and 3 years to wheat, and further diversify by planting grain sorghums and types of legumes.

The other amendment would provide that the individual farms have some incentive to give up their allotments. In subsequent years it would return the allotment to the individual farms.

The fourth and final amendment, Mr. Chairman, would aid certain areas, similar to the manner in which California, New Mexico, and Arizona were aided last year. It would aid certain areas, such as mine, which will not come into cotton production until 1949 because the year they came into production, in 1947 or 1948, they had to grow wheat. They found it uneconomical to grow wheat. The amendment would provide that the Secretary might reallocate to those particular areas the 350,000 acres which are not going to be used under the provisions of this bill, but which would have been used under the original act, which areas do not have adequate acreage allotments.

In my particular area we have 74,000 acres which have come under irrigation in the last 2 or 3 years. These acres cannot raise wheat economically or profitably. They will not be permitted to raise cotton. They must raise one of the two commodities. This amendment would permit the Secretary to allocate a cotton allotment to that area, which allotment would not be deducted from the dry-land farmers.

Mr. Chairman, I wish to call your attention to some letters which I will read for the information of the Members, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Arapaho, Okla., January 16, 1950.
HON. VICTOR WICKERSHAM,
Member of Congress,
Seventh District,
Washington, D. C.

DEAR MR. WICKERSHAM: We have your letter of January 6 in which you ask for our suggestions as to changes that we would like to see here in Custer County.

We have just returned from a State convention at Oklahoma City and all of the members of the county committee and the county administrative officer attended. Mr. J. H. Vowell, chairman of the Custer County PMA committee, was chairman of the Committee on Allotments and Marketing Quotas. I am attaching a copy of the report made by the committee to the convention. The county committee and myself have checked it over carefully and the recommendations made in the report is what we would recommend for Custer County.

We would like to call to your attention particularly to the first sentence in the report with reference to using only crop history and be adjusted by the county committee in establishing all kinds of allotments, instead of using a formula system as has been used in

establishing the 1950 cotton acreage allotments. We can see where the formula system would work in maybe one or two States in the Nation, that is where the principal crop is cotton and the same percentage of the cropland on the farm is planted to cotton each year, but it will not work in a mixed crop area such as Custer County or Oklahoma.

We would also like to call to your attention particularly to paragraph 7 of the report which recommends that a reapportionment system be set-up for each commodity. That is we would like to see a provision in the law whereby a farmer that did not plant a portion of his allotment that year, be so that he could release that part of the allotment in order that it could be reallocated by the county committee on farms where additional allotment can be planted. Some of such cases would be to veterans that have had to rent farms that have no crop history; to farm operators that have changed farms where conditions do permit the planting of this commodity but the farm is not eligible for an allotment; and to increase allotments where other hardship conditions exist.

We wish to thank you for your letter and wish to advise that the information that we have given you is only a suggestion, but we do feel that the enactment of this provision would improve the farm program in this county.

Very truly yours,

RUSSELL E. DILL,
County Administrative Officer.

COMMITTEE NO. 3—ALLOTMENTS AND MARKETING
QUOTAS

A majority of the committee members felt that crop acreage history should be the basis of establishing farm allotments for all commodities and recommended that county committees be given considerably more latitude in making adjustments. They felt that the present reserves available to the county committees were not adequate to provide equitable allotments. There was some feeling among committeemen from the wheat area that possibly cropland ratio factor approach might be better for establishing wheat allotments than the history basis.

The committee was in unanimous agreement that an acreage planted in excess of the allotment of any commodity should not become a part of the history from which allotments are to be determined in future years.

The committee was of the opinion that a total soil-depleting allotment for each farm should be established and that the acreage classified as cropland which was in excess of the total soil-depleting allotment would be the soil-conserving base for the farm and that the application of approved practices on this land as well as compliance with the special allotments would be a condition of eligibility for price support. The approved practices to be determined by the Department.

The committee declined to make any recommendation on a joint compliance provision.

The committee recommended that any person who knowingly overplanted the allotment for any commodity would not be eligible for ACP practice payments.

The committee favors the use of the same base period for determining farm allotments for all commodities.

It was the consensus of the committee that we should always have a release and reapportionment provision for all commodities as a means for the county committee to adjust inequities in farm allotments.

The committee felt that a person who released his acreage allotment should retain his eligibility and be credited with a planted acreage equal to the acreage released and the person to whom the apportionment of this acreage is made will not be credited with the planted acreage for the purpose of determining future allotments. The acreage is to be

released to the county committee for use in the county.

The committee was very anxious that the allotments should be distributed in such a way that substantially all the county allotment would be planted since our share of the national allotment will be reduced in proportion to the decrease in our acreage history.

In order that the county committees will not be obliged to establish allotments on idle farms and on farms on which no land is available for the production of the commodities, the committee believes that a "tillable acreage available" provision should be made for use of the county committee in establishing allotments for all commodities.

The committee was in favor of continuing the use of the present strict interpretation of the definition of a farm.

It was the opinion of the committee that a uniform policy should be adopted in all counties for determining new farm allotments for all commodities so that the same treatment will be given to all producers in all counties.

The committee favored the continued use of the 3-year eligibility period.

The committee was unanimous in their opinion that the eligibility for price support on one commodity should depend on compliance with allotments for all other commodities.

The committee recommended that penalty on excess be based on the actual production from the excess acreage.

The majority of the committee members were opposed to 1,000-pound exemption provision for cotton.

The committee recommended a 3-acre minimum allotment for all producers eligible for peanut allotment. This acreage to be in addition to the National, State, and county allotment.

The committee thought that the final date for determining the tillable acreage available for peanuts should be between the 1st and 15th of July.

TALOGA, OKLA., January 16, 1950.
HON. VICTOR WICKERSHAM,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR VICTOR: I will try to give you some of our problems on administering the farm program at the county level.

I am for the farm program and controlled production, for I believe acreage control is the only way we can hope to continue to receive fair prices for our farm commodities.

The system set up for wheat-acreage allotments, based on actual history on the farm, worked very nicely, and we feel it was fair to everyone. Ninety-five percent of the farmers are satisfied with their wheat allotment; however, when it comes to cotton, it is a different thing.

With cotton allotments based on cropland instead of history, in lots of cases a farmer who has had cotton only 1 year in the 1946-48 period gets more allotment than his neighbor who has had cotton every year, which won't work satisfactorily. Also, the war-crop credit on cotton works to a disadvantage. In Dewey County, there are 155 farmers that received cotton allotments, to which they are not entitled, through war-crop credits alone. This works a hardship on the cotton farmer who received very little allotment and who is a consistent cotton grower.

We feel in our county that something should be done to eliminate war-crop acreage, and the cotton acreage be given to the cotton farmer who derives his family income from cotton.

I also feel that if a farmer doesn't intend to use his cotton allotment, it should be permissible for him to turn it in at the county office to be redistributed.

I know you are anxious to do everything in your power to help us farmers, which we appreciate.

Very truly yours,

W. T. (TOM) MATTHEWS.

GRIMES, OKLA., January.

DEAR WICKERSHAM: I am writing you in regards to the cotton allotment.

We have rented a place a half section of land.

It's got 162 acres of cultivation and its got only 29 acres of cotton and I paid \$400 a year for it.

It will take about 7 or 8 acres to make a bale. It's going to be hard for me to pay \$1,600. It wouldn't raise wheat and I wish you would consider that and see if you can help me get more cotton than what the bankers require is more cotton and I have to fertilize that.

I have a big family and I am afraid if I don't get more cotton I will have to leave the farm.

Your truly,

DAVE ELIFRITS.

ELK CITY, OKLA., January 26, 1950.
HON. VICTOR WICKERSHAM.

Dear Sir: I am writing you in regard to my cotton allotment. I am a small farmer and have 80 acres of land with 73 acres in cultivation. They set my allotment at 19½ acres. I filed a protest with the county committee so I got notice yesterday to meet with the committee today at Sayre to see about it and met with them and they cut me 4 acres more which leaves me with only 16½ acres. To begin with, they allotted me 26 acres for wheat, which I didn't want and they say they can't take it back. There are lots of farmers that have wheat acreage and they don't want it. There are lots of farmers who have cotton acreage that they don't want. Now I am asking you why Congress won't release all this acreage and have it redistributed. Beckham County is in an uproar about this. How can I make a fair living on 16½ acres of cotton? I have always been for the New Deal. Have been a Democrat all my life. Have stood by you and the national administration, I have been living here for 49 years. Have served in several different ways in helping the Government. So now then if there isn't something done about these allotments, I am through with the present set-up.

The boys at Sayre tell me their hands are tied unless Congress acts on the matter. If you were here and heard the farmers in general express themselves, you would certainly be surprised, and if things are not ironed out, the Democratic Party is going to be hurt bad in the next election.

Please excuse the long letter as it was the shortest way I could get the facts before you. Would be very glad to hear from you as to how you stand.

Thanking you, I remain very truly,

O. O. LYRIG.

ALTUS, OKLA., January 24, 1950.
The Honorable VICTOR WICKERSHAM,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE WICKERSHAM: The cotton allocation program has reached a point in this area now where there is little hope for new growers to participate on a large enough scale to justify the operations of growing cotton.

There are 836 farmers in Jackson County who do not have cotton allocated for their farms. It is estimated that 70 percent of these farmers would like to grow cotton. There are many other farmers whose maximum planted acreage during the period of 1945 to 1948 limits their cotton acreage to a particularly low percent of their total farm. The three cases for which we are including

figures will best illustrate the problem of these men.

