SENATE

FRIDAY, AUGUST 25, 1950

(Legislative day of Thursday, July 20, 1950)

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

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Dear Father God, in this moment we step aside from the turmoil of the day and seek Thy presence that comes not with the wind or the earthquake, but in the still small voice. Enlarge our spirits and the scope of our horizons that the draining duties of the valley of daily toil may not take from us the vitality we need to serve in this hour. Keep us ever conscious of our obligation to the tremendous responsibilities which lie before us. Above all, we pray that there may be stamped upon our hearts a sense of consecration to those spiritual values which do not pass away. Purge us of low desire. Lift us to high resolve. Then, with Thee, let us stand to be the voice of truth and righteousness to the world. We pray in the name of Him to whom truth and right were life and light, even Jesus Christ the Lord. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 24, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 210) to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

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

H. R. 3775. A bill to provide for an additional district judge for the third division of the District Court for the District of Alaska; and

H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes.

ENROLLED BILLS SIGNED

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

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1108), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware;

S. 3059. An act for the relief of John H. Sebenick;

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; and

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

LEAVE OF ABSENCE

Mr. WILEY. Mr. President, I expect to be absent next week on very important official business. I ask unanimous consent that I may have the privilege of going to Wisconsin to dust off some bushes. I have been constantly in attendance on the sessions of the Senate.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent that he be permitted to visit Wisconsin. Without objection, it is so ordered.

On request of Mr. DONNELL, and by unanimous consent, Mr. CAIN was excused from attendance on the sessions of the Senate next week.

CALL OF THE ROLL

Mr. McFARLAND. 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	McCarthy
Bricker	Hickenlooper	McClellan
Butler	Hill	McFarland
Capehart	Hoey	McKellar
Chapman	Holland	McMahon
Chavez	Humphrey	Magnuson
Connally	Hunt	Malone
Cordon	Ives	Maybank
Darby	Johnson, Colo.	Millikin
Donnell	Johnson, Tex.	Morse
Douglas	Johnston, S. C.	Mundt
Dworshak	Kefauver	Murray
Ecton	Kem	Neely
Ellender	Kerr	O'Mahoney
Ferguson	Kilgore	Pepper
Flanders	Knowland	Robertson
Frear	Langer	Russell
Fulbright	Leahy	Schoeppel
George	Lehman	Smith, N. J.
Gillette	Lodge	Sparkman
Graham	Long	Stennis
Green	McCarran	Taylor
Thomas, Okla.	Watkins	Withers
Thomas, Utah	Wherry	Young
Thye	Wiley	
Tydings	Williams	

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from California [Mr. DOWNEY] is necessarily absent.

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

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. GURNEY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators may present routine matters, without debate and without speeches.

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

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The VICE PRESIDENT announced that on today, August 25, 1950, he signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

H. R. 1585. An act for the relief of Leilah begum Alauoi Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. B. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

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H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Josephy Lundborg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatic Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ab-Kim-Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF COMMERCE (S. DOC. NO. 206)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce, in the amount of $2,150,000, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO AN APPROPRIATION FOR THE JUDICIARY (S. DOC. NO. 205)

A communication from the President of the United States, transmitting a proposed provision pertaining to an appropriation for the fiscal year 1951, for the Judiciary (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CONTRACTS FOR TRANSMISSION OF MAIL BY PNEUMATIC TUBES

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices (with an accompanying paper); to the Committee on Post Office and Civil Service.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Attorney General of the United States, withdrawing the name of Costas Agallos or Constantine Agallas from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted to the Senate on January 16, 1950; to the Committee on the Judiciary.

STATEHOOD FOR ALASKA AND HAWAII—RESOLUTION OF WEEHAWKEN (N. J.) POST, NO. 18, AMERICAN LEGION

Mr. HENDRICKSON. Mr. President, by request, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Weehawken (N. J.) Post, No. 18, the American Legion, Department of New Jersey, relating to statehood for Alaska and Hawaii.

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

Whereas the United States Armed Forces are once again engaged in mortal combat; and

Whereas the United States once again was improperly prepared for conflict; and

Whereas the Territories of Hawaii and Alaska are of vital strategic importance; and

Whereas the Communist-dominated Russia of today claims the sale of Alaska, by the Czar of Russia to the United States was illegal; and

Whereas the Russian island of Big Diomedes has been reported evacuated of all civilians; and

Whereas such action would indicate Russia is preparing some military installation or maneuver in anticipation of an attack upon Alaska; and

Whereas the defenses of Alaska are only about one-tenth the strength of those of Hawaii: Be it therefore

Resolved, That the United States Congress, now in session, be requested to remain in session until such time as the necessary bills be enacted into law and these Territories become States, enabling the United States to properly fortify and prepare for any future surprise attacks by any enemy.

MARK T. AIELLO,
Commander,
EDWARD N. MALANEY, Sr.,
Chairman, Americanism Committee.

UNION LABEL WEEK—PROCLAMATION OF GOVERNOR OF NEW YORK

Mr. IVES. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a proclamation issued by the Governor of the State of New York, proclaiming the period of September 2–9, 1950, as Union Label Week.

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

PROCLAMATION—STATE OF NEW YORK EXECUTIVE CHAMBER, ALBANY

A vital symbol of organized labor is the union label. It is no mere shibboleth. The

union label stands for stability, it stands for happy, well supported, and secure homes. The article to which it is attached has been made by respected and self-respecting men and women who have obtained a decent reward for their skill, under decent working and living conditions.

Now, therefore, I, Thomas E. Dewey, Governor of the State of New York, do proclaim the period of September 2–9 as Union Label Week in New York State and I urge the citizens of our State to cooperate in the appropriate observance of this occasion.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 21st day of August in the year of our Lord 1950.

[L. S.] THOMAS E. DEWEY.

By the Governor:

JAMES C. HAGERTY,
Secretary to the Governor.

UNIVERSAL MILITARY TRAINING—RESOLUTION OF EIGHTY-THIRD INFANTRY DIVISION ASSOCIATION CONVENTION, BOSTON, MASS.

Mr. LODGE. Mr. President, on behalf of my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at the convention of the Eighty-third Infantry Division Association, held in Boston, Mass., favoring the enactment of legislation providing universal military training.

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

RESOLUTION OF THE EIGHTY-THIRD DIVISION ASSOCIATION

EIGHTY-THIRD INFANTRY DIVISION ASSOCIATION REUNION AND CONVENTION,
Hotel Statler, Boston, Mass.

Whereas the military might of the United States of America is now being expended to end aggression in Korea; and

Whereas the men serving in the Armed Forces of the Nation are being drawn from the trained Reserves of the country; and

Whereas the number of trained men decreases while the intensity of danger increases; and

Whereas many of the men were trained in a period of prior service: Be it

Resolved, That the Eighty-third Infantry Division Association, meeting in Boston, Mass., at the national convention respectfully urges the Congress of the United States to enact a universal military training bill which will insure the youth of the Nation a secure knowledge of military operations should they be called on in the future to defend the peace of the world.

In assembled session, August 18, 1950. Adopted.

Attest:

SHELLY A. HUGHES, *President.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 742. A bill for the relief of Robert Johanna Sorensen (Rept. No. 2380);

S. 743. A bill for the relief of Lars Daniel Sorensen (Rept. No. 2381);

S. 1406. A bill for the relief of Luigi Podesta (Rept. No. 2382);

S. 2179. A bill for the relief of Stephen A. Patkay and his wife, Madeleine (Rept. No. 2383);

S. 2420. A bill for the relief of Shaoul Minashi Shami, Emily Shami, Joseph Clement Shami, and Charles Henry Shami (Rept. No. 2384);

S. 2517. A bill for the relief of Morris Plevin, also known as Melvin Belkin (Rept. No. 2385);

S. 2586. A bill for the relief of Delfo Giorgi (Rept. No. 2386);

S. 2587. A bill for the relief of Vittorio Quilici (Rept. No. 2387);

S. 2799. A bill for the relief of Johan Wilhelm Adriaans (Rept. No. 2388);

S. 2835. A bill for the relief of Boris Paul von Stuckenberg and his wife, Maria Alexander von Stuckenberg (Rept. No. 2389);

S. 3066. A bill for the relief of Dionisio Aguirre Irastorza (Rept. No. 2390);

S. 3067. A bill for the relief of Andres Aguirre Irastorza (Rept. No. 2391);

S. 4045. A bill for the relief of Christina Shalfeieff (Rept. No. 2392);

H. R. 1799. A bill for the relief of Dr. Jacob Ornstein (Rept. No. 2393);

H. R. 1860. A bill for the relief of Kenji Takumi (Rept. No. 2394);

H. R. 2401. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of the State of California (Rept. No. 2446);

H. R. 2631. A bill to authorize cancellation of deportation in the case of Frank Grimaldi (Rept. No. 2395);

H. R. 3314. A bill for the relief of the estate of the late Eulogio Reyes Suarez (Rept. No. 2396);

H. R. 4045. A bill for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China (Rept. No. 2397);

H. R. 4600. A bill for the relief of the legal guardian of Janet Judith Koeninger, a minor (Rept. No. 2398);

H. R. 4891. A bill for the relief of Albert E. Scheflen (Rept. No. 2399);

H. R. 4904. A bill for the relief of the estate of Conrad L. Steele, deceased (Rept. No. 2400);

H. R. 5381. A bill for the relief of Billy Ray Ridenour and L. L. Ridenour (Rept. No. 2401);

H. R. 5972. A bill for the relief of Ivar G. Johnson (Rept. No. 2402);

H. R. 6409. A bill for the relief of Mrs. Grace A. Olson (Rept. No. 2403);

H. R. 7336. A bill for the relief of Mrs. Fumie Ishibashi Akimoto (Rept. No. 2404);

H. R. 7393. A bill for the relief of Francisco Blanco and Mrs. Celine Smith (Rept. No. 2405);

H. R. 7451. A bill for the relief of Sumiko Fujita (Rept. No. 2406);

H. R. 7733. A bill for the relief of Sisters Rita Pinto de Carvalho, Maria Leite da Silva, Carmelinda Lopes de Aguiar, Maria Adozinda da Fonseca Melo, Joaquine de Jesus, and Maria Luisa Pinto Carvalho (Rept. No. 2407);

H. R. 7856. A bill for the relief of Mrs. Teruko Tominaga Ikeuchi (Rept. No. 2408);

H. R. 7964. A bill for the relief of the estate of Francis A. Waldron (Rept. No. 2409);

H. R. 8093. A bill for the relief of Regolo Gagliacco and his wife, Gina (Rept. No. 2410);

H. R. 8118. A bill for the relief of the estate of the late Ismael Miranda (Rept. No. 2411);

H. R. 8184. A bill for the relief of Michiyo Takada and her minor daughter, Michiko (Rept. No. 2412);

H. R. 8258. A bill for the relief of Il Nai Che (Rept. No. 2413);

H. R. 8401. A bill for the relief of Mrs. Maurice N. Goss (Rept. No. 2414);

H. R. 8523. A bill for the relief of Marianna Gantschinigg and Merle Richard Gantschnigg (Rept. No. 2415);

H. R. 8533. A bill for the relief of Emiko Nishimura (Rept. No. 2416);

H. R. 8562. A bill for the relief of Yukie Yabe and her son (Rept. No. 2417);

H. R. 8829. A bill for the relief of Sisters Pasqualina Bova, Rosa Pellanda, Emilia Dei Rossi, Speranza Zoia, and Domenica Lapadula (Rept. No. 2418);

H. R. 8971. A bill for the relief of Gertrude Heil (Rept. No. 2419);

H. R. 8987. A bill for the relief of Setsuko Kato (Rept. No. 2420);

H. R. 9055. A bill for the relief of Cynthia Anne Kane (Rept. No. 2421);

H. R. 9062. A bill for the relief of Mrs. Willie G. Heath (Rept. No. 2422);

H. R. 9082. A bill for the relief of Mrs. Chang-Sei Kim, David Kim, and Arthur Kim (Rept. No. 2423);

H. R. 9086. A bill for the relief of Maria Luisa Mercado (Rept. No. 2424);

H. R. 9087. A bill for the relief of H. Dale Madison (Rept. No. 2425); and

H. R. 9166. A bill for the relief of Louis J. T. Hendrickx (Rept. No. 2426).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 560. A bill for the relief of Wilhelm Engelbert (Rept. No. 2427);

S. 2803. A bill for the relief of Angela Maria Pisano (Rept. No. 2428);

S. 3026. A bill authorizing the naturalization of Jesus Juan Llanderal (Rept. No. 2429);

S. 3185. A bill for the relief of Nouhad Ann Khoury (Rept. No. 2430);

S. 3306. A bill for the relief of Dr. George Peter Petropoulos (Rept. No. 2431);

H. R. 1500. A bill for the relief of Mrs. Barbara Guananpoulos (Rept. No. 2432);

H. R. 3995. A bill for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi (Rept. No. 2433);

H. R. 5083. A bill for the relief of Sister Maria Emelia (Anna Bohn) (Rept. No. 2434);

H. R. 7390. A bill for the relief of Erika Kuebart and her minor son (Rept. No. 2435);

H. R. 7631. A bill for the relief of Ottavia De Gaspare and Sandra De Gaspare (Rept. No. 2436);

H. R. 8062. A bill for the relief of the legal guardian of Charles Spiller and Glenn T. Spiller, minors (Rept. No. 2437);

H. R. 8641. A bill for the relief of Clyde L. Watson, Jr., and Laverne F. Andrews (Rept. No. 2438);

H. R. 8718. A bill for the relief of Fred Hess (Rept. No. 2439); and

H. R. 8769. A bill for the relief of Annmarie Stritter and her minor daughter (Rept. No. 2440).

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

S. 3401. A bill for the relief of Joseph Umberto Montalban-Troy (Rept. No. 2441).

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

H. R. 8345. A bill to amend the Columbia Basin Project Act with reference to recordable contracts; without amendment (Rept. No. 2444).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably an original concurrent resolution favoring suspension of deportation of certain aliens, and I submit a report (No. 2442) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 102), was placed on the calendar, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the

Attorney General has suspended deportation for more than 6 months:

A-7693367, Gibson, Ellen Pauline (nee Benson).

A-2689533, Burger, Hans Rudolf.

A-4592673, Kiladitis, Stamos Nicholas.

A-7544392, Lung, Wong Kam.

A-4532674, Poy, Tsz Fook.

A-7050910, Russos, Michael.

A-1717103, Stratis, Nicholas Costas.

A-2966189, Tsistinas, Panagiotis or Pete, or Peter Tsistinas.

A-2981686, Vavilis, George, or John Vavilis.

A-2531584, Arygridis, John, or Ioamnis Argyridis or John Argyide or John Argyrides or John Odeseas Argyridis.

A-4580270, Chitas, Petros Demetrios, or Peter Chitas or Pierre Chitas.

A-5331520, Chung, Leung.

A-7117512. Cotsimopoulos, George Theohary, or George Kotsimopoulos.

A-9767746, Daratos, Nicholas, or Nick Daratos.

A-3762786, De Pinto, Cosmo Damiano.

A-4809973, Giannatos, Panayis Michael, or Panayis Michael Jiannatos, Peter Giannatos, Peter Mihaile Gianatos, Panagis or Panagiotis Giannatos, Panagis M. Jianatos, or Peter V. Jonhaatos.

A-5127595, Jakominich, Sime.

A-5470702, McDonald, Edwin Wilson or "Mac."

A-2175881, Papapanagiotou, Georges Vaseilli.

A-4342795, Perivolaris, Sotirios Ioannis.

A-5667865, Rotondo Francesco.

A-3588422, Varrias, Christos George, or Hristos Varias.

A-4614803. Vaz Querido, Manuel.

A-4780996, Wolke, Robert Paul, or John Lange or Johannes Lange.

A-7632722, Hoffmann, Ernest Jack, or Ernest Jacques Hoffman or Ernest Jakab Hoffmann.

OVERSEAS NAVIGATION CORP.—REFERENCE OF BILL TO COURT OF CLAIMS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably, an original resolution, referring the bill (H. R. 8686) for the relief of Overseas Navigation Corp., to the Court of Claims, and I submit a report (No. 2443) thereon.

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

The resolution (S. Res. 338) was placed on the calendar, as follows:

Resolved, That the bill (H. R. 8686) entitled "For the relief of Overseas Navigation Corp.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant: *Provided, however*, That the passage of this resolution shall not be construed as an inference of liability on the part of the Government of the United States.

AMENDMENT OF RAILWAY LABOR ACT—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Labor and Public Welfare, I report unfavorably, with amendments, the bill (S. 3463) to amend the Railway Labor Act, as amended, so as to prevent interference with the movement of interstate commerce, and for other purposes, and I submit a report (No. 2445) thereon. I ask unanimous consent that I may make a brief statement which the committee has asked me to make in connection with the report.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the Senator may proceed.

Mr. THOMAS of Utah. Mr. President, the motion directing me to report this bill also directed me to make the statement that the committee first rejected a motion to report the bill favorably by a vote of 11 to 1, with the Senator from Missouri [Mr. DONNELL] voting in the affirmative; then rejected a motion to report the bill without recommendation by a vote of 10 to 2 with the Senator from New Jersey [Mr. SMITH] and the Senator from Missouri [Mr. DONNELL] voting favorably thereon; and then voted to report the bill adversely by a vote of 11 to 1, with the Senator from Missouri voting in the negative.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 25, 1950, he presented to the President of the United States the following enrolled bills:

S. 2423. An act to amend section 7 of the act of February 27, 1925. (43 Stat. 1008), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; and

S. 3059. An act for the relief of John H. Sebenick.

BILLS INTRODUCED

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

By Mr. GREEN:

S. 4096. A bill for the relief of Mr. and Mrs. Thanos Mellos, Michel Mellos, and Hermine Fahnl; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 4097. A bill for the relief of Mrs. Valentine Averdoff; to the Committee on the Judiciary.

(Mr. MAGNUSON introduced Senate bill 4098, to amend the Merchant Marine Act, 1936, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

AMENDMENT OF MERCHANT MARINE ACT, 1936

Mr. MAGNUSON. Mr. President, I introduce for appropriate reference a bill to amend the Merchant Marine Act of 1936, as amended. I ask unanimous consent that a letter from the Secretary of Commerce addressed to Hon. Edward J. Hart, Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives, explaining the bill, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4098) to amend the Merchant Marine Act, 1936, as amended, and for other purposes, introduced by Mr. Magnuson, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, July 20, 1950.

Hon. EDWARD J. HART,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in further reply to your requests of May 12, 1950, for the view of the Maritime Commission and the Department of Commerce concerning H. R. 8470, a bill "to amend the Merchant Marine Act, 1936, as amended, and for other purposes."

Section 1 of the bill, as amended to accord with the provisions of Reorganization Plan No. 21 of 1950, would amend section 215 of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to purchase such vessels as he deemed necessary "to secure to the United States merchant vessels for use during war or national emergency * * *." Section 215 presently permits the acquisition of vessels only in the event that they are deemed necessary "to establish, maintain, improve, or effect replacements" on an essential trade route.

The immediate effect of the bill would be to authorize the Government to purchase the vessel steamship *Monterey* from the Oceanic Steamship Co. That authorization is essential in the event that the Secretary of Commerce should later determine that a purchase agreement should be entered into with the Oceanic Co. We do not take the position that a purchase agreement will in fact be executed. Full consideration has not as yet been given by the Department to the merits of the proposed agreement. However, the permissive nature of this legislation would provide assurance that an agreement may be validly entered into without in any way committing the Secretary to do so.

Section 1 of the bill has another, and more important aspect. In enlarging the authority of the Secretary to purchase vessels, the bill, in effect, authorizes the stockpiling of merchant ships so that they would be immediately available to the Government in the event of an emergency. Under existing law the Government can acquire vessels for use during critical periods only after the President has declared the existence of an emergency or proclaimed that the security of the national defense makes it advisable.

As a result of this limitation on the authority to acquire vessels for use during a war or national emergency, the Government is deprived of the opportunity to purchase vessels at times when their cost would be relatively small, and before their condition may have been permitted to deteriorate, through lack of use. Enactment of H. R. 8470 would avoid this consequence. Ships could be acquired immediately upon their becoming available; that is, immediately after a decision by the shipowner that continued operation is no longer economically feasible, and would, therefore, be ready for use by the Government simultaneously with the need for them. The language of the bill would permit the Secretary to exercise his discretion and, therefore, to purchase only those ships which would be useful to the United States in time of need, or to purchase no ships at all unless they can be procured at a price commensurate with the use to which they are to be put.

The existing language of section 215 permits the purchase of ships in order to maintain the foreign commerce of the United States on essential trade routes. It is our opinion that the national defense is no less vital to the Nation's welfare, and that a similar authority should exist with regard to ships which are deemed useful in time of war or emergency. The Department, there-

fore, endorses the enactment of section 1 of the bill.

Sections 2, 3, and 4 of the bill are concerned with revising the depreciation provisions of the Merchant Marine Act, 1936, in order to give recognition for extended economic vessel life when a vessel has been reconstructed or reconditioned. While the general policy of the act is to encourage the building of new vessels to replace vessels the end of whose economic life is approaching, there are occasions when the reconstruction or reconditioning of a vessel is fully in accordance with the objectives of the Merchant Marine Act, 1936. Under these conditions, it seems clear that recognition should be given to the extension of the economic life of the vessel.

The Department recommends that the bill be amended so that the recomputation provided should be discretionary instead of mandatory, in view of the general policy of encouraging the replacement of old vessels by newly built vessels.

The Department recommends that the following amendments be made in the bill:

(1) In order that the bill accord with the provisions of Reorganization Plan No. 21 of 1950, the phrase "Secretary of Commerce" should be substituted for "Commission" wherever the latter word appears in the bill.

(2) In the event the applicability of section 1 is made general, in order to give effect to the extended economic life of a vessel, and in order to make it clear that the value of restoration materials employed in a ship being acquired should not be paid for apart from the ship itself, it is suggested that on page 2, lines 13 and 14, and the first five words of line 15 be deleted and the following substituted: "Based upon the life expectancy of the vessel determined as provided in section 607b, and plus the additional cost of materials acquired for the restoration and reconditioning of such vessel being installed therein,".

(3) On page 1, line 5, insert between "acquire" and 'by" the phrase "at any time." This amendment is designed to prevent any contention to the effect that the authorization to acquire ships is to become operative only during war or national emergency, and to assure that authority is available to acquire vessels in advance of the actual development of war or national emergency.

(4) Delete "its construction fund" on page 2, line 3, and insert in lieu thereof "available appropriated funds."

(5) In order to simplify and clarify section 3 and to change it from a mandatory directive to a permissive authorization, it is suggested that on page 3, the last six words in line 14, lines 15, 16, 17, and 18, and the first word in line 19 be deleted and the following substituted: "Such depreciation charges to be computed on a 20-year life expectancy of the vessels, except that the life expectancy of a vessel which shall have been or is to be wholly or partially reconstructed or reconditioned may, upon request, be determined by the Commission."

(6) On page 3, lines 6 and 7, we suggest that the word "computed" be changed to "determined."

In view of the urgency of this matter, we are submitting this report without having obtained the advice of the Bureau of the Budget and are therefore unable to advise you as to the relation of the bill to the program of the President. If we can be of any further assistance, please let us know.

Sincerely yours,

CHARLES SAWYER.

REVENUE ACT OF 1950—AMENDMENTS

Mr. WILLIAMS submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS (for himself and Mr. BREWSTER) submitted amendments intended to be proposed by them, jointly, to House bill 8920, supra, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS (by request) for Mr. MYERS and Mr. MARTIN submitted an amendment intended to be proposed by Mr. Myers and Mr. Martin, jointly, to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. HUNT submitted an amendment intended to be proposed by him to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. CHAVEZ submitted amendments intended to be proposed by him to House bill 8920, supra, which were ordered to lie on the table and to be printed.

Mr. ROBERTSON. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Between the approval of section 207 as offered in the committee and the rendering of a final draft of it, a change in language was made which may not carry out the original intent of my amendment. The amendment which I am now submitting will accomplish the purpose intended by the committee.

As stated in the committee report, at page 64, the purpose of section 207 is to insure that "spin-offs" have the same tax treatment as "split-ups." The purpose of this amendment is to delete from the section as reported certain language which, if retained, might well prevent that equalization of treatment from being accomplished.

I ask unanimous consent that a further statement of explanation by me of the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement of explanation will be printed in the RECORD. The Chair hears no objection.

The statement of explanation is as follows:

STATEMENT BY SENATOR ROBERTSON

Spin-offs and split-ups are each a means of separating the assets of a single corporation between two or more corporations. In a spin-off, the stockholders of a corporation receive the stock of a new corporation (which takes over part of the assets of the old corporation) without transferring in exchange any of their stock in the old corporation. In a split-up, at least two new corporations are formed (each of which takes over part of the assets of the old corporation), and the stockholders of the old corporation receive the stock of these corporations in exchange for their old stock, the old corporation being liquidated. The spin-off and the split-up utilize slightly different technical means of accomplishing the same practical result, and there is no justification for any difference in their tax treatment. In both cases, the stockholders are in the same financial status after the reorganization as they were before it.

Under present law, a split-up involves no immediate recognition of gain if, but only if, there is a bona fide business purpose for the transaction. The business purpose requirement is one which was imported by the Supreme Court decision in *Gregory* v. *Helvering* (293 U. S. 465), into the law governing all so-called tax-free reorganizations.

Section 207 contains certain language which is apparently intended to restate the business-purpose doctrine as it would apply to spin-offs.

It is clear that the business-purpose doctrine will apply to spin-offs without any such express statement of it in the statutory law, and insofar as this language is an attempted restatement thereof, it is obviously superfluous. But it might be construed to be an extension of that doctrine, and to that extent it would prevent spin-offs from being placed on the same footing as split-ups, and thus frustrate the basic purpose of the provision.

In the event a question is asked with respect to the meaning of subsections (A) and (B) of section 207 (a): The only purpose of subsections (A) and (B) of section 207 (a) is to insure that a business purpose be the object of the reorganization, and that all corporations involved in the reorganization continue the business for which they were organized. That is required under existing law with respect to split-ups, by reason of the application of the Supreme Court's decision in the *Gregory* case (293 U. S. 465). The same rule will necessarily apply to spin-offs, so that this explanatory language is not only unnecessary but could be confusing.

In the Gregory case, a corporate reorganization was effected purely for a tax saving and for no business purpose of the corporation. The Supreme Court held that since there was no business purpose it was not a nontaxable reorganization as contemplated by Congress. That rule has been applied by the Bureau of Internal Revenue and the courts to all types of corporate reorganizations since the Gregory case.

HOUSE BILLS REFERRED

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

H. R. 3775. A bill to provide for an additional district judge for the third division of the District Court for the District of Alaska; to the Committee on the Judiciary.

H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; to the Committee on Armed Services.

ADDRESS BY GOVERNOR DEWEY

[Mr. IVES asked and obtained leave to have printed in the RECORD the text of an address delivered by Gov. Thomas E. Dewey, of New York, at a luncheon of the Central Canada Exhibition Association, held at Ottawa, Canada, on August 23, 1950, which appears in the Appendix.]

THE RESPONSIBILITY AND DUTY OF CONGRESS—ARTICLE BY ARTHUR KROCK

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article regarding the responsibility and duty of Congress written by Arthur Krock and published in the New York Times of August 24, 1950, which appears in the Appendix.]

THE SECRETARY OF STATE—EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial regarding the tenure of Dean Acheson in the office of Secretary of State, from the Wheeling Intelligencer of August 19, 1950, which appears in the Appendix.]

TRIBUTE TO MRS. EUGENIE ANDERSON, UNITED STATES AMBASSADOR TO DENMARK

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article paying tribute to Mrs. Eugenie Anderson, United States Ambassador to Denmark, as published in the magazine This Week for August 13, 1950, which appears in the Appendix.]

ADDRESS BY FORMER REPRESENTATIVE LLOYD THURSTON

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an address delivered by Hon. Lloyd Thurston, former Representative in Congress from Iowa before the annual convention of the Iowa Department of the American Legion on August 7, 1950, which appears in the Appendix.]

A MASTERPIECE OF AMBIGUITY—EDITORIAL FROM THE JOURNAL OF COMMERCE

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an editorial entitled "A Masterpiece of Ambiguity," published in the Journal of Commerce of Thursday, August 24, which appears in the Appendix.]

INTERNAL SECURITY—EDITORIAL FROM THE WASHINGTON POST

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Internal Security," published in the Washington Post of Friday, August 25, 1950, which appears in the Appendix.]

DISAFFECTION IN RED CHINA—ARTICLE BY RODNEY GILBERT

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Disaffection in Red China," by Rodney Gilbert, published in the New York Herald Tribune of August 22, 1950, which appears in the Appendix.]

COUNTER-REVOLUTION IN CHINA—ARTICLE BY RODNEY GILBERT

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Counter-Revolution in China," written by Rodney Gilbert, and published in the New York Herald Tribune, of Wednesday, August 23, 1950, which appears in the Appendix.]

AMERICA CAN WIN THE PEACE—ARTICLE BY LOUIS FISCHER

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "America Can Win the Peace," by Louis Fischer, published in the July 1 edition of the Saturday Review of Literature, which appears in the Appendix.]

CEREMONY AT ACCEPTANCE OF OFFER OF 5,000 PHILIPPINE COMBAT TROOPS FOR SERVICE IN KOREA

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a brief description of the ceremony at which the offer of the Philippine Republic to provide 5,000 combat troops for service in Korea under the United Nations flag was accepted, which appears in the Appendix.]

WISCONSIN FARMERS AND THE KOREAN EMERGENCY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of Wisconsin farmers and the Korean emergency. I ask unanimous consent that it be printed in the body of the RECORD at this point.

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

WISCONSIN FARMING READY TO DO ITS JOB ONCE AGAIN IN KOREAN EMERGENCY

One hundred and seventy-five thousand farms in Wisconsin are ready to do another tremendous job for our country in her time of national need.

What, however, do our farmers think of the present situation? Well, each week, I receive around 2,000 letters from Wisconsin. I'm glad to get them and lots more. It's always a pleasure to hear from our people. From those letters, it is obvious that the farmers of my State are not happy over the Executive bungling, the blundering that has brought us into the present mess. Our farmers have written to me, saying in effect:

"DEAR SENATOR WILEY: We are with you in your effort to end the terrible mistakes that have botched up our whole foreign policy—the secret deals by Presidents, the unpreparedness, the appeasement of the Reds. But our boys are fighting now. And we're going to back them up with everything we've got."

Yes, the folks at the grassroots—out on rural route 1 or 2, the folks at the country crossroads are more than willing to carry their share of the burden. But they want Washington to quit fumbling the ball. Our people want victory in Korea. They want peace. They want no third world war.

Some folks in the cities might not realize the tremendous contributions which farmers are making and will make to the Nation's defense effort. Some folks might think that food just grows by itself or cows just fill the milk cans by suggestion.

Well, it takes back-breaking labor, as anyone will recognize if he gives the question a few moments of thought.

Today, America's Dairyland, with its 2,300,000 dairy cattle, is ready once more for such labor to feed our expanded military services, our civilian population, as well as to take care of emergency food needs abroad.

BADGER STATE LEADS AMERICAN DAIRYING

Wisconsin is, of course, the No. 1 milkman of the Nation, producing 12 percent of the Nation's output, 15,000,000,000 pounds of milk—7,000,000,000 quarts. We are, moreover, the greatest cheese center of the Nation, producing more cheese than all the 47 other States combined. Last year, Badger cheese production hit a total of 565,000,000 pounds. In 1949, we produced 165,000,000 pounds of butter; 220,000,000 pounds of dried milk, as well as vast quantities of canned milk.

The 1950 milk check for Wisconsin farmers is expected to total $475,000,000. That's a lot of money but not when it's divided up among so many farmers and their hard-working families. Don't think that the farmer has it easy or that his income can be cut. If the farmer's milk checks go down, if the farmer feels himself caught between rising prices on goods he buys and stationary prices on what he sells, every one throughout our State and Nation feels the pinch in turn. The merchants in 75 percent of Wisconsin's cities feel the harmful results if the farmers don't have enough purchasing power.

These facts underline my deep interest in making sure that as Congress writes emergency legislation for the home front arising out of Korean emergency, we take great care, lest we damage the farm backbone of our country.

FARMERS NEED STRONG CO-OPS

I know from 34 years of experiences on my own dairy farm in Barron County (the farm which my father before me owned and operated for many years) that the farmer is facing constantly rising costs. He must pay more for his feed, for his fertilizer, for his machinery. Today, more than ever before, the farmer relies upon his cooperatives to help him meet the emergency. Wisconsin has always been a great cooperative State.

In the 1947–48 year, 334,200 members of our 934 cooperatives did a total of $425,000,000 worth of business. Seventy-five to eighty percent of all dairy products produced are through cooperatives or farmer bargaining associations. My own farm in Barron County sells its milk to a dairy cooperative and gets its electricity from an REA cooperative. Back in 1935, only 19.6 percent of the farmers in America's dairyland had electricity. But by June of last year, 91 percent of all of our farms were receiving electric service. We want to complete the electrification job, we want to fill the remaining gap. Farmers are entitled to electricity to help them relieve their difficult work chores, to help their wives in the thousand-and-one jobs that must be done around the farm.

I have suppported REA and co-op bills and will continue to do so. However, I will fight, just as Wisconsin farmers will fight, against the few leftists smear-artists (in a few co-ops) who want to socialize the country. These leftists have worked hand-in-glove with a few power-hungry labor czars in the cities in trying to smear any Member of the Senate who has the courage to vote against Federal extravagance in rat-hole projects; against socialistic bills; against leftist nominees for public office.

But Wisconsin rank-and-file farmers are like myself opposed to extravagance, opposed to socialism, to pinks and fellow travelers. That is why I have faith that our REA and co-op members will continue to support my efforts in the American tradition. That is why our farmers laugh at the phony so-called roll-call lists which the few leftists misleaders have devised to smear honest Members of the Senate.

LETTER FROM A FARMER'S WIFE

Recently, I received a letter from a farmer's wife. She thanked me for my help to Wisconsin's farmers and set forth certain facts on the farmer's problems today. This farmer's wife wrote that:

"You, Senator WILEY, understand that the farmer works the longest and hardest hours of any man—no Sunday, holiday or paid vacation. All we get for our milk is $3.12 for 3.5 test and then we have to pay 18 cents per hundredweight for hauling."

In wartime, the farmer, particularly, faces difficult problems. In World War II, he couldn't get sufficient labor. He couldn't get machinery and spare parts. He couldn't get material for home and farm repairs. All he could get were bills, bills, and more bills. Today, as yesterday, the middleman can readily increase prices all along the line; but not so the farmer.

Well, now, what about Congress and the farmer?

I'm glad to present herewith some of the actions which my Republican colleagues and I have taken on behalf of Wisconsin farmers.

1. REA: During the Republican Eightieth Congress, we voted more funds for rural electrification than in any previous American Congress. We are determined that REA shall have the continued right to generate and transmit power.

2. Prices: I have voted constantly to make sure that the farmer gets fair prices, which will give him his cost of production plus a reasonable profit. This year, as last year, dangerous attempts have been made on the Senate floor to cut milk parity below 90 percent. I have of course voted against this legislation—and have voted for full 90 percent support.

Last year, Congressman REID MURRAY of Wisconsin and I introduced two bills to make

the lagging Secretary of Agriculture take action to support manufactured dairy products. The Agriculture Department always seems to be more interested in southern cotton and soybean farming—crops which ruin the soil, rather than Midwestern dairying which enriches the soil and enriches the Nation's bodies.

OUR FIGHT AGAINST OLEO LOBBY

3. Synthetics: Everyone of us knows that the oleomargarine and other synthetic industries are determined to ruin the markets for natural dairy products. That is why I fought throughout the past Eightieth and the present Eighty-first Congress against the oleomargarine lobby. On January 17, 1950, I voted, of course, for the Wiley-Gillette amendment to the oleo bill. Had this amendment been passed, we would have been able to protect Wisconsin butter's natural color. However, the Southern Democrats, aided by a $6,000,000 propaganda campaign carried on by the oleo lobby, defeated us by a vote of 48 to 37.

On March 8, 1950, I voted to kill the oleo bill once again. The Wiley motion to kill the oleo bill was, however, unfortunately, again defeated; this time, by a vote of 59 against to 20 for. Only 6 Democrats voted with us—6 out of 54 Democrats—for the dairyman.

Now, I have cosponsored legislation in the form of Senate Concurrent Resolution 86 for a thorough study of monopoly in the oleomargarine industry.

We know that the next big drive will be for filled—synthetic—milk and then filled—synthetic—ice cream. The Democrats are all out to build up these synthetic industries at the dairyman's expense. The Wisconsin farmer will not forget that the vicious oleo law was: Urged by a Democratic Secretary of Agriculture; passed by a Democratic Congress; signed by a Democratic President—all against the strongest possible Republican opposition. The farmer will not forget the Republican Party's valiant fight in his behalf. The Republicans, now in the minority, will carry on in that fight when the people of Wisconsin vote us into the majority this coming November.

4. St. Lawrence seaway: On February 27, 1948, the Wiley bill for passage of the St. Lawrence seaway was unfortunately defeated by a vote of 57 to 30. For 2½ weeks we had battled for the bill in the Senate, but here, once again, the forces of Southern Democrats overwhelmed the Midwestern Republican forces fighting for the great waterway. If this seaway were enacted now, it would prove a tremendous boon in our entire war economy. It would, moreover, help Wisconsin farmers to transport their products more inexpensively than ever before. We shall, of course, continue to battle for the seaway.

5. Tariff protection: I have always fought to assure reasonable protection for Wisconsin farmers from cheap competitive, foreign products. We have seen how the Wisconsin fur-farming industry has been ruined by the incoming flood of Russian furs. Wisconsin fur farmers have been bankrupted, because they could not possibly compete with these cheap furs from abroad. The same thing could happen to segments of the foreign-type cheese industry in Wisconsin.

That is why I have fought to prevent the President from further slashing tariff duties which would allow a flood of more foreign items to pour into our country. On June 26, 1950, I voted for an amendment to a bill under which we could have strengthened the tariff-protection provisions. The Democrats, however, killed this effort by a vote of 36 against to 35 for. The Democrats insisted on crucifying the farmers with this reckless tariff-cutting policy.

I am sincerely grateful for many fine expressions which have come from farm newspapers and magazines in Wisconsin and throughout the Nation regarding my efforts in their behalf. I want to express publicly my thanks to them. In previous months, various Senators have been kind enough to place in the CONGRESSIONAL RECORD some of these tributes to my efforts for our farmers. The battle for dairying will, of course, go on. All we have done in the past is but a token of what we must do for the farmers in the future.

I want to express my thanks, too, to the hundreds of individual farmers, cooperative officers, REA patrons, who have written to me expressing appreciation for my fight against the oleomargarine lobby and on other issues.

OTHER MAJOR ISSUES FACING FARMERS

The farmer is, of course, not only interested in farm affairs. He is vitally concerned with other problems of the day. I present, therefore, a list below of my position on the other issues of interest to the farmers.

1. Absolute preparedness: Never again must Americans boys die because our country was unprepared and because other nations were better armed than we.

2. Anticommunism: The time is long overdue for passage of strong antisubversive legislation. For over 10 years, I have been sponsoring anti-Communist bills and have been pointing out the menace to our Nation of these traitors in our midst.

3. Free enterprise: The farmer recognizes that the greatest danger in our time is the continuing Socialist trend. The farmer knows that if you give too much power into the hands of a few bureaucrats in Washington, eventually the liberties of the American people will be destroyed. The farmer recognizes that in wartime, there must, of course, be certain central controls but he recognizes, too, that there must be strong safeguards in the administration of those controls.

4. Health: The farmer is absolutely opposed to the Democrats' scheme for socialized medicine. The farmer doesn't want Government bureaucrats snooping into his private health affairs. He doesn't want the Government to order what doctor he should take. The farmer insists, however, that America shall continue to improve the great health standards which she has established through private medicine. The farmer insists, moreover, that America shall improve her hospital facilities. People in rural areas are as entitled to a fair break in getting medical protection as are people in the cities. There is no reason why health on farms should suffer in relation to health in the cities. There is no reason why the farmer's wife should not have expert medical care when she brings a youngster into the world, for example.

5. Veterans: The farmer knows the problems of the veteran because he has sent his sons to two world wars and many farm boys are fighting in Korea right now. The farmer insists, therefore, that America shall fulfill her obligations to her heroic ex-servicemen. It was my privilege to serve as one of the original cosponsors of the GI bill of rights, and I will certainly continue my efforts along this line.

6. Labor: The farmer is a workingman, as I am one. I worked in the sawmills of Wisconsin for 15 cents an hour for 11 hours a day. We know the problems of the workingman. We know, however, that the worker must not listen to the few power-drunk labor czars who want to paralyze America by crippling railroad, coal, and other strikes and who want to purge Members of the Senate like myself who insist that the public interest must not be murdered by these ruinous strikes. The farmer believes, as I do, in labor's rights, but he believes in the rights of 150,000,000 Americans—the public's rights, too.

That, then, is the story—the story of Wisconsin's great dairy production; the story of the Republican fight for dairying.

FARMERS INVITED TO WRITE FOR MORE COPIES OF THIS REPORT

I warmly invite Wisconsin farmers to continue to send along their suggestions and comments to me. Moreover, if any of them would like to have more copies of this statement to distribute among their friends, they are gladly invited to write to my office. Just drop a note to: Senator ALEXANDER WILEY, Senate Office Building, Washington 25, D. C. Thanks very much for your kind attention to this report.

PERMISSION TO SENATOR WILEY TO PRINT STATEMENTS IN THE RECORD NEXT WEEK

Mr. WILEY. Mr. President, I am preparing several statements which I expect to have ready next week. I ask unanimous consent at this time that they may be inserted in the Appendix of the RECORD next week.

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

SPEECH BY AMBASSADOR OF RED CHINA TO NORTH KOREAN GOVERNMENT ON OCCASION OF PRESENTATION OF CREDENTIALS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the official text of a broadcast from the North Korean capital of Pyongyang on August 14, 1950, containing the speech of the Chinese Communist Ambassador at the time he presented his credentials to the North Korean Government, in which the Government of Red China indicated its full and unqualified support of the North Koreans, who had committed the act of aggression against South Korea.

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

CHINESE ENVOY PRESENTS CREDENTIALS

PYONGYANG, August 14 (KCP).—President Kim Doo Bong of the Presidium of the Supreme People's Assembly of the Democratic People's Republic of Korea received in audience Envoy Extraordinary and Ambassador Plenipotentiary Ni Chi-liang of the Chinese People's Republic to Korea at 8 p. m., August 13, in the conference room of the Presidium of the Supreme Korean People's Assembly. Ambassador Ni Chi-liang presented his credentials to President Kim Doo Bong.

At the ceremony of presentation of the credentials, Ambassador Ni Chi-liang made his presentation speech and President Kim Doo Bong made a return speech. Subsequently Ambassador Ni Chi-liang introduced to President Kim Doo Bong First Counselor Chai Chun-wu, Second Counselor (Sol Songhja), First Secretary Chang Heng-yeh, Second Secretary (O Hyo-tal) and Military Attaché Chu Kuang.

Present at the ceremony were Vice Foreign Minister (Pak Hun Yong), Secretary General Kang Yang Uk of the Presidium of the Supreme Korean People's Assembly, Director (Cho Chong Hwa) Master of Ceremonies of the Foreign Ministry, and (Lee Yu Chon), Acting Director of the Bureau of China.

Following the ceremony of presentation of credentials, President Kim Doo Bong held a brief conversation with Ambassador Ni Chi-liang. Present at the conversation was Vice Foreign Minister (Pak Hun Yong).

Here is the text of the speech made by Ambassador Ni Chi-liang in presenting his credentials:

"Your Excellency, I have the honor to present to you the credentials (in which) the chairman of the Central People's Government of the Chinese People's Republic (accredits) me as Envoy Extraordinary and Ambassador Plenipotentiary to the Democratic People's Republic of Korea.

"Your Excellency, as I present the credentials to you, the Korean people and the Korean People's Army, with peerless spirit, have won brilliant victories over the American imperialist aggressors and their lackey, the Syngman Rhee puppet group, dealing severe blows to them, and have liberated a vast area of the country. Each one of your victories is one which moves and encourages the Chinese people.

"On behalf of the chairman of the Central People's Government of the Chinese People's Republic and all of the Chinese people, I offer sincere congratulations to you and the great and brave Korean people."

SMASH AGGRESSION

"At the same time, I am convinced that under the leadership of Gen. Kim Il Sung the Korean people and the Korean People's armed forces inevitably will smash completely the aggression and invasion by the American imperialists and their lackey, the Syngman Rhee puppet group, and attain liberation and independence for the Korean people.

"Your Excellency, China and Korea have from old days been two brotherly countries. The Chinese and Korean peoples have been closely related in the great struggle to attain independence and liberation (in pursuit of common objectives).

"Today at a time when American imperialists are invading Korea, having mobilized their land, sea, and air forces, and are obstructing by armed intervention the liberation of Taiwan by the Chinese people, the peoples of the two countries have common objectives in the struggle to attain national independence in opposition to American imperialists.

"The solidarity, friendship, and cooperation of our two countries will further the friendship existing from old days between the two countries and at the same time will contribute to our common tasks to attain independence and liberation for the peoples of the two countries, as well as to the defense of the peace of Asia and the world.

"Your Excellency, I give you my word that in my capacity as Ambassador of the Chinese People's Republic I will exert my utmost to promote the solidarity, friendship, and cooperation between the Chinese people and the great Korean people. I hope that Your Excellency will render assistance and support to me in these efforts of mine."

That was the speech made by Ambassador Ni Chi-liang.

Next here is the text of the speech made in reply by President Kim Doo Bong:

"Your Excellency, I am pleased to receive the credentials of the Chairman of the Central People's Government of the Chinese People's Republic (which accredits) you as Envoy Extraordinary and Ambassador Plenipotentiary of the Chinese People's Republic to the Democratic People's Republic of Korea."

EXPRESSES GRATITUDE

"I also express my gratitude for the warm congratulations and encouragement of the chairman of your government and your people to the Korean people and the Korean people's armed forces fighting in opposition to the aggression of American imperialists.

"I am convinced that under the leadership of Chairman Mao Tse-tung the Chinese people will without fail succeed in repulsing armed intervention of American imperialists in Taiwan and found a prosperous, powerful, independent, and sovereign China.

"Historically China and Korea have been maintaining brotherly, close relations, and have been pursuing common objectives and interests in the struggle to attain independence and liberation for their respective fatherlands. Again today, when the American imperialists are pursuing a policy of brazen aggression in Korea and are perpetrating armed intervention and (other plots) in a move to obstruct the (freedom and) liberation of the Chinese people, the peoples of our two countries are pursuing the same objectives of national independence and liberation in our struggle against our common enemy, the American imperialists.

"The solidarity, friendship, and cooperation between Korea and China will not only cement further the friendship long existing between the two peoples but also contribute to the common struggle for independence and liberation of the two peoples. It will also constitute a sound security for the success of the national liberation struggle by the oppressed Asian nations and a great contribution to the defense of world peace.

"Enthusiastically welcoming Your Excellency as envoy extraordinary and ambassador plenipotentiary of the Chinese People's Republic to Korea, I give you my word that I will exert my utmost to cooperate in your efforts in promoting friendship and good will between the Korean and Chinese peoples.

"I humbly wish your great people and government great success."

That was the speech made in reply to President Kim Doo Bong.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. KNOWLAND was excused from attendance on the session of the Senate for the remainder of today.

USE OF PUBLIC MONEY TO INFLUENCE THE OUTCOME OF ELECTIONS

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks a statement which I prepared on the subject of the use of public money to influence the outcome of elections.

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

STATEMENT BY SENATOR BUTLER

Mr. President, the use of public money to influence the outcome of elections is a matter of concern to all. The Congress has legislated against it and the people are well aware of the dangers which arise when an unchecked bureaucracy is able to work its will on the electorate for the benefit of the very few who control the public purse.

I have here a copy of a letter which I plan to read into the RECORD for the information of Members of the Senate. The letter indicates that the voters of the Territory of Alaska are not strangers to the pernicious practice of having the promise of extra rewards from tax funds dangled before their eyes—to influence their choice of candidates at the polls.

Mr. President, I cite this matter as evidence of a condition existing in Alaska public affairs which merits the most serious consideration of my distinguished colleagues. As we have seen, there is a growing question at present as to whether Alaska's political leaders of this period are carrying out fully the duties of their offices, and whether they are discharging, unselfishly and with integrity, their responsibilities to the inhabitants of this great Territory.

There are certainly many matters in the record of their administration, Mr. President, which do not encourage a belief that this is the case.

This letter, a copy of which I have here, raises this question in a manner which cannot be denied. The letter was written by Mr. George Sundborg, a consultant of the Alaska Development Board, and was addressed to Mr. Arvo Saario, the president of the Northwest Alaska Chamber of Commerce in Nome, Alaska. The date of the letter was March 14, 1950.

I note also, Mr. President, that the letter on Alaska Development Board stationery was written by Mr. Sundborg from Washington, D. C., where I assume that this Territorial official must spend at least part of his time at the expense of Alaska taxpayers. I will have more to say about Mr. Sundborg's expenses later on in my remarks.

As appears from the text of this letter, Mr. Saario, of the chamber of commerce in Nome, had sent a night letter to the development board asking that it establish a branch office in Nome, thereby providing support to the Northwest Chamber of Commerce in a program to promote a tourist business in that vast and colorful area of our country.

This was Mr. Sundborg's reply:

"DEAR MR. SAARIO: Your recent night letter has been forwarded here by my office in Juneau. The interest of your organization in building up a real tourist business in Alaska is greatly appreciated by us and we hope your attitude will be emulated by other chambers of commerce in the Territory."

Mr. Sundborg and the development board, a Territorial agency supported by appropriations voted by the legislature from tax funds, are in favor of an increased tourist business in Alaska. They are not alone. The tourist trade has long been regarded by most Alaskans as a potential source of revenue of virtually unlimited possibilities.

But then Mr. Sundborg moves toward the real point of his reply. His letter continues:

"Mr. Polet, our Alaska Development Board member for the second division has long advocated our establishing an office at Nome. We have not been able to do this for budgetary reasons. As you may know, all four of the senators from the second division voted in the 1947 legislative sessions to completely abolish the Alaska Development Board. These men were O. D. Cochrane, Tolbert Scott, Charles Jones, and William Munz."

Mr. Sundborg's impatience with the actions of the elected representatives of the people is plain. The votes of these four Territorial senators would, of course, have been insufficient to block or curtail a development board appropriation had there not been others elected to the chamber who also found reason to vote against the funds.

Referring to the same four legislators, Sundborg's letter states:

"They were also instrumental in that session in obtaining a vote by which our board was given no appropriation whatsoever for the entire biennium. In the 1949 session, Senators Jones and Munz again voted to cripple the Alaska Development Board in every possible way but the two new senators who had been elected in the meantime, Howard Lyng and Ed Anderson, supported us strongly. The Alaska Development Board, as a result, received an appropriation of $80,000 for the current biennium. This does not permit us to maintain an office in Nome or to spend any money on a tourist-promotion program."

Now the citizens of Nome and the second division who are desirous of obtaining tax funds from this source, perhaps to the exclusion of other governmental services, know whom to vote for. They know because Mr. Sundborg, the bureaucrat who controls these funds, has told them.

Lest there be any doubt along this line, here is the concluding language of the letter:

"Whether we will be able to proceed toward these objectives next biennium will depend entirely on action taken by the 1951 legislature and, of course, upon the make-up of the body."

Mr. President, this is another example, small but revealing, of government by pressure. It is activity which ill-becomes the appointed official of a government entity now aspiring to statehood.

Also, it should be noted here, that little pressure is required to control the outcome of the balloting in a sparsely populated region such as the second division in northwest Alaska. The vote in Nome runs about 500 votes and in the entire division less than 2,000.

Yet, at the present time, this division sends one-quarter of the total members to the Territorial senate and one-sixth of the members to the Territorial house.

Again, this emphasized a glaring weakness in Alaska's governmental structure. All administrative activities in the vast area are controlled from the top through a legislature of 40 members. Control of a bare majority of the lawmakers by the executive branch—with its power over Territorial funds plus added sums of Federal moneys—immediately yields mastery of both branches of the government.

Mr. Sundborg's letter was written to the Nome Chamber of Commerce a scant 6 weeks before the Alaska primary election in April. Mr. Jones and Mr. Munz, castigated therein, were both candidates for reelection.

Mr. Munz was defeated while Mr. Jones, an Alaskan pioneer and resident of the Territory for more than 50 years, won renomination in the primary by a narrow margin.

To find one possible reason why these and other members of the lawmaking branch of the Alaska government voted against funds for the development board, we must look elsewhere in the official records of the Territory.

These show that Mr. Sundborg's annual salary, paid from tax funds, is in excess of $8,000 per year. In addition, the records show, he drew an extra sum for fees and expenses in 1 year between April 1, 1949, and April 1, 1950, amounting to $6,800.

This is a rather tidy return for one official of a minor Territorial agency, particularly in view of the fact that more than $5,000,000 in appropriations voted by the last legislature remain "frozen" by the Territorial board of administration for lack of revenue with which to meet the expenditures which they provide.

It seems entirely possible—and logical—that some of the legislators in Alaska believed that the Territory could not afford the luxury of an added agency which could provide one official with pay and expenses amounting to nearly $15,000 per year, when the difference between revenue and expenditures for basic government services amounts to more than $5,000,000. I fail to see how the soundness of this view can be questioned.

The Alaska Development Board has been roundly criticized throughout the Territory as largely a statehood propaganda agency and a device to enable the Territorial administration to supply expenses and travel money for favored members of that administration. We see it is also a device which, in the final analysis, enables the members of the administration to smear and attack elected representatives of the people who are seeking to find a solution to an impossible financial situation.

In connection with this same board, it is also interesting to note that it did receive funds, a total of $28,000, during the 1947–49 biennium while the expenditure of $20,000, authorized by the legislature, for an audit of Territorial funds was denied by administration officials comprising the board of administration.

The audit, therefore, was not made until 1949, although it had been voted in 1947. But when it was made, shortages amounting to $49,000 were uncovered in the treasurer's office and that official was sent to prison for 10 years for embezzlement. Part of this shortage was kept under cover for 2 years by the refusal of the officials to release the funds for the audit while making money available for the development board.

More than 20 other violations of Territorial law in the handling of the people's money were uncovered by the same audit. A total shortage of $27,000 in the sale of liquor-tax stamps was brought to light by the auditors, and remains unaccounted for to this day.

Before concluding, Mr. President, I ask that Mr. Sundborg's electioneering letter to the Northwest Chamber of Commerce in Nome be made a part of my remarks at this point to enable my distinguished colleagues to read and study it in its entirety in the light of the serious implications to which it gives rise.

ALASKA DEVELOPMENT BOARD,
Washington, D. C., March 14, 1950.

Mr. ARVO SAARIO,
President, Northwest Alaska Chamber of Commerce, Nome Alaska.

DEAR MR. SAARIO: Your recent night letter has been forwarded here by my office at Juneau. The interest of your organization in building up a real tourist business in Alaska is greatly appreciated by us and we hope your attitude will be emulated by other chambers of commerce in the Territory.

Mr. Polet, our Alaska Development Board member for the second division, has long advocated our establishing an office at Nome. We have been unable to do this because of budgetary reasons. As you may know, all four of the senators from the second division voted in the 1947 legislative sessions to completely abolish the Alaska Development Board. These men were O. D. Cochran, Tolbert Scott, Charles Jones, and William Munz. They were also instrumental in that session in obtaining a vote by which our board was given no appropriation whatsoever for the entire biennium. In the 1949 session Senators Jones and Munz again voted to cripple the Alaska Development Board in every possible way but the two new senators who had been elected in the meantime, Howard Lyng and Ed Anderson, supported us strongly. The Alaska Development Board, as a result, received an appropriation of $80,000 for the current biennium. This does not permit us to maintain an office in Nome or to spend any money on a tourist-promotion program. Whether we will be able to to proceed toward these objectives next biennium will depend entirely on action taken by the 1951 legislature and, of course, upon the make-up of that body.

Sincerely yours,

GEORGE SUNDBORG,
Consultant.

Officers: Gov. Ernest Gruening, chairman; J. A. Talbot, Ketchikan; Antonio Polet, Nome; Fred W. Axford, Anchorage; Herb Hilscher, Fairbanks; George Sundborg, consultant; Cathryn Mack, secretary.)

SENATOR MAGNUSON, OF WASHINGTON

Mr. MURRAY. Mr. President, it had been my intention to address the Senate in tribute to the services of the Senator from Washington [Mr. MAGNUSON] and to refer to a resolution of appreciation of him adopted by the Washington State Federation of Labor. Because of lack of time, I ask unanimous consent that the remarks prepared by me and the resolution be printed in the RECORD at this point.

There being no objection, Mr. MURRAY's statement and the resolution were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY

Mr. President, recently the Washington State Federation of Labor called "time out" during its 1950 convention to honor one of our distinguished colleagues. They paid an unusual, and well-deserved, tribute to the Senator from Washington [Mr. MAGNUSON].

During busy convention sessions, they took time to honor their senior Senator for his contributions to fair play in labor-management relations.

The group that started this action is the Washington Federation of State Employees, affiliated with the American Federation of Labor.

In a moment I will refer to the resolution, which won unanimous approval, honoring Senator MAGNUSON.

First, however, let me state that working men and women, who are the driving force behind our productivity and world leadership, have recognized many times that they have a friend and champion in WARREN G. MAGNUSON. Labor knows what it means to have fair representation in the constant effort for better standards of living.

We who serve with him in Congress know how many rounds Senator MAGNUSON has fought in the battle for better wages, better housing, better working conditions, improved educational and health standards, and for job security.

We recall that he fought the effort to outlaw the closed shop, even before there was a Taft-Hartley bill.

The issue then, early in 1947, was the Ball bill. Senator MAGNUSON told the author of that bill in a Nation-wide debate why he opposed it: Because the closed shop is a proper part of collective bargaining, because it was not the fundamental cause of labor-management disputes, and because outlawing the closed shop aimed a body blow at living standards achieved by organized labor.

Senator MAGNUSON called on the American public to remember that the closed shop was a proper part of collective bargaining for a half century, and that nearly one-third of the 15,000,000 members of organized labor were working under closed-shop contracts.

That particular Congress is famous not for what it did "for" labor, but what it did "to" labor. That was the Taft-Hartley, or Eightieth Congress. About the only constructive labor legislation it passed was the bill improving disability benefits for the longshoremen and harbor workers, and Senator MAGNUSON was out in front sponsoring that legislation.

Congress then had time mostly for such things as the Portal to Portal Pay Act, and the Taft-Hartley Act. During the Taft-Hartley debate, Senator MAGNUSON questioned the author of the bill. His questions to Senator TAFT proved that one aim of that legislation was to muzzle and practically silence labor unions in the realm of politics.

I have here a statement made at that time by Senator MAGNUSON, who said: "If this measure becomes law, it will mean that the voices of corporations in politics in the United States will be far stronger than the voices of labor unions. That is sufficient basis for a veto."

The Eightieth Congress had its way, but Senator MAGNUSON was in the fight through the final round. There were 25,000 cheering union members packed in and around Madison Square Garden for the "Veto Day" rally sponsored by the AFL, when President William Green and WARREN MAGNUSON and other prominent speakers urged a veto. The veto that followed it is now labor history.

A few days ago we passed an improved and expanded social-security law, here in the Senate.

WARREN MAGNUSON was a veteran in the fight for better social security even before 1939, the year when he insisted here in Congress that the crying need for America was a program of better care for this Nation's overaged working men and women, an adequate, workable old-age pension plan.

He has been in the big fights, the little ones, and the scraps in between. Part of labor's struggle has been the battle for improved educational opportunities, and I remember his words on this issue:

"I have repeatedly challenged the theory that a family's educational opportunity should be dictated by the economic status of the family. Mental capacity is not determined by the size of a family's bank account. Boys and girls in America need better educational opportunities."

One year ago he was in the fight here on the Senate floor for a 75-cent minimum wage. It is now the law of the land. We were cosponsors of the fair labor standards amendments bill of 1949, aiming to increase the terribly low 40-cent standard which the Eightieth Congress had failed to raise.

Senator MAGNUSON recognized the injustice, and saw the need to equalize production costs in depressed labor areas, such as the South, which competed with higher labor standards where wages were deservedly high, as in the Pacific Northwest.

He told the Senate: "The obsolete 40-cent standard is still the law of the land. It is grossly inadequate. A 40-cent minimum offers virtually no protection against a vicious spiral of wage cutting." The Senate agreed.

Another fight involved the Marshall plan. Both labor and Senator MAGNUSON supported that plan, but it was necessary to provide an insurance policy for American jobs, as well. He succeeded in killing the proposal to transfer 200 of our ships to other nations, knowing that it would be suicidal to our own merchant marine.

He also insisted on the 50–50 clause to require that one-half of the shipping go in American vessels, both in the ECA and military aid programs.

"Labor must not be sold in the market place to the lowest bidder. Destroy unionism and we revert to the time when wages accepted because of a job-seeker's desperation set the market price."

These are the words of Senator MAGNUSON.

It is not surprising that labor singled him out for honor on two recent occasions. One, the 1949 annual convention of the Washington State Federation of Labor which commended him for loyal and active support, stating:

"He willingly assisted labor by investigating matters other than legislation, every time asked, and adjusted these matters to the benefit of labor," and that he had always actively supported legislation for labor and also vigorously opposed antilabor legislation.

And here is the more recent evidence of labor's esteem. I ask that it may be printed at this point in my remarks.

IN APPRECIATION OF SENATOR MAGNUSON—RESOLUTION PASSED BY THE WASHINGTON STATE FEDERATION OF LABOR AT CONVENTION IN TACOMA, WASH., JULY 10, 1950

Whereas there is now pending in the United States Congress H. R. 6000, a bill to amend the Social Security Act and extend coverage to public employees under certain circumstances; and

Whereas the American Federation of State, County and Municipal Employees, a sovereign body of the American Federation of Labor, formulated its position on this matter in its national convention at Omaha, Nebr., in April 1950, in the form of a proposed amendment to H. R. 6000, which this International submitted to Members of the United States Senate, urging their support of the International's position; and

Whereas the State of Washington, and the Washington Federation of State Employees were highly honored, when the International amendment was introduced by the senior Senator from the State of Washington, the Honorable WARREN G. MAGNUSON, and is in fact now known as the Magnuson amendment to H. R. 6000, and as such is now under consideration by the House and Senate conferees on H. R. 6000: Therefore be it

Resolved, by the 1950 convention of the Washington Federation of State Employees, That the contributions of Senator MAGNUSON in the cause of organized labor, and in particular in championing the position of our own International, should be properly recognized and appreciated, and so we in convention assembled offer our deep appreciation to Senator MAGNUSON, and ask the Washington State Federation of Labor to join us in thanking Senator MAGNUSON for his support of our International's position on social security which is so extremely vital to all public employees.

Adopted by the convention of Washington Federation of State Employees, Tacoma, Wash., July 9, 1950.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The tax bill (H. R. 8920) is before the Senate and open to amendment. The Chair understands that yesterday the Senate agreed to all the committee amendments, to be incorporated as if they were the original text of the bill, so that amendments may be offered to them notwithstanding the fact they have been agreed to.

Mr. GEORGE. That is correct.

The VICE PRESIDENT. There is no amendment now pending.

Mr. McMAHON. Mr. President, there is a situation in this country with regard to the supply of copper which leads me to send forward an amendment which I shall propose on behalf of myself and my colleague, the junior Senator from Connecticut [Mr. BENTON].

There is a demand in this country for about 1,800,000 tons of copper. We can not begin to satisfy that demand by domestic production.

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

Mr. McMAHON. I yield.

Mr. WHERRY. I desire to ask the distinguished Senator whether he intends to bring up the amendment or make a speech on it. The reason for my inquiry is that there are three or four Senators on this side who are intensely interested in the amendment, and I should like to have them present to hear the Senator if he intends to bring it up or make extended observations on it.

Mr. McMAHON. I do not intend to make any very extensive observations, that is, a long speech. The facts on this subject are so plain that they can be stated in about 10 minutes or less. I intend to call up the amendment at the conclusion of my remarks.

The VICE PRESIDENT. Is the Senator offering the amendment now?

Mr. McMAHON. No, I shall offer the amendment in a few minutes.

Mr. WHERRY. It is true there has been a quorum call, and I do not like to suggest another, but I should like very much to have the two or three Senators who are particularly interested in the amendment, to hear the observations of the Senator from Connecticut. I am sure they would like to hear what he has to say. Would the distinguished Senator yield for another quorum call at this time?

Mr. McMAHON. I desire to oblige the Senator, and I will yield.

Mr. WHERRY. I think it will save time in the end.

Mr. McMAHON. I realize that there are some of the Senator's colleagues who strenuously object to what I propose, and if the Senator feels it is necessary, I am willing to yield in order that a quorum may be called.

Mr. WHERRY. I shall not call for it now because I am quite satisfied that if the Senator will speak for 10 minutes, the Senators I have in mind will be on the floor.

Mr. McMAHON. Mr. President, yesterday the Committee on Appropriations of the House of Representatives reported a sixteen and a half billion-dollar supplemental appropriation bill for defense purposes. This runs our total budget to about fifty-seven and a half billion dollars, about half of which will be used for defense purposes.

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

Mr. McMAHON. I yield.

Mr. WHERRY. Does the Senator mean that the total appropriations for fiscal year 1951 will be $57,000,000,000?

Mr. McMAHON. A little in excess of that.

Mr. WHERRY. I asked about that matter of Representative CANNON, and also Representative TABER, and the leaders in the Senate Committee on Appropriations, and they all agreed that the budget will be just inside $60,000,000,000 for the next fiscal year. I thought the Senator would like to know the figure.

Mr. McMAHON. That is all the appropriations, supplemental and all?

Mr. WHERRY. Yes.

Mr. McMAHON. It is about $3,000,000,000 more than I had thought, but I may say that approximately half that amount will go for defense purposes.

Mr. WHERRY. That is correct.

Mr. McMAHON. We all know, and the point needs no laboring, how vital everything that goes into defense items is, as well as how important it is to our domestic civilian economy. We need about 1,800,000 tons of copper this year. We cannot begin to obtain that amount of copper from domestic sources. Back in 1930 a 2 cents a pound, $40 a ton, tariff, was placed on the importation of copper. All during the 1930's we competed in the world copper market. We exported thousands and thousands of tons of copper during the 1930's. If at any time a claim could have been made that a tariff was needed on copper, the validity of that claim has ceased at this time.

I am deeply interested in the matter for a number of reasons, not the least of which is that the plants in Connecticut which use so much copper and fabricate it, are now laying off help and cutting down production, because they cannot get copper. I quoted from an article appearing in the New York Times of August 17, and I know this article is accurate:

FABRICATORS HIT BY LACK OF COPPER—PLANTS CUT BACK OPERATIONS, IN SPITE OF INCREASED DEMAND—PREMIUMS ARE OFFERED

Big cut-backs in operating rates are starting in plants making fabricated copper and brass metal products. Instead of increasing

output to meet increased demand throughout the country, output is being reduced because of severe copper shortages which are making prices quoted on commodity exchanges nominal, since actual cost prices to industrial users are much higher in many cases. For the first time, since shortages began, big users have received offers of German copper at 32 cents a pound in a 500-ton lot.

Meanwhile, at least one smelter is advertising that it will pay premium prices for copper wire, sheet copper, and scrap zinc or new zinc. Scrap dealers are refusing to sell scrap copper to smelters at officially quoted refiner's buying prices. Actual costs of some copper to buyers are up as high as 28⅜ cents a pound on a few real transactions.

Mr. President, it has been necessary to cut down the number of shifts in the Naugatuck Valley, where much of the copper fabricating of the country is done, and as a result the needed production will not be obtained.

In a canvass of large companies affected by these conditions, Revere Copper & Brass, Inc., was consulted. C. Donald Dallas, chairman of the board, said the Government should know that several brass mills had curtailed to a 5-day week their 6-day working schedule. One mill, especially dependent upon imported copper, is down to a 4-day week.

A razor manufacturer's representative, in the New York area, said output was being cut back because of brass shortages. One of the largest electrical manufacturing companies said entire production schedules for September might have to be reduced because of these conditions.

The chaotic market condition is a result of the failure of Congress to deal with the critical copper tariff problem, these sources charged. So far, official domestic copper prices have not reflected the import tax of 2 cents a pound which was imposed on July 1, 1950. Mr. Dallas said yesterday there had been a virtually universal expectation in the fabricating industry that the tax would be retroactively suspended by Congress.

Fabricators, wire drawers, and ingot makers cannot continue to pay the import tax on copper which some of them have been absorbing on the assumption that the tax would be repealed retroactively, copper fabricators declared yesterday. As a result, it now appears that a dual, and possibly a triple-level market price range is appearing—

Which, of course, we all know, we cannot maintain in a free economy. We cannot have three different prices for the same thing. The result is, of course, that by adding the 2 cents duty on the copper which is coming into the country, we are simply boosting the domestic price by 2 cents a pound, or $40 a ton, at the very time when we are increasing the demand, and at a time when the bill to control the prices of commodities is about to be enacted. It simply does not make sense.