On the farm operated by W. H. Luderson, the acreage planted to various crops during the history years for cotton are as follows: On this quarter section of land in 1941 there were 30.6 acres of cotton; 23.6 acres of wheat; 40.4 acres of grain sorghum; 15 acres of barley; 17.6 acres of peas. Since that date the farm has been operated entirely as a wheat farm. In 1945 there were 139 acres of wheat and the same acreage reported in 1946, 1947, and 1948. The 1942 crop allotment included 50 acres of cotton and 20.8 acres of wheat. This particular case represents many similar ones that have come under the irrigation program during the past year.

Another case where the farmer has no cotton acreage has a cropping history as follows: In 1941 there were 69.2 acres of cotton; 16.2 acres of wheat; 10.7 acres of oats; 50 acres of barley; 83.5 acres of alfalfa; and 50 acres of green manure. In 1945 there were 196.1 acres of wheat; 83.5 acres of alfalfa. In 1946, 187 acres of wheat; 16 acres of oats; and 76.5 acres of alfalfa. In 1947 there were 207 acres of wheat; 72.5 acres of alfalfa. In 1948 there were 207 acres of wheat; 72.5 acres of alfalfa. In 1949 there were 155 acres of cotton; 199 acres of wheat; 40 acres of oats; and 40.5 acres of alfalfa. In 1942 this farm was allocated 98.4 acres of cotton; 25.4 acres of wheat. There is no cotton allocated for 1950, and this farm is another farm that came under irrigation in 1949.

The last case that we included for your consideration is a dry-land farm. On this quarter section in 1941 there were 35 acres of cotton; 12.2 acres of wheat; 31.3 acres of grain sorghums; 75 acres of alfalfa. In 1945 there were 16.2 acres of cotton; 32.4 acres of wheat; 29.9 acres of grain sorghum; and 75 acres of alfalfa. In 1946 there were 66 acres of wheat, 12.5 acres of grain sorghum, and 75 acres of alfalfa. In 1947 there were 10.6 acres of cotton; 66 acres of wheat; 1.9 acres of grain sorghum; and 75 acres of alfalfa. In 1948 there were 66 acres of wheat; 75 acres of alfalfa. In 1949 there were 17.5 acres of cotton; 66 acres of wheat; 70 acres of alfalfa. In 1942 this farm was allocated 53 acres of cotton and 11.2 acres of wheat. This farm was allocated 10.6 acres of cotton for 1950.

These cases are representative of the farmers who have low cotton acreage allocated and farmers who have none. It is this type farmer in this area who feels inequality in the cotton acreage program. These cases are called to your attention to see if the forthcoming legislation can be adapted to increase cotton acreage for these farmers.

Anything you can do to help these cases will help many farmers in this part of the country.

Your very truly,

D. H. TRENT,
Chairman, Cotton Growers' Committee.

HOLLIS, OKLA., December 4, 1949.
Congressman VICTOR WICKERSHAM,
Washington, D. C.

DEAR VICTOR: It hasn't been my policy to be calling on my Congressman in the past for assistance, but I am asking a little favor of you. If it is in your power to do anything about it, I will appreciate it very much.

Last year I moved on a place here, north of Hollis, that has been planted to wheat only 4 years, therefore, there is no cotton allotment on it. I have 100 acres of cotton on it this year but, of course, that does not count anything on next year's.

I am told that there is quite a number of acres set aside for new-grower allotments. Mr. Jones, the head of the AAA in this county tells me that I am due consideration for a part of that allotment and he went with me before the county committee but they won't

do anything about it saying I got a nice wheat allotment and am not entitled to any cotton.

I have always tried to diversify my crops and not go the one-crop route, and I feel that it is no fault of mine that there has not been cotton on the land before and if this new-grower allotment does not affect me, how would I ever go about building up a cotton allotment not getting to plant any? I have always complied with the Government program and do not ask anything that is unfair or unjust. I have offered to yield part of my wheat allotment in order to have a mixed crop but they tell me I can't do that. So if you will look into this for me, I will appreciate it very much.

I am wishing for you and yours a very merry Christmas and if at any time I can be of any help to you down here, will be glad to do so.

Sincerely yours,

EDD DUDEK.

MAYFIELD, OKLA., January 14, 1950.
Representative VICTOR WICKERSHAM,
Washington, D. C.

DEAR VIC: I've gotten more information since writing you, that I'm sending. I could write Stillwater committeemen but feel that you can do more, quicker.

Last spring I didn't sign up on the AAA program. It didn't suit me because money required to finance it would raise taxes. The talk was if a big '49 crop was made some kind of program would be necessary, so I reduced my cotton acreage.

The Sayre record shows that instead of the county committeemen sending someone out to get the number of acres I had in cotton they just put down a zero.

In '46 their record shows I had 40 acres of cotton and 93 acres in cultivation.

In the latter part of '46 and first of '47 I broke up approximately 18 or 20 acres that I planted in cotton the following 2 years making approximately 25 acres.

Now that I haven't a wheat allotment or other money crops, I need 35 or 40 acres in cotton.

My farm hasn't very good pasture, so cattle aren't advisable except a few dairy cows.

My total amount of tillable land is about 112 or 115 acres.

Respectfully yours,

FRANK LYON.

NATIONAL FARM LOAN ASSOCIATION
OF SAYRE,
Sayre, Okla., January 13, 1950.

HON. VICTOR WICKERSHAM,
Member of Congress, Washington, D. C.

DEAR VICTOR: Was just thinking about the farm program, and in my talks with various farmers have decided that a change should be made immediately in the farm program to provide an opportunity for farmers who have wheat allotments but don't want them to turn them back to the AAA office and also the many farmers who got cotton allotments but do not want them to do likewise.

This should be done in this manner as many cotton farmers have wheat but don't want it and many wheat farmers have cotton but don't want it; let the wheat farmer turn in his cotton, the county committee would pool these acres and divide it up with the cotton farmers who wanted a larger cotton allotment—giving preference first to the cotton farmer that had turned in his wheat allotment. The wheat acres could be handled on the same basis when the 1951 crop is allotted.

I know many farmers that have cotton acres but will not plant it and these acres should be in production. Most of these who don't plant cotton are wheat farmers and would be glad to cooperate in a program as set up on the above basis.

Very truly yours,

WILLIAM D. LAKEY.

ELK CITY, OKLA., January 17, 1950.
Congressman VICTOR WICKERSHAM,
Washington, D. C.

DEAR CONGRESSMAN: Due to the fact that my allotment for cotton is so small, I decided to write and see if you could help in any way.

Here is my problem: In Beckham County—SE $\frac{1}{4}$ sec. 16, township 11, range 22—I've rented 160-acre farm; 135 acres of work land, which will raise only grain and cotton.

I've gone to the triple A office and they told me I was supposed to get 51 acres of cotton, but when I got my acreage it was only 7 acres.

I have a family of five to support. Two of my children are in school. My rent is \$550 cash rent. Now how can I make a living for my family and pay my cash rent?

Will you please try and help me get my cotton allotment raised? If only you could only help me get it raised to 30 acres, it sure would help me.

Sincerely yours,

J. P. KIRK.

CANUTE, OKLA., January 21, 1950.

DEAR SIR: This is in regard to the new farm plan for 1950. I am a young farmer, with a wife and four children to support on a small farm of 80 acres in the heart of cotton country in western Oklahoma. It appears that the Government, through this farm plan, is going to take my means of livelihood from me. Here are the details, as brief as possible:

I have been opposed from the beginning to all price supports, all or part of parity, and of course to any controls that hinder a farmer's freedom. When my county committee issued work sheets to the farmers with questions concerning how much cotton, corn, wheat, oats, etc., was planted for the past several years I stood on my rights and refused to cooperate or have anything to do with it. I let it be understood that as long as it was voluntary—which it was at the time—I wanted none of it but that if it was voted in and of course became compulsory I would then sign up, not willingly but of necessity in order to raise cotton and sell it, cotton being by far the greatest cash crop on my farm and all others in this community.

I did just that as soon as it was voted and passed in the referendum December 15. However, because the plan was unfairly written, in the first place, and unfairly administered, in the second, all the cotton acreage that was allocated to my county was allotted to the individual farmers the first time around, leaving none to settle cases like mine and the appeals. Up to this time I have received no cotton allotment. I have been to see the county committee and chairman several times since I signed up after the referendum, and they say there is nothing they can do. I believe they have applied for more acreage from the Government to settle the appeals. I have been planting about 20 acres to cotton and must have about that much this year.

Under this farm plan and the system of allotting cotton acreage, the farmer who has been planting the most of his land to cotton the past 3 years gets the biggest allotment. And the farmer who has been planting sweet clover and raising his own feed and cutting down his cotton acreage to do that has to take a cut along with the rest. In other words, the farmer who has been hogging cotton and has created our surplus is the one that benefits the most from this plan. Is there anything you can do to help me.

Respectfully yours,

ESTIS L. JOHNSON.

ELDORADO, OKLA., October 17, 1949.

DEAR FRIEND VICTOR: We knew before receiving your letter that heaven and earth are being moved to give Altus irrigated lands

more cotton acres. (Some millionaire bankers and land grabbers are interested there.)

But that doesn't change the fact that wheat farmers in southwest Oklahoma have been sold down the river in the allotments. All my land has been devoted to wheat for 3 years but I am cut 36 percent. Some States have only 12-percent cut, some have 25 percent, and different adjoining farms have varying cuts from their historic base and the principle of the historic base is 100 percent rotten. Every farmer should be permitted to place all his land in a base of whatever crop he wishes to grow, and then have the same rate of reduction on every farm in the Nation, regardless of how high it may be. It seems Congressmen and Senators just can't understand the situation. Maybe we can speak in your language about November 1950.