Copper already is selling in foreign markets at 23.25 cents a pound. Such copper, delivered here, with duty, costs more than 25.25 cents.

So, Mr. President, much of the copper we should get here will be going to foreign countries apparently, if this article is to be believed, with the result that the American public and the defense effort will be definitely penalized.

Perhaps for the RECORD, I should give a brief statement of the situation, including some of the history of the tariff duty on copper. In 1932 a tariff was imposed on imported copper on a temporary basis for 2 years. It was continued at each following session of Congress on a temporary basis until the Internal Revenue Code of 1941 was adopted, at which time the temporary status was lost in the codification, and the tariff became permanent. This is important, for it was the tariff which was temporary, not the suspension of it. The tariff when it was originally placed on copper was on a temporary basis.

Down through 1939 imports were negligible and the tariff collections were less than that, for the simple reason that we were net exporters of copper; but exported an average of 70,000 tons a year.

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

Mr. McMAHON. I yield.

Mr. MILLIKIN. Does not that indicate to the Senator a grave fault in our policy which would reverse the situation to which the Senator has just referred, and would bring us into a deficit position, such as is illustrated on the map? I am talking about strategic material as to which we should be self-sufficient, to the extent that it is possible to be self-sufficient.

Mr. McMAHON. Of course the answer to the Senator is that we cannot be self-sufficient. We are going to use approximately 1,800,000 tons of copper this year; and I think the Senator will agree with me that even at the top, peak production, we were not able to produce any such amount of copper. Is not that so?

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

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Connecticut yield to the Senator from Colorado?

Mr. McMAHON. I yield.

Mr. MILLIKIN. I do not agree at all with what the Senator has said. The reason why we have not been able to meet our needs is because on the subject of the importation of strategic minerals we have developed national policies which have destroyed our exploratory operations in the field.

Mr. McMAHON. In 1943, which was the maximum war effort year, seven companies produced 1,020,000 tons domestically. All others produced 94,000 tons, or a total domestic production of 1,114,000 tons. In 1943 the primary requirement for copper was 1,618,000 tons. Therefore, we imported the deficit of 504,000 tons.

Of course, I am sure that the Senator from Colorado is much more of an expert on this subject than I am, inasmuch as he comes from a mining State.

In 1943 all the so-called marginal operators were producing copper. We subsidized those marginal producers, and, as I understand—and I think I am not mistaken—despite all the steam of the actual wartime effort, they produced approximately 81,000 tons.

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

Mr. McMAHON. I yield.

Mr. MILLIKIN. In the sections of the United States outside the mining areas, there is quite a misconception as to what to do in order to obtain production. There is a feeling that production can be turned on or off, as one turns an electric-light switch on or off.

However, the secret of production, of continued or high-velocity production rests on a continuous process of exploration. Hundreds and hundreds of "tries" have to be made before a new body of ore can be found.

Therefore, I suggest that the Senator's figures, taking them at their face value, have no validity. The continued course of suspension has made it impossible for people to plan mining operations, highly speculative mining operations, with any certainty at all that what they produce, if they produce, will have a market.

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

Mr. McMAHON. I yield.

Mr. LEHMAN. Is it not a fact that the expansion in production, to which the Senator from Connecticut has referred, was brought about during a period in which the import duty on copper was suspended?

Mr. McMAHON. That is true.

Mr. MILLIKIN. But during the same period we had the premium-price plan.

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

Mr. McMAHON. I yield.

Mr. McFARLAND. I challenge that statement. When was that production; what year was it?

Mr. McMAHON. Nineteen hundred and forty-three.

Mr. McFARLAND. When was the tax repealed? When was it suspended?

Mr. McMAHON. Let me see about that.

Mr. McFARLAND. The statement the Senator has made is absolutely incorrect. The tariff was in effect during that time, when the maximum production was secured.

Mr. McMAHON. In the spring of 1947, Congress enacted Public Law 42, which suspended the import tax until March 31, 1949. In the first quarter of 1949, Congress again suspended the import tax, by Public Law 33, until June 30, 1950.

So we have a record of more than ten solid years of copper imports, all of which were duty free, as compared with the prewar period when we were net exporters.

That is the record as I have it, I may say to the Senator, namely, a record of more than ten solid years of copper imports, all of which were duty free, as compared with the prewar period when were were net exporters.

Mr. McFARLAND. But the Senator said the maximum was reached in 1943. The import duty on copper was in operation in 1943.

Mr. McMAHON. The Navy commenced the importation of copper duty free under a World War I statute, which gave it that authority; and copper imports continued to be free until the Metals Reserve Company was formed. That subsidiary of the RFC imported all copper which was imported during the war; and until its authority expired as of June 30, 1947, all imports by the Metals Reserve Company were duty free.

So apparently the Senator from Arizona is in error.

When the so-called educational orders for defense were placed by our Government following the outbreak of World War II, we needed copper badly.

Again I say that the Navy commenced the importation of copper duty free under a World War I statute, which gave it that authority.

Mr. McFARLAND. The Government can import copper today. Certainly the Government can buy copper without paying a tax on it; but the fact remains that the law imposing a duty on copper was in effect in 1943.

Mr. McMAHON. The fact remains that no copper came in during those years, as I understand, which was not duty free. It is a fact that all of it went to Government procurement. Of course, today, not all of it is going to Government procurement, but it is going into defense articles and into our civilian economy at a price which includes a tax of $40 a ton on the American public. Certainly that tariff was imposed and placed on our statute books on one theory and one theory, alone, namely, to equalize the cost of protection, so that the domestic industry could compete with Chile and the other countries of the world which produce copper.

However, what do we find? We find that, contrary to any need of protecting the domestic copper industry against imports, we do not produce enough domestically. Even worse than that, as I see it, the domestic price is raised by the amount of the tariff. It is not simply a question of paying an additional $40 a ton on merely a portion of the copper we consume, but $40 a ton additional must be paid on every ton of copper which goes into our defense program. I say that is an inflationary move, although now we are supposed to be trying to combat inflation.

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

Mr. McMAHON. I yield.

Mr. McFARLAND. The Senator knows, does he not, that the Government could now buy copper on the foreign market for defense purposes without a tax? Does not the Senator know that to be so?

Mr. McMAHON. If the Senator from Arizona says it is, I presume it is.

However, what does the Senator mean? Does he mean that we should now insist that the Government buy all the copper possible abroad, in the world market, and that we should again have the Metals Reserve Company do it, instead of having American companies purchase directly for the production of defense orders and munitions of war?

Mr. McFARLAND. No. I am willing to have the Government buy the copper it needs for stockpiling and for defense purposes on the domestic market, first, if the Government can get it there; or, if it cannot get the needed copper on the domestic market, then to have the Government buy it on the foreign market.

However, what is the Senator interested in? Is he interested in protecting the Government of the United States, or is he interested in a few fabricators in Connecticut and in having them save some money at the expense of the miners of the West?

Mr. McMAHON. No; I am interested in a fair deal for both the miners and the fabricators and, above all, for our economy and the American people.

The Senator from Arizona is from one of the Western States, where copper is produced, and he is much more expert on the mining phases of the matter than I am. But it would appear from the earnings of our domestic corporations which are digging out the copper that they are doing very handsomely on the basis of the present market price, and that they do not need the 2-cents-a-pound increase afforded by the tariff duty which only feeds the fires of inflation at a time when they certainly should be banked and controlled.

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

Mr. McFARLAND. Mr. President, if the Senator from Connecticut will yield further, I should like to ask him another question on that point.

Mr. McMAHON. I shall be glad to yield to the Senator from Arizona, after which I shall yield to the Senator from Massachusetts.

Mr. McFARLAND. I may say to the distinguished Senator that when the price of copper is brought down a certain level, it is then possible to operate only the mines which can produce copper cheaply. It is true some of them may be able to operate at a price of 16 cents for copper, but most of them would have to close down, as some of them did but a short time ago. So some mines would be unable to operate at a profit in competition with the Chilean copper and with copper companies from the Senator's State which own mines in Chile, which companies desire to import the copper for the use of the fabricating companies of his State. I ask the Senator whether it is not true that the fabricating companies in his State are doing pretty well and are showing a profit?

Mr. McMAHON. They are probably showing the same level of profit as general industrial manufacturing companies. I may say to the Senator that my anxiety is not for the companies per se. My interest in the subject arises from the fact that I believe this to be an inflationary impost at this time. Second, I am interested in the swiftest possible rearmament of the United States of America. I am somewhat distressed at being told of the cut-back in production in Connecticut in the Naugatuck Valley, where, as the Senator from Arizona knows, so much of the copper produced in his State is fabricated. I am distressed by the fact that that cut-back is caused by the lack of copper. That is caused, I assume, and will be caused in a greater degree, by the diversion of foreign copper to other places in the world market, if this differential is allowed to persist.

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

Mr. McMAHON. If the Senator will pardon me, I promised to yield to the Senator from Massachusetts.

Mr. LODGE. I have listened to the Senator's very informative discussion, and I should like to ask him one or two questions. First, is it not true that this is not a conflict between a few bloated eastern industrialists, on the one hand, and a few virtuous western miners, on the other? Is not this a matter which involves first of all the very large number of everyday citizens who work in these factories, and practically the totality of the American people, who are vitally concerned in having munitions of war produced, which production requires a supply of copper, not 2 years from now or 3 years from now, but now? Is that not true?

Mr. McMAHON. Not only is that true, but it also occurs to me that within the lovely city of Denver, the capital of the State represented by our distinguished colleague, Senator MILLIKIN——

Mr. LODGE. It is a lovely city.

Mr. McMAHON. Within that city there are plenty of citizens who are buying automobiles, of which copper represents a large part of the mechanism, and the housewives I presume are buying copper utensils. They also have a stake in this matter, as do the good citizens of Phoenix, in the State of the Senator from Arizona, and in other metropolises in that State.

Mr. LODGE. I thank the Senator for his answer. I should like to ask him a second question, which is: Is it not perfectly possible to have a broad national policy which encourages the conservation and production and stockpiling of strategic materials on the one hand, and at the same time meet actual emergencies, on the other. It is possible to do both; is it not?

Mr. McMAHON. I hope we can.

Mr. MILLIKIN and Mr. LEHMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield, and if so, to whom?

Mr. McMAHON. I yield first to the Senator from Colorado.

Mr. MILLIKIN. First, I should like to observe that in the western section of the country we have long since realized that when there is no production, there can be no consumption. Second, observations by the distinguished Senator from Connecticut and also by the distinguished Senator from Massachusetts dealt with our emergency needs of copper. The fact that the copper of foreign countries is being diverted to other parts of the world shows the peril in which we find ourselves by reason of not having developed to the maximum our own domestic production. There could not have been a better sermon on that subject than the statement of the distinguished Senator from Connecticut, which shows exactly the peril to which we have subjected ourselves. We are now dependent for copper on foreign countries, which can divert it to any other place throughout the world whenever they want to do so, beyond our power of control, in wartime.

Mr. McMAHON. I should like to observe to the Senator that, according to figures which have been furnished me, and with the greatest stimulus which could possibly be given by way of subsidies to the marginal producers in the Senator's State and other copper-producing States, we were able to add to the total but 81,000 tons against a consumption in 1943 of 1,618,000 tons. Despite

all the subsidies, despite all the diversions of manpower, at a time when it was needed more than ever before, we were able to boost the production of copper by marginal producers by the grand total of 81,000 tons.

Mr. MILLIKIN. Let me say again to the distinguished Senator that we do not simply say, "Now we are going to have a national policy of developing our copper, or our lead, or our zinc, or our mercury, and other minerals," and then start tomorrow to develop them in quantity. It may certainly be a matter of years before we find new deposits which will enable us to be on a self-sustaining basis. We may drill hundreds of oil wells, we may open hundreds of mines, without discovering anything. But it is necessary to have a continuous exploration process of that kind to bring the day when the discovery will be made. That is the way in which all our discoveries in this country have been made.

Mr. McMAHON. I appreciate that, I may say to the Senator, but we certainly do not have time now, at the present juncture of world affairs, to divert from our own consumption the copper which is so vitally needed, while exploratory operations are conducted in the western section of the country.

Mr. MILLIKIN. I may suggest to the distinguished Senator that there is never a moment when those exploratory operations should cease. We are talking about an emergency supply of copper which can be shut off by a bomb or a submarine, or by diversion on the part of the foreign countries themselves. We should not lose one moment in getting that exploratory process under way.

Mr. McMAHON. I do not wish to be understood as saying that we should cut off exploratory operations. I think they should of course continue, and I presume that the great copper-producing companies are pushing exploration vigorously. In fact, I heard only recently that one of the large copper producers in the West had struck a vein, or had made a find which promised very fine returns. I also appreciate, from my limited knowledge, that from the first moment when the ore is struck until it is actually produced in a big way, a considerable interval of time must intervene. I am aware of that. I may say to the Senator that if the United States were to grant a subsidy for the purpose of exploration at this time, it would be better, it seems to me, than to impose a penalty upon the importation of copper which we so desperately need in the defense effort.

Mr. MILLIKIN. The Senator's difficulty, if I may make the suggestion, is that the men who are willing to search for strategic minerals, men who might with encouragement put their money into mines in an effort to find strategic minerals, will not do so under vacillating tariff policies, and certainly will not do so as long as we suspend the tariffs.

Let me make one further observation, and then I shall restrain myself for a while, I hope. On the question of the tariff, let me respectfully suggest that, no matter what the mechanics of the thing may be, to the extent that the Government is buying this important copper, it does not make any difference whether we have a tariff on it or not. The Government can, through the use of its own powers, bring copper in duty-free. If it does not, and if it pays the tariff, it will be taking the money out of one pocket merely to put it into another pocket.

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

Mr. McMAHON. I yield.

Mr. LEHMAN. Is it not a fact that today there is a shortage of copper, not a theoretical shortage, but an actual shortage, which is affecting the operations of many of the fabricating concerns of the country?

Mr. McMAHON. Of course that is a fact. It is demonstrated by the reduction in the number of workshops in the Naugatuck Valley in Connecticut, in particular. We are short of copper, and we are also short of steel. I have noticed, and so has the Senator from New York, some propaganda emanating from the Steel Trust to the effect that military orders make it impossible to furnish their civilian customers. As a matter of fact, only 6 percent of the steel is going into military production, and they are using that blind in order to cover up their failure to expend facilities to a growing economy during the past 3 years. The President of the United States suggested that they get busy and expand steel facilities, but, oh no; they would not do it. So today we are very short of steel. General Motors and Ford would be building more cars for the civilian market if they could obtain steel. The same group are doing everything possible to discourage the building of a steel mill in New England, which I feel will be built despite them. That is a little bit off the subject, I realize, but this is a good chance to get it off my chest.

Mr. LEHMAN. Is it not a fact that, in addition to the great quantities of copper used in the manufacture of material for war purposes, copper enters into the manufacture of almost every item of consumptive use in this country, and, therefore, any increase in the price of copper affects the industry of the entire Nation at a time when we are pledged to control inflation and to keep prices for the public to a reasonable level?

Mr. McMAHON. That is a fact, as I see it.

Mr. LEHMAN. Is it not also a fact that one of the chief purposes of the tariff is to protect the workingmen of the country against unemployment that would be developed from the competition of cheap labor abroad?

Mr. McMAHON. That is correct.

Mr. LEHMAN. As I understand, because of the shortage of copper, unemployment is actually increasing. There is full employment, so far as I know, in the mines producing copper, but there is lessened employment and a continuing decline in employment in the many companies which are dependent on a supply of copper for the production of materials which they are manufacturing.

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

Mr. McMAHON. I should like to proceed with the statement of the case. However, I do not wish to refuse to yield. I shall yield in a moment.

In answer to the observation of the Senator from New York as to who gets the copper, who needs it, and where it goes, 18 percent goes into automobiles; 11 percent into building; 27 percent into electrical manufacturing; 5 percent into telephone and telegraph uses; 8 percent into light and power lines; 13 percent into what are called other wire uses, and 18 percent for all other uses.

I merely make that observation to show the truth of the Senator's assertion that copper, of course, is used throughout our whole industrial economy.

I now yield to the Senator from Utah.

Mr. WATKINS. Does the Senator have in his possession and ready to present to the Senate any information as to tariff rates or import taxes that may be levied on products manufactured from copper, or the refined copper or brass manufactured in his State?

Mr. McMAHON. No; I do not have that information in my possession. I shall be glad to have the Senator insert the information.

Mr. WATKINS. The Senator, of course, knows that there are import taxes upon the importation of articles made of copper?

Mr. McMAHON. Yes, but I am not familiar with the rates.

Mr. WATKINS. Would the Senator be willing to accept an amendment to waive and set aside for a period of 2 years the import taxes on the manufactured products of copper and brass in his State?

Mr. McMAHON. All I can say is that the Senator is raising a point to which I have not given any consideration. It had not been brought to my attention. I was not aware of the fact that there was any shortage in this country of those articles. I had not been advised of that. I shall be glad to discuss with the Senator his ideas on the question. I have not given it any thought at all. I cannot give either an affirmative or a negative answer to the Senator.

Mr. WATKINS. The import rates run all the way from 14 to 65 percent on the refined copper and brass. I was wondering whether the Senator would include that on the basis of taking care of the situation.

Mr. McMAHON. Does the Senator know whether there is any shortage of those articles?

Mr. WATKINS. There must be, or there would not be any shortage of copper.

Mr. McMAHON. There is a shortage of copper for shells, guns, and other articles.

Mr. WATKINS. Would the Senator be perfectly willing to reduce the tariff on the manufactured articles?

Mr. McMAHON. There is not much tariff, as the Senator knows.

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

Mr. McMAHON. I yield.

Mr. AIKEN. Can the Senator advise us how much copper there is in the country at the present time? Has he any data available on that subject?

Mr. McMAHON. I do not know the stockpile data, as to the quantity. Perhaps some other Senator knows the answer to the question. I do know there is not enough.

Mr. AIKEN. Is the Senator familiar with the report that big copper companies are deliberately refusing to deliver copper to the fabricators, for the purpose of forcing the suspension of the copper tariff? Does he know they have boosted the price to 26 cents a pound and still do not let their customers have the copper? There is no reason for such action except to influence legislation. They have boosted the domestic price to 26 cents a pound, and apparently will not deliver any copper until Congress takes some action on the suspension of the tariff.

Speaking of prefabricating, I think it is prefabricated monkey business in which these big companies are indulging. Vermont could probably produce all the copper Connecticut could use if we were permitted to develop it. The very same interests that are working for the suspension of the copper tariff and would make the United States dependent on sources 10,000 miles away are opposing the means of expanding the production of copper where it could be produced in this country. In the first place, we in Vermont do not have power to develop our copper resources. We could produce very great amounts of copper if we had the electric power we need.

The people who have consistently opposed the St. Lawrence seaway and power project which is our logical source of power are now crying for a suspension of the copper tariff.

Mr. McMAHON. I regret that there is such a gigantic conspiracy against the Senator's State. If it exists, I think it should be inquired into.

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

Mr. McMAHON. I refuse to yield at this time, because I want to read a short memorandum from the Department of Commerce on the need for suspending the copper import tax. It is as follows:

NEED FOR SUSPENDING COPPER IMPORT TAX

The domestic copper mining industry is now producing at a very high rate—in fact at a higher rate than for any peacetime year since 1929. (See statistics, p. 14 hearings before House Ways and Means Committee on H. J. Res. 502, July 10–11, 1950.)

The domestic copper mines cannot increase production appreciably above the present rate within the next 2 years even if the price should go somewhat higher. The major portion of any increase would come from mines now in operation by pushing production above an economic rate—if manpower were available. Marginal (high cost) mines not now operating would add very little additional production—in fact, if miners left producing properties to work in marginal mines where productivity (pounds of copper per man-shift) is lower than average, the net result would be a loss in production.

Domestic copper mines cannot supply the current requirements, much less the new program with larger military and stockpile needs. Even with maximum imports for the next 2 years, copper will remain in tight supply. If peacetime industrial demand drops, the military program and stockpile requirements will take up the slack. The statement that imports of cheap foreign copper produced by slave labor will shut down American mines is a gross exaggeration. (See statement of W. H. Hoover, hearings before House Ways and Means Committee, on H. J. Res. 502, July 10–11, 1950, p. 109.) With the need for all the domestic plus all the foreign copper we can get, imports will have no effect on operations of domestic mines.

There have been and always will be mining properties that operate only in periods of very high prices of war emergencies. These "war babies" cannot meet either domestic or foreign competition. To advocate high prices simply to put marginal mines into production is unsound both from the standpoint of money and use of manpower. The situation is aggravated when the contribution in terms of copper produced is so small as to be of very minor importance so far as reducing the amount of imports required is concerned.

Consumers of copper and products containing copper include, besides the fabricators and manufacturers, the ultimate user of the end products. This user includes the miner, the mining company and the general public in the mining States as well as the manufacturing and farming States.

Increases in the price of metal mean increases in cost of fabrication, manufacturing, and end products such as plumbing fixtures, wire, electrical equipment, automobile parts, and so forth, used in practically all industries and homes. A rise in price on finished goods will come if the import tax is not suspended.

This issue is of broad public interest. It involves an adequate supply of copper for (1) defense needs, (2) civilian requirements at reasonable prices. These requirements and costs affect the entire population. The criterion here is the greatest benefit for the largest number of people. The future of the copper mining business is not at stake on this issue, at this time.

Mr. President, I should like to insert in the RECORD at this point a letter addressed to the honorable chairman of the Committee on Finance by the Secretary of Commerce, Mr. Charles Sawyer, in which he advocates that the tariff be removed.

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

THE SECRETARY OF COMMERCE,
Washington, August 22, 1950.

The Honorable WALTER F. GEORGE,
Chairman, Finance Committee,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: On March 23, 1950, my office wrote you recommending favorable action on H. R. 7151, a bill to suspend certain import taxes on cooper. That bill was passed by the House but was tabled by your committee. However, H. R. 5327, a bill to waive the import tax on scrap metal, was reported out by your committee. It is understood that an amendment will be offered to this bill to include a waiver of the copper import tax.

This Department favors the enactment of H. R. 5327, including the proposed amendment, for the reasons previously expressed and specifically the following:

1. Production of copper from domestic sources, which is now at a very high level, can satisfy only 64 percent of our current domestic plus stockpile requirements. Increased requirements for military needs, an accelerated stockpile program, and a minimum export program to meet our foreign policy will reduce that proportion appreciably.

Domestic production cannot be increased significantly within the next 2 years, even with higher than present prices. Apparently the import duty is contributing to recent prices increases. Certainly a suspension of the import duty will not result in injury to the domestic copper industry.

2. Maximum imports of copper are vital to the fulfillment of our domestic industrial and military needs for the foreseeable future.

Failure to suspend the import duty has resulted in an increased price to all domestic consumers and may result in a loss of imports greater than any increase in domestic production due to the higher price.

Where the needs for large amounts of foreign copper are so apparent, it is essential to encourage the flow of imports by a waiver of the import tax.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

Mr. McMAHON. Mr. President, I ask unanimous consent to insert in the RECORD at this point a memorandum on the subject.

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

FACTUAL BACKGROUND

All during the war and while OPA administered prices, the price of copper was 12 cents per pound, officially. The Government adopted an incentive payment plan to apply to certain high cost marginal producers, designed to extract the last pound of copper, even from low-grade ores or from mines otherwise unprofitable to operate. Under the subsidy, or incentive payment plan, extra costs were met by the Government. For example, the Federal Trade Commission report on The Copper Industry, 1947 edition, quotes from the annual report of Calumet & Hecla for the year ending 1945 as follows:

"The price of refined copper was frozen at 12 cents per pound by the Office of Price Administration on August 12, 1941. To stimulate production of copper for war needs, a premium price plan was devised by the Government under which a premium of 5 cents per pound was paid for mine production in excess of established quotas. Calumet & Hecla has been receiving the 5-cent premium, or, in effect, 17 cents per pound for a large part of its production * * *"

The same FTC report says that the peak year of war production of domestic copper was 1943 when 7 mining companies operating 20 mines produced over 1,000,000 tons of copper. "There were 210 other mines, however, which accounted for 81,700 tons. Operating under maximum war pressure, these mines only produced 81,700 tons of copper in 1943, 85 percent of the copper coming from 32 mines."

Senators from mining States talk about causing the price to rise so that small mines can be induced to resume production. Assume for present purposes that all of these identical mines were closed today—they're not, but suppose they were. Assume that reimposing the tariff would raise the price and that all were to resume production under "maximum war pressure." If they produced 81,700 tons, the same as in the maximum year 1943, that 81,700 tons would not meet our needs for as long as 2 weeks.

RECENT COPPER FACTS

Domestic mine production in the year 1949 was off only 7.4 percent against the record of 1948, a peak year. While it is true that the price of copper was depressed for a few weeks during the second quarter, by July 1, the price had started to mount again and the average price for copper throughout the year exceeded 20 cents per pound. Consumption of copper on the other hand, proceeded without substantial abatement. Throughout the first 6 months of 1950, industry consumption alone averaged better than 115,000 tons per month. Domestic mine production, however, has averaged only 74,000 tons per month.

Meanwhile, stockpile needs have taken about 20,000 tons per month (the exact figure has not been released for security reasons) and in addition, there have been substantial exports. In short, domestic mine production is only slightly better than half the rate of demand for copper to be encountered in the fiscal year 1951, taking into account industrial use, stockpile, exports, and the need for preparation for war. Experts in the copper world expect that fiscal 1951 will require copper to the total of at least 2,000,000 tons.

Can anyone justify imposing a tariff of $40 per ton on this vast quantity of copper?

There cannot be a two-price system—one price for imports, and another for domestic mine production. The price increase will apply to all copper, and the cost of it must be borne by the American public. Can anyone justify further increasing inflationary pressures in these critical times in such fashion? Should the American people be penalized for importing an essential, vital raw material which cannot be produced in the United States in adequate quantity to fulfill our requirements?

Some argue that there may be a tariff on some finished products using copper, so there should be a tariff on copper imports accordingly. Such an argument wholly fails to take account of the essential difference in the principle involved in the two situations. More than 70 percent of all American imports are on the free list, put there by the Tariff Act of 1930, and still continued so, for the simple reason that we do not produce such items in adequate quantity, just as there is no tariff on tin, for example. Protection is afforded, however, in those instances where American producers have the facilities and are able to meet our needs. Nor can it be claimed that imports have hurt the domestic copper mining industry. Congress suspended the tax in 1947 and yet the price of copper rose to 23.5 cents over the 2-year period following. The price of copper now is 22.5 cents and undoubtedly it will go higher. Yet domestic production over the postwar years has been totally inadequate to meet American needs. Even when we include secondary copper (recovered from scrap) with the total domestic primary copper production, in 1945, domestic production reached only 59 percent of domestic consumption: in 1946, 52 percent; in 1947, 74 percent; in 1948, 70 percent; in 1949, 86 percent; in 1950, 74 percent.

The term "consumption," as here used does not include stockpile needs and copper exports. A table demonstrating the complete fact was provided by Frank H. Hayes, Chief of the Metals and Minerals Division, Department of Commerce, which appears at page 14 of the House hearings on H. J. Res. 502.

Perhaps one other comparison will prove of interest. The Phelps Dodge Corp. in its 1949 annual report lists its total production of copper by years and in the amounts as follows:

Year:	*Copper (pounds)*
1949	464,405,893
1948	493,449,765
1947	485,044,364
1946	339,278,646
1945	360,581,039
1944	458,153,723
1943	478,319,109

The foregoing table commences with the war year of 1943. Production in each of the last 3 years exceeds its wartime average production, and Phelps Dodge Corp. produces 30 percent of all domestically mined copper. Did suspension of the tariff hurt Phelps Dodge?

The Bureau of Mines reported officially, to both the Finance Committee and the House Committee on Ways and Means, and before the latter Committee Assistant Director Miller testified (House hearings, p. 15):

"* * * For the first 5 months of 1950 the domestic production of primary copper has averaged slightly less than 75,000 tons a month. If that present rate is continued for the remainder of 1950, the annual production of refined copper will be about 850,000 tons. For the same period it is estimated that the total requirement for primary refined copper for commercial purposes only will be at least 1,200,000 tons. That would indicate a deficit of supply on the order of 300,000 tons or greater. In those circumstances it was concluded that the stockpiling program would be jeopardized if supplies were reduced, and the reimposition of the tariff would place an unjustifiable burden on consumers * * *."

The House Report No. 2563 to accompany House Joint Resolution 502 says:

"Moreover, the Munitions Board advised that steps have recently been taken to accelerate the procurement program for stockpile to the greatest extent possible consistent with available supplies and funds. This action tends to increase the market pressure * * *"

The Federal Trade Commission in its report on the copper industry (above) points out that three copper-producing companies are not only integrated, but they produce 85 percent of all copper produced in the United States. They own their own mines, their own smelters and refineries, their own fabricating plants.

"The fabricators integrated with the large copper producers have first call on large company domestic production. Independent fabricators must either import at a disadvantage over the tariff wall or curtail operations and leave business they might otherwise do to the larger companies whenever the supply of domestic copper is less than the demand. Under such circumstances it becomes only 'good business' for the independent fabricator to follow the price leadership of the large companies both as to prices paid for copper and prices charged for fabricated products."

So far as the domestic industrial demand is involved, the question before the Senate involves the preservation of freedom of enterprise in the copper market.

So far as stockpile needs are concerned, only 30 percent of our requirements have been fulfilled.

So far as the preparation for war is concerned, the more copper we can get into this country, the quicker we can get it in here, the cheaper we can buy it, the better off our Nation will be.

For the plain unanswerable, undeniable fact is that the domestic mining industry is totally unable to meet the requirements of our Nation and its economy, and this condition of copper deficit has continued for more than 10 consecutive years.

CONCLUSION

The United States must import copper. Our people should not be penalized by an excise tax when we import the copper we need. A period of approximately 90 days is required to process copper ore through the smelter and refineries. Another 90 days will be required to prepare the copper and to get it into the hands of the fabricators. Copper is commonly bought and sold on a quarterly basis, and statistics as to its production, sale, and consumption are kept on that basis. Therefore, we should be able to make commitments over a sufficient period that our suppliers abroad can be assured of a market. Therefore, the import tax of $40 per ton should again be suspended over the period from July 1, 1950, to the close of June 30, 1951.

Mr. McMAHON. Mr. President, I offer an amendment on behalf of myself and my colleague [Mr. BENTON].

The PRESIDING OFFICER (Mr. KERR in the chair). The clerk will state the amendment.

The CHIEF CLERK. At the appropriate place in the bill it is proposed to insert the following:

The import tax imposed under section 3425 of the Internal Revenue Code shall not apply with respect to articles (other than copper sulfate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms) entered for consumption or withdrawn from warehouse for consumption during the period beginning July 1, 1950, and ending with the close of June 30, 1951.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Connecticut on behalf of himself and the junior Senator from Connecticut [Mr. BENTON].

Mr. GEORGE. Mr. President, I am obliged to oppose the amendment offered by the Senator from Connecticut. The amendment was not formally offered to the tax bill when the bill was before the committee. It was formally offered to another bill which came over from the House. The bill dealt with import duties on scrap metal. The Finance Committee has had the matter before it in one form or another for some time and at various times. The motion to amend the scrap-metal bill by inserting the amendment was defeated. In fact, a motion to table the amendment was made, and that motion carried by a decided vote. Therefore I am obliged to oppose the amendment to the bill.

I may say to the distinguished Senator from Connecticut that the amendment would provoke long debate. I have no doubt it would occasion a controversy in the Senate which would last for days, or at least for some time. I think I am not exaggerating when I say that it would take several days, and that possibly the bill could not be brought to a vote for some time. For that reason I am obliged to oppose the insertion of the amendment in this bill. I hope the Senator will withhold his amendment, or withdraw it and offer it to the scrap-metal bill. It has been filed and is pending. The policy committee has not given the green light to the scrap-metal bill, but I have discussed the matter with the chairman of the committee, the majority leader. I hope the Senator will permit the amendment to bide its time, and have it taken up whenever the other bill is considered, or when consideration is given to any other bill which is not of the great importance or magnitude of the tax bill. I say that because inevitably the effect of the amendment would be to delay the tax bill for some time. If the tax bill is to be of real consequence at this time it must be passed at a reasonably early date so that it can go to conference with the House, which conference itself may be prolonged because of the peculiar circumstances under which we have acted upon the pending bill. I make as strong an appeal as I

possibly can to the Senator from Connecticut, and express again the hope that he will withdraw his amendment and offer it to the other bill.

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

Mr. GEORGE. I yield.

Mr. McMAHON. I am fully conscious of the necessity of having the tax bill passed as quickly as possible. I can see by the debate which has already been provoked that some of our colleagues feel very strongly about the subject, and I understand their feeling. I understand they feel they bespeak the basic and essential interests of their States, although I have a different opinion as to what the best interests even of their own States are in the premises. However, the Senator spoke of the importance of the tax bill, and I agree with his statement. I also think that this amendment is of tremendous importance at this time for the reasons which I have indicated in my remarks. The impact upon the economy of the country, the impact upon the supply of copper, without which we cannot do our rearmament job, is certainly so great as to underline the grave importance of this matter.

The Senator spoke about my biding my time. I do not want to bide so much time that I run out of time, with the Senate recessing or adjourning, and I be left biding, and not even having had the chance to get a vote on the amendment. That I do not want to happen.

In other words, if I were certain that I would get a vote on the amendment by having it voted on in connection with H. R. 5327, the scrap-metals bill, I should be happy to accede to the Senator's request. What I am afraid of is running to the end of the session without getting a chance for a vote on my amendment, with the tax bill and conference reports and the McCarran bill, to be discussed, I would think, at some considerable length, and Labor Day coming, and the 15th day of September, which many people regard as the deadline, by which time we must end the session.

If the Senator could assure me in any way that H. R. 5327 would be made the pending business next week, at which time my amendment, of course, would be considered, I would be most happy to accede to his request.

Mr. GEORGE. Mr. President, I regret that I am not in a position to give the assurance, because I have no authority from the majority leader, and I am not a member of the policy committee. I therefore could not give any assurance. I can only say that I have brought this matter to the attention of the majority leader, and that he will discuss it with me when he returns, either today or Monday. But I could not give any assurance beyond that. I am quite willing that the bill the Senator mentions may come up and be considered and voted on. Of course, the Senator's amendment would be as pertinent to that bill as it is to the pending bill, and even more so, because that bill relates directly to the suspension of tariff duties on certain scrap metals.

I was induced to make this appeal to the Senator from Connecticut merely in the interest of proceeding with the pending bill, with some hope of getting to a final vote at the earliest possible time.

Mr. McMAHON. Perhaps, Mr. President, we can solve the matter temporarily by an understanding that the majority leader will be available for consultation with the Senator and myself certainly within the next few hours, and there will be no final vote on the pending bill today. The excess profits tax amendment will be discussed, I am sure, at some length, and we will not get a final vote today; and if the amendment could be temporarily laid aside by unanimous consent, and then we could talk with the majority leader and see whether we could not reach an agreement on bringing H. R. 5327 before the Senate, the Senator from Connecticut would be quite willing to agree to that. But I do not like to withdraw the amendment at this time in the absence of some understanding as to the position in which the Senator from Connecticut will find himself if he has to pin his hopes for consideration on H. R. 5327.

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

Mr. GEORGE. Mr. President, I wanted to make an appeal to the Senator from Connecticut. I am sorry I cannot give him any assurance beyond the statement already made. I have taken the matter up with the majority leader, and expect to discuss the scrap-metals bill with him again. That is the understanding we had in my last conversation with him. I can assure the Senator we will discuss it.

I had hoped that the Senator might withdraw his amendment—and he could, of course, temporarily lay it aside, because he has control of the amendment—so that we might proceed with other amendments.

Mr. McFARLAND. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator.

Mr. McFARLAND. I wish to say to the distinguished Senator from Georgia, the chairman of the important Committee on Finance, that I regret very much that this amendment is going to have to be debated for some length of time. However, I can see, from the discussion which has occurred on the part of the distinguished Senator from Connecticut, that at least a part of the people are totally uninformed as to the copper situation, and as to what is best for the country and the defense of the country. So I believe that if we are going to have to bring the amendment up, to be frank, it will take 2 weeks, anyway, to inform the people fully in regard to this matter, and perhaps a little longer.

I want to be honest about it. What I have said is true in regarding to the pending bill, or any other bill to which the amendment may be offered. There are those of us in the West who feel that this amendment is against the defense of the country, and that it is our duty to fight it with everything we have.

What mines was it that won the last world war? We did not have bottoms in which to bring copper to this country. It was the mines of our own country that produced the copper needed, and if we do not develop them we may find ourselves without the strategic minerals necessary to make implements of war. Therefore it will take 2 or 3 weeks to inform the country on this important subject.

Mr. MILLIKIN. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wish to say there is not the slightest degree of exaggeration in what has been said by the distinguished junior Senator from Arizona as to the time element. I have a number of amendments prepared, and may offer them today. If we are going into the field of tariffs, we are going to cover it completely.

I may say to the distinguished chairman of the Committee on Finance that pursuant to his request that there be tossed in no extraneous or controversial matters such as the amendment just offered, I have kept my amendments out of the hopper. But I have a peril point amendment, I have an amendment going to the whole subject of reciprocal trade, I have an amendment relating to the Torquay Conference. If this is going to be that kind of a debate we will go into the whole subject of tariffs.

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

Mr. GEORGE. Let me make one additional statement. I wish to confirm what the distinguished Senator from Colorado has said. There was complete cooperation in the Committee on Finance to keep out of the bill matters of extreme controversy, even though they were entirely germane and proper, in view of the fact that a general tax bill is to follow almost immediately. I believe there has been physical demonstration here this morning indicating something as to the length of time the debate on the amendment would consume.

I again renew my request to the Senator from Connecticut to withdraw the amendment, or temporarily withdraw it, at least, and when the distinguished majority leader returns, which I understand may be today, he can then take the matter up directly with him.

Mr. McMAHON. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Connecticut.

Mr. McMAHON. Does the Senator anticipate that there will be a final vote on the pending bill today?

Mr. GEORGE. No, I do not think so. I regret to say that extraneous matter is preventing it, or perhaps may prevent it. I am sure that we will not have a final vote before Monday or Tuesday of next week.

Mr. McMAHON. That would be my judgment, too, so I am perfectly willing to accede to at least half of the Senator's request, namely, to have the amendment temporarily laid aside. However, I do wish to say that that will not prevent the Senator from Connecticut from calling the amendment up again before the conclusion of the consideration of the pending bill.

Mr. GEORGE. Certainly not.

Mr. McMAHON. I may say in all frankness to the Senator that it will have to depend upon what provisions are going to be made for the scheduling of H. R. 5327, the scrap bill, for consideration by the Senate. In other words, I will say to the Senator from Georgia that I reluctantly advanced the amendment at this time, because I was most anxious that we should finish action on the tax bill. But I viewed this matter to be of such primary importance that when it seemed to the Senator from Connecticut that the session was growing ever closer to an end, and that H. R. 5327 was to be put in a deep freeze, I decided that discretion was the better part of valor, and that I had better march forward with it while there was still time.

Mr. GEORGE. I appreciate the Senator's position.

Mr. McMAHON. I am not at all disturbed by the statements made by my good friend from Arizona about it taking 2 weeks or 3 weeks to explain this matter to the country. That does not disturb me a bit, I will say to the Senator from Georgia. Last year we adjourned on October 19. I suppose there is nothing in the Constitution which requires Congress to adjourn before that date this year. I certainly hope that that will not be so. But I want the Senator from Arizona to know that I am not unduly impressed by his generous estimate with respect to the timetable, that is as to the length of time it will take to educate the people of the United States to the virtues of his position.

I feel that if the Senator from Arizona and those who share his view were to take any such length of time to educate the country they might find the result would be different from that they anticipate. However, I make that by way of a conciliatory observation.

Mr. GEORGE. I thank the Senator.

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

Mr. GEORGE. The Senator from Nevada [Mr. MALONE] asked me to yield.

Mr. McFARLAND. Will the Senator from Nevada permit me to continue?

Mr. MALONE. So far as I am concerned, yes.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Georgia yield, and if so to whom?

Mr. GEORGE. I yield to the Senator from Nevada.

Mr. McFARLAND. Mr. President, the Senator from Nevada said he would be willing to defer to me for a moment.

Mr. GEORGE. Very well. I yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, this subject is a broad one. We are approaching the close of the session. We are not making any threats about this matter at all. There are those of us who are willing to abide by the decision of the committees which deal with these matters. This particular subject was submitted to the Committee on Finance. The committee made its decision. The distinguished Senator from Connecticut is not satisfied with the finding of that committee, and its subcommittee. The subcommittee was well informed on this matter. The Senator is not satisfied with its decision. Had the matter been reported by a committee that would have been an altogether different proposition. But if we are going to go into one matter that has not been reported favorably by the committee, then we have to go into those matters which the Senator from Utah talked about, the tariff on fabricated articles, and all up and down the line, and every Senator who has a matter in which he is particularly interested may as well present it now. In other words, those of us who represent States which are interested in copper are not going to take it lying down. Neither am I alarmed about what the Senator from Connecticut says, and we will go into it and have it out here before the session ends.

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

Mr. GEORGE. I yield.

Mr. McMAHON. I want to say to the Senator from Arizona—and I want the record to be made straight—that I have not made any threats at all. The threats came from the Senator from Arizona, who threatened to tie up the matter as the subject of debate for 2 or 3 weeks. I would suggest, if I may, that, since there is going to be no final disposition of the bill today, perhaps the rights of the Senator from Connecticut will not be jeopardized by temporarily withdrawing the amendment and advancing the amendment later, say, Monday or Tuesday, at least, before a vote. I understand my rights will be unimpaired if I take such action.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. If the Senator from Connecticut asks unanimous consent to have the amendment temporarily laid aside, would that prejudice the right of the Senator from Connecticut to call up the amendment again on Monday or Tuesday before the vote is taken?

The PRESIDING OFFICER. The Chair understands the inquiry of the Senator from Connecticut to be that if he should obtain unanimous consent temporarily to lay aside his amendment, would that prejudice his right to reoffer the amendment? The answer is that the Senator's rights would not be prejudiced in any way at all.

Mr. McMAHON. In view of that situation, and in view of the possibility that the Senator from Georgia and I may be able to work out with the majority leader and the policy committee the scheduling of the so-called scrap-metal bill, the Senator from Connecticut would be perfectly pleased at this time to ask unanimous consent that the amendment offered by him on behalf of himself and his colleague [Mr. BENTON] be temporarily laid aside.

The PRESIDING OFFICER. The Senator may withdraw his amendment without obtaining unanimous consent, and reoffer it at any time.

Mr. McMAHON. I want it clear that when it is sought to be withdrawn, that it is indicated on the record that it is with the understanding which I have just given to the Senate.

The PRESIDING OFFICER. The Chair understands the Senator's position, and the Senator is within his rights; but the Chair does not think the Senate should set a precedent by having to pass on the question.

Mr. McMAHON. I may add before I surrender the floor, Mr. President, that I do not wish to pursue any argument with my very good friend, the Senator from Arizona [Mr. MCFARLAND] about the fact that the amendment was offered in the Finance Committee and was turned down by that committee. As I understand, the amendment was turned down on a divided vote. I have never been aware of the fact that any Senator was not privileged to try to correct an error that was committed by a bare majority vote of any committee, to say nothing of seeking to correct an error in the action of the committee even though it was unanimous, but contrary to the position which the Senator maintains.

I want to say to the Senator from Arizona finally, in conclusion, that the Senator from Connecticut, as he knows, is in his sixth year of service in the Senate, and if the Senator from Arizona will search his memory I am sure he will not find many occasions when the Senator from Connecticut has not pretty well gone along with the majority action of committees. I appreciate that under the committee system we, by and large, have to delegate a good deal of authority to committees. But there are times in connection with consideration of legislation when the situation and the facts are such as to make it mandatory upon a Senator who conceives it to be his duty not only to represent his State but also the people of the United States as a whole, to advance what he conscientiously believes to be for the best of all, and I know the Senator from Arizona will certainly join me in that statement.

Mr. GEORGE. Mr. President, I understand the Senator from Connecticut is temporarily withholding his amendment.

Mr. McFARLAND. Mr. President, will the Senator yield to me for a moment?

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

The PRESIDING OFFICER. Does the Senator from Georgia yield, and if so to whom?

Mr. GEORGE. I yield now to the Senator from Nevada; but I hope we may get along with other amendments to the bill.

THE TARIFF OR IMPORT FEE PRINCIPLE, A SECURITY MEASURE—COPPER AN EXAMPLE

Mr. MALONE. Mr. President, I want the Senator from Georgia [Mr. GEORGE], to know that the junior Senator from Nevada has no idea of delaying progress on the tax bill. As a matter of fact we are all very much interested in getting through with it at the earliest possible time.

THE TARIFF OR IMPORT FEE PRINCIPLE NOT REGIONAL

But in view of the debates I thought it might be apropos at this time to show that this is not a regional or local consideration. Practically all of our industries are protected by a tariff or by subsidies—which form the floor under wages and investments. A comparatively few

of these supply the entire American market—a proper tariff does not prevent imports but does encourage venture capital to create employment and taxable property—and is a national security measure.

On August 12, 1950, George Adams Ellis, of the Vermont Copper Co., Inc., wrote a letter to the senior Senator from Nebraska [Mr. BUTLER] a member of the Finance Committee. In his letter he said, in part:

> These old Vermont mines were first opened in 1783 and saw their heyday between 1870 and 1880, before the very rich Michigan and Montana ores were fully developed.

He said the ores in Vermont are just as important as ores in other States, but he says they are unable to operate with any degree of safety of the capital that is invested, without any tariff. I will read one or two paragraphs, which will be very short, but informative.

This is the excerpt from a letter sent to the Senator from Nebraska [Mr. BUTLER] by George Adams Ellis, president of the company:

> I have had some relations with various phases of the copper industry for the past 25 years and practically wrote the copper code under the NRA for General Johnson. In my opinion the labor differential between foreign and domestic copper is very much more than the proposed 2-cent tariff and probably averages over 4 cents. It is a fact that at the present time the 2-cent tariff will not have the slightest effect on the price of copper in this country; nor will it affect by 1 pound the amount of copper that comes into the country. According to my information the great Chilean copper mines will give up about 1 cent less to the Chilean Government, or perhaps 4 cents instead of 5 cents, and Kennecott and Anaconda—who own the principal Chilean mines—will receive 1 cent less profit, or perhaps 7 cents instead of 8 cents. I cannot vouch for these exact figures, but they bear some approximation to the actual figures and the principle at least is correct.
>
> However free copper as a permanent policy eventually will close up every smaller mine in this country and, in the long run, will be the death knell of the American copper industry.
>
> I am very happy to see that there is a substantial group of Senators who have not been taken in by the specious arguments in favor of free copper.
>
> Very truly yours,
>
> GEORGE ADAMS ELLIS.

TARIFF OR IMPORT FEE—NATIONAL SECURITY MEASURE

Mr. President, the tariff principle of a floor under wages and investments is a national-security measure; copper, a strategic metal, is one example, simply because venture capital will not go into any business, especially a speculative business such as mining, unless it has some assurance, even at a time of high prices in an emergency, that there will be some protection, some floor under wages and investments, at the end of the emergency.

Mr. President, to fight a war this Nation must have an adequate stockpile of strategic minerals and a going concern mining industry.

Today we have neither. We may be facing an all-out war with 70 percent of our mines closed down and with depleted stockpiles.

MORE THAN 125 BRIEFS FROM INDUSTRIES THROUGHOUT COUNTRY

Without going into detail at all, let me say that I have approximately 125 briefs from companies representing a wide range of industries throughout the United States, and approximately 8 or 10 of these in Connecticut, the home State of the distinguished Senator [Mr. MCMAHON] who has submitted the amendment outlining the danger which they are facing through the State Department's continued maniplation of the tariff structure.

These companies have appeared before the reciprocity committee, and all of them have made very detailed and constructive arguments with illustrations.

A MATTER OF PRINCIPLE

The necessary import fee is a matter of principle, Mr. President, not a matter for sharpshooting. It must be continued as a matter of principle, in order to protect the economic structure of the United States. The fact is that today all the independent copper mines in the United States are closed, except in the case of those which were willing to lower wages and to write off much of their investments to the point where they could compete with foreign cheap labor without having the benefit of the differential in cost represented by a tariff or import fee.

THE FLEXIBLE IMPORT FEE

If we do have to go into this subject, as the distinguished Senator from Colorado [Mr. MILLIKIN] has said, he has some amendments to offer, and I may have one to offer also.

For the last 3½ years it has been quite evident that this matter involves the principle of the flexible import fee, which would be administered in such a way as to take care of the differential of the cost of production due mainly to the difference in the wage-living standards between this Nation and in the competitive countries.

Mr. President, the entire principle must be thoroughly reviewed before the Senate, and perhaps would require some considerable time to debate it properly.

The broad aspects of this question vitally affect the entire economic structure of this Nation and will probably require several days if it becomes necessary to discuss it at this time.

Mr. MORSE. Mr. President, will the Senator from Georgia yield, to permit me to send to the desk an amendment to the bill, to be printed and lie on the table, and to say a few words in connection with the amendment?

Mr. GEORGE. I yield.

Mr. MORSE. Mr. President, I send to the desk an amendment to the bill and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MORSE. I wish to say that the amendment seeks to do away with the tax exemption on future State and municipal bonds. In support of the amendment, I should like to read one paragraph from the report of the Committee for Economic Development, this being one of its recommendations:

> High on the list of this type of revision is the taxation of future issues of State and local bonds. Additional Federal revenues, possibly around $35,000,000, would be obtained in the first year, and increasing sums thereafter. On the other hand, the cost of borrowing would rise for State and local governments. However, these considerations are minor by comparison with the gain in fairness and stimulus to private enterprise.

Mr. President, I wish to say that I think the owners of capital should make it work. I do not think they should be permitted an exemption or an escape from taxation, and I think it is grossly unfair to have in our tax structure as many tax-exemption loopholes as exist in it today.

Later in this debate I shall ask the permission of my good friend, the Senator from Georgia, to answer a few questions or to give my explanation in regard to certain portions of the pending measure relating to another form of tax escape, by way of the charitable trusts. I know there are in the bill provisions which at least seek to narrow that loophole, but I am far from satisfied that the bill begins to go far enough in doing away with tax escape by way of charitable trusts. I think there are in the United States too many institutions which are hiding behind the cloak of the charitable trust, in order to escape taxes, when what they are actually doing is operating commercial businesses in competition with private entrepreneurs who have to pay the tax bills which are escaped by such organizations by means of the charitable trust.

I think we should do a much more thorough job in connection with this matter; but I shall discuss it at a later time, with the permission of the Senator from Georgia.

Mr. GEORGE. Mr. President, under the statement made by the Chair yesterday, when I requested unanimous consent that the Senate proceed first to the consideration of the committee amendments, I believe I should perhaps now renew my request that the Senate proceed to consider amendments to the amendments made by the committee, if there are amendments to be offered and pressed in that connection. Therefore, I ask unanimous consent that the Senate now proceed to consider, first, any amendments to the committee amendments which on yesterday were approved en bloc. There is no pending amendment now before the Senate.

The PRESIDING OFFICER. Unanimous consent is requested that the Senate proceed to consider amendments to the committee amendments which have been agreed to, and that such amendments be disposed of first.

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

The bill is open to further amendment.

Mr. MCFARLAND. Mr. President, much as I should like to see the bill passed in the next 5 minutes, I believe I shall suggest the absence of a quorum, and, I do so.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Hoey	Maybank
Bricker	Holland	Millikin
Butler	Humphrey	Morse
Capehart	Hunt	Mundt
Chapman	Ives	Murray
Chavez	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Darby	Kefauver	Robertson
Donnell	Kem	Russell
Douglas	Kerr	Schoeppel
Dworshak	Kilgore	Smith, N. J.
Ecton	Langer	Sparkman
Ellender	Leahy	Stennis
Ferguson	Lehman	Taylor
Flanders	Lodge	Thomas, Okla.
Frear	Long	Thomas, Utah
Fulbright	McCarran	Thye
George	McCarthy	Tydings
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Hendrickson	McMahon	Williams
Hickenlooper	Magnuson	Withers
Hill	Malone	Young

The PRESIDING OFFICER. A quorum is present.

The bill is open to amendment.

DEPENDENTS ASSISTANCE ACT OF 1950

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill S. 4071, an act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, which was, to strike out all after the enacting clause and insert:

That for the duration of this act the provisions in the second sentence of section 102 (g) of the act of October 12, 1949 (Public Law 351, 81st Cong.), which reads "* * * and actually resides in the household of said member" is suspended: *Provided,* That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of sufficient evidence, including an affidavit submitted by such father or mother, under such regulations as may be prescribed by the Secretary concerned.

SEC. 2. For the duration of this act the proviso in section 302 (a) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is suspended.

SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$70	$85
E–6	70	85
E–5	70	85
E–4	70	85

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$70	$85
E–2	45	70	85
E–1	45	70	85

SEC. 4. For the duration of this act section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month."

"(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members in pay grade E–1, E–2 and E–3 shall be made only for such period as the enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled and $40 for the support of the dependent or dependents on whose account the allowance is claimed: *Provided,* That such allotment shall not be required, (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; (5) for the calendar month in which dependency commences if the allotment is effective from the following month; (6) for the calendar month in which such member is assigned to quarters for himself and his dependents or for the calendar month in which such assignment is terminated: *Provided further,* That such allotment may be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary of the Department concerned: *And provided further,* That the minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified by the enlisted member concerned, subject to such regulations as the Secretary concerned may prescribe.

"(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters: *Provided,* That such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents. If the Secretary concerned finds that such delay was caused by the exigencies of the service he may waive the allotment requirement, or the additional increment thereto, as applicable, for such retroactive period.

"(k) The entitlement to the basic allowance for quarters provided for by this section shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe."

SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not, for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment or allotments as he shall determine to be in conformity with the provisions of this act for any enlisted member with dependents in any case in which such member does not claim such allowance.

SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or Band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by the act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

SEC. 8. For the purpose of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended to read as follows:

"Provided further, That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (seven or more years' service), E–5, E–6, and E–7."

SEC. 10. The Secretaries of the Departments concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship shall be made by the Secretary of the Department concerned or such other person or persons as he may designate, and the Secretary of the Department concerned or his designee is authorized to delegate or redelegate such authority: *Provided,* That the authority granted in this section to the several Secretaries of the Departments concerned may by joint agreement be exercised by any one of the Secretaries for any other Department or Departments concerned.

SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. The Secretary of the Department concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtedness growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as

amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949.

SEC. 14. The Secretary of the Department concerned shall take cognizance of the provisions of this act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

SEC. 15. This act shall be effective from August 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

SEC. 16. This act, except sections 10, 11, and 12 hereof, shall terminate on April 30, 1953.

Mr. MORSE. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. BRIDGES, and Mr. GURNEY managers on the part of the Senate at the conference.

NOMINATIONS IN THE ARMED SERVICES

Mr. MORSE. Mr. President, on behalf of the Armed Services Committee, I wish to invite the attention of the Senate to the fact that the committee yesterday, by unanimous vote, recommended to the Senate the confirmation of the nominations of four majors, 11 captains, 25 first lieutenants, 37 second lieutenants, and the confirmation of Gen. Walter Bedell Smith to be the Director of Central Intelligence. As in executive session, I report these nominations from the Committee on Armed Services, and, in view of the emergency problems which confront the armed services, I ask unanimous consent that, as in executive session, these nominations be confirmed.

Mr. HICKENLOOPER. Reserving the right to object, I should like to address an inquiry to the Senator from Oregon, with special reference to General Smith. I have no objection to the other nominations, but I should like to ask a question or two with respect to General Smith.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa?

Mr. MORSE. If I can answer the question I shall be happy to do so.

Mr. HICKENLOOPER. I am sorry that the chairman of the committee is not present. I wonder if the Committee on Armed Services has been given any assurance of any kind by General Smith, whom I personally highly regard, as to the continuity or intended continuity of his services as the head of CIA. I ask that because of my deep conviction that the Central Intelligence Agency will never function——

The PRESIDING OFFICER. The Senate will please be in order. This is an extremely important matter, and Senators who wish to confer—and the Chair is sure it is necessary for them to confer at times—will please retire from the Chamber so that the Senate may carry on its business.

Mr. GEORGE. Mr. President, may I inquire what the question is?

The PRESIDING OFFICER. The unanimous-consent request is that as in executive session certain nominations in the military service be approved, and an interrogation is now being made with reference to the nomination of General Smith.

Mr. GEORGE. I have no objection, if the interrogation does not lead to long debate. If it does, I shall have to insist on the regular order.

The PRESIDING OFFICER. The Senator from Iowa reserved his right to object and is now interrogating the Senator from Oregon [Mr. MORSE].

Mr. HICKENLOOPER. I have a very deep conviction that the Central Intelligence Agency will never operate at the peak of its efficiency from the standpoint of results to the United States until and unless we have a director who is appointed with the determination on the part of the administration and the director himself for a long continuity in office in that position. I have had objections in my mind to the appointment of men who would stay in the position for only 2 or 3 years and then move on. That was one of my chief objections to the appointment of officers of the military service, whether the Army or the Navy, to head CIA, because they would perform a tour of duty for 2 or 3 years and then go back to their regular assignments in their professional branch of the military service. I emphasize that because I have the highest regard for General Smith. I have not the slightest objection to his appointment. I have the utmost confidence in his ability and loyalty. I raise the question as to the continuity of his service in this most sensitive branch of our Government. I should like to ask the Senator from Oregon if he has any knowledge on that subject?

Mr. MORSE. I will give the Senator my understanding, and other members of the Committee on Armed Services who are present may give their point of view if they wish. I see present the Senator from Wyoming [Mr. HUNT].

I assume that inherent in the question of the Senator from Iowa is perhaps his knowledge of a rumor some time ago that General Smith might not wish to undertake the assignment because of his health. I can say to the Senator that I discussed the matter with the Secretary of Defense when he was attending a committee meeting some time ago. At that time he said that he was very happy to advise me that the medical reports on General Smith now were very clear to the effect that he was in sufficiently good health to undertake the responsibility of the job.

Mr. HICKENLOOPER. I raised no question about General Smith's health. I assume that he is perfectly able to assume the job. That was not a part of my question.

Mr. MORSE. I understood that they were awaiting the result of the physical check-up, which has now come in. So far as the presentation of the nominations by the Armed Services Committee is concerned, the assumption was that General Smith was being appointed to serve indefinitely in this position, and there was no representation made as to any tentative appointment. Am I correct about that?

Mr. HUNT. I will say that I think the Senator from Oregon is correct in his statement. There was further discussion in the questioning of General Smith, as the distinguished Senator will remember, regarding his health. He intimated that his health was better today than it had been for some time. Moreover, he commented about extending his services in this particular capacity. As I remember the conversation before the committee, I think the general intends to stay on this job until for some reason he finds it necessary to leave.

Mr. HICKENLOOPER. Further reserving the right to object, I should like to ask a specific question. I assure the Senate that I am not asking it to be contentious, but because of certain convictions which have developed within me after having watched CIA operate for some time. I invite the attention of the Senator from Oregon to the fact that General Smith would be the fourth director of CIA since it was established in the past 3 or 4 years. I wonder if the Committee on Armed Services asked General Smith to commit himself as to his intentions, subject of course to all the unknown vicissitudes that may occur, as to whether it was his intention to make this a permanent career job, or whether he is approaching it with the idea of taking it for a year or 2 or 3 years and going back to the Army or doing something else. I can assure the Senator from Oregon that I am utterly serious about the matter because I think the turnover in CIA is one of its frailties, and has led to general turmoil within the agency.

Mr. MORSE. I do not think any such specific question was asked of the general. However, I think it is fair to say that the entire discussion with him and the discussion with the committee was upon the assumption that upon appointment he would continue indefinitely in the office and that this would be his final career service in the Army.

Mr. HICKENLOOPER. Mr. President, I want again to say that I have the highest regard for General Smith and for his integrity and ability, and I would support him. I have no hesitancy about placing my confidence in him, but I wonder if the best interests of the country would be badly served if this matter went over until tomorrow.

Mr. MORSE. I think the honest answer to the question would have to be that it could go over until tomorrow. It would be desirable to have this appointment confirmed today, but it certainly could go over until tomorrow.

Mr. THYE. Mr. President, I wish to remind the Senator that tomorrow will be Saturday.

Mr. HICKENLOOPER. Without intending to object to the appointment of General Smith, I should like to ask the Senator if he thought it would be a disservice to the country to have the matter go over until tomorrow or Monday.

Mr. MORSE. I would have to say that I think it could go over, though I think it is highly desirable that the appointment be made at the earliest possible time.

Mr. HICKENLOOPER. I agree with the Senator.

The PRESIDING OFFICER. The Chair will state the request.

Unanimous consent is requested that, as in executive session, the Senate proceed to the consideration of certain nominations in the military service. Is there objection to the request?

Mr. MORSE. Mr. President, I think in view of the views expressed by the Senator from Iowa [Mr. HICKENLOOPER], the courteous thing for the representatives of the Armed Services Committee to do would be not to put the Senator in a position where he would be required to object, but rather to withhold the request for confirmation, with the understanding that it will be presented at the earliest opportunity.

The PRESIDING OFFICER. The request is withdrawn.

Mr. HICKENLOOPER. I thank the Senator from Oregon. I hesitated to object because I did not in the least want to have it appear that I had any objection to General Smith as an individual.

Mr. MORSE. I send the nominations to the desk and ask that they be printed and placed on the executive calendar.

The PRESIDING OFFICER. Without objection, as in executive session, the nominations will be received and placed on the executive calendar.

The nominations placed on the executive calendar are as follows:

Walter Bedell Smith, lieutenant general, United States Army, to be Director of Central Intelligence; and

Robert J. Bernaucci, and sundry other persons for appointment in the Regular Army of the United States.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from Texas [Mr. CONNALLY] and myself I desire now to offer an amendment known as the excess profits tax amendment.

The PRESIDING OFFICER. The clerk will state the amendment. Does the Senator wish to have the amendment read?

Mr. O'MAHONEY. I think it will not be necessary to have it read.

The PRESIDING OFFICER. The amendment will be printed in the RECORD in full.

The amendment offered by Mr. O'MAHONEY (for himself and Mr. CONNALLY) was to add the following new title at the end of the bill:

TITLE VII—EXCESS PROFITS TAX

SEC. 701. Reapplication of excess profits tax.

(a) Reapplication: Section 122 (a) of the Revenue Act of 1945 is hereby amended to read as follows:

"(a) In general: The provisions of subchapter E of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to July 1, 1950. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945."

(b) Rate of tax: Section 710 (a) (1) (A) of the Internal Revenue Code is amended by striking out "95 percent" and inserting in lieu thereof "85 percent."

(c) Exemption: Section 710 (b) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(1) Specific exmption:

"(A) A specific exemption of $10,000, and

"(B) In the case of a domestic corporation which (i) commenced business after August 31, 1945, (ii) elects to use the excess profits credit provided in section 714, and (iii) is not a member of a controlled group (as defined in section 718 (a) (6) (B), an additional specific exemption of $10,000."

(d) Excess profits credit: Subsections (a) and (b) of section 712 of the Internal Revenue Code (relating to allowance of excess profits credit) are hereby amended to read as follows:

"(a) Domestic corporations: In the case of a domestic corporation which was in existence before July 1, 1950, the excess profits credit for any taxable year shall be computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other domestic corporations, the excess profits credit for any taxable year shall be an amount computed under section 714.

"(b) Foreign corporations: In the case of a foreign corporation engaged in trade or business within the United States, the first taxable year of which under this subchapter begins on any date in 1950 after June 30, 1950, which was in existence on the day 48 months prior to such date and which at any time during each of the taxable years in such 48 months was engaged in trade or business within the United States, the excess profits credit for any taxable year shall be an amount computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other foreign corporations the excess profits credit for any taxable year shall be an amount computed under section 714.".

(e) Definition of unused excess profits credit: Section 710 (c) (2) of the Internal Revenue Code is hereby amended by striking out the last two sentences thereof and by inserting in lieu thereof the following: "For the purposes of the determination of the taxes imposed by this subchapter for taxable years beginning before January 1, 1946, there shall be no unused excess profits credit for a taxable year beginning after December 31, 1946. The unused excess profits credit for a taxable year beginning in 1946 and ending in 1947 shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year prior to January 1, 1947, is of the total number of days in such taxable year. For the purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, there shall be no unused excess profits credit for a taxable year ending before July 1, 1950. The unused excess profits credit for a taxable year beginning in 1949 or 1950 and ending after June 30, 1950, shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year after June 30, 1950, is of the total number of days in such taxable year."

(f) Amount of excess profit credit: Section 713 (a) (relating to the amount of excess profits credit) is amended by striking out "95 percent" wherever it appears therein and inserting in lieu thereof "80 percent."

(g) No carry-back to 1946, 1947, 1948, or 1949: Section 710 (c) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraph:

"(5) No carry-back to 1946, 1947, 1948, or 1949: For purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, the term 'preceding taxable year' and the term 'preceding taxable years', as used in this subsection, do not include any taxable year ending prior to July 1, 1950."

(h) Definition of "base period": Section 713 (b) (1) is amended by adding at the end thereof the following new subparagraphs:

"(C) If the corporation was in existence during the whole of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the period commencing with the beginning of its first taxable year beginning after June 30, 1945, and ending with the close of its last taxable year ending before July 1, 1950; and

"(D) In the case of a corporation which was in existence during only part of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the 48 months preceding the beginning of its first taxable year under this subchapter.

"(E) Subparagraphs (A) and (B) shall not apply in connection with the tax for any taxable year ending after June 30, 1950."

(i) Taxable years beginning in 1949 or 1950 and ending after June 30, 1950: Section 710 (a) is amended by adding at the end thereof the following new paragraph:

"(8) Taxable years beginning prior to June 30, 1950, and ending after July 1, 1950: In the case of a taxable year beginning prior to July 1, 1950, and ending after June 30, 1950, the tax shall be an amount equal to that portion of a tentative tax which the number of days in such taxable year after June 30, 1950, bears to the total number of days in such taxable year."

(j) Technical amendments: The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1945, to be effective as so restored, with respect to taxable years ending after June 30, 1950, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

(2) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

(3) Section 131 (b) (prescribing certain limitations on the foreign tax credit).

(k) Taxable years to which amendments applicable: The amendments made to the Internal Revenue Code by this title shall be applicable with respect to taxable years ending after June 30, 1950.

(l) Technical changes: In relation to the tax for any taxable year ending after June 30, 1950, wherever the year 1935 appears in subchapter E of chapter 2 of the Internal Revenue Code, it shall be understood to mean 1945; wherever the year 1936 appears, it shall be understood to mean 1946; and wherever the years 1937, 1938, 1939, and 1940 appear, they shall be understood to mean 1947, 1948, 1949, and 1950, respectively.

SEC. 702. Investigation by Joint Committee on Internal Revenue Taxation.

The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the taxation of excess profits accruing to individuals, proprietorships, partnerships, or corporations as the result of any war or national defense program in which the United States is now or may hereafter become engaged.

Said joint committee shall report the results of its study to the Congress as soon as

practicable, but in no case later than March 31, 1951. Said report shall include, but shall not necessarily be limited to, recommendations for amendments to this title, which amendments may be effective retroactively to June 30, 1950.

On page 55, between lines 17 and 18, insert the following:

"(ii) the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e);".

On page 55, line 18, strike out "(ii)" and insert in lieu thereof "(iii)".

On page 55, line 21, strike out "(iii)" and insert in lieu thereof "(iv)."

On page 56, line 5, insert before the period a comma and the following: "And minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e)."

On page 59, strike out lines 4 and 5, and insert in lieu thereof the following:

"(A) The credit for dividends received provided in section 26 (b) (computed by limiting such credit to 85 per centum of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 per centum of the adjusted net income so reduced);

"(B) The credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e);".

On page 59, line 6, strike out "(B)" and insert in lieu thereof "(C)."

On page 59, line 9, strike out "(C)" and insert in lieu thereof "(D)."

On page 59, line 12, strike out "(D)" and insert in lieu thereof "(C)."

On page 59, line 20, insert after (b) a comma and the following: "minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e),".

On page 66 beginning with line 10, strike out all through line 14 and insert in lieu thereof the following:

"(2) Section 122 (c) (relating to amount of net operating loss deduction) is hereby amended by inserting after 26 (e) the following: '(h) and (i).'"

On page 66, beginning with line 22, strike out all through line 2 on page 67 and insert in lieu thereof the following:

"(4) Section 204 (a) (2) (relating to definition of normal-tax net income and corporation surtax net income of foreign insurance companies other than life or mutual) is amended to read as follows:

"'(2) Normal-tax and corporation surtax net income of foreign insurance companies other than life or mutual and foreign mutual marine: In the case of a foreign insurance company (other than a life or mutual insurance company) and a foreign mutual marine insurance company, and a foreign mutual fire insurance company described in paragraph (1) of this subsection, the normal-tax net income shall be the net income from sources within the United States minus the credit provided in section 26 (a), the credit provided in section 26 (b), and the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e), and the corporation surtax net income shall be the net income from sources within the United States minus the credit provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced) minus the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e) and, in the case of taxable years beginning on January 1, 1950, and ending on December 31, 1950, minus the credit provided in section 26 (j)'."