Very truly yours,

T. A. ROBINSON.

ALTUS, OKLA., November 12, 1949.

HON. VICTOR WICKERSHAM,
Mangum, Okla.

DEAR MR. WICKERSHAM: Relative to our discussion on cotton-acreage allocation for the irrigation project in Jackson County, we wish to inform you that the provisions of the recent Public Law 272 have not given us any relief on our problem of curtailed cotton acreage.

The letter that Mr. Hutchinson sent to you further confirms the information we had received from Members of Congress and Senate that we might expect relief from the 15 percent of cotton acreage, which can be held by the State and county PMA offices for adjustments of hardship cases. In our meeting on November 3 with the State PMA committee, their interpretations on this particular part of the law still left us without consideration farmers feel is due them on the irrigation project.

The thing that is happening on this project can best be illustrated by using one farm as an example. On a 320-acre farm there has been no cotton planted previous to 1949 during the period on which cotton-acreage history is based. In 1949, there were planted 150 acres of cotton. There have been 80 acres of alfalfa during 1946, 1947, and 1948, which may be used in lieu of cotton acreage. Wheat has been the principal crop, however, on this farm, and the 1950 acreage allocation is 155 acres.

As we have stated before, wheat is not favored as an irrigated crop, because it does not pay enough through increased production to offset the costs of irrigation and related costs of land preparation and increased machinery operation. The very maximum acreage that could be planted on this 320 acres to cotton in 1950 will be 48 acres, provided there had been any cotton history on the land during the years of 1946, 1947, or 1948. The main reason that cotton was not grown during these years was because irrigation was not available. In 1949, water was first available for irrigation and 155 acres were planted to cotton this year.

We believe, as we have been informed by our Congressmen, that the 15 percent of acres held by State and county committees would go a long way in alleviating our situation next year. We have not received any consideration due to irrigation, however, from the State PMA committee.

Is there anything you can do to help us?

Yours very truly,

D. H. TRENT.

ELK CITY, Okla., January 1, 1950.

Congressman WICKERSHAM,
Washington, D. C.

CONGRESSMAN: I am writing you in regard to the way some of us farmers have had our cotton acreage allotted.

At the present time I am only farming 113 acres, since the allotment before the war was lifted I have been raising from 70 to 95 acres,

no wheat on this plot of land, the balance in grain sorghums. Now, I have been allotted 1 acre of wheat and 42.8 acres of cotton. How can we small farmers continue to operate on reductions as this? Some of my neighbors were allotted more cotton acreage this year than they have ever planted in the past. I have been to my county office twice about this, but can't get anything done about it. Please tell me if there is any way you can help me secure more cotton acreage.

Yours truly,

ORBIE L. GIBBINS.

MARTHA, OKLA., January 20, 1950.

Mr. H. P. MOFFITT,
Executive Officer, Production and Marketing Administration,
Stillwater, Okla.

DEAR SIR: I have this date received a reply from the county PMA committee in regard to my appeal for reconsideration of cotton acreage allotment on my farm (county serial No. C-107). This appeal was based primarily on the fact that an error was made in recording cotton history on my farm for the year 1948. There was about 47 acres of cotton planted on this farm in 1948 which was not shown in this history. No consideration was given for this since the allotment was not changed from the original allotment of 12.2 acres, for the quarter section. If the calculations were made properly according to law, the average would have been more in proportion to the required acreage to make the farm operate on a paying basis.

Reference is made to section 344, paragraph (f) (2) and (3), of the cotton acreage and allotments and marketing quota law, Eighty-first Congress. Also to paragraph (g) (2). To my knowledge the survey required by paragraph (1) was not made, thus the discrepancy in acres planted in 1948.

It is respectfully requested that this allotment be further reviewed in view of the following facts:

1. This farm was purchased by me in 1947 to produce cotton.
2. The farm was already seeded to wheat when purchased.
3. Cotton was planted as soon as possible.
4. County records do not show 1948 cotton.
5. The allocated acres will not produce sufficient net income to cover irrigation assessments, taxes, and interest, since it is a proven fact that in this area that wheat will not give the return under irrigation that cotton will.

Respectfully,

NELSON DOUGHTY.

ALTUS, OKLA., September 22, 1949.

DEAR MR. CONGRESSMAN: I am interested in the cotton acreage for Oklahoma since I am just a small farmer in Jackson County. I would like for Oklahoma to keep its quota of acreage and not a bit more. I hope it will be possible to do a little shifting so that all of Oklahoma's acres will grow cotton. In Jackson County would be a good place to shift unwanted cotton acres from other counties.

JOHN CHENAULT.

ELDORADO, OKLA., September 19, 1949.

DEAR FRIEND VICTOR: I am sure you know what the Agriculture Department means by the term, "historic base." I have been trying to say to you, that, in many instances in our section, this historic base serves to confiscate our wheat lands.

I have planted all my land in wheat for the last 3 years, but I have a 36-percent reduction due to historic base, because I formerly planted some cotton. Here at Eldorado the farmer with an all-wheat historic base is required to reduce 23½ percent while just across the river, in Texas, they have to reduce only 16 percent. And their situation as to soil and farming prac-

tice is exactly like here. Because of this injustice to plant all their land to wheat and that will make a rotten situation.

I repeat you don't know how mad we are.

Yours truly,

T. A. ROBINSON.

OKLAHOMA CITY, OKLA.,
December 27, 1949.

Congressman VICTOR WICKERSHAM,
Washington, D. C.

DEAR SIR: I own a farm in your district from which the rent is my income. I am 72 years old. We, the tenant and I, have been planting most of it in cotton, especially since the allotments were removed in 1943.

Now the PMA has allotted us only about 40 percent of the amount we have been planting since 1943. A cut of 60 percent seems very unfair to me when the talk was for a 20-percent cut on the acres planted in recent years. Does it seem fair to you?

What can you do about it?

Sincerely yours,

MRS. IDA CAMPBELL.

BLAINE COUNTY ABSTRACT CO.,
Watonga, Okla., December 24, 1949.

HON. VICTOR WICKERSHAM,
United States Representative, House of Representatives, Washington, D. C.:

We are writing you regarding the reduction in the cotton acreage for 1950, and while we have no objections to the reduction in the acreage to be planted as a matter of fact think this is a good thing, but we do want to join with the balance of the cotton growers in objecting to the manner in arriving at the allotments.

We find in our case that the cotton allotment on our land has been reduced on an average of approximately 75 percent, and this makes it almost prohibitive for the cotton farmer to make a living as a lot of the land growing cotton is not adapted to any other money-making crop.

We find that in a number of cases where the farm is largely a wheat farm they have been allotted a small cotton base and in talking with them, this cotton base is so small and due to the fact that they are set up and equipped for wheat farming only that they do not intend to plant any cotton on their allotment for cotton which will mean that this allotment will not be used in 1950 and referring particularly to Dewey County, Okla., where we have 320 acres, 129 acres is in cultivation, we have been allotted a 60-acre wheat base and 9.5-acre cotton base and this is a sandy type of soil and not adapted to good wheat growing and which cuts this farm down to a nonpaying farm unit.

In talking with one of your PMA supervisors in Dewey County, Okla., he advises that a majority of the cotton growers are very much dissatisfied with their allotment and he advises, in discussing this with him, that if the law could be changed and he thought that it should be, so that the reduced cotton acreage could be distributed to the farms adapted to cotton growing and eliminate the allotment to the wheat farm on which the farmer did not desire any cotton allotment, that the cotton farmer would receive sufficient cotton allotment to take care of his needs and not increase the allotted cotton acreage or production, in other words if the present cotton allotment would be so distributed to those desiring to raise cotton this could be done, if the law would so permit, without increasing the allotted cotton acreage.

It is true that the vote on this carried by a large majority but in a large number of cases those voting for the allotment have not received their 1950 allotment at the time of voting and did not fully understand the situation, which facts can be verified by your PMA supervisors as the cotton farmers have been coming in to their offices in droves

protecting their allotment since the election. It all comes down to this, that if the law will be rewritten so that your PMA supervisors can allot the cotton allotment to the farmers desiring and who will use it and eliminate the allotments to those that have no intention of planting cotton, the situation will be well taken care of and we urge your assistance and cooperation in adjusting this very serious situation among the farmers, retroactive to the 1950 crop.

Yours very truly,

E. T. HOBERECHT.

SAYRE, OKLA., December 20, 1949.

Mr. VICTOR WICKERSHAM,

Mangum, Okla.

DEAR SIR: I am writing you to see if you can help me on my cotton acreage allotment. There is 135 acres in cultivation on this place. I only have an allotment of 20 acres of cotton. The land is light. It will make an average of one-fourth to one-third of a bale per acre. I can't get by on that. This place is located 8 miles west of Elk City of 66 highway one-fourth north. This is the John Davalt farm. He runs a dairy. He served stuff and grazed it. He didn't plant any cotton at all. He died a year ago last march. I rented the place for crop rent from Mrs. Davalt. If you can help me I will appreciate it.

I need 35 or 40 acres to get by on land as light as this is.

Yours truly,

R. W. HYSMITH.

P. S.—They gave me a wheat base but this land won't grow wheat.

OLUSTEE, OKLA., December 27, 1949.

The Honorable VICTOR WICKERSHAM,

Washington, D. C.

DEAR SIR: I wish to complain of the cotton allotment I received. My farm of 160 acres (149 $\frac{3}{4}$ acres in cultivation) received an allotment of 35 acres.