On page 69, line 11, insert before the period the following: "and reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in subsection (e)."

At the end of the table of contents, on page 9, insert the following:

"TITLE VII—EXCESS-PROFITS TAX

"SEC. 701. Reapplication of excess-profits tax.
"(a) Reapplication.
"(b) Rate of tax.
"(c) Exemption.
"(d) Excess-profits credit.
"(e) Definition of unused excess-profits credit.
"(f) Amount of excess-profits credit.
"(g) No carry-back to 1946, 1947, 1948, or 1949.
"(h) Definition of 'base period.'
"(i) Taxable years beginning in 1949 or 1950 and ending prior to June 30, 1951.
"(j) Technical amendments.
"(k) Taxable years to which amendments applicable.
"(l) Technical changes.
"SEC. 702. Investigation by Joint Committee on Internal Revenue Taxation."

JUSTICE AND WELFARE REQUIRE WAR-PROFITS TAX

Mr. O'MAHONEY. Mr. President, I do not believe that, in a period like the present, the Senate of the United States could discuss any problem more important to the life of the Nation and to the preservation of freedom than the problem of taxation. This is no time to adopt a policy of borrowing to finance the Korean war. This is no time to increase the national debt.

I might put it in another way: Inasmuch as the selective service law is now in operation and the Government of the United States by the authority of Congress, is drafting men, I say this is no time to defer the profit dollar while we are drafting men.

Deficit financing is unavoidable when we have a condition of high unemployment and when business is bad. That is the time when Government spending, to use the phrase which is in common use, is essential. But when prosperity is running at high levels, that is the time to tax so that we may pay as we go. Let me ask each Senator in the consideration of the pending tax bill to make up his own mind whether he is now willing to fight the Korean war with deficits and pile a new war debt on top of the unpaid war debts of World War II and World War I.

When a country is prosperous, it ought to use its prosperity in defense of the economy which produces that prosperity. We cannot afford to be tender with profits while we are drastic with men. Mr. President, I desire to call the attention of the Senate, and the attention of those who may read the RECORD, to the great prosperity which this country now enjoys, and in order that the facts may be presented without any tinge of partisan argument, I desire to begin by reading an editorial from Life magazine. This editorial appeared in Life on the 31st of July, after the Korean condition had developed, but it tells a story which has been so beclouded by propaganda and rumor that many of the American people are really convinced that the United States is in a bad economic condition. It is not. The United States, on the record, is now enjoying the greatest prosperity not only in its own history, but in the history of any people at any time.

The editors of Life understood that when they entitled this editorial "Five Fecund Years."

The record of 1945–50 should give courage for the days ahead.

Mr. President, this is a time for men of courage and men of vision, particularly for courage and vision upon the part of those who want to preserve a free economy.

The editorial continues:

Always before, between its wars, the United States has had long years of peace. This time, between VJ-day and Korea, there stretched but a scant 5 years. Hardly long enough, one would suppose, to catch one's breath, yet it was the most bountiful 5-year period in United States history.

Even if the little Korean war becomes a big war, the productive record of the past 5 years should give the United States courage to see the new logistical job through.

Summing it up in the future, the historian may visualize the interval between 1945 and 1950 as part of a new age of confidence. True enough, the American people were torn by doubts throughout the late forties. But the doubts had to do with questions of cosmic fate and/or the Kremlin, not with themselves as Americans. World War II may have settled little or nothing about the division of the world between democracy and dictatorship, freedom and slavery, but it did restore the average American's confidence in the capabilities of his own hand and brain.

In 1945 the faint hearts who remembered there were still 9,000,000 unemployed in 1939 were predicting 7,000,000 unemployed by 1946. But nothing like that happened. Carried forward by the momentum engendered by World War II, the United States economy just refused to stop booming. It was not a bubble boom like the Dutch tulip craze or the United States stock market rise of 1929; it was a solid production boom that went on and on and on. Stock market valuations took 5 years to catch up with it.

Mr. President, I wish to call special attention to that sentence from the editors of Life, picturing exactly the condition that existed in the financial markets.

Stock market valuations took 5 years to catch up with it; reality always seemed to outdistance the speculators' imagination.

BUSINESS ENJOYS PEAK PROFITS

The facts were that prices of stocks in the stock market were far below the earning capacity of the corporations which issued the stocks, and in some instances far below the asset value per share of the stocks which were selling at such low prices that he who bought was buying from 5 to 20 percent in values more than he paid in dollars.

To return to the editorial:

The figures for the 5-year interval were fantastic by any previous standards. Take housing. Between VJ-day and D-Korea day the United States people built some 4,000,000 new homes for themselves.

Sparked by easy credit, whole "Levittowns" and thousands of sprawly "ranch" houses went up in what had once been open country. The Nation, which had spent half a century going from rural to urban patterns of life, went suburban practically overnight. People took to living in the sun along a 3⅓-million-mile highway system on which $1,700,000,000 were spent in 1949 for new construction alone.

In Herbert Hoover's era ownership of two cars stamped a family as rich. Between 1945

and 1950 the two-car family was becoming a commonplace. Some 19,500,000 new cars and trucks were registered between 1946 and 1950—and the market saturation point was not yet in sight. To keep cars on the roads new oil wells gushed in the Southwest sagebrush and on the tidal flats of the Gulf. Texas wildcatters became millionaires, building fabulous hotels and making the Houston skyline look like a replica of Manhattan.

The boom was fed by a steel capacity wh'ch went from 80,000,000 to 100,000,000 tons a year in a decade, with 6,000,000 more tons promised by the end of 1952. It was serviced by hundreds of new diesel engines which rocketed back and forth over the rebuilt tracks of the world's biggest and best railway system. It was fueled by gas and oil pumped through the thousands of miles of new pipelines that laced Texas to the Midwest and New York.

By June 1950 the Federal Reserve production index stood at 197—or virtually double that of 1935–39.

Let me interpolate here, Mr. President, that the Board of Governors of the Federal Reserve System yesterday released for publication in this morning's newspapers a national summary of business conditions in which it was stated, not that the production index stood at 197, as quoted by the editors of Life magazine only on July 31 last, but at 204. I read:

The board's industrial production index in August is expected to be about 204 percent of the 1935–39 average, as compared with 199 in June, and 197 in July, when vacations and plant closings not adequately allowed for lowered the index.

Mr. President, how can anyone look at that record, a record of production beyond any that was ever dreamed of before, and consider for a moment that we should undertake deficit financing for the Korean war?

CAPITALISM WILLING TO GIVE UP PROFITS IN CRISIS

The editors of Life refer to the future historian. I say the future historian, looking at this record of unparalleled prosperity, will find it difficult to understand why honest men, sincere men, able men, in the midst of the Korean war, lacked faith in the great economy which the people of the United States have built, and lacked confidence in the people and the business of the United States to the extent that they doubted their willingness fully to cooperate in a pay-as-you-go system not only to make the Korean war a success, but to demonstrate to every communistic ideologist throughout the world that the system of private property was and is willing to wager its profits on the permanent system of private property.

He who wishes to protect profits in these conditions, it seems to me, confesses a lack of faith in America, a lack of faith in the people of the United States, a lack of faith in the correctness of the record which is written where all may see, and which was summarized so clearly in the editorial from which I have been reading, in Life magazine.

I resume reading the editorial:

The productive capacity included whole new industries. The new television industry came with a rush, gluing people to their living room chairs and transforming the nature of home life. The chemical industry was producing everything from soapless soap to suits woven entirely of man-made fibers. People paid $89,000,000,000 for clothes and jewelry between 1945 and 1949.

Are we to be told that business management, that corporate leaders, are unwilling to contribute of their profits to make certain that the men who are fighting for us on the battle front shall have arms and food and equipment now when they need it, without any fear in their hearts that we who are on the home front are creating a new war deficit for them to pay when they come back?

Eighty-nine billion dollars for clothes and jewelry.

Mr. President, I say any person who doubts the willingness of those people to contribute billions of dollars to support the war effort does not know his American people or his American corporate management.

They began to think of air conditioning and sound proofing as necessities, not luxuries.

Says Life:

The productive revolution moved to the farms at the fastest rate in history. In 1945 there were 1,700 mechanical cotton pickers and strippers in the United States; in 1950 the figure had jumped to 13,400. Corn and wheat filled the bins to overflowing. The United States ate its fill, helped keep some other nations from starving and had an incredible surplus of food left over for storage against disaster.

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The material accomplishments of the 5-year period could be spun out as endlessly as the nylon that went into everything from stockings to tennis-racket strings. But the really encouraging thing about 1945–50 lay in other directions. Science, through its development of the new wonder drugs (among them chloromycetin, aureomycin), made human life far less hazardous than before. Between 1945 and 1950 upward of 1,400,000 Americans took college degrees; in 1950 twice as many were graduated from college as in any prewar year. More encouraging, still, there was a widespread discussion of the aims of education. President Eisenhower of Columbia called upon his faculty to educate exceptional physicists, exceptional chemists—but above all, "exceptional Americans."

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Mr. President, let me pause to say that a day or so ago the newspapers carried a dispatch from Denver, Colo., where President Eisenhower, formerly General Eisenhower, in a public interview declared his belief that we should pay as we go in the Korean war. I am undertaking to tell the Senate, on the basis of the plain, bald record of the facts, that we can pay as we go, that we do not need to falter and do not need to be fearful. If we have the courage to capitalize upon our capacities, we can pay as we go; and we can demonstrate to the Kremlin that the American way of life is, in fact, the best.

The Kremlin says capitalists are fearful, capitalists are greedy, capitalists cannot see ahead of them, capitalists are so concerned with the preservation of profits that they will ruin the free economy, and totalitarianism will take over.

PROFITS TAX IS PAY-AS-YOU-GO SYSTEM FOR WAR

Mr. President, on behalf of the senior Senator from Texas [Mr. CONNALLY] and myself, I am today submitting this excess-profits-tax amendment, in the firm conviction that only through such a tax can we hope to adopt a pay-as-we-go system. The tax bill now before us makes it clear that that will be the only way to meet the days of crisis.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD all of the editorial entitled "Five Fecund Years—The Record of 1945–50 Should Give Courage for Days Ahead," appearing in Life Magazine for July 31, 1950.

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

[From Life of July 31, 1950]

FIVE FECUND YEARS—THE RECORD OF 1945–50 SHOULD GIVE COURAGE FOR DAYS AHEAD

Always before, between its wars, the United States has had long years of peace. This time, between VJ-day and Korea, there stretched but a scant 5 years. Hardly long enough, one would suppose, to catch one's breath, yet it was the most bountiful 5-year period in United States history. Even if the little Korean war becomes a big war, the productive record of the past 5 years should give the United States courage to see the new logistical job through.

Summing it up in the future, the historian may visualize the interval between 1945 and 1950 as part of a New Age of Confidence. True enough, the American people were torn by doubts throughout the late forties. But the doubts had to do with questions of cosmic fate and/or the Kremlin, not with themselves as Americans. World War II may have settled little or nothing about the division of the world between democracy and dictatorship, freedom, and slavery, but it did restore the average American's confidence in the capabilities of his own hand and brain.

In 1945 the faint hearts who remembered there were still 9,000,000 unemployed in 1939 were predicting 7,000,000 unemployed by 1946. But nothing like that happened. Carried forward by the momentum engendered by World War II, the United States economy just refused to stop booming. It was not a bubble boom like the Dutch tulip craze or the United States stock market rise of 1929; it was a solid production boom that went on and on and on. Stock market valuations took 5 years to catch up with it; reality always seemed to outdistance the speculator's imagination.

The figures for the 5-year interval were fantastic by any previous standards. Take housing. Between VJ-day and D-Korea day the United States people built some 4,000,000 new homes for themselves. Sparked by easy credit, whole Levittowns and thousands of sprawly ranch houses went up in what had once been open country. The Nation, which had spent half a century going from rural to urban patterns of life, went suburban practically overnight. People took to living in the sun along a 3,500,000-mile highway system on which $1,700,000,000 were spent in 1949 for new construction alone.

In Herbert Hoover's era ownership of two cars stamped a family as rich. Between 1945 and 1950 the two-car family was becoming a commonplace. Some 19,500,000 new cars and trucks were registered between 1946 and 1950—and the market saturation point was not yet in sight. To keep cars on the roads new oil wells gushed in the Southwest sagebrush and on the tidal flats of the Gulf. Texas wildcatters became millionaires, building fabulous hotels and making the Houston skyline look like a replica of Manhattan.

The boom was fed by a steel capacity which went from 80,000,000 to 100,000,000 tons a year in a decade, with 6,000,000 more tons promised by the end of 1952. It was

serviced by hundreds of new Diesel engines which rocketed back and forth over the rebuilt tracks of the world's biggest and best railroad system. It was fueled by gas and oil pumped through the thousands of miles of new pipelines that laced Texas to the Midwest and New York.

By June 1950 the Federal Reserve production index stood at 197—or virtually double that of 1935–39. The productive capacity included whole new industries. The new television industry came with a rush, gluing people to their living room chairs and transforming the nature of home life. The chemical industry was producing everything from soapless soap to suits woven entirely of man-made fibers. People paid $89,000,000,000 for clothes and jewelry between 1945 and 1949. They began to think of air-conditioning and sound-proofing as necessities, not luxuries.

The productive revolution moved to the farms at the fastest rate in history. In 1945 there were 1,700 mechanical cotton pickers and strippers in the United States; in 1950 the figure had jumped to 13,400. corn and wheat filled the bins to overflowing. The United States ate its fill, helped keep some other nations from starving and had an incredible surplus of food left over for storage against disaster.

The material accomplishments of the 5-year period could be spun out as endlessly as the nylon that went into everything from stockings to tennis-racket strings. But the really encouraging thing about 1945–50 lay in other directions. Science, through its development of the new wonder drugs (among them chloromycetin, aureomycin), made human life far less hazardous than before. Between 1945 and 1950 upward of 1,400,000 Americans took college degrees; in 1950 twice as many were graduated from college as in any prewar year. More encouraging still, there was a widespread discussion of the aims of education. President Eisenhower, of Columbia, called upon his faculty to educate exceptional physicists, exceptional chemists, but, above all, "exceptional Americans."

In labor relations the wild atmosphere of the thirties gave way in 1945–50 to the relative equilibrium of the new steel pension system and the GM 5-year contract. In race relations, despite the failure of Congress to pass an FEPC bill with teeth in it, encouraging strides were made. As one index of improved race relations, Negroes were playing major-league baseball, big-time tennis, and captaining Ivy League football.

No one can devise a micrometer caliper to measure such things as artistic progress, musical progress, the content of simple fun, or the intensity of religious faith. Nobody can put a dollar value on sympathy, friendship, and love. Figures, however, can be suggestive, and it may prove something to know that United States church membership leaped from 55,807,366 in 1936 to 81,777,874 in 1949. And in world affairs, which involve spiritual values as well as power politics, the United States had definitely grown up since 1940. In 1950 the United States people were ready to accept a world role, whether they were to do it well or badly.

By all the tokens, measurable and immeasurable, the United States people have a right to be proud of the 1945–50 interlude. They can approach the dangerous days of the present with full confidence in their capacity to see any difficult job through to the end.

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

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

Mr. O'MAHONEY. I yield.

PROPOSED TAX YIELD AMOUNTS TO $5,500,000,000

Mr. KERR. What does the Senator from Wyoming estimate the excess-profits tax, as proposed, would yield?

Mr. O'MAHONEY. Of course, that would depend entirely upon the degree to which prices are permitted to continue to rise. On the basis of the very best estimates which I have been able to obtain, corporate profits will continue to rise in the next 6 months, and even before that they will have risen to probably as much as $40,000,000. If they do, the amendment I now propose would raise almost $5,500,000,000.

Mr. KERR. Does the Senator think it would provide the money with which to pay as we go for the Korean war?

Mr. O'MAHONEY. I think that it will, when added to what will be obtained through the pending tax bill. Let me say that I believe the corporate tax rate is too low, and I make that statement on the basis of testimony which has been given to me by some of the most respected, competent, intelligent, and able business leaders in the city of New York.

Mr. KERR. The Senator from Wyoming has prepared a chart showing corporate profits for the past 4 years, I believe.

Mr. O'MAHONEY. The Senator from Oklahoma is quite correct. I showed him the chart.

Mr. KERR. What does it disclose that corporate profits after taxes were, for the 4 years?

Mr. O'MAHONEY. If the Senator from Oklahoma will permit me to defer answering that question until I produce the chart here, I shall be very happy to answer that and all other questions at that time.

Mr. KERR. I am tremendously interested in a proposition which would make it possible for us to pay as we go; but the information I have is that the cost would probably be approximately $25,000,000,000 a year over and above the present amount of the defense budget. Using what I thought was the Senator's estimate of what his proposed excess-profits tax would produce—and it was, as he has answered, approximately $5,500,000,000 a year—I was unable to make that harmonize with what I understood to be the statements made by the Senator, namely, that if we were to adopt his excess-profits-tax amendment, it would enable us to pay as we go. I say that because it seems to me that, if we had in effect the excess-profits tax now proposed by the distinguished Senator from Wyoming, it would take care of only approximately one-fifth of the increased expenditures due to the Korean war, and thus would be far from a proposal which would enable us to pay as we go.

Mr. O'MAHONEY. Mr. President, the Senator's example in arithmetic goes awry because it is based upon an incorrect assumption. The Senator bases his whole question upon the assumption that someone told him, or somehow he learned, that the cost of the Korean enterprise would be $24,000,000,000. However, that is not the fact. It cannot be the fact. The supplemental appropriation bill, which probably will be passed today in the House of Representatives, a bill which was sent to Congress because of the Korean war, along with other defense expenditures calls for $16,700,000,000. Not all of that will be spent within the year. Sometimes it takes 2 years to build an airplane, as the Senator well knows.

So we have here the problem of balancing a supplemental appropriation bill of $16,700,000,000 with a tax bill which came from the Finance Committee with an original estimate that it would raise $5,000,000,000, which estimate has now been shaved down to $4,500,000,000.

I say that obviously $4,500,000,000, as reported by the Finance Committee, will not begin to balance even one-half of $16,700,000,000. However, if we add the proceeds of the excess-profits tax, then we shall be within shooting distance of our goal.

It may also be stated that when the Finance Committee and the Treasury some time next year get through with their studies in regard to excess-profits taxes, undoubtedly they will bring in a tax measure which will be much heavier than the one I am now proposing.

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

Mr. O'MAHONEY. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to ask the very eminent Senator from Wyoming if it is not true that even though $5,500,000,000 may be all that will be raised by excess-profits taxation of the type he proposes, will not that be $5,500,000,000 more than is provided for in the bill reported by the Finance Committee. and therefore shall we not be that much closer to our goal?

Mr. O'MAHONEY. Certainly.

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

Mr. O'MAHONEY. I am very happy to yield to the distinguished Senator from Georgia.

Mr. GEORGE. I understood the distinguished Senator from Wyoming to say that the estimate was based upon the assumption that corporate profits would continue to rise until they reach a peak.

Mr. O'MAHONEY. That is correct.

Mr. GEORGE. I wish to ask the Senator if he knows what the tax bill which the Finance Committee has reported will raise if that sort of conditions obtains in the American economy.

Mr. O'MAHONEY. I am sure it will raise very much more.

Mr. GEORGE. Yes, almost double what we have reported.

Mr. O'MAHONEY. There is no doubt about that, and that will be very helpful. If our expenditures are going to be at the rate suggested by the Senator from Oklahoma, then, to be sure, we are going to get that amount.

Mr. GEORGE. But I understood the Senator to say also that he had not given any figures as to what the Korean war would cost.

Mr. O'MAHONEY. I can only estimate by what the General Staff has asked the Congress to appropriate.

Mr. GEORGE. I understand. As a matter of fact, will not the Congress be in much better shape to estimate what the Korean war will cost by the first of January than it is at the present moment?

Mr. O'MAHONEY. It will be in much better shape.

Mr. GEORGE. Presumably, it will be in much better shape.

Mr. O'MAHONEY. It will be in much better shape then, I may say to the distinguished Senator, to be able to add up what it has already spent beyond its means. We are spending it now, I call to the attention of the distinguished Senator.

Mr. GEORGE. Let me ask the Senator another question. He is aware, is he not, that under any excess-profits tax which may be levied, not a dime would be received into the Treasury, in any event, until some time next year?

PROFITS TAX WILL DETER RISING PRICES

Mr. O'MAHONEY. Oh, yes. But the great advantage of the excess-profits tax, and I call this to the particular attention of the Senator from Georgia, is that it will be a deterrent to rising prices. I want this proposed excess-profits tax not only for the purpose of raising revenue, but also for the purpose of preventing the profiteer from raising prices to the Government and to the people of the Nation.

Mr. GEORGE. With all due respect, I challenge the Senator's philosophy and conclusion. I say, on the contrary, that until we apply control of prices and wages across the board, an excess-profits tax is the most dangerous inflationary tax that can possibly be conceived. We differ on that point.

Mr. O'MAHONEY. That is correct, and I shall be very glad to show why I disagree.

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

Mr. O'MAHONEY. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that the present level of corporate profits before taxes is at the rate of approximately $32,000,000,000 a year?

Mr. O'MAHONEY. The rate of income at the present moment, before taxes, is running about $32,000,000,000.

Mr. DOUGLAS. Would not the schedule proposed by the distinguished Senator from Wyoming and the eminent Senator from Texas yield, at current profit rates, approximately $3,000,000,000 of added tax income per year?

Mr. O'MAHONEY. At $34,000,000,000, it would yield about $3,000,000,000.

Mr. DOUGLAS. So that the proposal of the Senator from Wyoming and the Senator from Texas would almost certainly yield $3,000,000,000 more of tax income. If total corporate income rose by $6,000,000,000 more, or to a total of $40,000,000,000, the tax proposed by the Senator from Wyoming would yield $5,500,000,000 of added revenue. It would therefore help to that degree to close the gap between expenditures and appropriations which now exists, would it not?

Mr. O'MAHONEY. The Senator is quite right.

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

Mr. O'MAHONEY. Yes, indeed.

Mr. GEORGE. I am a bit confused. The Senator has presented three amendments in rather rapid succession.

Mr. O'MAHONEY. That is correct.

Mr. GEORGE. I desire to ask the Senator whether he does not deduct, under his latest edition or latest amendment, the excess profits before computing the normal tax?

Mr. O'MAHONEY. I think the Senator is mistaken about that.

Mr. GEORGE. Mr. President, I thought the Senator would know what was in his amendment by this time, since he has drawn three.

Mr. O'MAHONEY. Yes, and I shall be very glad to explain.

Mr. GEORGE. I am simply attempting to verify a fact, namely, that that is the Senator's scheme. I want to call his attention, and I also invite the attention of the distinguished Senator from Illinois, to the fact that if we follow that program we shall get practically no more money than we shall get under the same theory for 1950. I am not in error about what the amendment says, but I wish to have the Senator verify it.

LEVEL OF PROFITS WILL DETERMINE ACTUAL YIELD

Mr. O'MAHONEY. The Senator knows that this amendment provides a base of 80 percent of the average corporate profits for the 4 years, 1946, 1947, 1948, and 1949. Therefore the effect of that amendment is to say to every corporation, "Until you get 80 percent of your average for this 4-year period, there is no excess-profits tax." The excess-profits tax falls upon the 20 percent that is above the base, but before it is imposed on that percentage, there is a specific exemption of $10,000, which will go to all corporations, and another specific exemption of $10,000, which will go to corporations which choose the invested-capital basis, and which have started business since September 1, 1945. So the amount of profits which will be subject to this excess-profits tax represents the very top of a profit structure which, by reason of increasing prices, is already climbing most rapidly. In other words, under this excess-profits tax, all profits amounting to 80 percent of the average for this 4-year period will be subject only to normal and surtax rates as provided in whatever bill may be passed.

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

Mr. O'MAHONEY. I yield.

Mr. FULBRIGHT. I had understood that there was an exemption of $25,000. Has that been changed?

Mr. O'MAHONEY. The Senator from Georgia has referred to the fact that I have had three amendments presented. The $25,000 exemption was in the first amendment which I presented, in which I proposed a 75-percent base for a 3-year period. The Senator from Texas [Mr. CONNALLY], who is a member of the Finance Committee and who has given a great deal of time to the study of this question, consulted me yesterday and persuaded me that perhaps it would be better in view of the entire situation to have an 80-percent base instead of a 75-percent base; to have a 4-year period instead of a 3-year period; and to have a $10,000 exemption instead of a $25,000 exemption.

Mr. FULBRIGHT. In order to arrive at the 80-percent base, is the $10,000 first deducted, and then, from there on, a determination made of the 80-percent base?

Mr. O'MAHONEY. No, it works the other way, I may say to the Senator. The 80 percent is the first thing, and then the additional $10,000 pushes it up a little. The specific $10,000 pushes the exemption up a little bit, and then the additional $10,000 pushes it up a little bit more. The Senator will note that the chart shows the situation on the average for all corporations. The case of each individual corporation will be different. But I should like Senators to look at the record, as displayed on this chart, of the extraordinary prosperity of American corporations. There is nothing like it in all history. It evidences the marvelous success of the American economy. It is an illustration of the capacity of that economy to bear its share of the costs of the war. In fact, before World War II the average profits of American corporations, after taxes, for the years 1936 to 1939, were about $5,400,000,000. Observe what has happened. The undistributed profits in 1948 are almost twice that much. The undistributed profits and dividends in 1948 were up to almost four times what corporate profits, before taxes, were in the period 1936 to 1939.

Mr. President, if we observe the $20,000,000,000 line [indicating on chart], and the $23,000,000,000 peak in 1948, after taxes, we see that it reaches across the top level of profits and income taxes during World War II.

Mr. LONG and Mr. MILLIKIN addressed the Chair.

Mr. O'MAHONEY. I yield, first to the Senator from Louisiana.

Mr. LONG. Mr. President, the chart does not take into account the difference in the purchasing power of the dollar, does it?

Mr. O'MAHONEY. No. It is in current dollars. Of course, we pay our taxes in current dollars. We pay our soldiers in current dollars. We have to raise the cost of the war in current dollars.

Mr. LONG. Speaking in terms of the profits being made, should we not keep in mind the fact that the dollars represented by the profits actually will not purchase what dollars would purchase in 1939?

Mr. O'MAHONEY. That is correct. We talk about the 60-cent dollar, but here I show Senators a corporate level which is four times greater than it was in the period 1935 to 1939. That is after taxes. Let us now compare the situation before taxes.

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

Mr. O'MAHONEY. I yield.

Mr. LONG. When the Senator says "after taxes," he is speaking of corporation taxes rather than personal income taxes.

Mr. O'MAHONEY. Yes.

Mr. LONG. Because, after corporation taxes are paid and when dividends are declared and the individual takes possession of the earnings in the form of dividends, he would have to pay his personal income tax which could run possibly as high as 90 percent.

Mr. O'MAHONEY. Yes. This bill does nothing about the theory of exempting a corporation from income taxes and letting the stockholder carry the whole burden. That is not in the bill at all.

Mr. LONG. If we increase the tax on corporations we would be losing some revenue that we would otherwise have made by taxing individual income. Of course, if the individual does not receive that income, he would naturally not be paying that much in taxes.

Mr. O'MAHONEY. It is my understanding that there was some very substantial evidence before the Ways and Means Committee of the House, if not before the Senate Finance Committee, in favor of the theory that there should be a withholding tax upon dividends, because so many dividends escape all taxation.

Mr. LONG. What type of dividends does the Senator have in mind which would actually represent income that would escape taxation?

CORPORATE PROFITS RISE WITH MILITARY EXPENSES

Mr. O'MAHONEY. I have not gone into that matter at all. I mentioned it in passing because the Senator spoke about that phase of the problem. What we are dealing with here is the plain fact that profits in 1948 reached this great peak of $35,000,000,000, and that inflation started again in the beginning of 1950, and, stimulated now by military expenditures following the outbreak of the Korean war, profits are running up again, and the best estimates are to the effect that they will rise to $40,000,000,000 or more. An excess-profits tax would have a great tendency to keep prices and profits from running up, and, to that extent, it would have a very beneficial effect upon financing the war, because it would keep prices down.

I now yield to the Senator from Colorado.

Mr. MILLIKIN. The distinguished Senator from Louisiana has developed the fact that these figures are not all related to a common denominator of value.

Mr. O'MAHONEY. That is correct. They are current dollars.

Mr. MILLIKIN. I should like to develop the relationship between the profits of corporations in relation to the real national income over various periods of time shown on the chart.

Mr. O'MAHONEY. I shall show that in a few minutes. I have another chart which will show that.

Mr. KERR rose.

Mr. O'MAHONEY. Has the Senator from Oklahoma a question to ask?

Mr. KERR. Yes. If the Senator will yield, I should like to ask a question.

Mr. O'MAHONEY. I yield.

Mr. KERR. The Senator from Oklahoma a little while ago posed a question in connection with the miiltary-preparedness program in connection with which Korea is a part. I am sure the distinguished Senator from Wyoming will recognize the fact that the Korean situation is but a part of the over-all military-preparedness necessity which face us.

Mr. O'MAHONEY. Certainly.

Mr. KERR. The Senator from Oklahoma said his information was that there would be approximately $25,000,000,000 a year or more required above the amount being currently spent, and the distinguished Senator from Wyoming, as the Senator from Oklahoma understands, brushed that aside as being either ill-advised, ill-informed, or unfounded. I thought the Senator from Oklahoma might have information upon which he could depend and upon which the Senate could depend if the Senator from Wyoming would tell us what he thinks the amount will be that we shall be called upon to provide over and above the approximately $13,000,000,000 a year which has been currently spent.

WAR TAXES SHOULD BALANCE WAR EXPENSES

Mr. O'MAHONEY. Mr. President, I would not want to venture into any such speculation as that. This I know, that if the Korean war does not end speedily, the cost will rise. This I know, that if the Korean war is but the rising curtain on further aggression by the Kremlin, the cost will go higher. We may have to spend more on innumerable fronts. We may be confronted, and I think we will be confronted, with the inevitable choice of whether we are going into an all-out war, with expenditures that no man can venture to estimate, or whether we shall continue a program which is intended to build up the economic power of all the free peoples of the world so that they may experience what we have been experiencing, and thereby demonstrate the shell of the communistic argument that freemen cannot defend themselves or support themselves. I want the free economies to demonstrate now that the job can be done.

I know, as the Senator from Georgia said a moment ago, that the receipts from taxation lag behind the levying of the taxes. Of course they do. But the spending does not lag. The spending is now in progress. Gasoline is being burned in taking airplanes across the Pacific Ocean, flying boxcars, carrying arms and even artillery to the men fighting in Korea. Other vast expenditures are now being made. So I say, to my simple way of thinking, it is not wise to postpone the levying of an excess-profits tax for 6 months, and that is what we shall be doing if we postpone the levying of the tax now. If the Senate should vote, when the amendment comes to that stage in the procedure, not to attach it to this bill, thereby not to give notice to the profiteer, wherever he may be, and not to summon the honest businessman wherever he may be—and there are far more of them than profiteers—to the colors under a fiscal flag, the problem in 1951 will be immeasurably greater than it is now.

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

Mr. O'MAHONEY. Certainly.

Mr. KERR. The Senator from Oklahoma would like to ask the Senator from Wyoming a question. Based upon the information that the expenditures which we will be called upon to make will be in the neighborhood of an additional $25,000,000,000 a year, and judging from the answer of the distinguished Senator from Wyoming—and I take it that he has no information or positive judgment to the contrary—is it not a fact, because the excess-profits tax which the Senator is suggesting by his own estimate could not yield more than $5,500,000,000 a year, the general proposition of enabling us to pay for the additional military expenditure as we go is purely coincidental.

Mr. O'MAHONEY. The Senator I think will give me credit for discussing this matter in a much more serious vein than the question of the Senator would indicate.

Mr. KERR. If the Senator will permit, I could not be more serious, and I had thought when I listened to the distinguished Senator make the statement that when he was talking about paying for the war as we go that he was serious.

Mr. O'MAHONEY. Indeed, I am very serious about it, and I say that unless we undertake now to take, through the medium of taxes, a part of the excess profits, we shall be unable to pay as we go. The Senator talks about a $24,000,000,000 or $25,000,000,000 expenditure, but no budget estimate has been sent to Congress to that effect. Therefore I was quite sincere and honest when I told him that I see no expenditure of that kind as a future expenditure, and I hope that when the estimate comes to the Congress of the United States we shall be more willing than we seem to be now to tax profits in order to meet the expenditures we must make.

The Senator has put himself in the position of defending deficit financing for war. I am putting myself in the position of saying that unless the profit system is willing to dedicate profits, as the lives of our young men are dedicated, to the winning of the war, the profit system will be in a very difficult position.

Mr. KERR. Mr. President, will the Senator yield for an observation?

Mr. O'MAHONEY. Yes.

Mr. KERR. The Senator from Oklahoma wishes to say that he has been misunderstood. He believes as sincerely as does the Senator from Wyoming that we need an excess profits tax.

Mr. O'MAHONEY. I am happy to hear the Senator say so.

Mr. KERR. The Senator from Oklahoma did not want to put himself in the position of laying down the proposition that he favored it and then find within 48 hours after he had made such a proposal that additional information made it necessary for him to make a different proposal. The Senator from Oklahoma said it might be well to study the matter and arrive at some logical conclusion with which he could stay for at least 48 hours.

Mr. O'MAHONEY. The Senator from Oklahoma will have the opportunity to do that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. JOHNSON of Colorado. The Senator from Wyoming knows that I am sympathetic toward the proposal he is making, but there is one question that occurs to me and I wondered to what extent it had been explored. I am referring to the dark-shaded portion, or the black portion of the graph labeled "Undistributed Profits." I assume the undistributed profits include retirement of debt of corporations and also expansion of plants. It seems to me that both are very desirable. I wonder if the Senator has any breakdown as to that. Of course the undistributed profits certainly do not represent cash on the barrel head.

Mr. O'MAHONEY. No. All sorts of things are done with undistributed profits. Corporations do finance expansion out of them. However, they are profits just the same. I am not criticizing them at all.

Mr. JOHNSON of Colorado. I understand, but I am afraid that persons contemplating the undistributed profits item might think of such profits as piles of money like the gold at Fort Knox, Ky. They are nothing of the kind. They are for debt retirement and plant expansion, and both of them are very desirable and very necessary in order that a corporation may place itself on a better producing basis.

Mr. O'MAHONEY. The Senator is quite right. Undistributed profits represent a part of the great prosperity of the American economy.

Mr. GEORGE. Mr. President, I should like to understand the distinguished Senator from Wyoming, and I should like him to understand that this is not a debate over the merits of an excess profits tax as such, when revenue is needed, but I want to find out, if I can, the Senator's estimate of the income that would be produced by his proposal. Is it $5,000,000,000? I believe the Senator said something in that neighborhood.

Mr. O'MAHONEY. It depends.

Mr. GEORGE. It depends on a constant rise in the industrial index from 32 to about 40.

Mr. O'MAHONEY. Of corporate profits.

Mr. GEORGE. Of corporate profits. I wanted to get the facts.

Mr. O'MAHONEY. Yes.

Mr. GEORGE. On that basis has the Senator taken into consideration the loss which would result from the rates in the bill as applied to normal and surtaxes, and has he also taken into account the loss which would result from distribution of dividends?

Mr. O'MAHONEY. To what loss is the Senator referring? I understand the loss from distribution of dividends. What was the other loss to which the Senator referred?

Mr. GEORGE. I asked the Senator before if he did not provide in his amendment for the deduction of the adjusted excess profits.

Mr. O'MAHONEY. Certainly.

Mr. GEORGE. Before he calculated his estimate.

Mr. O'MAHONEY. Yes; that was represented by the 80-percent base and the two exemptions.

Mr. GEORGE. On the scheme outlined in the Senator's amendment some corporations would be taxed, and excess profits would apply to some corporations which do not make any more in excess profits years than they are making now or may have made in the base period. That is correct, is it not?

RELIEF PROVIDED FOR LOW BASE-PERIOD PROFITS

Mr. O'MAHONEY. The law takes account of that, as the Senator well knows. Section 722 affords the opportunity for relief.

Mr. GEORGE. Yes; it affords opportunity, but it is very disappointing relief. If and when we write an excess-profits-tax bill, I shall do what I originally insisted upon doing, namely, providing a wholly different type of relief, because the present relief has not made good, it has not been serviceable. I merely wished to ask the Senator whether, in stating that under his amendment, if there is a rise in corporate profits, it is estimated about $5,000,000,000 or $5,500,000,000 would be realized, he took into account any loss on the normal and surtaxes and on the distribution of dividends.

Mr. O'MAHONEY. The estimate which I have before me takes into account all factors so far as I can determine them, and so far as the staff can determine them. What I give the Senator is not the detailed computations, but the final result.

Mr. GEORGE. I simply wanted to get that clear, because I made the statement to the Senator in good faith.

Mr. O'MAHONEY. I do not doubt it.

Mr. GEORGE. I am not arguing against an excess-profits-tax bill when it can be written properly, but there is a choice between a poor excess-profits-tax bill and a good one.

Mr. O'MAHONEY. Of course.

Mr. GEORGE. They are all bad, perhaps, from the standpoint of the taxpayer. However, there is some choice. Even when a man is to be executed he may have a choice of the method. What I am trying to find out is what I asked the Senator in my question and which the Senator answered, I take it, namely, that he has taken those factors into account.

I shall now repeat my statement, and ask the Senator a very simple question. If I can demonstrate to him that his amendment as it is written and lies on the desk will not raise any money in 1950, will he at least be satisfied then to wait until all of us can really get together and write a good excess-profits-tax bill?

Mr. O'MAHONEY. My answer to the Senator is that if he can make such a demonstration now, then he does not need to wait until next year to draw an excess-profits-tax bill which will bring in the money. Let us do it now.

Mr. GEORGE. Let us do it right. I am asking the Senator the question in all good faith, and I say to him now that his amendment will not produce any more money in 1950 than we will realize out of the bill now pending before the Senate.

Mr. O'MAHONEY. I suppose the Senator will endeavor to demonstrate that when the proper time comes, but the argument he makes——

Mr. GEORGE. It is not an argument; I am merely asking the Senator a question.

Mr. O'MAHONEY. The Senator just said that the excess-profits tax has not been serviceable.

Mr. GEORGE. Oh, no; I said section 722 had not been serviceable. That was a relief provision in the excess-profits tax.

Mr. O'MAHONEY. Did not the Senator say that all excess-profits taxes are bad, at least from the standpoint of the taxpayer?

Mr. GEORGE. As a permanent tax, it is a bad tax; but it is serviceable in raising revenue, of course.

Mr. O'MAHONEY. Ah.

Mr. GEORGE. It is a method of raising revenue.

Mr. O'MAHONEY. May I state what would be accomplished by my amendment?

Mr. GEORGE. Before the Senator does that, let me call attention to the fact that the Senator asked why wait 6 months? I remind him that but 4 months, practically, remain until we can put into effect a well-thought-out and well-considered bill, and I say that with no reflection upon the Senator.

Mr. O'MAHONEY. Of course.

Mr. GEORGE. It is a highly technical problem.

Mr. O'MAHONEY. Certainly.

Mr. GEORGE. There will be but about 3 months elapsing between the time the bill could be passed and signed by the President and the time when it would take effect.

Mr. O'MAHONEY. What I am fearful of is that during that period of time rising prices will continue to make it more difficult for the Government to finance the war. It will cause increases in the cost of living.

Mr. GEORGE. In part I agree with the Senator. I have already said that in the excess-profits tax we are playing with the most dangerous type and form of tax, unless and until we put into effect control of prices and wages across the board. The Senator knows very well what will happen with no controls upon wages and prices. Adoption of an excess-profits tax will simply invite the wasteful expenditure of money by corporations.

I could tell the Senator a true story if he desired to have me do it, of how many reservations have already been sought, since we began to talk about an excess-profits tax, in the hotel in which I happen to reside, and how many in excess of the hotel's possible capacity to supply accommodations.

Mr. O'MAHONEY. I have not a doubt about that. I may say that such reservations are also being made by representatives of groups which want to get Government contracts from which they expect to make great profits.

Mr. GEORGE. That is no doubt correct. I hope the Senator will not misunderstand my position.

Mr. O'MAHONEY. I am sure I do not.

Mr. GEORGE. I have been expecting a bill from the House providing for the renegotiation of war contracts, all Government contracts, in fact, and I think undoubtedly such a bill should be passed.

Mr. O'MAHONEY. I was a member of the Committee on Appropriations at the beginning of World War II when, under the leadership of the distinguished senior Senator from Tennessee [Mr. McKELLAR], the first renegotiation law was enacted.

Mr. GEORGE. I understand a bill similar in purpose has already been drafted in the House of Representatives.

Mr. O'MAHONEY. My recollection is that the very able and distinguished colleague of the Senator from Georgia, the junior Senator from Georgia [Mr. RUSSELL], in the Committee on Naval Affairs, as it was at that time, was one of the principal authors of a provision which was written into law designed to prevent extortionate profits out of the war.

Mr. GEORGE. That is true.

Mr. O'MAHONEY. For keeping the profit out of war.

Mr. GEORGE. There is on the books a law providing for the renegotiation of contracts having to do with airplanes and parts of airplanes.

RENEGOTIATION DOES NOT AFFECT WHOLE ECONOMY

Mr. O'MAHONEY. That is correct, and I participated in putting that law on the statute books. I call to the attention of the Senator the fact that the renegotiation of a contract deals only with the contractor, whereas an excess-profits tax deals with the whole economy.

Mr. GEORGE. I do not dispute that.

Mr. O'MAHONEY. But I think it is important.

Mr. GEORGE. There is no controversy about that.

Mr. O'MAHONEY. I understand.

Mr. GEORGE. The Senator was accounting for the presence of certain people in Washington, and the demand for rooms.

Mr. O'MAHONEY. Together with the Senator from Georgia. We were both accounting for them.

Mr. GEORGE. But to get contracts.

Mr. O'MAHONEY. One group to prevent an excess-profits tax, the other to get contracts, both on the "make."

Mr. GEORGE. Not to prevent an excess-profits tax, so far as I know, because I have already pledged myself—I did here yesterday—that there would be an excess-profits tax, if the Congress approved it, and that it would be effective on the whole year 1951. So the only dispute is about a possible 3-month period.

Mr. O'MAHONEY. Perhaps a 6-month period.

Mr. GEORGE. How could it be 6 months? I wonder how the Senator figures it could be 6 months.

Mr. O'MAHONEY. Because this is the first of September.

Mr. GEORGE. Nearly.

Mr. O'MAHONEY. September, October, November, and December are 4 months.

Mr. GEORGE. That is correct.

Mr. O'MAHONEY. Not three.

Mr. GEORGE. But the bill could not be signed until about the last of September.

Mr. O'MAHONEY. A new Congress will assemble in January, and then the persons who are making reservations in the hotels here, among them the hotel in which the Senator resides—they know a strategic point when they see one—

Mr. GEORGE. I dare say it is true of all the hotels.

Mr. O'MAHONEY. It is true of mine, too; but what I am pointing out is that in January, when the Committee on Finance begins to consider this matter, the weeks will drag on, perhaps, and the months will drag on, perhaps, and the persons referred to will be here to say, "Look. You have not considered this point, Mr. Chairman of the Finance Committee. Let me offer you this consideration. Have you noticed how line 17, page 5, does injury to the economy of the United States?" Oh, I know how it will go.

Mr. GEORGE. The Senator is begging the question, since I said that whatever excess-profits tax is imposed will be effective from January 1. He is either begging the question—and I speak respectfully——

Mr. O'MAHONEY. Of course the Senator does, and I love the Senator, I admire him; I think he is one of the ablest men I have ever known in the Senate of the United States.

Mr. GEORGE. Let me finish my statement. The Senator, my distinguished friend, and my affectionate friend—and the affection is mutual—is either begging the question or he is afraid for the American people to come forward and argue their cases fairly before a Senate committee.

Mr. O'MAHONEY. Mr. President, I shall now undertake to give the answer which I undertook to state 15 or 20 minutes ago.

EXEMPTION WITH 1940 TAX SIMPLIFIES PROBLEM

There was an excess-profits tax in World War I. There was an excess-profits tax in World War II. In both instances it was subject to argument, obstruction, and delay, but it was imposed. In order to avoid any obstruction or delay now, the Senator from Texas and I—and this was true of each of the tentative amendments I presented the first time—have written this amendment upon the structure of the World War II excess-profits tax. That tax was never repealed. It was only suspended. So every section of that law, including sections 712, 713, 714, and 722, still exist. We merely call them into action again like the Army and Navy are calling up the Reservists. We call upon them to serve.

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

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Carrying out the analogy of the eminent Senator from Wyoming, could not the excess-profits tax be likened to a sleeping beauty who, under the influence of a magic spell for a period of years, has been in a state of suspended animation, and now, at the touch of the hands of the Senator from Wyoming and the Senator from Texas, springs into life in order to help the American economy in a period of dire need.

Mr. O'MAHONEY. I will accept the analogy with one change. It is not a sleeping beauty, but it is a weight lifter, a lady with muscles, who will help us to carry on the war.

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

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Is it not true that the President of the United States has said that one of the greatest mistakes made during the period of his administration was the suspension of the excess-profits tax almost immediately after the close of hostilities in 1945?

RATES OF TAX NOT PUNITIVE

Mr. O'MAHONEY. I think the Senator is right.

I desire to point out, before the point is lost, that knowing that this law was merely suspended, and in order to make it possible to put it into effect now, we have accepted all the provisions except the rate provision. My original amendment had four brackets. The Senator from Texas said to me, "Well, we had only one bracket in World War II. Why not have only one bracket instead of four?" My highest bracket was 100 percent on everything over 125 percent of the base. In other words, it was proposed to take everything over the highest level that ever was known. But he said, "That will be misunderstood. It will be regarded as punitive."

I said, "I do not want to have a punitive tax. I want a productive tax." So, after consultation back and forth, we agreed upon the provision contained in this amendment, an 80-percent base, without brackets, and with a single rate, 85 percent of all. Then there is the old provision of the World War II tax law that the combination of the excess-profits tax and the income and surtaxes shall not take more than 80 percent of the profits of a corporation.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. The distinguished Senator said a little while ago, and I believe he was joined by the distinguished junior Senator from Illinois, that the abolition of the excess-profits tax after World War II was probably one of the greatest mistakes ever made. Let me use the Senator's chart, at least in part, to refute that. The Senator will note——

Mr. O'MAHONEY. The Senator then is not asking a question? He is making an argument in refutation?

Mr. MILLIKIN. Does the Senator object to my making an observation?

Mr. O'MAHONEY. No.

Mr. MILLIKIN. I like the Senator's charts, but I like to use them to illustrate my own points.

Mr. O'MAHONEY. I am confident the Senator does.

Mr. MILLIKIN. I like having the Senator bring some game to me.

In looking at the Senator's chart I observe the deep valley running toward the 8,000,000 unemployed which never materialized. Just about the time we were getting rid of the excess-profits tax we had the startling bulge, as it appears on the chart, all the way along the line, both in undistributed profits, in dividends, and in the whole economy. It was the undistributed profits that, following the abolition of the excess-profits tax, burgeoned into the enormous black area shown on the chart here, which, I suggest enabled us to make the transition and maintain the payrolls during the transition. It was this enormous increase in dividends which, I suggest, fertilized the economy with customers who had money with which to buy. And so on through the chart.

In other words, I do not suggest that the abolition of the excess-profits tax counts entirely for the enormous bulge in what the distinguished Senator calls prosperity. I suggest that it had a great part in it, and the effects of the excess-profits tax can be seen by observing what happened when it was abolished.

My point illustrates that we must be very careful about weighing the depressing effect of the institution of the excess-profits tax, or the stimulating effect of its absence in relation to our whole problem, and I am merely suggesting that that is something that cannot be done off the cuff.

Mr. O'MAHONEY. Mr. President, I am very happy the Senator made this comment, and I am also happy he said that the lifting of the excess-profits tax was not entirely responsible for this great change.

I undertake to say now on the floor of the Senate what I said to the Finance Committee, that the dip shown on the chart is due, first, to the fact that the production for war ended at the close of the shooting in 1945. Contracts were canceled. Government spending for war was curtailed. Appropriations were rescinded. It was true that many people expected seven or eight million unemployed. Indeed, a great call went up from certain circles charging the administration with wanting to keep the soldiers in uniform in Europe in order to keep them off the unemployed rolls. That was of course only incidental. But what made this big change, I will say to the Senator from Colorado, was the fact that the Congress passed the War Mobilization and Reconversion Act long before these taxes were cut off. We authorized and created the system for reconversion. We passed the Contract Settlement Act whereby all the long delays lasting after previous wars for decades were eliminated, and contracts were settled in a few months' negotiations. And the money of the corporations was released for reconversion.

But more important than that, and by far the most important factor in the whole stimulation of this new era, was the fact that we had a fully employed economy, with savings, when the shooting stopped. We had a pent-up demand, a tremendous demand from all over the United States for all sorts of civilian commodities that were not being manufactured during the war. That demand was so great, and the reconversion was so rapid, that it was the purchasing power of the masses of the people taking the place of the purchasing power of the Government, which transformed the economy, which helped to abolish unemployment, and helped to create the extraordinary amount of profits for the corporations as shown on the chart.

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

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. I would not detract from the possible effects of some of the factors the Senator from Wyoming has mentioned; but the fact of the matter is that we had to have undistributed profits in order to be able to rejuvenate the industrial plant of the country, which had been exhausted by war. The main source of capital for that purpose was not any of the things the Senator has mentioned, as I recall what he said, but was the profits which could be put to work in replenishing the industrial plant.

Inasmuch as, under my theory, the existence of profits has a very stimulating effect, therefore we should be very careful how much we depress our economy by reinstituting the excess-profits tax. This in connection with all the other things we must consider.

I think it is inevitable that we shall have an excess-profits tax; indeed, I believe there can be no question about that; but, in my opinion, the question is one of timing; and I believe we cannot by an "off the cuff" approach impose an excess-profits tax, because we must consider many other things, among them being a consideration of what other steps we may take to narrow the deficit.

Mr. O'MAHONEY. Let me call the Senator's attention to the chart, which he finds so attractive. I should like to use it to answer the point he has made.

In World War II we had an excess-profits tax, as the Senator from Colorado will acknowledge. It was levied on the profits which were earned during 1941, 1942, 1943, 1944, and, until suspended, during 1945. In spite of the excess-profits tax, the profits, after taxes, of the corporate firms in the United States in 1943 were more than $10,000,000,000, as compared with profits of $5,400,000,000, before taxes, in 1949. I think that demonstrates that the excess-profits tax in World War II was not an injury to the economy or to the corporations.

The trouble with the financing in World War II was that we raised, by taxes, only 45 percent of the cost of that war, and we postponed to the future the other 55 percent of its cost. Now, 5 years after that war, we still have the war debt unpaid, and we are proposing to pass a deficit bill for the Korean war.

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

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. I should like to suggest that one of the reasons for the difficulties in financing plants during the war was the timidity, let us call it, of venture capital. The reasons for that we could argue for a week, and we could get into partisan dispute over them.

My point is that by getting rid of the excess-profits tax, the corporations were able to use a part of their profits to replenish their plants. That is my point, and I think the Senator's chart goes a part of the way in establishing my thesis.

WORLD WAR II TAX PROVED VALUABLE

Mr. O'MAHONEY. But I say the Senator's thesis is irrelevant, if I may respectfully say so, because we are not now going into an era of peace, but we are preparing for war. So I say let us restore the excess-profits tax, which served so well in World War II.

I have a table showing the report on excess-profits taxes for the year 1944. This report is the latest one available. The excess-profits tax in that year established an excess-profits tax liability of $10,431,000,000. It is very interesting to note that 68.5 percent of that liability fell upon corporations which had an adjusted excess-profits income of $1,001,000,000 or more.

So the record is clear, from the record of the facts, that in World War II the excess-profits tax was helpful; but we made the mistake of engaging in deficit financing in that war, to the extent that we borrowed money. That is one of the reasons why we had inflation. I say we should not now permit inflation to take hold of the economy.

The Institute of Life Insurance Companies has been distributing an advertisement which appeared in a local newspaper on August 23. In that advertisement, we are told:

The enemy's sixth column is inflation.

Mr. President, I propose this excess-profits tax to fight inflation, so that the enemy's sixth column may not be able to undermine our economy.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I assume that the Senator means to say that he is opposed to inflation. So am I.

Mr. O'MAHONEY. And I am proposing a method of preventing inflation. I say again and again——

Mr. MILLIKIN. And again?

CONTROLS NO SUBSTITUTE FOR TAXATION

Mr. O'MAHONEY. Yes, and again; that in the fight against inflation controls—OPA's and allocations and all other such devices—are no substitute for taxation because inflation is the result of one thing, namely, that there is loose in the economy more money than there are commodities to meet it. By increasing Government expenditures by $16,700,000,000 now, in view of the already huge profits, we are turning loose in our economy profits which cannot fail to create inflation.

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

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. Inasmuch as the Senator proposes his excess-profits tax

amendment as a measure to stop inflation, by the same token it is a measure to depress the economy.

Mr. O'MAHONEY. It is a measure to prevent prices from rising as they now are rising; and no one can deny that to be a fact.

Mr. MILLIKIN. Mr. President, if the Senator is good enough to yield to give me the privilege of making a point as the basis for a question, I wish to be allowed to make my point.

Mr. O'MAHONEY. Yes; but when the Senator from Colorado makes two or three arguments, I have to answer each one. I suggest that he put his questions one at a time.

Mr. MILLIKIN. Very well; and will the Senator answer my questions one at a time?

Mr. O'MAHONEY. Gladly.

Mr. MILLIKIN. My point is that, under the Senator's argument, the excess-profits tax is a regressive tax intended to stop inflation. However, there is no simple mathematical point at which we can hold the economy by means of any remedy.

I suggest that the excess-profits tax proposed by the Senator from Wyoming may be a depressant which, together with many other controls, could cause the general economy to suffer a severe setback.

Mr. O'MAHONEY. Let me answer that suggestion, please. The suggestion is without basis, as I see it, because the excess-profits tax now proposed could not possibly begin to act as a depressant until the corporate income reaches $26,100,000,000, a level which is above the level of corporate profits, before taxes, back in 1943. So by no possibility can the excess-profits tax now proposed act as a depressant, but it can act as a weight to hold down inflation.

Mr. MILLIKIN. Let us call it a weight to hold down inflation. Whether it serves that purpose, or whether it acts as a depressant depends upon many other factors into which it must necessarily mesh. I am simply suggesting that considering the entire field of controls which may or may not be in the offing, but which have been authorized, we must be most careful to know what we are doing. If we put greater depressants on our general economy than are needed for the conduct of the war, greater than needed for transference of the material and labor from normal consumption to wartime consumption, we are likely to go into a tailspin just at a time when we require an economy of the healthiest kind.

TAX WILL NOT STIFLE BUSINESS

Mr. O'MAHONEY. Again I say to the Senator—and it is obvious from the chart—that the excess-profits tax proposed by me cannot possibly drive profits down below the $26,100,000,000 mark, so it will not have that effect at all. It operates only upon the 20 percent above.

Mr. MILLIKIN. Whether it operates on the upper 20 percent, or wherever it operates, no one can tell where it will stop operating, once it starts spiraling, with numerous other things.

Mr. O'MAHONEY. This will not start spiraling. The rate is fixed. It is 85 percent.

Mr. MILLIKIN. The rate is fixed. One may take a spoonful of medicine under one combination of circumstances and it will raise his blood pressure. He may take another spoonful of the same medicine under another set of circumstances, and it will lower his blood pressure. We are not dealing here with a one-cure bill.

Mr. O'MAHONEY. Of course not. But the Senator, if I may respectfully say so, is suggesting what seems to me to be an utterly illogical conclusion. He is suggesting that somehow or other the excess-profits tax will produce spiraling. It does not operate until profits have come to $26,100,000,000; therefore it cannot act to depress profits below that sum. It will only act to prevent them from going above that level. And if they do go above that level, it will merely mean that those who earn the profits will pay a proportionate part of those profits—not all, but a proportionate part—to help arm, equip, and support the men who are fighting our battles.

Mr. MILLIKIN. As it affects dividends, as it affects undistributed profits, and as it affects the general tax structure, it may have unpredictable effects, including spiraling, I respectfully suggest, in the wrong direction. All I am suggesting is, first, I think we are going to have an excess-profits tax, probably in the next tax bill. But, be that as it may—and that is a subject of argument now—I say that its relation to the entire economy is such that we should know what we are doing when we do it. That is my only thought.

Mr. O'MAHONEY. I thank the Senator. I am very happy that this inquiry has followed the line of inquiry addressed to me by the Chairman of the Finance Committee, the distinguished Senator from Georgia [Mr. GEORGE]. The distinguished Senator from Colorado [Mr. MILLIKIN] was the Chairman of the Finance Committee in the last Congress. Every question that was addressed to me by the present chairman was intended to prove that the tax which the Senator from Texas [Mr. CONNALLY] and I propose is inflationary, and every question which the Senator from Colorado has propounded was intended to prove that it is deflationary. That is one of the reasons why I feel that the Senate should act to put the tax on.

Mr. MILLIKIN. But, because it could possibly have both those effects, there is ground for caution.

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

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

Mr. O'MAHONEY. I am very glad to yield to the Senator.

Mr. LEHMAN. Mr. President, I desire to say that I very strongly support the proposal of the Senator from Wyoming. My experience with the State finances of New York while I was Governor and my observation of fiscal operations over the years have convinced me that the time to arrange financing to meet a deficit or a prospective deficit, either in current costs or to liquidate an accumulated bonded deficit, is during a time of prosperity and high financial return. I had a very graphic experience along these lines in the late twenties, while I was Lieutenant Governor of New York. At that time, as the distinguished Senator will recall, there was great prosperity in this country. But despite that prosperity, State taxes were reduced, even though the fiscal condition of the State treasury was not particularly good. Then, in the early thirties, we were confronted with a serious depression, and business went into a drastic decline. There was very great and disastrous unemployment. We developed a deficit of very considerable size, and, since the constitution of New York requires a deficit of any 1 year be included in the budget of the following year, we were compelled to levy heavy taxes at a time when the people of the State were unable to meet them without great sacrifice. New York State had to carry the heavy load of meeting all the direct costs of attacking the depression on a budget already inevitably burdened with the past year's deficit. It seems to me we are confronted with an analogous situation today. We know that our expenditures, under the best of circumstances, are very great. The President of the United States has requested an additional $16,500,000,000 to carry on military operations for our Army, and to strengthen the military forces of our allies and friends abroad. Those costs are inevitable. We already know that even without these new expenditures we were facing a very considerable deficit which had to be added to our national indebtedness. If we do not raise through taxes at least the major part of our inevitable expenditures, we shall again have to increase our indebtedness to an extent that may prove burdensome, both at present and for the future.

Mr. O'MAHONEY. I thank the Senator from New York for his eminently clear statement. To put it in a homely phrase, what he is telling the Senate is that if a man does not pay his debts when he has money in his pocket, he cannot pay them when he is broke.

Mr. LEHMAN. That is quite right.

PROFITS TAX IS SOUND FISCAL POLICY

Mr. O'MAHONEY. If the Government of the United States does not tax the revenue of the people and the corporations when they are prosperous, it will be unable to tax them when they are suffering from depression, when profits have disappeared. We are fighting for the preservation of the capitalistic system, and we can do it by a strong fiscal policy.

Mr. LEHMAN. I agree with the eminent Senator from Wyoming. If the Senator will yield further, I may say that I heard on the floor yesterday a statement which I believe was made by the distinguished chairman of the Finance Committee, that if all-out war did not develop—in other words, if the struggle did not become so great as we now expect, and accordingly the financial burdens were not so heavy—we might make ourselves appear silly in the eyes of our fellow citizens, because we had levied the tax which is now being discussed. I may say that, even assuming that God wills it, this struggle is not so bitter or so long-drawn out as now seems probable, and we

have some money left over after paying our current expenses, we certainly should be in a very happy situation to apply any surplus we may have—and I do not believe we shall have any surplus—to our national indebtedness, which is an important factor in the economy of this country. And so I may say to my distinguished colleague that I wholeheartedly and strongly support his proposal and will vote for it with a great deal of satisfaction. I hope it will prevail.

Mr. O'MAHONEY. I am most grateful.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. O'MAHONEY. I yield.

(At this point Mr. McCARRAN submitted two conference reports, on which action was taken, and which appear at the conclusion of Mr. O'MAHONEY's speech.)

Mr. FLANDERS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. FLANDERS. Mr. President, I wish to speak very briefly. Since I am engaged in a conference, I shall have to be brief. I wish to speak in support of the excess-profits tax amendment submitted by the senior Senator from Wyoming.

The great irreversible calamity, aside from the loss of life which occurs in any war or in any major preparation for war, is inflation. There is no rolling back of inflation; it stays with us year after year. The only time to manage inflation is at its beginning. Nothing can be done about it after it gets under way. We can control symptoms by the process of price control, and that is necessary under many conditions, but it is only controlling symptoms. We control the causes when we control the supply of money and credit. What is before us in this amendment is a major undertaking in controlling the supply of all available funds. It is far too little to apply at this time a reduction in the money supply of only four and one-half or five billion dollars. We cannot catch up; we never shall catch up if we do not start in early dealing with the causes, through taxes, rather than from any resort to credit. The dangers of going to the bank, to the treasury, for the support of the defense undertaking are very great, indeed. Now is the time, at the beginning, to make provision for the major support of the undertaking in cash, by taxation. This is the kind of taxation most applicable to the situation.

Therefore I want to say to the Senator from Wyoming that I am glad he has offered this amendment. It has my hearty support. I cannot conceive, at this early date, of our not taking the necessary steps, while there is still time, to stem the flood of disaster which follows from too late and too little attention to the proper means of financing the undertaking for defense.

Mr. O'MAHONEY. Mr. President, I am greatly heartened by the simple, clear, and specific statement which the Senator from Vermont has made. The Senator from Vermont was a successful president of the Federal Reserve Bank of Boston. He is a successful industrialist, and is familiar with fiscal affairs. The fact that he has thus publicly on the Senate floor thrown his support behind this amendment should be testimony to all and sundry that it is a sound method of approach. He has added emphasis to what the great Senator from New York [Mr. LEHMAN] the former Governor of the State of New York, also an expert in fiscal affairs, has said with respect to the effect and the purpose of this amendment. I thank the Senator from Vermont most heartily.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to ask a question of the distinguished Senator from Vermont.

Is the Senator from Vermont aware of how much money this country would actually raise for the year 1950 under the proposal of the Senator from Wyoming?

Mr. FLANDERS. I have not been in on the discussions and I have not seen the figures. I assume it will raise a considerable amount from the half-year, and every dollar of that is to the good. Besides that, it gives us a running start on next year instead of having to wait 6 months for a new bill.

TAX NEEDED TO PREVENT INFLATION

Mr. O'MAHONEY. In other words, instead of letting inflation get a head start, we want the revenue to have a head start.

Mr. FLANDERS. That is correct.

Mr. MILLIKIN. Would the distinguished Senator be surprised to know that it would produce only one-half of 1 percent increase over the amount which this bill proposes for corporations?

Mr. FLANDERS. I would assume that the 42 percent was also included, and that the excess-profits tax is in addition to it.

Mr. MILLIKIN. No. That is the point I want to make. The amendment provides for 42½ percent for 1950. The bill provides for 42 percent.

Mr. FLANDERS. It is all to the good to get an excess-profits tax established.

Mr. MILLIKIN. We could establish one next year and make it retroactive. If we have one, I think it should produce more than one-half of 1 percent.

Mr. FLANDERS. May I inquire of the Senator from Colorado, without jeopardy to the position of the Senator from Wyoming on the floor, as to what the amount is in dollars that the proposal of the Senator from Wyoming would produce?

Mr. MILLIKIN. As I understand the Senator from Wyoming, it is about three and three-quarters billion dollars for a full year under the full rate.

Mr. O'MAHONEY. It will vary as the amount of profit increases. This amendment would begin to assess an excess-profits tax when the average has reached about 26.1 billion dollars.

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

Mr. FLANDERS. May I merely add to my statement to the Senator from Colorado that the amount seems to me to be a tidy sum.

Mr. MILLIKIN. It is one-half of 1 percent.

Mr. FLANDERS. Still it is a tidy sum.

Mr. O'MAHONEY. I should like to say before the exchange between the Senator from Vermont and the Senator from Colorado is concluded that the amendment is before the Senate for its consideration. I welcome indeed the scrutiny of the experts of the Committee on Finance. If they can improve the amendment, we shall be glad to improve it in order to make it yield even more than one-half of 1 percent, if the technicians have failed to make it yield more.

Mr. MILLIKIN. Considering the scope of the problem, one-half of 1 percent is entirely inconsequential.

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

Mr. O'MAHONEY. I yield.

Mr. LONG. I believe the Senator from Wyoming agrees with the junior Senator from Louisiana that in all probability the cost of our Military Establishment will go steadily upward as we realize the defense needs of the Nation and the pressure with which we are confronted, and I believe the Senator realizes that even this type of taxation will not begin to do the job that must be done in order to fight another war or get ready for another war.

Mr. O'MAHONEY. The Senator is quite right.

Mr. LONG. In all probability we shall have to go further in taxing the large corporations that make large profits and the individuals who make large profits, and that all along the line we shall have to levy some heavy taxation, even on the ordinary rank and file of the American people.

Mr. O'MAHONEY. The Senator is correct.

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

Mr. O'MAHONEY. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. In view of the many questions and answers, endorsements, statements, and claims, especially the questions of the Senator from Oklahoma of the Senator from Wyoming as to what the tax bill would likely produce, and in view of the fact that the Senator from Oklahoma is of the opinion, based upon the answers of the Senator from Wyoming, that some Senators believe the pending bill would produce between three and three-quarters and five billion dollars for 1950, the Senator from Oklahoma would like to ask the Senator from Wyoming what his opinion is as to what his amendment would produce for the year 1950 over and above what would be produced by the committee bill.

ESTIMATED YIELD OF EXCESS PROFITS TAX

Mr. O'MAHONEY. It was the intention to draw the amendment in such a fashion that it would have an impact on 1950 only for the last half of the year. The best estimates I can make are those which I have already presented, namely, that since the impact of the tax begins after the average income reaches $26,100,000,000, the revenue which would be produced would depend upon how much the income rose above

that figure. Therefore, if the corporate income in 1950 should reach, let us say, $28,100,000,000, according to our calculations the revenue on that amount would be, for the full year, $800,000,000. Inasmuch as the amendment was drawn to levy the tax only upon a half year, the production at that level would be $400,000,000. If on the contrary, the average income were $30,100,000,000, the return for 1950 would be $800,000,000.

Mr. KERR. The Senator means for the half year?

Mr. O'MAHONEY. For the half year. If it reached $32,100,000,000 for the half year, it would be $1,200,000,000. And so it would go on.

Mr. KERR. For the half year.

Mr. O'MAHONEY. Yes.

Mr. KERR. Would the Senator give us the benefit of his judgment as to which of those figures would be applicable?

Mr. O'MAHONEY. All I can say now is what the economists are estimating.

Mr. KERR. Let me say to the Senator from Wyoming that the Senator from Oklahoma has far more confidence in the judgment of the Senator from Wyoming than he has in that of unnamed economists. I should like to have the benefit of the judgment of the Senator from Wyoming.

Mr. O'MAHONEY. Oh, I am sure that the Senator from Oklahoma will not condemn economists as a class any more than he would condemn a class of lawyers or Members of Congress. So let us say that I consulted the best economists I could find.

Mr. KERR. For the Senator from Oklahoma to say that he has more judgment in the Senator from Wyoming than a group of unnamed economists does not represent an insult to the unnamed economists.

Mr. O'MAHONEY. I am sure of that.

Mr. KERR. Having identified ourselves in that regard, would the Senator give us the benefit of his judgment as to what his amendment would produce in excess of what the committee bill would produce for the year 1950?

Mr. O'MAHONEY. I shall answer the Senator's first question first. It is my opinion, which the chart bears out, that, with prices rising, as they are rising—and I refer to the record, and not to anyone's judgment, because we have the record as reported by the Federal Reserve Board—our national income by the end of 1950 will have reached certainly not less than 37 or 38 billion dollars. It may go to $40,000,000,000.

Mr. KERR. Is the Senator speaking of corporate profits?

Mr. O'MAHONEY. Corporate profits. If it goes to $40,000,000,000 the profits on the annual base would be $5,400,000,000. On the 6 months' basis it would be half of that. It would be $2,700,000,000.

Mr. KERR. Yes. The Senator from Oklahoma understands—and I should like the Senator from Wyoming to confirm it or deny the understanding—that it is the judgment of the Senator from Wyoming that if his amendment is adopted—and I refer now to the last amendment——

Mr. O'MAHONEY. The one in which I joined with the Senator from Texas [Mr. CONNALLY].

Mr. KERR. Yes. If that amendment is adopted the Senator from Wyoming advises the Senator from Oklahoma that, in the opinion of the Senator from Wyoming, it would produce in the year 1950 something over two and a half billion dollars in revenue above what would be produced by the committee bill.

Mr. O'MAHONEY. Provided that the corporate profits reached the $40,000,000,000 rate.

Mr. KERR. Is it the judgment of the Senator from Wyoming that they will reach that rate?

Mr. O'MAHONEY. That is correct.