I received 70 acres wheat allotment, but owing to weather conditions will not be able to sow the 70 acres in wheat. That leaves me 35 acres of cotton. The rest of the place to be planted in whatever I may. There will be no support price. I feel that this is a grave injustice as I owe \$5,000 on farm. Taxes and interest to pay and only 35 acres of crop in supported prices. Grain sorghums, barley, and oats will not have a support price. Besides interest, there are 6 in family and living costs are high.

If I can't get more than 35 acres in cotton I surely will lose my farm. I am too old to make a living for my family as a laborer. No one wants to hire a man 60 years old.

Please do something about this cotton restriction.

It looks as if a bunch of cheap politicians will run the farmer into the hole and ruin him.

Yours truly,

C. M. KEITH.

ALTUS, OKLA., January 6, 1950.

The Honorable VICTOR WICKERSHAM,

House of Representatives,

Washington, D. C.

DEAR REPRESENTATIVE WICKERSHAM: Many of the farmers in Jackson County, and particularly the farmers on the irrigation project, are desirous of a more favorable cotton acreage program than Public Law 272 and 439 provided. We have been informed that Congress is working on new legislation and feel confident that the new legislation will give us relief from the situation we have at the present time.

There are 840 farmers in Jackson County who have received no cotton acreage; more than 200 of this number own land on the irrigation project. An example of a specific case can best illustrate the hardships that many farmers find themselves with at this time.

On a 320-acre farm there has been no cotton planted previous to 1949 during the period on which cotton acreage was based. In 1949 there were planted 155 acres of cotton. There were 80 acres of alfalfa grown during 1946, 1947, and 1948, 40 acres of which was planted during this period. Wheat has been the principal crop on this farm, and the 1950 acreage allotment for wheat is 155 acres. Wheat is not well suited as an irrigation crop, because it does not pay enough from increased production to offset the costs of irrigation and related costs of land preparation and machine operation.

This farm has received no cotton acreage for 1950, although the county allocation has been put out to growers and consists of 67,123 acres.

The main reason that cotton was not grown during the years of 1946, 1947, and 1948, was because irrigation was not available. In 1949, water was first available for irrigating this tract of land, and 155 acres were planted to cotton.

Anything that you can do to help the farmers in this area under circumstances as described here will be deeply appreciated.

Yours very truly,

D. H. TRENT.

APPEAL

ELK CITY, OKLA., December 31, 1949.

DEAR MR. WICKERSHAM: I am a 23-year-old veteran that has a 160-acre upland farm rented, crop rent of 96.4 acres are broke out.

The last 2 years I have been running from 75 to 80 acres of cotton so I could pay for my tractor. I got a GI loan to buy it and had only 2 years to pay for it. My payments were around \$1,200 a piece so you can see that my payment and a living is all that I have made.

My landlady (Barbara Simons) has been a widow woman for the last 3 years and she has six small children from the age of 4 to 16.

With them living on the farm so that they can have a few corn, meat hogs, chicken, and rent from 70 or 80 acres of cotton they can have a decent living.

Now that we have a 19-acre wheat and 30-acre cotton allotment and where so many people are depending on 96.4 acres of upland farming land for a living we can't make ends meet. Could you tell me how I could get my cotton allotment raised 20 or 30 acres?

Mrs. Simons and I have tried the triple A office. They said everybody was treated alike, but we have to make a 160-acre upland farm do what some people make a section of bottom land do. If I don't get more cash crops so I can make part of her living and one for myself, these allotments are going to put boys like myself out of business. I really need that cotton I asked for.

Sir, why is it that a man with \$50-a-week salary can buy a seven or eight thousand dollar home with a 100-percent FHA or GI loans, and boys like myself couldn't buy a farm for love or money? Could I buy one of these homes in town and farm? As you know, there is a big oil play here and farms are high.

The farm is in Beckham County and is 4 miles north of Elk City, Okla. The serial number of this farm is A172.

Thank you.

NEWELL WEBB.

FARMERS UNION COOPERATIVE GEN,

Snyder, Okla., January 20, 1950.

VICTOR WICKERSHAM,

Member of Congress, Washington, D. C.

DEAR VICTOR: Enclosed find petition which was gotten up by F. M. Jack, Adrian H. Richardson, and myself on cotton allotments. We are also sending one of the same to Senator KERR, one to Senator THOMAS, and also one to Congressman ALBERT, because of his status on the Agriculture Committee. These may not help any, but the producers in this

particular territory really need some help on these allotments, and anything you can do will be greatly appreciated.

Very truly yours,

H. V. SCHOONOVER.

Subject: Cotton acreage allotment for Jackson County, Okla.

Farmers in Jackson County are disturbed over the prospects for cotton-acreage allocation. A reduction of cotton acreage will handicap farmers in paying for land and costs of farming operations. The acreage-allotment program as it is understood today will seriously impair the farming economy.

The cotton-cropping history of Jackson County during the 5 years preceding 1949 will be used as the base for figuring acreage allocations. This period is not fairly representative of the county's cotton history. During this 5-year period there was a large change from cotton to wheat production. The change was due to a shortage of labor and because farmers were asked to produce foods needed for the war. The records of the PMA office show us the cotton-acreage trend in the county. We have no accurate record for years not listed.

In 1941 there were 82,096 acres of cotton.

In 1943 there were 97,000 acres of cotton.

In 1944 there were 96,500 acres of cotton.

In 1945 there were 82,279 acres of cotton.

In 1946 there were 77,750 acres of cotton.

In 1947 there were 76,277 acres of cotton.

In 1948 there were 66,641 acres of cotton.

In 1949 there are 88,129 acres of cotton.

The wheat acreage during these years fluctuated inversely in about the same proportion:

In 1944 there were 117,500 acres of wheat.

In 1945 there were 160,000 acres of wheat.

In 1946 there were 188,000 acres of wheat.

In 1947 there were 207,000 acres of wheat.

In 1948 there were 210,000 acres of wheat.

In 1949 there were 215,000 acres of wheat.

The relatively large cotton acreage in 1949 is in part a second crop on wheat land, which accounts for the large acreages of both cotton and wheat this year. The county's wheat acreage allocation for planting this year is 152,385 acres. There are 365,000 acres of cropland in the county. Labor and machinery shortages forced a reduction in the cotton-cropping program in the county. When the veterans returned and in many cases took over farming units, their plan was to grow cotton for a cash crop to purchase machinery, land, and to start them in the farming business.

To Whom It May Concern:

We farmers in Jackson County, Okla., understand that cotton acreage allocations are to be made on the cotton- and war-cropping history for the 5-year period prior to 1949. The AAA Act of 1938, in effect with amendment changes, does not recognize the changes in agriculture of this area.

We feel that 25 percent of our land should be allocated for cotton production. Prior to 1949 our cotton acreage was small, and wheat acreage large. Wheat was grown extensively during the war, because of a labor and machinery shortage for cotton production.

We hereby petition for adjustments in cotton acreage for the irrigation project to enable us to pay the added costs of farming under irrigation. We also petition for acreage adjustments on dry land where changes from cotton to wheat were made through necessity.

We petition that all cotton growers participate on an equal basis in any concessions made for this area in adjusted cotton acreage.

The cotton-acreage controls next year will make it impossible for veterans in some cases to pay out the increased costs of farm land and the high operation costs of farming. It has already become evident that

land prices will follow the cotton acreage on any farm in this area. It is our understanding that crops classed as war crops will be allowed to stand in lieu of cotton in the base period on which acreage will be figured for allocation. Wheat is not in the war-crop category. Wheat served a dual purpose during the war years, providing pasture for 50,000 beef cattle each year and producing 1,400,000 bushels of wheat for food. These conditions affect the major part of Oklahoma, and irrigation farmers have a special problem.

Irrigation land on the Altus-Lugert project will be assessed for the first time next year whether or not water is used, this in view of cotton-acreage allocations. The first year irrigation was available made it possible for farmers on the north end of the project to increase their cotton acreage in 1946. Each year since then as water has become available to users in lower regions of the project, progressively more cotton has been grown. This year there is a larger acreage due to the ability of the Bureau of Reclamation to turn water to all of the farm land included in the district. In 1946, 63 percent of the irrigated acreage was in cotton. In 1948, 44 percent was in cotton. When the entire acreage in the project finally is under water assessment, no less than 25 percent of the acreage should be used for cotton production. Of the 47,700 acres that are certified at this time as irrigable, approximately 11,000 acres are seeded to cotton. But farmers feel that under irrigation on this project it will be necessary for them to grow between twelve and fifteen thousand acres of cotton annually in order to establish a sound crop-rotation system to develop their farms to the best interest of the entire country. Because wheat has been a principle crop during the past 8 years, the wheat acreage allotment is considered excessive from an irrigation standpoint. Wheat does not respond to irrigation as cotton or other of the crops that may be available for use in a rotation planting program. The wheat allotted to the irrigation project exceeds 30,000 acres for 1950. Cotton acreages under the new program based on past production will be too low for balanced farming with irrigation.

There are inequalities in the crop-allocation program that have not been satisfactorily changed by the law recently passed to amend the AAA Act of 1938. Although there were minor changes in the law, they do not recognize the complete change that has taken place on the irrigation project since the 1938 act was in operation. The entire agricultural economy has changed from dry land farming to irrigation farming. There have been large expenses to farmers for land preparation and increased operating costs with irrigation. It will be necessary for the successful development of this project that a well diversified crop rotation system be established as soon as possible. Diversified farming is recommended by the Secretary of Agriculture as essential to a sound farm program. It will be impractical for less than one-fourth of the irrigable acres to be used in the growing of cotton. Cotton has been grown here for many years and is well adapted to this particular locality. The acreage has been limited in the past by lack of labor and water. Other cash crops and specialties will grow here, but the marketing outlets for these crops are extremely limited and have not been developed. For developing market outlets years of planning and work will be necessary. If one-fourth of the irrigated acres can be utilized for the production of cotton, one-half of the project could be developed for the production of forage crops and other livestock feeds. There will still be one-fourth of the land for growing other crops that will be needed to develop a well diversified production program. If we have a shorter acreage for cotton than

the amounts asked for, the economy will be seriously handicapped, the sound development of the project will be retarded, veterans and other men who are trying to buy land on the irrigation project will be unable to pay the costs of irrigation. It is unlikely that they will even be able to finish paying for the land. The costs of construction, operation, and maintenance will destroy any benefits that could be received from irrigation in this area of the country. There have been private irrigation developments in this area that are faced with the same production problems as irrigation farmers on the reclamation project.

We believe that there is a solution to these problems that will not affect the plan of the 1938 AAA Act to curtail cotton production for the United States. If there are frozen acres in Oklahoma, we ask that such acreage be administered by the State and county PMA committees, and reallocated to growers who will use such acreage for actual production. If this plan is not feasible, then we believe that a different period of years for figuring the cotton-cropping history should be used that better represents the long period history of cotton production in Oklahoma.

We are not asking favors for minority groups, but do believe that the concessions we have requested will benefit all farmers in Oklahoma.

We have discussed these problems with our county and State PMA committees and it is with their permission and at their suggestion that we present these problems to you, because the farmers of Jackson County need relief from a situation that threatens the farm economy. Your help in alleviating the situation is asked for in good faith and will be deeply appreciated. Cotton growers of Jackson County elected the following committee to present this case: D. H. Trent, chairman, Altus, route 2; Clark McWhorter, Blair; Drue W. Dunn, Altus; Forrest Schnorrenberg, Altus, route 3; D. L. Jones, Eldorado; Carl Ross, Duke; John Davis, Altus; John Miller, Headrick, route 1; W. A. Nugent, Blair; E. I. Yates, Elmer, route 1.

If there is further information that will be helpful to you in this case, contact any of the committeemen who represent their communities in this matter.

A. B. Paine, 1024 East Elm, Asa B. Ferguson, box 228, Altus; H. H. Howell, Olustee; Lloyd L. Crain, Harold H. Vinyard, J. R. Stoup, John E. Chennault, William Vandiver, Mich Elliott, Jack Ward, W. H. Jameson, Ben Martin, W. H. Luderson, R. E. Crockett, E. I. Yates, H. G. Jones, route 2, Altus; C. B. Booker, Headrick, route 1; Harvey Gentry, Fred Caves, route 4, Altus; Joel Ross, box 17, Duke; T. R. Wilson, route 2, Olustee; R. L. Mitchell, box 242, Blair; C. D. Feltz, route 2, Altus; J. R. Haws, C. G. Cinstelber, route 2, Olustee; John M. Davis, Altus; A. L. Bryan, 1301 North Hudson, O. T. Freeman, Jack Mills, route 2, B. Earle Cole, route 1, H. S. Garrison, route 1, Altus; H. C. Garrison, route 1, Headrick; W. O. Burch, route 1, T. O. Burch, 1617 North Lee, T. H. Lippoldt, 419 North Grady, Ray R. Castle, 1100 North Hudson, W. M. Maley, J. N. Walker, route 2, H. D. Zumbro, route 1, Roy Kizziar, Frank Smith, route 2, Charles A. Nichols, Fred Walker, A. B. Smith, Altus.

ELDORADO, OKLA.

DEAR SIRE, HA: I guess you noticed that I didn't put my return address on the envelope. I didn't want the rest of the people in Washington being jealous of me writing to you. Please don't tell them that I wrote to you and not to them.

Well, this letter has a purpose. When you see a — dash that means "drat" or "dratted." Well, this —ed farm program has me down to 60 acres of wheat on one-

half section of land. That is too — much land to be out. I have no — cotton base except 22.9 acres in 1945, that divided by 4 years to get my average yearly quota leaves nothing 0, or a cipher with rim knocked off. Now if I knew that I wouldn't get anything to raise for money, I would have tried to make my living according to R. A. Tillman, route 3, Eldorado, Okla. I don't know whether you know it or not but you have to make money to pay taxes with or go to the pen to say nothing of the expense of running the thing. Now, I know of one neighbor (man, wife, and child) who have 650 acres wheat. He also will have a cotton acreage. He and hired hand cut about a thousand acres in 9 days plowing. Do you reckon they can live on that much? I have another neighbor (man, wife, and two children). They have 80 acres. They will get 29 acres wheat, some cotton. Do you reckon they can live on that much?

Now, I was one of these nuts that tried to kindly carry the prewar program through the war years and am now fixing to get cut. What will people besides veterans do that have land and homes to pay for do?

Respectfully,

R. A. TILLMAN.

P. S.—Do you think I should have 50 acres cotton?

OFFICE OF COURT CLERK,

Hobart, Okla., December 16, 1949.

HON. VICTOR WICKERSHAM,
Congressman, Seventh Congressional
District, Hobart, Okla.

DEAR SIR: It is not my purpose to burden you with matters that can otherwise be taken care of; and, too, I feel sure you receive other letters of a similar nature. I would like at this time to give you a brief outline of my allotment on the West ½ of the Northwest Quarter of Section 3, Township 8 North, Range 15, WIM, Washita County, Okla. I purchased the above-referred-to tract October 11, 1949, through the Indian Department, the title of which is being prepared at this time. So far as the records are concerned, in Washita County, there is no evidence of ownership as of yet, as it takes quite a while to go through the procedure and get the title back. This title has passed the Concho subagency and the general office at Anadarko and has been forwarded to Washington for approval. When this allotment program was called to my attention, I became concerned about the matter for the reason that I am at a loss as to how long this program will carry over and what effect it will have on the production of the money crop, as this purchase was made principally with borrowed money.

Upon investigation, I find that my allotment was 19.7 acres of cotton, and 7 acres of wheat, making a total of 26.7 acres of cotton and wheat combined, from the total of 66 acres in cultivation, which is approximately 40 percent of the tillable land. I think this allotment is a ridiculous figure, inasmuch as the land in question is a cotton farm. I also find a variation in the percentage allowed different people. A tract of 80 acres in the same county has, I understand, as high as 35 to 38 acres of cotton allotment alone.

I do not know what can be done about this, but I know of no other way of giving you the facts other than writing you as I am doing. In the first place, the 90 percent of parity, in my opinion, is a little unfair to start with. It seems to me that a farmer should be allowed 100 percent parity in order to keep on an even keel with economic conditions; however, if it is necessary for us to make a sacrifice in order to protect the economic conditions of our country, I am certainly willing to accept the 90 percent as it stands. But I am not willing to accept the ridiculous allotment that was granted to me as I mentioned above.

I sometimes wonder what our Agricultural Committee is doing and what they think will happen to the 60 percent of feed that we would be forced to produce according to the allotment as set out above. In my opinion, there would be so much feed in that particular area that one could hardly give it away.

If there is anything that you can do about this matter, it will be greatly appreciated.

Yours respectfully,

O. L. FREEZE.

ALTUS, OKLA., January 24, 1950.

The Honorable VICTOR WICKERSHAM,
House of Representatives,

Washington, D. C.

DEAR REPRESENTATIVE WICKERSHAM: The cotton-allocation program has reached a point in this area now where there is little hope for new growers to participate on a large enough scale to justify the operations of growing cotton.

There are 836 farmers in Jackson County who do not have cotton allocated for their farms. It is estimated that 70 percent of these farmers would like to grow cotton. There are many other farmers whose maximum-planted acreage during the period of 1945 to 1948 limits their cotton acreage to a particularly low percent of their total farm. The three cases for which we are including figures will best illustrate the problem of these men.

On the farm operated by W. H. Luderson, the acreage planted to various crops during the history years for cotton are as follows: On this quarter section of land in 1941 there were 30.6 acres of cotton; 23.6 acres of wheat; 40.4 acres of grain sorghum; 15 acres of barley; 17.6 acres of peas. Since that date the farm has been operated entirely as a wheat farm. In 1945 there were 139 acres of wheat and the same acreage reported in 1946, 1947, and 1948. The 1942 crop allotment included 50 acres of cotton and 20.8 acres of wheat. This particular case represents many similar ones that have come under the irrigation program during the past year.

Another case where the farmer has no cotton acreage has a cropping history as follows: In 1941 there were 69.2 acres of cotton; 16.2 acres of wheat; 10.7 acres of oats; 50 acres of barley; 83.5 acres of alfalfa; and 50 acres of green manure. In 1945 there were 196.1 acres of wheat; 83.5 acres of alfalfa. In 1946, 187 acres of wheat; 16 acres of oats; and 76.5 acres of alfalfa. In 1947 there were 207 acres of wheat; 72.5 acres of alfalfa. In 1948 there were 207 acres of wheat; 72.5 acres of alfalfa. In 1949 there were 155 acres of cotton; 199 acres of wheat; 40 acres of oats; and 40.5 acres of alfalfa. In 1942 this farm was allocated 98.4 acres of cotton; 25.4 acres of wheat. There is no cotton allocated for 1950, and this farm is another farm that came under irrigation in 1949.