Mr. KERR. I thank the Senator very much.

Mr. O'MAHONEY. I am very happy, indeed, to respond to the questions of the Senator from Oklahoma.

RATE OF PROFITS EXCEEDS GROWTH OF NATIONAL PRODUCT

I wish now to call attention briefly to another chart, which I think is indicative of what is happening in our economy. The chart undertakes to show in graphic form the increase from the period 1939 to the beginning of 1950, first, in wages and salaries; second, in corporate profits after taxes; third, in gross national product; fourth, in corporate profits before taxes.

Senators will note that two lines are in red and two in black. The corporate profits before taxes and corporate profits after taxes are in red, because they are measured by the red figures on the left side of the chart. The other two groups, wages, and salaries and gross national products are in black, because they are measured by the black figures on the right-hand side of the chart.

The gross national product of course is running in excess of $250,000,000,000. The fact that the red line appears above that is not to indicate that corporate profits are more than gross national product, because they are measured by the red figures on the left of the chart. Corporate profits, when they reach this point [indicating], are $30,000,000,000. If the gross national product reaches there, it is $300,000,000,000.

The point is that corporate profits before taxes have increased from six and a half billion dollars in 1939 to twenty-seven and a half billion at the end of 1949, and are now running about $30,000,000,000. Corporate profits after taxes ran from $5,000,000,000, in 1939, to about seventeen and a half billion at the end of 1949, and are now running up toward $20,000,000,000.

Wages and salaries have also experienced a tremendous increase. Wages and salaries which in 1939 were running at about $60,000,000,000, in 1949 had reached about $146,000,000,000, and are now up to about $147,000,000,000. The gross national product, which in 1939 was a little over $100,000,000,000, is now over $250,000,000,000.

Mr. President, this vast increase in our economy seems to me to be testimony of the capacity of the economy to bear the tax I propose. But the chart also shows—and these figures I have transformed into percentages—that the profit rate increase, percentagewise, has exceeded every other element represented here. The gross national product between 1940 and the 1947–49 average showed an increase of 145.9 percent, a perfectly tremendous increase. Salaries and wages increased 164 percent. Profits after taxes increased 193.8 percent, and profits before taxes increased 220.1 percent.

So profits have shown a larger increase than any other segment of our economy. They are running, percentagewise, against an increase in wages and salaries, over and above the increase of the gross national product.

Thus, Mr. President, it would appear that the corporations are well able to meet a part of the burden which is being borne by the people of the United States to finance the present war.

The committee bill will produce some $3,000,000,000, we are told, from individual income taxes. The committee bill will, however, produce, we are told, $1,500,000,000 from corporate taxes.

Mr. GEORGE. That is net, let me say.

PROFITS TAX APPLIES AFTER OTHER EXPENSES

Mr. O'MAHONEY. The Senator from Georgia says it is net. It seems to me that is not a just pro rata division, because it must be remembered that when we talk of a profits tax we are talking about a tax upon that part of the income which is left over after all types of expenses and wages and salaries have been paid.

The sales revenue of American corporations in 1947 and 1948 was running in excess of $347,800,000,000. In 1949 it was $359,700,000,000.

Mr. President, that reminds me that only a few weeks ago I saw an article in Business Week, which certainly cannot be challenged as a leftist publication, saying that corporate profits were increasing in many instances, although the corporations were producing less. In other words, corporate profits were increasing because prices were increasing, so that with reduced production and increased prices, more profit was earned.

I do not say that in a critical way at all. I say it only to illustrate what I said at the very beginning, that this is the time for all factors of our economy to stand shoulder to shoulder. We all have to bear the burden of this war. We all have to bear the burden of the preparation for the war.

There have come to me from many sources illustration after illustration of this point. Only a few days ago, August 13, to be exact, I was invited by the American Farm Bureau Federation to join in a broadcast on the control of inflation. Participating in the broadcast, with Mr. David Brinkley as moderator, were the senior Senator from South Carolina [Mr. MAYBANK] and Mr. Roger Fleming, secretary-treasurer of the American Farm Bureau Federation. The Senator from South Carolina made the first comment after Mr. Brinkley opened the discussion, and I followed. Then Mr. Fleming, of the American

Farm Bureau Federation, had this to say:

Mr. Brinkley, first of all I want to say that I concur with the statements that have been expressed here by both Senators—Senator MAYBANK and Senator O'MAHONEY—the statement which Senator O'MAHONEY made is one which I would liked to have made before he made it, because it precisely expresses the philosophy we have on this subject.

I think everyone is in favor of fighting inflation. The thing I am very much afraid of is that we will operate under the cruel delusion that we can fix a few prices and control inflation.

If we are to do what we say we want to do, which is really to control inflation, then it seems to me we need to do four or five things.

One of them, for sure, is to reduce nonessential Government expenditures. We are going to reduce some public expenditures rather automatically. In the farm-price-support field, for example, the Government is going to have far less money invested in 1951 and 1952 than heretofore. There will be other expenditures that will go down. We ought to pare nonessential expenditures down clear to the bone.

We ought to pay as we go. We ought to make certain that any borrowing we do by the Government is from nonbank sources, and we ought to be certain that we have sufficient installment and housing and other credit curbs, so the Government does not add to inflation.

And we should prevent, or at least restrain, commercial bank credit expansion in those fields that do not contribute to the production of those goods necessary to our mobilization efforts.

Then he went on to declare his support of the excess profits tax principle.

Mr. President, I ask unanimous consent that the full text of the discussion may be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

FIRST FREEDOM—AUGUST 13, 1950—HOW TO CONTROL INFLATION

David Brinkley, NBC Washington commentator, Washington, D. C., moderator.

Speakers: The Honorable BURNET R. MAYBANK, Senator (Democrat), South Carolina, Senate Office Building, Washington, D. C.; the Honorable JOSEPH C. O'MAHONEY, Senator (Democrat), Wyoming, Senate Office Building, Washington, D. C.; Roger Fleming, secretary-treasurer, American Farm Bureau Federation, Washington, D. C.

ANNOUNCER. What about this new threat of inflation? How should we control it? Through price and wage control or higher taxes or both?

That is the question. This is the First Freedom program, the informal round-table program heard by transcription each week at this time.

Host today is the American Farm Bureau Federation, represented by Roger Fleming. Our other guests are Senator JOSEPH C. O'MAHONEY, Democrat from Wyoming; and Senator BURNET R. MAYBANK, Democrat from South Carolina.

Our moderator is David Brinkley, NBC Washington commentator. Mr. Brinkley.

Mr. BRINKLEY. Since the Korean war started and also before that, there have been slow but steady price increases in this country. Foods have been affected and so have a great many other commodities. The trend is still continuing and evidences of a growing inflation are showing up every day. There are some demands, then, that we have a return to price controls and wage controls, higher taxes and other means of disinflation.

President Truman says he does not think all of these are necessary now, that some less stringent controls would be enough at the moment, and he has asked Congress to give these control powers to him. It is now in the process of doing that. It also seems to be in the process of giving him even more inflation control power than he asks.

So there is some difference of opinion on how the control of inflation should be handled. Hence our discussion on the First Freedom program today of how it should be done, how inflation should be controlled.

So, to begin our discussion, I am going to call on each of our three guests to give us briefly their ideas on this subject, and then we will have a discussion of their views.

First, Senator MAYBANK of South Carolina, Senator MAYBANK.

Senator MAYBANK. I am happy to be here. For the past 3 weeks, as chairman of the Banking and Currency Committee, I have been constantly concerned with the problem of how to prevent inflation; during this time we have been principally concerned with the Defense Production Act of 1950. This type of proposed legislation is one way of at least curbing inflation.

As I have said over and over, the preferable way would be to have it done voluntarily by the farmers, producers, manufacturers, wholesalers, retailers and consumers. As one who knows farming operations from beginning to end and as one who has always supported the farm programs advocated by the farm organizations and voted for by the farmers themselves, I am happy to be here today.

There was time in the United States when the farmers had to pay for the manufactured products that they bought under the high tariff system of our country and sell their products in the market places without protection. Fortunately, through the farm organizations—principally the American Farm Bureau Federation and the farmers themselves—we established parity prices, through various farm support bills, of which I am proud to have been the author, in part.

Although we have made material progress, there is much to be done for the American farmer. No one appreciates more than I do that this country was founded on the basis of rural life and that it is the rural folks who know the value of independence and the value of owning their own little piece of property, as small as it is.

Mr. BRINKLEY. Thank you, sir.

Now, Senator O'MAHONEY of Wyoming. Senator O'MAHONEY.

Senator O'MAHONEY. Mr. Brinkley, if we are going to control inflation, we have to go to the cause. We must not delude ourselves into the thought that price ceilings and controls of an arbitrary nature, however necessary they may be if we should get into an all-out war, will be a substitute for taxation, because taxation is the primary method which, in addition to the reduction of bank loans and consumer credit, will prevent the money supply from getting so far ahead of the supply of goods that inflation will be inevitable.

The Government of the United States for the Korean war proposes to spend some $14,000,000,000 more in 1951. That is the fiscal year 1951. It proposes to spend that sum more in 1951 than it is spending now.

We already have a Government deficit. So, if we pour $14,000,000,000 more into the markets of the United States without adequate taxation, we are bound to have inflation no matter how many controls we give the President.

The tax bill which the Finance Committee is about to report proposes an increased taxation of $5,000,000,000. It is a sum in arithmetic that any grammar school child, even any primary school child, can answer. You cannot pay for this war as you go, if you increase expenditures by $14,000,000,000 and increase taxes by only five, because you will not be giving the Government the revenue it needs to obtain the $14,000,000,000 it is going to spend. Let us send the profit dollar to war with the soldier whom we are drafting to go to war.

Mr. BRINKLEY. Thank you, Senator.

Now Mr. Fleming of the American Farm Bureau Federation. Mr. Fleming.

Mr. FLEMING. Mr. Brinkley, first of all, I want to say that I concur with the statements that have been expressed here by both Senators—Senator MAYBANK and Senator O'MAHONEY. The statement which Senator O'MAHONEY made is one which I would have liked to have made before he made it, because it precisely expresses the philosophy we have on this subject.

I think everyone is in favor of fighting inflation. The thing I am very much afraid of is that we will operate under the cruel delusion that we can fix a few prices and control inflation. If we are to do what we say we want to do, which is really to control inflation, then it seems to me we need to do four or five things.

One of them, for sure, is to reduce nonessential Government expenditures. We are going to reduce some public expenditures rather automatically. In the farm price support field, for example, the Government is going to have far less money invested in 1951 and 1952 than heretofore. There will be other expenditures that will go down. We ought to pare nonessential expenditures down clear to the bone.

We ought to pay as we go. We ought to make certain that any borrowing we do by the Government is from nonbank sources, and we ought to be certain that we have sufficient installment and housing and other credit curbs, so the Government does not add to inflation.

And we should prevent, or at least restrain, commercial bank credit expansion in those fields that do not contribute to the production of those goods necessary to our mobilization efforts.

Mr. BRINKLEY. Thank you, Mr. Fleming.

Senator MAYBANK, we come back to you for a moment. I wonder if you would tell us what your ideas are on the subject of taxation.

Senator MAYBANK. I agree with what has been said and I am happy that the President himself issued orders to the Public Works Agency, the Bureau of Public Roads, the Housing Administration to curb unnecessary spending by the Government. In fact, the cut-back on the housing program has already amounted to 30 percent, as authorized by the President.

The Army engineers, under General Pick, have been notified that they are not to carry out certain works that are not necessary in the national defense. Mr. MacDonald, Chief of the Bureau of Public Roads, has also been so notified. And I think all nonessentials should be cut, as the President has suggested and as the Congress has done. You cannot have an over-all cut on the Senate floor by those who are not members of the Appropriations Committee.

I agree with what has been said. As the distinguished representative of the Farm Bureau has said, the worst cut made in the appropriations bill was in the farm provisions. I did not vote for it to be reduced as much as was carried to the Senate floor. We cut the bill by $30,000,000 in the committee. In addition, there was another cut made of $65,000,000. It is the lowest appropriation made for the farmers of this country since I have been here, which is a period of 11 years.

Senator O'MAHONEY. I want to add a word to what Senator MAYBANK has said. In the 5 years since the shooting stopped in World War II we have had the most profitable years in the history of the American economy. There isn't a single segment of our society that has not profited. Banks are better off than they ever were before. Businesses are better off than they were before. Labor and agriculture both are better off. In other words, wages and salaries have increased and the returns to the farmers and the returns to the businessmen have increased, but corporate profits have reached the highest level in all history, and they have made a greater gain than any other of these elements. In other words, corporate profits show a higher level than even the profits of farmers or the increased wages of workers, and that is why I say it is essential to send the profit dollar into this struggle for peace, because it will be a struggle to preserve the profit system. Unless the profits of the profit system are to be used to defend that system in this all-out ideological conflict with the Soviets, the totalitarian Soviets of the Kremlin, then the profit system will be in a bad way.

I have some figures here which I am sure Senator MAYBANK and Mr. Fleming will be very much interested in. This chart shows that during the war, from 1942 to 1945, corporate profits before taxes were running at an average of about $25,000,000,000 a year. What do you suppose profits before taxes were in the 5-year period from 1936 to 1941? Hold your hats, gentlemen. Those corporate profits before taxes in that period averaged only $5,400,000,000 a year. In other words, corporate profits before taxes, during the war, were practically five times greater than they were before we began spending to help Europe. But in the 3 years after the war, after the shooting stopped, corporate profits exceeded not only $25,000,000,000, they exceeded $30,000,000,000, and they went to $35,000,000,000, or almost seven times more than before the war, and before the Korean war corporate profits were climbing once again.

The Wall Street Journal in an issue only a few weeks ago gave its report on corporate profits for the second quarter of the year 1950 and reported specifically that the percentage of increase over the same period last year was more than 20 percent.

So I say, unless we close our eyes to the fact that it is the excess of spending dollars over revenue that throws the budget out of balance, we must make up our minds to make a much higher tax than has been recommended by the President and apparently endorsed by the Finance Committee.

Mr. FLEMING. I should like to say that, in addition to the profits statement which Senator O'MAHONEY has pointed out so graphically, it is necessary for every one of us, as citizens, whether we be farmers, laborers, industrialists or one of the great group of professional people in this country, to realize that inflation itself hurts all of us. It hurts every person who works for wages or who gets a price for his product or who has savings.

I am afraid that in this period some of us are going to be fooled into thinking that somebody else is going to have to pay for this when, as a matter of fact, if we are to effectively siphon off purchasing power, it means we are going to have to get it from most of the people. Taxes have to spread on a broad base. We cannot have our cake and eat it, too. That isn't a delightful prospect—but, let's be realistic.

There are two ways to deal with inflation. One is to reduce the supply of money, and the other is to increase production. In agriculture we have the increased production, which is so handy and useful in this period. We have a supply of cotton and wheat and corn which is very important to the food and fiber supply of this country. It can be used. It is the real thing that is going to provide a brake on farm prices. A few price ceilings aren't going to prevent inflation; instead, if we are to prevent spiraling prices, it will be through our having a good supply of food on hand and by our adopting positive and effective efforts to siphon off purchasing power.

That is a nice way of saying that we have to dig down deep to pay higher taxes—all of us.

Senator O'MAHONEY. In your opinion, Roger Fleming, are the farmers of America willing to have the Government (that is, the Department of Agriculture) reduce the prices of the surplus commodities now owned by the Government in order to get them out into consumption?

Mr. FLEMING. First of all, Senator, we have in the present law clear-cut authority for the Secretary to utilize these commodities and put them back into the channels of trade. Up until recently the supplies of cotton which we had on hand had not been channeled back into the market even though there was authority to do so. They have been doing that during the last 10 days or 2 weeks. It already has put a brake on spiraling prices in that instance.

I should say this. We ought to realize that, although there has been a lot of talk about it, food is not high priced in America in terms of the time required to earn the money to pay for it. Food is cheaper in America than in any major country in the world in terms of the time required to earn the money to buy a good diet. We have stocks on hand of cotton, wheat and corn, particularly, that are highly valuable and highly useful in this war mobilization period.

One of the most important things we can do now is to make certain that we do not prematurely dissipate stocks of cotton, wheat and corn we have on hand now.

Senator MAYBANK. May I comment on that. As chairman of the Banking and Currency Committee, we held extended hearings and Mr. Fleming was a witness. On June 15 there were four agricultural products above parity. As I remember, they were wool, lamb, beef, and soybeans. All other agricultural products were below parity on the 15th of June. For instance, because of seasonal operations in the milk market, milk and butter were way below parity.

The prices farmers have been receiving have been far, far less than the average consumer certainly in the city would believe. We have put credit controls in the bill we are going to take up at 12 o'clock. We put in controls on real estate and on credit, but the fact is in some instances the Department of Agriculture does have large supplies of cotton and other commodities, particularly eggs and those things.

The fact about cotton is that the weather and the elements made this year's crop less than last year. That crop was 36 percent less than last year, the lowest we have had in years and years, as estimated by the Department of Agriculture on the 8th of August.

Senator O'MAHONEY. Mr. Brinkley, I think it is quite true that, if you pick out single commodities, you can find many instances where inflation has not taken hold as compared with prices that existed a year ago; but, when you consider commodities as a whole, the facts show that in the month from June 25 to July 25 this year consumer prices rose more than 13 percent.

Senator MAYBANK. Commodity prices did not, unless you take in rubber—that rose 34 cents a pound. The rubber industry is a cartel. Or the price of coffee, which went up some 20 cents a pound since last year.

Rubber is needed so essentially for the tractors and planes and tanks in the Korean war, yet it went up 34 cents a pound the first week. That is what makes all commodities appear to go up in the index, which they have not done.

Senator O'MAHONEY. The weekly index on July 3 was 159. Three weeks later it was 167.7.

Senator MAYBANK. The cartel people put these prices up.

Senator O'MAHONEY. You are quite right.

Senator MAYBANK. I am raising this question because I want to make clear, in my own opinion, that, unless we all stand together in this and all make the necessary sacrifices, we are going to have a nonsuccessful fight to stop inflation.

Senator O'MAHONEY. The farmer has to make his sacrifices; the worker has to make his sacrifices; the businessman has to make his sacrifices. Profits, wages, salaries, and business returns altogether must join to stop inflation and, to do that most successfully, we should do it now by increased taxation, because, if we allow inflation to proceed as it is now going, it will have a 6 month's head start upon us and we will never be able to catch up with it.

Senator MAYBANK. I want my friend from Wyoming to know that I agree with him, particularly on the tax situation. I wanted to point out a few commodities that made advances to raise the entire index.

Under the Bureau of Labor Statistics they stated there was a great rise in beef and meat which was responsible for the overall index rise, because the other things have not risen, particularly seasonally. If we are going to pay for this war, we are going to have more than $5,000,000,000 in taxes.

Mr. BRINKLEY. On the subject of price and wage controls which many of our listeners would like to hear about, many, many of us hear that there is much pressure "from home" to put on wages and price controls. You two Senators can tell us something about that. You get lots of mail.

Senator MAYBANK. The people at home are 6 months ahead of Congress, as was shown by the House vote yesterday.

Senator O'MAHONEY. The House vote was a substantial and overwhelming vote in favor of price and wage controls. Of course, I believe that we have to go along with the great work that is being done by Senator MAYBANK in the Senate and Congressman SPENCE in the House to provide authority to put these controls on, when and if necessary. All I am saying, Senator MAYBANK, is——

Senator MAYBANK. One question or disappointment I had with the House vote was that they cut out the program calling for ceilings on selective goods. If we had that ceiling, we could take care of the rubber situation tomorrow. We have to have selective ceilings as well as an over-all ceiling.

That was the only important thing that the House left out.

Senator O'MAHONEY. I think you are quite right. Again, I want to emphasize what I have been saying now for 3 weeks that controls cannot be regarded as a substitute for taxation, because, if we do not tax and raise revenue for the Government sufficient to pay the cost of these Korean activities, all the controls in the world will not prevent dislocation of our entire economy.

Senator MAYBANK. The Senator is absolutely right.

Mr. BRINKLEY. All three of you seem to agree that higher taxes would be——

Senator MAYBANK. A greater curb to inflation than controls.

Mr. BRINKLEY. I see.

Mr. FLEMING. I would like to add to what both Senators have said, that, as a matter of fact, if we were to operate under the delusion that controls were a substitute for taxes and credit controls and other effective means of dealing with the causes of inflation, we might actually strangle the economy to the point that it would not be

as productive during these years ahead, which is one of the essential elements to not only controlling inflation, but to our capacity for being strong and vigorous in terms of our military preparedness.

Senator O'MAHONEY. The greatest strength of America is its overwhelming superiority in productive capacity. Let us maintain that. If inflation gets ahead of us, it will not only increase the cost of living for every home in America, but it will increase the cost of armament; it will increase the cost of defense; it will increase our deficit. And if we permit the deficit to increase, if we fail to pay as we go, then, indeed, the American enteprise system, the profit system, the free economy will be in a bad way.

Mr. BRINKLEY. Senator, you have told us about your recommendations for taxes on corporations. What about taxes on individuals? What would you do about that? How much would you raise them?

Senator O'MAHONEY. I have been devoting most of my time to the proposition of an excess-profits tax. I feel that the proposed rates recommended by the President both for individuals and for corporations are not sufficiently high if we want to pay as we go.

As I pointed out at the beginning, the President has recommended appropriations amounting to $10,000,000,000 for defense preparations, and $4,000,000,000 for the armaments of the free nations of Europe. That is $14,000,000,000. The tax bill undertakes to raise only $5,000,000,000. It does that by what I regard to be inadequate increases of the tax rate both on corporations and on individuals.

We ought to take another look-see. We ought to bring out a tax bill this year, at this session, without waiting for January 1, or for any date in November, to raise the revenues that the Government needs to pay as we go.

Mr. BRINKLEY. You say there should be no delay, then, in getting additional taxes.

Senator O'MAHONEY. Because if we delay, inflation will cut our throats.

Mr. BRINKLEY. We often hear the complaint (I suppose everyone here has heard it many times) that taxes, if they are too high, stifle incentive to produce and incentive to invest. Is that a danger, do you think?

Senator O'MAHONEY. Of course, there is a danger. There isn't a question about it. You can make taxes too high, but in my excess-profits tax amendment, the provisions are so drawn that they will not stifle incentive.

For example, I have been very modest in this amendment. It is so drafted that no corporation, no matter how high its profits, would be compelled to contribute more than 80 percent of the total, although it might have to contribute 100 percent of everything above 125 percent more than it was earning in the base period, the most profitable period in corporate history, 1947, 1948, and 1949. In other words, to state it simply, this excess-profits tax proposal undertakes to level the excess-profits tax only on the top one-fourth of the very high incomes earned during this greatest period of prosperity.

Mr. BRINKLEY. Senator MAYBANK, before we go, does that seem reasonable to you?

Senator MAYBANK. I have not had the opportunity to study fully Senator O'MAHONEY's proposal, because I have been so busy with the economic-control legislation. I know that there is no use to have control policies unless you have sufficient taxation to draw the money away.

I know this as well as the Senator knows this, that the further we get into this situation, the more employment there will be, the more business these individuals will do, and the greater the profits will be. And that is the thing that will keep the incentive there. There will be more men hired, more goods made, greater production. And, with that, comes greater corporate profits.

Mr. BRINKLEY. Senator O'MAHONEY, here, has made up a chart which you will probably be seeing in your newspapers soon.

Senator MAYBANK. I have seen the chart and I appreciate his economic report.

Mr. BRINKLEY. Mr. Fleming, before we go, do you want to add a word?

Mr. FLEMING. I should like to repeat the theme of this broadcast, that we must not kid ourselves into thinking that we can control inflation by treating the symptoms or by submerging them under price ceilings. We shall have to buckle down and tackle the job of dealing with the real causes of inflation. This means higher taxes and effective credit controls.

Mr. BRINKLEY. Our time is running out. I want to summarize very briefly and say that all three of our guests seem to agree today on this general thesis. If I am wrong, stop me. It is that, if we want to control inflation, we must go to the cause. That is the money supply. Price controls are no substitute for taxation. This will prevent the money supply from outdistancing the supply of goods. The Government is spending $14,000,000,000 more this year. That would force inflation unless it is adequately taxed, regardless of the controls.

Our thanks to all three of you for being with us.

Now, here is our announcer.

ANNOUNCER. This has been the First Freedom, the round-table program heard each week at this time.

Printed copies of today's program may be had by writing to the American Farm Bureau Federation, 221 North LaSalle Street, Chicago 1, Ill.

Speaking today were: Senator Joseph C. O'Mahoney, Democrat, from Wyoming; Senator Burnet R. Maybank, Democrat, from South Carolina; and Roger Fleming, from the American Farm Bureau Federation.

Your announcer is Jack Roney.

This is NBC, the National Broadcasting Co.

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

Mr. O'MAHONEY. I yield.

Mr. WHERRY. The first observation made by Mr. Fleming, as the Senator read it, is that there should be reduction in nonessential Government expenditures.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. The Senator heard the remarks of Representative CANNON, of Representative TABER, and also of the Senate spokesman yesterday in the Appropriations Committee which indicated that appropriations would amount to a total of approximately $60,000,000,000. The only over-all cut that has been made, of which I have any knowledge, in that $60,000,000,000 figure is a cut of $550,000,000. I ask the distinguished Senator if he feels that sufficient cuts have been made along the line of the observation made by Mr. Fleming before we start taking the next step.

Mr. O'MAHONEY. In the first place, the Senator in speaking of $60,000,000,000 is, I am sure, including the supplemental bill, which has not been passed, appropriating $16,700,000,000.

Mr. WHERRY. Yes.

REDUCTION OF NONESSENTIAL APPROPRIATIONS

Mr. O'MAHONEY. The total over-all; yes. That is one of the reasons why I want an excess-profits tax. The Senator from Nebraska, as a member of the Appropriations Committee, will remember when we reported the bill from the Committee on Appropriations it was $1,331,000,000 below the estimates. Then when the bill went to conference, in many instances there were additional cuts. I believe the conferees on the part of the House of Representatives, for example, in the conference on chapter VIII, the independent offices chapter of the bill—and I happen to be the chairman of the subcommittee which handled that chapter—accepted every single reduction the Senate committee had made below the House bill. Then yesterday in conference we made an over-all additional cut of $550,000,000. So there are cuts of $1,331,000,000, plus $550,000,000, making a total of more than $1,800,000,000 below the budget estimate, and probably the total will be $2,000,000,000 at the end.

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

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am not talking about the figures. I simply referred to the observation made by Mr. Fleming. There is no dispute as to the figures. The point is that even taking the figures cited by the distinguished Senator from Wyoming, which show that a saving in the neighborhood of $2,000,000,000 over-all may be effected—and I give credit to the committees who did their level best to cut the appropriations in the first place—yet, if we assume that the figures aggregating $2,000,000,000 are correct, we have not made a cut of as much as 5 percent. Five percent of of $60,000,000,000 is $3,000,000,000. We have not cut the total over-all appropriation even as much as 5 percent.

I wish to ask the Senator from Wyoming a question. We have gone through the appropriation bill with a fine-tooth comb. Certainly no one will disagree with the Senators from Wyoming and Nebraska—and we have to be perfectly frank about the matter—that the cut has to come somewhere else than in appropriations for defense, strategic materials, and so forth. But have we done what Mr. Fleming asked us to do? That is what I am asking myself this afternoon. That is what I shall ask when the conference report comes before the Senate. I believe the Senator from Wyoming knows that I feel as strongly as he does that we should increase taxes and pay as we go. But it is equally important that, no matter how much we increase taxes, we take the other step which Mr. Fleming advocated. I wonder whether we have done as good a job along that line as we could have done.

HEAVY WAR EXPENSES LIMIT EFFORTS TO ECONOMIZE

Mr. O'MAHONEY. The Senator will recall no doubt that while we were considering the appropriation bill in the Senate, I offered an amendment directing the Appropriations Committee to review the entire appropriation bill and make a rescission of appropriations. The Senate did not adopt that amendment. It did not adopt it because it was felt, I think, that it was not a practical thing

to do at this period in the session. But the record must be clear that of the funds which we appropriate this year, which will be discussed when the conference report comes before the Senate, more than 71 percent represent war-connected expenditures. When we add the $16,700,000,000 to what is carried in the omnibus appropriation bill, then we will raise the percentage of war expenditures probably to 80 percent.

The point of it all is that only 29 percent of the funds carried in the single-package appropriation bill had no defense angle, and it is extremely difficult to make deep cuts there without injuring the economy. I think that both committees on the House side and on the Senate side made a very sincere effort to cut such expenditures.

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

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Wyoming yield to the Senator from Nebraska?

Mr. O'MAHONEY. I am glad to yield.

Mr. WHERRY. I am in complete accord with the attempts of the committees to cut expenditures. The matter is finally left up, however, to the Senate and the House. I do not want to challenge the figures the Senator has given, of 71 percent being military expenditures, and that the percentage for military expenditures will rise to 80 percent. As I have said before, I know that a large proportion of the expenditures do go for defense purposes. Certainly no one can question the need for such expenditures. We are obliged to appropriate for defense purposes. The fact remains, however, that there are items in the appropriation bill which can be cut out of the bill, items which are not for defense purposes. The fact remains further that next year the appropriations are going to be considerably higher. The Senator from Wyoming, who is one of the most able members of the Appropriations Committee, knows that to be true. The question is, What can our economy stand? Of course, increase in taxation is one way to stop inflation. But I say that of equal importance is what we do with our money after we increase the taxes.

Mr. O'MAHONEY. The Senator is quite right.

Mr. WHERRY. I want to emphasize that point very strongly.

Mr. O'MAHONEY. I should like to add that in 1930 the entire cost of the Government of the United States for all its activities, war-connected activities, veterans' benefits, interest on the national debt, and all that, was a little more than $10,000,000,000. Today the interest on the national debt alone is $5,500,000,000.

Mr. WHERRY. I understand that.

Mr. O'MAHONEY. I know the Senator understands it, but when we make a record here to be read by those who have not been in our committees I want to make it clear what the cause of this tremendous expenditure is.

War accounts for more than 71 percent of our expenditures, and will account for more. As I said at the beginning of this discussion this afternoon, at this moment the economy of the United States is in the best position it ever has been in. I cited the editorial from Life magazine to show what we have done, the tremendous gains we have made. I have presented the figures showing what we have done.

The fact is that we can take the necessary steps if we have the courage to do so, and we can and we should cut down absolutely all nonessential expenditures.

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

Mr. O'MAHONEY. I yield.

Mr. LONG. In reference to the items in the appropriation bills which the Senator describes as nonmilitary items, is it not true that many of them will have a direct bearing on the ability of our Nation to fight, in the event that war were forced upon it? For example, there are appropriations for power and power development, which would supply the electricity we would need during war. There are the appropriations for highways, which would provide the transportation system we would need during war. There are the appropriations which have to do with the ability of the Nation to produce food, which would have a direct bearing upon our ability to fight in time of war.

Mr. O'MAHONEY. The Senator from Louisiana is quite correct.

Mr. WHERRY. Mr. President, before the Senator enters upon another speech, will he yield, to permit me to ask a further question?

Mr. O'MAHONEY. I am trying to conclude a speech, but I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. I think the matter I am about to mention is a desirable one to have stated for the record.

Did the Senator from Wyoming present the excess-profits-tax amendment to the Finance Committee?

Mr. O'MAHONEY. Yes, but it has been modified since that presentation was made.

Mr. WHERRY. Nevertheless, the Senator from Wyoming did present the excess-profits-tax amendment, or a similar amendment, to the committee; did he?

Mr. O'MAHONEY. Yes; and the committee was very kind in hearing the presentation.

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

Mr. O'MAHONEY. I yield.

Mr. KERR. Is it not a fact that there have been three such amendments by the Senator from Wyoming, and that only the first one was presented to the Finance Committee?

Mr. O'MAHONEY. Yes.

Mr. KERR. Is it not also true that the amendment now being discussed by the Senator from Wyoming is the second one beyond the one he presented to the Finance Committee?

COMPARISON OF THREE EXCESS-PROFITS PROPOSALS

Mr. O'MAHONEY. Yes, this is the third amendment; but let the record show that this amendment was prepared with the advice and the cooperation of the distinguished senior Senator from Texas [Mr. CONNALLY], who is the ranking Democratic member of the Finance Committee in point of years of service, and is well aware of all the technicalities of the tax problem. I was most happy to join forces with him in urging upon the Senator from Oklahoma and all other Senators that we take steps now to raise the money we need to raise.

Mr. President, since there has been so much discussion in regard to these three amendments, perhaps I should say that during the Eightieth Congress, when there was under discussion a bill to reduce individual income taxes, I felt that the fiscal condition of the Nation was such that taxes should not be reduced, and I argued against reducing them. At that time I had prepared, with the aid of the technicians of the Treasury, an excess-profits tax, which I thought should have been imposed in order to help balance the budget. Of course, it was not accepted; but I had the advantage of the work 2 years ago with the technicians of the Treasury in the preparation of that amendment, when recently, at the time the raising of new tax revenue was recommended by the President, I felt that the recommendation was inadequate, that it would not be sufficient to rely upon additional revenue in the amount of $5,000,000,000 in order to meet the expenditures which then were piling up.

So again I resorted to the technicians of the Treasury, without in any way committing them. I invited members of the staff of the Joint Committee on Internal Revenue Taxation, I invited other economists and tax experts of the Government, and sat down and discussed the entire problem to the best of my ability. I came up with the amendment which I presented to the committee. It called for a 75-percent base on the years 1947, 1948, and 1949, and a stepped-scale tax rate.

I think it would be revealing no secret if I were to say to the Senate that Mr. Bernard Baruch called me on the telephone after he had read the amendment, and stated that in his opinion my base was too high, and that it would not raise sufficient revenue. In any event, that was the opinion he gave. And then, because of suggestions which I read in the press and elsewhere, that a 100-percent tax, that is to say upon income, would be 125 percent of the base, would be too severe, and because of my own judgment that it might create the impression that I was preparing a punitive tax, I decided it would be best to eliminate that upper bracket. The original amendment contained four brackets, one at 65 percent, one at 75 percent, one at 90 percent, and one at 100 percent of the excess-profits-tax income. So we reduced the number of brackets to three.

EXPLANATION OF CONNALLY-O'MAHONEY AMENDMENT

The Senator from Texas then discussed the matter with me again, with the advantage of the advice of technicians of the Joint Committee on Internal Revenue Taxation, and his suggestion was that we ought to have only one rate of taxation, and that the base should be higher. That is the modus operandi by which three separate amendments were made.