The last case that we included for your consideration is a dry land farm. On this quarter section in 1941 there were 35 acres of cotton; 12.2 acres of wheat; 31.3 acres of grain sorghums; 75 acres of alfalfa. In 1945 there were 16.2 acres of cotton; 32.4 acres of wheat; 29.9 acres of grain sorghum; and 75 acres of alfalfa. In 1946 there were 66 acres of wheat, 12.5 acres of grain sorghum, and 75 acres of alfalfa. In 1947 there were 10.6 acres of cotton; 66 acres of wheat; 1.9 acres of grain sorghum; and 75 acres of alfalfa. In 1948 there were 66 acres of wheat; 75 acres of alfalfa. In 1949 there were 17.5 acres of cotton; 66 acres of wheat; 70 acres of alfalfa. In 1942 this farm was allocated 53 acres of cotton and 11.2 acres of wheat. This farm was allocated 10.6 acres of cotton for 1950.

These cases are representative of the farmers who have low cotton acreage allocated and farmers who have none. It is this type farmer in this area who feels inequality in the cotton-acreage program. These cases

are called to your attention to see if the forthcoming legislation can be adapted to increase cotton acreage for these farmers.

Anything you can do to help these cases will help many farmers in this part of the country.

Yours very truly,

D. H. TRENT,

Chairman, Cotton Grower's Committee.

ELDORADO, OKLA.

DEAR FRIEND VICTOR: I am still aching about the historic base along with all your farmers. That base is made a part of the title to every farm and we all know false records have been submitted for some farms and no records on others. It would be confusing and impractical to permit farmers to change bases every year but he should have that privilege at stated intervals or when a farm changes owners or tenants. If some young Member of Congress would make a fight for that principle and then run for Senate, he would pile up a vote down here in Seventh District. I know what our farmers are thinking.

We appreciate your faithful service.

Very truly yours,

T. A. ROBINSON.

ELDORADO, OKLA., December 5, 1949.

DEAR MR. WICKERSHAM: You asked me to write you about the agriculture problem that I had. (60 acres of wheat, no cotton base, etc., with 100 acres out on my farm.) You remember the conference that we had in Hoggars office that day? I was seeking more wheat acreage in preference to cotton base and if I could get cotton base, I desired to swap it for additional wheat allotment. It seemed that nothing could be done short of an act of Congress to change it. (According to the committee.)

Well, it sure looks like I was penalized for being honest. If I'd been a crook and submitted my wheat acreage as from fence to fence, I'd had a decent allotment.

I told them if I could get a decent allotment, I thought maybe I could go bear hunting. But since I was cut to 60 acres, I was scared to go as I might be mistaken for a bear (bare). Anyway, a fellow would be bared if he did. In order for you to understand the situation that it puts a small fellow in, I will construct 1950 program, 60 acres wheat, which the Government said my acreage yield was—

Seven bushels per acre by \$2 per bushel equals \$14 per acre, minus putting \$3, equals \$11.

Four plowings at \$1 each equals \$4.

Seed and treatment, \$2.75.

Sowing, 75 cents.

Total, \$7.50.

Seven fifty from \$11 leaves \$3.50.

Three dollars and fifty cents by 60 acres equals \$210, less hauling to town, less expense of loan, less what else. Oh yeah, wait 3 weeks to 3 months for your \$210 loan to get back. Please don't laugh. That is a heck of a mess. Well on the outland put 35 acres oats.

Certified seed, \$2.80 bushel by 53 bushels (1½ per acre), equals \$140.40.

Plowing four times at \$1 equals \$4.

Sowing, 75 cents.

Cutting, \$3.

Hauling, shoveling, and labor, oh heck, what's the use?

Say put the rest in milo which would be more expensive than the other. Well, nobody wants such as that. It's \$4.60 cut here now. So why should a dealer buy it when he couldn't sell it to somebody who already has some of the stuff? And if you couldn't sell it, you would have to buy something to store it in. And if you store it, you'd have to feed it to hogs or something and they are too cheap to feed, etc., on through the night.

I suggest that all farmers on the small farms be paid a pension so they can pay taxes.

Respectfully,

R. A. TILLMAN.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, amendments to the cotton-quota law are necessary to correct inequities and to eliminate hardships which are developing in connection with acreage allotments to cotton farmers. In a large number of cases the allocations under the program are obviously inequitable and unfair, and the result, if the situation is not improved, will inevitably be that many farmers and their tenants will lose their means of livelihood, unemployment will increase, and the original purpose of the quota bill will be defeated.

No amendment is going to provide the remedy sought if the acreage cut for individual farmers amounts to more than 30 percent of the average planted during the years, 1946, 1947, and 1948. I am very hopeful that the measure now before the House will, if enacted, go far toward solving the problem. This measure, to succeed, must provide additional acreage to adjust 1950 allotments to bring them up to a minimum of whichever is the largest of 70 percent of the average cotton acreage planted on a farm in 1946, 1947, and 1948 or 50 percent of the highest acreage planted on the farm in any of those 3 years. There is properly a provision in the measure which permits farmers to surrender voluntarily to their county committees acreage allotted to them which they do not intend to plant in 1950. Authority should also be given to county committees to make equitable adjustments between acreage figures of the BAE and those of farmers themselves.

While I recognize that the supply-and-demand situation in cotton requires quotas for the 1950 crop if Government price supports are at 90 percent of parity are to be maintained, I am certain that the House will want to prevent drastic inequities resulting from application of the cotton-quota law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the amendments now at the Clerk's desk may be printed in the RECORD at this point so that we may have an opportunity to see them in the morning.

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

There was no objection.

Amendment offered by Mr. WHITE of California: On page 2, line 10, strike out the figure 40 and insert in lieu thereof the figure 50.

Amendment offered by Mr. WICKERSHAM: Page 2, line 5, after the word "years", insert "or 50 percent of the acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, on the farm in the year 1949."

Amendment offered by Mr. WHITTINGTON: Page 1, line 9, strike out "70" and insert "60."

Amendment offered by Mr. HARE: On page 2, line 8, after the colon and before the word "provided," insert the following: "Provided, That the allotment to each farm shall be determined by the county committee, subject to review in accordance with section 3 of this resolution, on the basis of satisfactory evidence submitted by the producers."

Amendment offered by Mr. WICKERSHAM: Page 3, line 14, after the word "State" strike out "and county" and insert a comma and "county and the individual farms which so surrendered such farm acreage allotments."

Amendment offered by Mr. WHITTEN: Page 3, following line 229, insert a new section as follows:

"Sec. 2A. Notwithstanding any other provision of law, any farmer who shows to the satisfaction of the Secretary that he has been directly engaged in the growing of cotton as his principal means of support during the years 1946, 1947, 1948 as a renter, either as a cash tenant, share tenant, or sharecropper, and that through no fault of his own the land which he has been farming is no longer available to him for farming purposes shall, if he obtains other farm land to rent or farm for which no 1950-cotton allotment has been established, be eligible to receive for such land a cotton allotment in 1950. Such allotment shall be established on the same basis as allotments are established for other farms in the county on which cotton was not planted in 1946, 1947, or 1948, except that the acreage required to provide the allotments authorized under this section shall be in addition to the county, State, and National acreage allotments proclaimed by the Secretary of Agriculture for the 1950 crop of cotton and the production from such acreage shall be in addition to the national marketing quota for such crop."

Amendment offered by Mr. REGAN: Insert the following new section 5 after section 4 and renumber succeeding sections:

"Sec. 5. Notwithstanding any other provision of the Agricultural Adjustment Act of 1938, as amended, the cotton acreage allotment of any new 1949 cotton farm which was completed for planting prior to March 29, 1949, by clearing, plowing, and cultivating the land and was planted to cotton for the first time in 1949 and which was not planted to any crop prior to 1949, shall be not less than 30 percent of the acreage on such farm which was planted to cotton in 1949."

Amendments offered by Mr. BECKWORTH. Page 4, after line 6, insert the following:

"Sec. 5. Section 346 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) The penalty provided for in this section shall not apply with respect to cotton produced by any person who is recognized by the county committee as being a cotton farmer if his total acreage does not exceed 5 acres."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following new section:

"Sec. 5. Section 346 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) The penalties provided for in this section shall not apply with respect to cotton produced by any veteran of World War II who is recognized by the county committee as being a cotton farmer if his total production of cotton does not exceed 5 acres. As used in this subsection the term 'veteran of World War II' means a person who served in the active military or naval service of the United States on or after December 7, 1941, and before September 3, 1945, and who has been honorably separated from such service."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following:

"Sec. 5. Section 346 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) The penalties provided for in this section shall not apply with respect to cotton produced by any veteran of World War II who is recognized by the county committee as being a cotton farmer if his total production of cotton during the year in which such cotton was produced did not exceed an amount equal to four standard bales of 500 pounds gross weight. As used in this subsection the term 'veteran of World War II' means a person who served in the active military or naval service of the United States on or after December 7, 1941, and before September 3, 1945, and who has been honorably separated from such service."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following:

"Sec. 5. If marketing quotas are proclaimed for the 1951 crop of cotton, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1950 and those cotton farmers who surrendered the cotton acreage allotments to their farms for 1950. As used in this section the term 'cotton farmer' means a person recognized by the county committee as being a cotton farmer."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following:

"Sec. 5. If marketing quotas are proclaimed for the 1951 crop of cotton, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1950 and those veterans of World War II whose farms received cotton-acreage allotments for the 1950 crop but who are found by the county committee to have been unable to engage in the production of cotton in the calendar year of 1950 because of the smallest of the cotton acreage allotments to their farms for the 1950 crop. As used in this section the term 'veteran of World War II' means a person who served in the active military or naval service of the United States on or after December 7, 1941, and before September 3, 1945, and who has been honorably separated from such service. And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following:

"Sec. 5. If marketing quotas are proclaimed for the 1951 crop of cotton, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1950 and those farmers whose farms received cotton acreage allotments for the 1950 crop but who are found by the county committee to have been unable to engage in the production of cotton in the calendar year 1950 because of the smallness of the cotton acreage allotments to their farms for the 1950 crop."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 6, insert the following:

"Sec. 5. If marketing quotas are proclaimed for the 1951 crop of cotton, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1950 and those persons recognized by the county committee as being cotton farmers."

And on page 4, line 7, strike out "Sec. 5" and insert in lieu thereof "Sec. 6."

Page 4, after line 16, insert the following: Sec. 6. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is

amended by adding at the end thereof the following:

"(f) The penalty provided for in this section shall not apply with respect to peanuts produced by any person who is recognized by the county committee as being a peanut farmer if his total acreage does not exceed 2 years."

Amendment offered by Mr. SYKES: Page 4, line 16, insert a new section as follows:

"Sec. 6. Any part of the peanut acreage allotted to individual farms in any county for 1950 under the provisions of the Agricultural Adjustments Act of 1938, as amended, which will not be planted to peanuts and which is voluntarily surrendered by the owner or operator of the farm to the county committee shall be deducted from the 1950 allotments to such farms and shall be apportioned, in accordance with regulations prescribed by the Secretary to other farms in the same county. In any subsequent year, unless hereafter provided by law, acreage surrendered under this section and reallocated pursuant to regulations prescribed by the Secretary shall be credited to the State and county."

Amendment offered by Mr. WICKERSHAM: Page 4, line 16, insert a new section, as follows:

"Sec. 6. Notwithstanding any other provision of law, the Secretary may, in his discretion, allot not to exceed 350,000 acres to new irrigation areas, which were normally cotton producing areas in 1940, 1941, and 1942, but which areas have inadequate cotton allotments under the present act due to the fact that other basic crops were planted in said areas during 1946, 1947, and 1948, which crops were found uneconomical to produce in said area."

Mr. BECKWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BECKWORTH. Mr. Chairman, I do not know whether we have arrived at the point where some of my amendments are applicable. I would like an opportunity to be heard on them.

The CHAIRMAN. We are still on section 1.

Mr. SIKES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIKES. Mr. Chairman, is the bill open to amendment at any point, or just to section 1?

The CHAIRMAN. We are considering section 1.

Mr. POAGE. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. POAGE:

On page 1, line 9, strike out the words "the larger of."

And on page 2, lines 2, 3, 4, and 5, strike out the following words: "or 50 percent of the highest acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, on the farm in any one of such 3 years."

Mr. POAGE. Mr. Chairman, this amendment strikes out the provision giving 50 percent of the highest acreage planted in any one of the 3 years. It will also strike out something more than 400,000 acres, according to an estimate of the Department of Agriculture and according to the figures presented by several of the Members this afternoon; it will probably strike out three-quarters of the total acreage added by this bill.

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

Mr. POAGE. I yield.

Mr. GATHINGS. The gentleman has fully redeemed himself by offering this amendment.

Mr. POAGE. I thank the gentleman. This amendment will reduce materially the acreage that this bill would add to the national allotment. If you want to try to confine this bill to a measure to give real relief to those who are being destroyed by any act of Congress or interpretation of the Department of Agriculture, or both, then you should vote for this amendment.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. WHITE of California. What would happen to the man who just came home from the war in 1948 and planted for the first time?

Mr. POAGE. He would get 70 percent of his average plantings during the base period, not to exceed 40 percent of his total cultivated land.

Now, if you want to give a reward to those who have just now developed large acreages of cotton, those who have planted large acreages one year and not consistently followed it, those who have been in and out of the cotton business, then you keep the 50-percent provision. But the 50-percent provision does not help anybody unless he has been planting practically all of his land to cotton or unless, as I said, he is an in-and-outer.

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

Mr. POAGE. I yield.

Mr. SUTTON. The gentleman has been a very strong advocate of soil conservation.

Mr. POAGE. I believe very strongly in soil conservation.

Mr. SUTTON. He advocates not following the advice of the Department of Agriculture in the crop rotation provision if he strikes this out.

Mr. POAGE. No, I do not think so; because that man who has been planting all his land in cotton 1 in 3 years and all of his land in soil-conserving crops, or even any crops other than cotton on the other 2 out 3 years, has just as good history as the man who has followed the advice of the Department and planted one-third of his land in cotton every year. He still has a base of 33 1/3 acres. He has got an average of 33 1/3 planted during the base years, just the same as if he had planted one-third of his land in cotton every one of the 3 years. It works out exactly the same as if you had been following the more common practice of soil conservation, and if this man you speak of actually rotates his whole farm on a 3-year basis he will come out just as well as the man who divides his land every year.

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

Mr. POAGE. I yield to my chairman.

Mr. COOLEY. How much acreage will be involved in the gentleman's amendment?

Mr. POAGE. Something over 400,000 acres taken out, if we pass this amend-

ment. The estimates given by some of the Members here indicate it would be even more than that. Whatever it is, it is very obvious that it is now going to go to the in-and-outer and not to the man who is the regular cotton farmer, or it is going to the man who has always planted a very large acreage and who caused our cotton problem. If he has followed a 3-year rotation of his entire farm with cotton plantings only 1 year out of three like the gentleman from Tennessee describes, then he has got an average that is just as high as if he had followed the practice of planting only one-third of his land in cotton each year.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. WHITE of California. Let me call the gentleman's attention to the fact that he is including in those "outers" the boys who fought to save this country and who could not get out of the Army in time to plant.

Mr. POAGE. No; there has been no fighting done for this country in the last 3 years. The history of the "outers" is confined to 1946, 1947, and 1948; and there was not anyone fighting for this country in those years. Those boys were here; if they wanted to plant cotton they had the opportunity; if they did not get in the program then they have no right now to come along and say that we ought to break down the program and give them 400,000 acres, and increase the Government's liability by that much. We made provision last fall for an allotment to the boy who was prevented by military service from establishing a cotton history.

The question is very simple: Do you want to maintain a substantial reduction in the national cotton acreage, with reasonable adjustments for those cotton farmers who cannot be expected to make a living for their families under present regulations, or do you want to make this a grab bag? If you ask for too much for the man with one big year, may you not jeopardize the proper needs of the man who had grown a reasonable amount of cotton each year, and who is definitely dependent on cotton for the support of his family?

I would, of course, be glad if we could give every man the right to produce all the cotton he wants to produce, but since we know that we cannot do that and at the same time support the price, let us not get so interested in the cotton speculator who plants when he thinks his neighbors are going to reduce and who relies on something else when he thinks cotton will not be profitable that we are unable to get relief for the man whose children are not going to have shoes unless he can get a reasonable percentage of the cotton he has planted year after year.

The 50-percent provision jeopardizes this whole bill. It will endanger its passage in the House and certainly it will slow down its passage in the Senate. Our farmers need relief and they need it now. They are planting cotton in south Texas today. We cannot afford to slow up the passage of this bill. We

cannot afford to take a chance on having it defeated. As our good friend, the gentleman from Tennessee [Mr. COOPER], said, I would rather have a part of something than all of nothing any day in the week, and I know that the 70-percent provision is of far more importance to far more real cotton farmers who have always depended on cotton than is the 50-percent provision. I think that if we were to strike the 50-percent provision, we would have no trouble promptly passing the bill through both Houses.

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

Mr. WERDEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope it is understood that we are now considering legislation that has the small farmer, the medium-sized farmer and the large farmer on the hook. You gentlemen have been planning their economy. At the present time they cannot plant without penalties. You have just voted down an amendment by my colleague from California, Mr. WHITE, which would have protected the little farmer.

Up until last year it was generally understood that this Government wanted people to plant cotton. People throughout the whole United States, but primarily in the West, took their life savings, went out and leveled land, and put down water wells. I would say that 99 percent of them were small farmers. So let us not think we are fooling anyone but ourselves when we talk about 2,000 acre farms. The thing you are talking about now is the farmers throughout the country who for the last 10 years have been put on the hook with a planned economy by this Congress. Call it socialism if you want to, but you are telling them, as they were told by administrative interpretation of the act passed last year, that they are out of business, that they cannot pay their banker.

The gentleman from Texas, whom I admire very much—and I know he has far more experience than I in both agriculture and legislation—should realize, and I cannot refrain from telling him so, that there are some very competent people in California who have their own idea about what constitutes good farming practice. It is probably just as good practice if a man wants to rotate crops to do it on a four-year, a three-year, or even a two-year basis just as good practice as it is to rotate a fractional part of his land every year. If I were a small farmer and wanted to devote 20 acres of my farm to cotton this year, 20 acres to melons next year and 20 acres to maize or some other crop on the third year, that would be considered by many to be good farming practice.

But now you are voting against the people you have on the hook, after you put them on the hook by legislative inducement and penalties. The administration admits that their difficulties result from an administration failure. I have heard members of the committee say that the Department of Agriculture failed to interpret the congressional intent and the intent of the committee. Now, go ahead; but when you do, let it

be known here and now that this administration while saying it supports a bill is not supporting it for the small growers of this country. That so-called administrative failure under the 1949 act is the result of inefficiency or lack of attention or deliberate misinterpretation of congressional intention by the Department of Agriculture. They cannot relieve themselves of this burden by passing the buck to State committees who are the political appointees of this administration and the salaried employees of the Department of Agriculture. If this bill even in its present form is filibustered in the Senate, we will see then where the administration stands on it.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. WERDEL. I yield to the gentleman from California.

Mr. WHITE of California. The gentleman came to Washington when the subcommittee on cotton had its meeting to try to alleviate the situation which arose under the existing legislation. He is familiar with the fact that the 50 percent figure was included in the implied promise that went out in the press release of that time. If we vote for the amendment of the gentleman from Texas [Mr. POAGE], we would be breaking that implied promise, is that not correct?

Mr. WERDEL. I know of no implied promise. I am speaking for people who will be destroyed by the proposed amendment without notice. I want it pointed out that a paternalistic executive department intends that destruction after inducing them to invest their savings and make improvements on lands which are now not to be cultivated because of planned economy.

Mr. SUTTON. Mr. Chairman, will the gentlemen yield?

Mr. WERDEL. I yield to the gentleman from Tennessee.

Mr. SUTTON. It is also a fact this amendment was offered in the Committee on Agriculture and was defeated there. I hope it will be defeated on the floor.

Mr. WERDEL. I am not speaking for the Committee on Agriculture. The resolution is a result of a star chamber meeting of a subcommittee. Those of us who crossed the continent were not permitted to attend while the resolution was being discussed for the alleged reason that we were not members of the Agriculture Committee. I discovered later that members of the subcommittee had met on Sunday afternoon in the office of the gentleman from Georgia [Mr. PACE] which meeting was adjourned to the office of the Secretary of Agriculture at 5 p. m. on that Sunday afternoon. I have been reluctant to say these things until the present hour. I think the time is now here when the small farmer outside of the Old Cotton South should understand that he is expected to make a political contribution to the Fair Deal planned agriculture economy which will be financially destructive to himself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 22, noes 23.

Mr. GATHINGS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 398 relating to cotton and peanut-acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, had come to no resolution thereon.

BOARD OF VISITORS TO THE UNITED STATES MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 816, Eightieth Congress, the Chair appoints as members of the Board of Visitors to the United States Military Academy the following Members on the part of the House: Mr. ROONEY, Mr. HARDY, Mr. WIGGLESWORTH, and Mr. GAMBLE.

BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 816, Eightieth Congress, the Chair appoints as members of the Board of Visitors to the United States Naval Academy the following Members on the part of the House: Mr. JACKSON of Washington, Mr. PRICE, Mr. PLUMLEY, and Mr. BEALL.

BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 301, Seventy-eighth Congress, the Chair appoints as members of the Board of Visitors to the United States Merchant Marine Academy the following Members on the part of the House: Mr. KEOGH and Mr. TOWE.

BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 183, Seventy-sixth Congress, the Chair appoints as members of the Board of Visitors to the United States Coast Guard Academy the following Members on the part of the House: Mrs. WOODHOUSE and Mr. MACK of Washington.

EXTENSION OF REMARKS

Mr. HARRIS asked and was given permission to include in the extension of the remarks he made in the Committee of the Whole a letter from Mr. Frank K. Woolley, Deputy Administrator, Department of Agriculture, dated January 30, 1950.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an article appearing in the Country Gentleman.

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

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

RECORD in three instances and to include two editorials.

Mr. LEMKE (at the request of Mr. HOPE) was given permission to revise and extend the remarks he made in Committee of the Whole and include a bill.

Mr. TALLE (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD and include an article appearing in the Des Moines Register.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CURTIS (at the request of Mr. MARTIN of Massachusetts) on account of illness.

To Messrs. GARY, FERNANDEZ, CANFIELD, and COUBERT (at the request of Mr. CANNON) for January 30 and 31, on account of official business of the Committee on Appropriations.

ENROLLED JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 184. Joint resolution authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 184. Joint resolution authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day.

ADJOURNMENT

Mr. COOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until Tuesday, January 31, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1170. A letter from the Secretary of Defense, transmitting the second report of the Secretary of Defense, covering expenditures for the fiscal year 1949, in compliance with the National Security Act of 1947; to the Committee on Armed Services.

1171. A communication from the President of the United States, transmitting a draft of proposed legislation entitled, "For the authorization of a contribution by the United States to the United Nations Relief and Works Agency for Palestine Refugees in the Near East" (H. Doc. No. 459); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk

for printing and reference to the proper calendar, as follows:

Mr. THORNBERRY: Committee on Post Office and Civil Service. H. R. 6553. A bill to provide for the promotion of carriers in the rural delivery service in recognition of longevity of service; without amendment (Rept. No. 1550). Referred to the Committee of the Whole House on the State of the Union.

Mr. KARST: Committee on Post Office and Civil Service. H. R. 6603. A bill to provide that certain service performed in the custodial service and in the mail equipment shops of the Post Office Department shall be credited toward promotion to the meritorious and longevity grades established for the postal field service; without amendment (Rept. No. 1551). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ANDREWS:

H. R. 7038. A bill to name the dam to be constructed on the Chattahoochee River at Columbia, Ala., the Henry Steagall Dam; to the Committee on Public Works.

By Mr. DAVIS of Georgia:

H. R. 7039. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for widows of certain former Federal employees who had rendered 30 years of service; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H. R. 7040. A bill to amend the Reconstruction Finance Corporation Act to require that the identity of recipients of financial assistance under such act and the amount of such assistance be made a matter of public record; to the Committee on Banking and Currency.

By Mr. MURRAY of Tennessee:

H. R. 7041. A bill to credit, for purpose of promotion to the meritorious grades, certain service performed by employees of the postal field service transferred from one position to another within the service; to the Committee on Post Office and Civil Service.

By Mr. DONDERO:

H. R. 7042. A bill relating to the manufacturers' excise tax on trailers used in connection with passenger automobiles; to the Committee on Ways and Means.

By Mr. HARDY:

H. R. 7043. A bill to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.; to the Committee on Merchant Marine and Fisheries.

By Mr. ABBITT:

H. R. 7044. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1933, as amended; to the Committee on Agriculture.

By Mr. POULSON:

H. R. 7045. A bill to amend Public Law 622, Seventy-ninth Congress, chapter 777, second session, an act to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II; to the Committee on Veterans' Affairs.

By Mr. LATHAM:

H. J. Res. 406. Joint resolution directing the Civil Aeronautics Board to procure an amendment to the Warsaw Convention, with reference to limitation of liability on overseas travel; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 407. Joint resolution to provide for the calling in by the Secretary of the Treasury of all outstanding paper and note

United States currency in all amounts, and for the reissuance of new paper and note currency in place thereof in new and different colors for each denomination; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BECKWORTH:

H. R. 7046. A bill for the relief of C. W. Jacobs; to the Committee on the Judiciary.

By Mr. BOLTON of Maryland:

H. R. 7047. A bill for the relief of Mrs. Tomo Nonque Rosevear III; to the Committee on the Judiciary.

By Mr. BREHM:

H. R. 7048. A bill for the relief of Joseph L. Sheets; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 7049. A bill for the relief of Julius Elzas; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 7050. A bill for the relief of Louie Gam Yean; to the Committee on the Judiciary.

H. R. 7051. A bill for the relief of Erna Hahn and her minor sons, Erwin Hahn and Theo Heinrich Hahn; to the Committee on the Judiciary.

By Mr. MURPHY:

H. R. 7052. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claims of T. G. Egan Refractory Engineering Co., Inc., against the United States; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 7053. A bill for the relief of Charles E. Maulden; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 7054. A bill for the relief of Mleko Miyazaki Malloy; 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:

1760. By Mr. FORAND: Resolution memorializing Congress with relation to amending the Federal Social Security Act with the purpose of extending the coverage and benefits thereof to include municipal employees, passed by the General Assembly of the State of Rhode Island and Providence Plantations at the January session, A. D. 1950, and approved by the Governor on January 24, 1950; to the Committee on Ways and Means.

1761. By the SPEAKER. Petition of Mr. and Mrs. Harry Conner 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.

1762. Also petition of Sarasota Townsend Club No. 1, Sarasota, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1763. Also, petition of Mr. Afton H. Hammond and others, Sarasota, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1764. Also, petition of Fifth Congressional District Townsend Clubs mass meeting, Orlo Vista, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1765. Also, petition of Maude M. Gibson and others, Orlo Vista, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1766. Also, petition of Mrs. Marie Boyes 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.

1767. Also, petition of Mr. Thomas C. Baker and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, JANUARY 31, 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:

Eternal God, who art our refuge and strength, we commit ourselves and our Nation to Thee. In these fear-haunted days when violent and vicious forces violate every cherished right which mankind has slowly won, may even ruthless tyranny with its false promises reveal the spiritual glory of true democracy as in Thy name it anew sets up its banners.

Upon all who here labor with full purpose of heart for the purification of public life, for the removal of all that betrays and denies the creed of universal freedom we profess, let Thy blessing rest. Bring us to a golden tomorrow for all Thy children, when the shared plenty of the good earth shall wash the slums of the world into vague, unhappy memories. 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 Monday, January 30, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations 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 | Fulbright | Lodge |
| Anderson | George | Long |
| Benton | Gillette | Lucas |
| Brewster | Graham | McCarran |
| Bricker | Green | McCarthy |
| Bridges | Gurney | McClellan |
| Butler | Hayden | McFarland |
| Byrd | Hendrickson | McKellar |
| Cain | Hill | McMahon |
| Chapman | Holland | Magnuson |
| Chavez | Hunt | Malone |
| Connally | Ives | Maybank |
| Cordon | Jenner | Millikin |
| Darby | Johnson, Colo. | Morse |
| Donnell | Johnston, S. C. | Mundt |
| Douglas | Kefauver | Myers |
| Downey | Kerr | Neely |
| Dworshak | Kerr | O'Mahoney |
| Eastland | Knowland | Pepper |
| Eaton | Langer | Robertson |
| Ferguson | Leahy | Russell |
| Frear | Lehman | Saltonstall |