As Members of the Senate know, the process of legislation is the process of conference. I have never pretended that I had the skill or the ability to bring upon the floor of the Senate a tax bill which would be perfect, and, now that the Finance Committee, through the voice of the chairman, has officially notified the Senate and the country that, next year, there will be an excess-profits tax, it seems to me that I am not unreasonable in saying, "Let us have this tax now," since this tax is based upon the experience we had in World War II, since it contains most of the provisions that were in effect in World War II, but, instead of having a 95-percent rate, and a base which was the average of the years 1936 to 1939, it has a rate of 85 percent, and it has a base which is computed upon the experience of 10 years later, 1946, 1947, 1948, and 1949.

So I am presenting to the Senate an excess-profits-tax amendment which differs from the excess-profits-tax amendment of World War II chiefly in the fact that it is more modest, that it does not take so much; and this I do, even though the record shows corporate profits to be far greater now than they were when the World War II tax was imposed.

Mr. President, I have an editorial entitled "Not Enough," printed in the Saturday, August 12, issue of the Washington Daily News. It is an editorial saying that the bill reported by the Senate Finance Committee does not provide sufficient revenue to meet the emergency in which we find ourselves. I ask unanimous consent that the editorial may be printed at this place in the RECORD.

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

NOT ENOUGH

The Senate Finance Committee has approved the increases in the corporate and individual income taxes which the President has asked.

Corporations will pay 25 percent of the first $25,000 income, and 45 percent of all in excess of that amount—to yield $1,500,000,000 additional revenue.

The new rates will increase individual income taxes from 10 to 20 percent over what they were last year—to yield an additional $3,000,000,000.

Presumably the committee also will make the changes the President requests to close tax loopholes, and bring the total additional revenue up to the $5,000,000,000 Mr. Truman asked.

But that will not be enough.

Since the outbreak of the Korean fighting, Congress has been called on to increase spending by three times $5,000,000,000—and that has come on top of a budget that was already unbalanced. Meanwhile, we have had little but lip service in the matter of reducing nondefense spending.

In those figures, you see the primary reason for the upward pressures on prices and living costs. And as the Government continues to spend more than it takes in, those pressures will grow.

The President seems content to wait until after the November elections to ask Congress for an excess-profits tax. Admittedly it is complicated and controversial, but the time to start work on that tax is now. No one should be permitted to profiteer at home while other Americans are risking and losing lives on the battlefield.

And Congress should not stop there. It should begin immediately to search out other revenue sources. Before this hot-and-cold running war has ended, in our opinion, Congress will have to make further increases in income taxes, and greatly broaden the excises, which are now applied only to a selective few products.

We don't like the prospect any better than you do, but we think higher taxes a lesser evil than inflation. We'd rather pay the tax collector across the board than have our pockets picked by rising living costs.

And, incidentally, we'll grumble less to the tax collectors if, meanwhile, the Government cuts down, as it can and should, on the frills and fripperies on nondefense spending.

Mr. O'MAHONEY. Mr. President, I also wish to put in the RECORD at this point as a part of my remarks an editorial entitled "To Redress the Tax Balance," from the St. Louis Post-Dispatch of August 20, 1950. This editorial advocates an excess-profits tax effective at least on part of the 1950 income. Such a tax, it says, "would be the best way of redressing the balance."

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

TO REDRESS THE TAX BALANCE

Senator O'MAHONEY of Wyoming deserves more help than he has so far received in his effort to add an excess-profits tax to the tax bill now before the Senate.

Congress is approaching the taxation of corporations with a delicacy that was altogether absent when it was a question of reducing taxes after World War II. Then corporations were given the lion's share of the reductions; now their taxes are being increased by a billion and a half dollars while individual taxes are going up three billion.

An excess-profits tax, effective on at least part of 1950 income, would be the best way of redressing the balance.

Since 1945, according to the midyear report of the President's Council of Economic Advisers, corporation profits after taxes have risen some 120 percent. During the same period per capita individual income after taxes has gone up only 19 percent. That is a rough measure of the extent to which the tax burden has been shifted from corporations to individuals.

As a matter of fact, the rise in individual incomes has been largely illusory, thanks to the steadily rising cost of living. The Republican Eightieth Congress reduced wartime taxes, and it destroyed price control. What the average family saved in taxes was more than wiped out by higher prices. Now we have the higher prices and must also have higher taxes.

According to the midyear economic report, the average American suffered a steady reduction of his "disposable income," which means income after taxes, from 1944 to 1947. There was an upturn in 1948, and this year's incomes will probably be better than those of 1949, but real income which takes account of higher prices is still below the 1945 level. Here are the figures, which show per capita income after taxes in terms of 1949 prices:

1945	$1,374
1946	1,333
1947	1,248
1948	1,270
1949	1,256
1950 (second quarter)	1,288

Americans aren't broke—indeed, they are far better off than at any time before the war—and they expect to shoulder a new tax burden to finance the war in Korea and the enlarged defense effort. But they have a right to expect that corporations also shall pay their share—not next year, not in 1952, but now.

Mr. O'MAHONEY. I also have a clipping from the Washington Post of August 23, reporting, under the Gallup poll, that the "public backs paying for war by taxation." My own experience from various interviews with business leaders and with other citizens throughout the country bears out the result of that poll.

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

PUBLIC BACKS PAYING FOR WAR BY TAXATION

(By George Gallup)

PRINCETON, N. J., August 22.—President Truman's determination to pay for the Korean war as much as possible through taxation rather than borrowing has the support of the general public at this time, judging by the results of an opinion survey by the American Institute of Public Opinion.

While nobody enjoys paying taxes, the public votes 3-to-1 in this survey in favor of meeting the increased cost of defense chiefly by extra taxes instead of chiefly by deficit financing, as was the case in World War II.

Moreover, a majority of the voters questioned, representing a scientifically selected cross section of the whole adult population, say they would be willing to see Federal income taxes increased immediately to pay for the war in Korea and to rearm the Nation.

Once before, in the early days of World War II, Institute surveys found this same reaction. In fact, in 1941 and 1942 the public was willing to pay much more in taxes than either Congress or the Treasury Department had asked, demonstrating again the capacity of the people to be a jump ahead of their Government.

Two questions were put to voters in today's study. The first was as follows:

"How should the Federal Government pay the increased cost of defense—chiefly by extra taxes, or chiefly by borrowing more money?"

The vote:

Percent:	
Taxes	60
Borrowing	19
No opinion	21
	100

The second question was:

"Some people say Federal income taxes must be increased immediately to pay for the present war in Korea and to rearm the United States. Do you agree or disagree?"

The results:

Percent:	
Agree	51
Disagree	29
No opinion	20
	100

60 PERCENT BY TAXES

In World War II, it is estimated, the United States paid about 45 percent of its war costs out of taxation, the rest by borrowing.

Administration officials say that if there is a third world war we should pay at least 60 percent out of taxes and preferably 70 to 75 percent—which would, of course, mean very much higher taxes than we had in the last war.

Although Republican voters questioned in today's survey voted virtually the same as Democrats in favor of paying for the war by taxes rather than by borrowing, the Republicans see less need for boosting Federal income taxes immediately.

Here is the party vote on that issue:

INCREASE INCOME TAXES IMMEDIATELY?

	Republicans	*Democrats*	*Independents*
Percent:			
Agree	48	54	48
Disagree	34	25	30
No opinion	18	21	22
	100	100	100

Mr. O'MAHONEY. Mr. President, I have here, also, the text of a statement advocating increased taxes, prepared by 65 economists. This statement, with the names of the economists, and the universities and organizations which they represent, I should like to have placed in the RECORD at this point. I think it may be worthy of note that among the economists who signed this statement is Mr. Elliott V. Bell, chairman of the executive committee of McGraw-Hill Publishing Co. Mr. Bell, my Republican friends will remember, was a very prominent member of the cabinet of Gov. Thomas E. Dewey when he was a Republican candidate for President of the United States.

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

TEXT OF STATEMENT BY 65 ECONOMISTS

Communist aggression requires that free men and women expand military forces and supplies to a much higher level for a long time ahead. Enlarged outlays for defense superimposed on a boom will, unless offset, cause inflation. Inflation is a grave wrong and danger. It hurts most the most helpless members of society—the widows, the orphans, the aged, the pensioners, the annuitants, the disabled. It causes dissension and diminishes the incentive to work; it weakens the productive system and so impairs both economic and military power. It imperils economic stability and progress in the peace for which we struggle. It is an unmitigated tragedy.

The United States need not suffer this abomination of inflation. This economy can provide a very high standard of living and a very large increase in military outlay without degradation of the dollar. Failure to take action to prevent inflation would be inexcusable.

The necessary action is clear and unmistakable. There may be differences over details, but there can be none over the major requirements. Taxes must be increased, at once, to cover the rise in expenditure fully and to balance the budget. Adequate control powers over consumer finance and construction finance should be added to existing monetary authority. Payment of Government expenses out of income instead of the printing press, and monetary restraint on civilian consumption, together, can protect the country from the woes of inflation and thus conserve its strength for use against the evils of aggressive tyranny.

We, the undersigned economists, urge prompt, persistent, and adequate action by Congress and the executive agencies.

Eugene E. Agger, professor of economics, Rutgers University; James W. Angell, professor of economics, Columbia University; H. B. Arthur, economist, Swift & Co.; G. L. Bach, professor of economics, Carnegie Institute of Technology; William C. Bagley, Jr., associate professor of economics, Rutgers University; B. H. Beckhart, professor of banking, Columbia University; Elliott V. Bell, chairman of the executive committee, McGraw-Hill Publishing Co.; Claude L. Benner, president, Continental American Life Insurance Co.; W. R. Biggs, vice president, Bank of New York; Courtney C. Brown, assistant manager of coordination and economics department, Standard Oil of New Jersey; Robert W. Burgess, chief economist, Western Electric Co.; Arthur F. Burns, director of research, National Bureau of Economic Research; William J. Carson, executive director, National Bureau of Economic Research; Clyde R. Chambers, vice president, Lehman Corp.; Miles L. Colean, consulting architect; C. S. Cottle, professor of business administration, Emory University; Andrew T. Court, director of the industrial economics section, General Motors Corp.; W. W. Cumberland, partner, Ladenburg & Thalmann; John Davenport, editor, Barron's; J. Frederic Dewhurst, economist, 20th Century Fund; Stephen M. Du Brul, executive in charge, business research staff, General Motors Corp.; William E. Dunkman, professor of economics, University of Rochester; Lionel D. Edie, president, Lionel D. Edie & Co.; Ernest M. Fisher, director, Institute for Urban Land Use and Housing Studies, Columbia University; Harold G. Fraine, professor of commerce, University of Wisconsin; Edwin G. George, director, department of economics, Dun & Bradstreet; Earl J. Hamilton, professor of economics, University of Chicago; Seymour E. Harris, professor of economics, Harvard University; Richard B. Heflebower, professor of economics, Northwestern University; Hans Heineman, Kidder, Peabody & Co.; Albert J. Hettinger, Jr., partner, Lazard Freres & Co.; George Hitchings; Walter E. Hoadley, Jr., economist, Armstrong Cork Co., Inc.; Neil H. Jacoby, dean, School of Business Administration, University of California; Francis C. Jones, economist, Green Giant Co.; Virgil Jordan, chancellor, National Industrial Conference Board; A. D. H. Kaplan, senior member, Brookings Institute; Charles P. Kindleberger, associate professor of economics, Massachusetts Institute of Technology; Simon Kuznets, director at large, National Bureau of Economic Research; Walter Lichtenstein, economic consultant, formerly vice president (retired), First National Bank of Chicago; Frederick C. Mills, professor of economics and statistics, Columbia University; Walter Mitchell, Jr., managing director, Controllers Institute of America; Geoffrey H. Moore, associate director of research, National Bureau of Economic Research; Howard B. Myers, research director, Committee for Economic Development; W. I. Myers, dean, New York State College of Agriculture, Cornell University; Marcus Nadler, professor of finance, research director, Institute of International Finance, New York University; Ragnar D. Naess, senior partner, Naess, Thomas & Thielbar; Joseph Nicholson; James J. O'Leary, director of investment research, Life Insurance Association of America; Allen H. Ottman, vice president and controller, American Hard Rubber Co.; Jack H. Riddle, vice president, Bankers Trust Co.; Alexander Sachs, consulting economist; R. J. Saulnier, head of financial research program, National Bureau of Economic Research; Benedict Saurino, economist, Sun Oil Co.; H. C. Sauvain, professor of finance, Indiana University; Emerson P. Schmidt, director, economic research department, Chamber of Commerce of the United States; Lawrence Seltzer, professor of economics, Wayne University; Frederic L. Simmons; George Terborgh, director of research, Machinery & Allied Products Institute; Rufus S. Tucker, economist, General Motors Corp.; Ralph J. Watkins, director of research, Dun & Bradstreet; Ray Bert Westerfield, professor of economics, Yale University; Donald B. Woodward, second vice president, The Mutual Life Insurance Co. of New York; Wilson Wright, economist, Procter & Gamble Co.; A. W. Zelomek, president, International Statistical Bureau, Inc.

TAX PROPOSALS IN WILSON, HARDING, AND HOOVER ADMINISTRATIONS

Mr. O'MAHONEY. Mr. President, there are numerous other statements, articles, and editorials which I might insert in the RECORD, but I shall not ask for anything more. I want to close, however, with a quotation or two from Republican authority, because I desire to make an appeal to the Republican Members as well as to the Democratic Members of the Senate to support this tax.

President Woodrow Wilson, in World War I, recommended an excess-profits tax. Following World War I, President Warren G. Harding was inaugurated on March 4, 1921. I was standing on the lawn of the Capitol when he delivered his inaugural address, and I well remember the statement which he made at that time. I desire to read it to the Senate:

> I can vision the ideal republic, where every every man and woman is called under the flag, for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, every agency or facility, all in the sublime sacrifice for country, and not 1 penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation.

That was the opinion of President Warren G. Harding on March 4, 1921.

Between World War I and World War II both the great parties, in their national platforms, in 1928, declared for a profits tax. They declared that private profits made out of war should be eliminated. During the Hoover administration Congress created a War Policies Commission to consider the possibility of amending the Constitution to provide that private property might be taken by Congress during the war and to consider methods of equalizing the burdens and removing the profits of war. This Commission included six members of President Hoover's Cabinet. Their opinions were summarized by the executive secretary, Mr. Robert H. Montgomery, a well-known corporate tax expert, in House Document No. 271, Seventy-second Congress, first session. In this interesting work it was proposed that Congress empower the President to stabilize prices, and it was also proposed that the revenue laws provide that in time of war—and I am now quoting—"individuals and corporations shall be taxed 95 percent on all income above the previous 3-year average, with proper adjustment for capital expenditures for war purposes by existing or new industries."

There, Mr. President, is a recommendation of the War Policies Commission appointed in the Hoover administration, with six members of the Hoover Cabinet, recommending a higher excess-profits tax than that which is proposed in the amendment which the Senator from Texas [Mr. CONNALLY] and I have offered.

Mr. President, I apologize to the Senate for the time I have taken, but I thank Senators sincerely for their indulgence.

Mr. DOUGLAS. Mr. President, does the Senator prefer to yield the floor—he

has been on his feet for a long time—or would he yield to me for a few questions?

Mr. O'MAHONEY. I shall be very glad to yield.

EXPERIENCE IN WORLD WAR II SHOWS NEED FOR EXCESS-PROFITS TAX

Mr. DOUGLAS. Can we not learn a great deal about the problems which we are likely to face in the period immediately before us from the experience of the First and Second World Wars? Is it not true that in the First World War we raised by taxes approximately one-third of the total war expenses and were compelled to borrow two-thirds from the public and from the banks? A large share of this borrowing came from the banks, with the result that the banks created credit which was written up on their books to the credit of the Government. Against this the Government drew checks to pay for the services of men and for materials, and with the result that the Government was bidding against private industry for goods and materials. The total supply of money and credit increased at a greater ratio than the quantity of goods and we had in consequence the great wartime inflation. This caused a tremendous increase in the cost of living and made both our war and reconstruction periods much more difficult. Is not that correct?

Mr. O'MAHONEY. The Senator is correct.

Mr. DOUGLAS. If we had taxed to a much larger degree in World War I and had financed the war out of current income, rather than from bank borrowings, would not the rise of prices have been far less? Labor disputes would have been less intense, the cost of the war to the Government would not have been as great, and the postwar burden of debt would not have been as great.

Mr. O'MAHONEY. There is no doubt of that. During World War II, when the tax bill was before us, there were many Senators who believed that the tax rates were too low.

I remember well that the distinguished Senator from Ohio [Mr. TAFT] was one of those who felt we should pay for the war with a larger proportion of tax revenues than we were doing. If that advice had been followed, we would not have had to borrow so much money.

Mr. DOUGLAS. I believe that in World War II we paid for approximately 42½ percent of war costs out of taxes or approximately three-sevenths of the total. This was an increase of approximately 9 percent as compared with World War I, but it still meant that four-sevenths of the war costs were financed by borrowing.

Mr. O'MAHONEY. The actual figures are 42 to 45 percent, but the point the Senator is making remains true.

Mr. DOUGLAS. And of the four-sevenths which was borrowed, some was borrowed from individuals and corporations who bought bonds out of their current savings. This meant a transfer of purchasing power from private use to public use and was not inflationary in its consequences.

Mr. O'MAHONEY. That is correct.

Mr. DOUGLAS. Approximately $90,000,000,000, however, was obtained through an increase of bank credit which the Government borrowed from private banks and from the Federal Reserve System, and this merely increased the total amount of credit available for the purchase of goods.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. DOUGLAS. Approximately $20,000,000,000 came from the Federal Reserve System, and about $70,000,000,000 came from the private banking system, with the result that we accumulated a huge reservoir of monetary purchasing power which could not be held back by price controls, and which, when the purchasing power was finally released, caused a flash flood, so to speak, driving prices up. Is not that correct?

Mr. O'MAHONEY. The Senator is as correct as one could be. The savings of the people which were diverted from the market to the purchase of Government bonds went into the purchase of defense commodities for the Government and did not add to the demand for civilian commodities, but those bonds which represented the purchases of the banks went into the creation of new currency, and, therefore, the enlargement of the money supply, and the creation of inflation.

Mr. DOUGLAS. In other words, the relative and total amount of money and credit on one side, available for the purchase of goods on the other, was increased, with the inevitable result that prices had to rise?

Mr. O'MAHONEY. And so it is clear that the best way to prevent prices from rising is to cut down on the money supply wherever it exists.

Mr. DOUGLAS. The chief agency for expending the money supply, under our present banking system, is the private banks and, therefore, we need to cut down on the total amount of additional credit created by the banking system.

Mr. O'MAHONEY. To make that clear, let me ask the Senator, reversing it, why does it operate in that way? Is it not because the bonds are the basis of new currency?

Mr. DOUGLAS. That is correct. The banks in making their loans create checking accounts against which the Government can draw. That is how the bonds which are purchased by them are paid for. The Government will draw against the checking accounts to pay for the services of men and for materials, and will draw these amounts down, and, in the process, will bid up wages and salaries and also the prices of materials. But is it not also true that when the accounts have been checked down by the Government, they get into the possession of corporations and private individuals for whose services and materials the Government has paid and these persons and corporations will then deposit those sums in the banks so that there will be a permanent addition to the supply of money and credit?

Mr. O'MAHONEY. And the best way to stop that spiral is to increase taxes.

Mr. DOUGLAS. There is another factor, as the Senator is well aware, namely, that a large proportion of the added deposits which ultimately find themselves in the possession of the banks will be deposited by the banks in the Federal Reserve System. Moreover, once they are deposited in that system they can be used as a reserve for additional loans by the banks in a ratio of approximately six and a half to one. So if, for example, we actually spend 16½ billions of dollars for which appropriations are being asked in the supplemental appropriation bill, and have only raised $3,000,000,000 in taxes, as is contemplated by the Finance Committee's bill, we shall have to borrow $13,500,000,000. Suppose it is drawn from the banks. Most of that money will ultimately not only be added by the banks, but will flow from the banks into the reserve system, and hence make possible an expansion of credit many times that $13,000,000,000.

WAR EXPENSES REQUIRE TAXATION

Mr. O'MAHONEY. I think there can be no doubt about it. It seems plain from experience, as well as from theory and practice. It is clear that the only sensible thing to do is to tax to raise revenue to pay for the war. Let us use the money we have, instead of creating new money to raise prices to do the thing we must do.

Mr. DOUGLAS. I wish to congratulate the Senator from Wyoming and his colleague, the Senator from Texas, for the statesmanship which they have shown in introducing the amendment. If I may be pardoned and given permission to make comment of my own, I would say that this is something which is vitally necessary in the period of preparation which lies ahead. If we do not adopt the policy of paying for current expenditures out of taxes we shall be compelled to borrow, and a large part of this borrowing will come from banks. We will have big increases in bank credit, and a flash flood of price increases which we shall be unable to stem by price controls, no matter how hard we may try. The huge increases in money and credit cannot be held back for long. The black market will operate, and with those increases in prices will come demands on the part of organized labor for increased wages. Employers will not always agree to the extent of the demands which will be made, and the result will be strikes and labor unrest. The great insurance system of the country will be shaken because the value of the dollars which people have saved in the past will be less, and people who have annuities will find their real annual incomes cut considerably. Clerks and others on salaries will suffer. There will be enormous social unrest and great trouble inside the country, simply because we do not have the courage to pay for the cost of the war out of taxes.

Mr. O'MAHONEY. We are placing the cost of the war on profits, and only on profits. We are not conscripting a plant. We are not conscripting a business. We are merely taxing the profits. When we adopt the Selective Service System and take a young man from his school or business, or whatever activity in which he is engaged, we take his body and we put it on the firing line. Shall we say, while we are taking the body, which cannot be replaced, and drafting

it into the service of the Nation, that we shall be tender with profits?

Mr. DOUGLAS. I hope not.

Mr. O'MAHONEY. If we were to do that, we would be inviting the inflation of which the Senator talks, and it would be an inflation which would undermine the private enterprise system.

Mr. DOUGLAS. May I ask one further question?

Mr. O'MAHONEY. Yes.

Mr. DOUGLAS. I was very much interested in the arithmetic of the distinguished Senator from Georgia, the chairman of the committee, and the eminent Senator from Colorado [Mr. MILLIKIN], the ranking minority member of the committee, in which they attempted to show that the proposal of the Senator from Wyoming was only an 85 percent profit increase on 80 percent of the previous average. Since it would operate for only half a year the rate they said would be 42½ percent for the year, whereas their proposal was for a corporate tax of 42 percent. Therefore they felt that the O'Mahoney-Connally proposal would yield only one-half of 1 percent more than their proposal. Is it not the intent of the distinguished Senator from Wyoming and the eminent Senator from Texas that the 85 percent excess-profit rate which they propose is in addition to the 42 percent corporate rate for the first half of the year? In other words is not the 85 percent rate for the second half of the year a net addition to the corporate tax and not a substitute for the committee's rate during the first half of 1950?

Mr. GEORGE. That is not what the amendment says.

Mr. DOUGLAS. I am certain that this was the intent of the eminent Senator from Wyoming.

Mr. GEORGE. That is the difficulty with writing a tax bill.

Mr. MILLIKIN. As the distinguished chairman pointed out, it is about time that we do not work with intent, but that we have a bill to which we can give attention to. We shall have to raise a higher percentage of taxes to support the venture, and we should not underestimate the difficulties. We will reach the point of diminishing returns in some things. I notice with some interest that the situation has not been met by abolishing the exemption which was given by the Eightieth Congress to those in the lower tax brackets. At that time it would have yielded about 2½ billion dollars, and would now yield approximately from 3 to 3¼ billion dollars. We shall have to be thinking about that.

Mr. O'MAHONEY. Without doubt.

Mr. MILLIKIN. I do not see necessity for haste in getting into that situation. In order to close the gap, we shall have to consider other types of taxes. It may be a sales tax or a variance of it.

As we consider various proposals, we shall find that it is easier to talk about them than to adopt them. I merely suggest a note of caution. We are coming to excess-profits taxes, and we are coming to other taxes. I would like to see a tax recovery which would come closer to a pay-as-you-go basis. However, let us not fool ourselves. We may have to look some of the other taxes in the face.

NEED FOR TAX IS IMMEDIATE

Mr. O'MAHONEY. The Senator is correct. However, I have not been deterred at all in the presentation of this amendment by suggestions which have come from various sources that it is a very difficult tax to draw and a very difficult tax to enforce. However, I know that no matter how difficult it may be to draw or how difficult it may be to enforce, such difficulty does not begin to compare with the difficulty of transporting men and machines across the Pacific Ocean to fight on the Korean peninsula. The difficulty which confronts us in drafting legislation is as nothing compared with the difficulty confronting the soldiers who, while we talk, are trying to storm the trenches in which Communist Red Koreans are fighting our men, fighting against the United Nations, and fighting to enslave mankind. In that contrast I give very little weight to talk about difficulty. We are confronted with the most difficult problem which any generation of freemen ever faced, and we must tackle it. That is all. We cannot postpone, postpone, postpone for better study.

Mr. HUMPHREY. Mr. President, is it not most important that the excess-profits tax amendment which has been proposed by the Senator from Wyoming and the Senator from Texas be adopted now in view of the fact that within recent months, particularly within recent weeks, we have witnessed the most amazing and most appalling profit increase we have known since 1948, and even beyond the proportions of 1948 in terms of acceleration? Is that not the situation?

Mr. O'MAHONEY. I think the Senator is quite right.

Mr. HUMPHREY. Would it not be true that if this tax is not put on now, there would be, so to speak, a windfall of ill-gotten gains on the part of those who have been able to rig the prices, as the Senator pointed out, with less production and more profit? We are witnessing that in the commodity market again and again, and in the speculative field. The reports of the Wall Street Journal and the Chicago Chamber of Commerce paper disclose, as the Senator pointed out, that in the early part of this quarter there was a great rise in the profit percentage, away over what there was in the first quarter of 1950. Does the Senator have an observation he wishes to make in regard to that?

SHARP PRICE RISES SINCE JUNE

Mr. O'MAHONEY. Yes. I have a little table here which shows what the price increases have been since the Korean outbreak. The wholesale price index on all commodities for June 20, was 157.1 percent, for August 15 it was 165 percent, an increase of 7.9 points. Farm products went from 166.2 to 170.4, an increase of 5.2 points. Food products went up from 162.5 to 174.2, an increase of 11.7 points. All commodities other than farm and food products went up from 148.3 to 154.2, an increase of 5.9 points.

I have here a statement of some important changes on individual commodities. Rubber was up 66.7 percent.

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

Mr. O'MAHONEY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Will not the Government of the United States be utilizing a great percentage of the rubber?

Mr. O'MAHONEY. Of course.

Mr. HUMPHREY. Which will cut right into the appropriations we are making.

Mr. O'MAHONEY. The defense dollar, so far as rubber tires are concerned, at this time, is cut 50 percent.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wish to suggest to the Senator from Minnesota that his concern is hardly touched by the pending amendment. The amendment will raise about $30,000,000 in terms of liability for the present year, and that is important, but it will not affect the profits he is talking about.

Mr. HUMPHREY. It is not a cure-all. I subscribe very definitely to the comments made by the distinguished Senator from Illinois and the comments of the distinguished Senator from Wyoming. I believe in what has been outlined in terms of individual taxation down into the lower brackets, as the Senator from Colorado has mentioned, increased corporate taxes, the restoration of the gift and estate taxes back to the Seventy-ninth Congress level. Many of these things have to be done, and I think we should be willing to do them. But this is not only an economic problem. There is a bit of psychology involved in it.

If the Senator will permit me to make one more observation, the American people today are calling upon the Congress for an excess-profits tax. The American people today know there are unheard of profits being made.

I heard over the telephone just 10 minutes ago that the railroad workers have called off their strike, and there will be no strike, for which we will all rejoice.

Mr. O'MAHONEY. Everybody will be happy about that.

Mr. HUMPHREY. But I point out now that we cannot look forward to the working men and women holding back their claims for great increases in wages, holding back their claims to share in the plundering of the economy of the country, unless we properly tax the people who are making the money. The Senator from Wyoming has made it clear, and with great courage he has stated what is needed to be said, that the American people expect Congress to pass legislation that will see to it that exorbitant profits are extracted from those who are making them. The excess-profits tax is not to touch the normal profits. Normal profits have been about 16, 17, or 18 billion dollars a year.

We passed a family allotment bill a few days ago that will give the family of a boy going into the service, with a wife and two children back home, $115 a month.

TAXATION OF WAR PROFITS FAVORED BY BUSINESS

Mr. O'MAHONEY. Mr. President, since I first announced my intention to urge such an amendment to the bill, I have heard from scores of businessmen, and I am happy to be able to say to the Senator and to the Senate that the businessmen who have called me up and talked with me have expressed the opinion that we ought to have an excess-profits tax.

One of the great difficulties about getting constructive action lies in the fact we hear the critics.

Mr. HUMPHREY. That is correct.

Mr. O'MAHONEY. We hear those who have special axes to grind. We hear those who are talking for special purposes. But the great bulk of the people, the rank and file of the masses upon the one side, and the rank and file of business leaders and executives on the other, are just as ready as anybody else to make their contribution. They are waiting for the leadership of Congress to give them the opportunity to do it, and I say, let us not fail to provide that opportunity.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. With great respect to the distinguished senior Senator from Wyoming, I suggest that the leadership that provides a $35,000,000 cure-all for a $16,000,000,000 expenditure is not a remedy, as the Senator referred to it, it is not even a homeopathic dose.

Mr. HUMPHREY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. In just a moment. I have enjoyed the interest in this subject, but I submit to my good friend from Colorado, when he uses the word "cure-all" in connection with this amendment——

Mr. MILLIKIN. The Senator from Minnesota used the word.

Mr. HUMPHREY. No; the Senator from Minnesota said this was no cure-all.

Mr. O'MAHONEY. Wait a moment.

Mr. MILLIKIN. I say it is not a homeopathic dose.

Mr. HUMPHREY. As a pharmacist, I say it is.

Mr. O'MAHONEY. Mr. President, this amendment is not presented as a cure-all. It is presented as a constructive contribution to the most difficult problem Congress has ever faced. I say, let us not waste time applying adverse adjectives. Let us go to the facts.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. With the greatest respect, and I know the Senator is highly skilled in these matters and has had great experience in them, this is his third effort, and it would produce nothing compared to the size of the problem. Those of us who are asking that the amendment not be agreed to are merely asking that we have time to do something which will achieve a real result.

Mr. O'MAHONEY. Mr. President, it will be a very simple matter to increase the rates, if the Senator thinks the rates are too low. It will be a very simple matter to reduce the base, if the Senator thinks the base is too high. If the Senator thinks the amendment, in the language which it contains, provides too great a credit, as might easily be the case, granting credit for the whole of the year 1950 instead of for half of the year 1950, it would be very simple to provide a remedy, and I shall be very glad to modify my amendment to increase the revenue. I am sure I will not have any difficulty agreeing to any level which the Senator from Colorado may be willing to suggest.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I no more think I can write an excess-profits-tax bill on the floor of the Senate than I think the distinguished senior Senator from Wyoming can do it.

Mr. DOUGLAS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that if the great talents of the Senator from Colorado had been addressed to the question of excess-profits taxes within the committee, he would have brought forward an iron-clad, completely airtight proposal, which would have yielded more revenue, and, in default of that, the Senator from Wyoming and the Senator from Texas had to pick up the ball and do the best they could, and they are right at the point now where a slight change in the language, permitting a 42-percent corporation tax for the first half of the year, and an 85-percent excess profits tax for the second half of the year, will yield the increased sums which the Senator from Wyoming has said will be forthcoming?

Mr. MILLIKIN. Mr. President——

Mr. LANGER. Mr. President, I call for the regular order.

COOPERATION NEEDED TO PERFECT TAX

Mr. O'MAHONEY. Mr. President, I have very much appreciated the questions which have been asked by Senators. It demonstrates what I know to be the fact, that there is great interest in this amendment. There is great interest in the tax bill. I believe that the Congress of the United States is a unit in wanting to provide as much revenue as we can provide, and provide it now. What I have said here today has not been said in criticism of the committee, or of its members. I know the difficulties of amending a tax law. The tax law on the statute books has been an accumulation of years, and, of course, it is difficult to make changes in it. But I do say to the Members of the Senate, that the sacrifices are being made now. The expenditures are being made now. Errors are being made in the expenditures. Errors are being made in the sacrifices. Some men are told to go where they should not be told to go. There are tactical and strategic errors upon the field of battle. Because of mistakes men die when they should not die. We cannot prevent that. We have to do the best we can. I say, against that picture, certainly we should not delay now to do what is necessary so that the men on the fighting front may be properly supported.

There are four things we do if we act now. First, we support the man who is fighting, and we ought to do it. Second, we will fight inflation upon the home front. Third, we shall have the effect of preventing, or at least of holding down another deficit for war. And finally, we shall be giving notice to the profiteer, wherever he may be, that he is collecting his pound of flesh for Uncle Sam to be sent to war.

Mr. MILLIKIN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. The distinguished Senator from Illinois was curious as to why, in view of the great intelligence possessed by the Senate Finance Committee, we did not fashion an excess-profits amendment. I think it is very important to know why we did not fashion an excess-profits bill. The President of the United States, who asked for a quick emergency interim bill, did not ask for an excess-profits tax, and we spaced our time to get him the kind of a bill that you have here. This is not the first time that I have made a mistake when I followed the President of the United States.

Mr. DOUGLAS. I was going to ask the distinguished junior Senator from Colorado if the policy which he followed in this instance, namely, of slavishly following the recommendation of the President of the United States, has now become the settled and established practice of his lifetime?

Mr. MILLIKIN. I will say to the Senator from Illinois that I shall not make too many errors of that kind.

During the delivery of Mr. O'MAHONEY's speech,

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

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am glad the Senator made the point in regard to eliminating or reducing absolutely all nonessential expenditures, for I wished to emphasize that point.

The Senator quoted the very forceful words of Mr. Fleming, and the matter he mentioned is one which should be reviewed and should be considered most carefully by the Senate when the conference report on the appropriation bill comes before the Senate.

I appreciate what the Senator has said about the good shape our economy is in, but I point out that there is a difference of opinion in that respect, because today's dollar is nowhere near the value of the 1939 dollar. Today we are simply shoving around a great many additional dollars.

I am quite sure the Senator from Wyoming will give ample argument in support of the excess-profits tax amendment he has submitted, because of course he has pointed out that an excess-profits tax is one way to stop inflation.

I merely rise to commend the Senator for quoting Mr. Fleming, because I think one sound approach to the prevention of inflation is the elimination of needless expenditures.

Although I agree with the Senator that the bulk of the expenditures we are making today are for defense—and we must support them—nevertheless there are in the budget many nondefense items which can be eliminated.

In view of the fact that our military budget next year will be very much larger than the present one—in fact, there will be an increase of at least $15,000,000,000—and in view of the fact that we shall be confronted with a similar situation in the following year, it behooves us not only to consider carefully the amendment the Senator from Wyoming has presented this afternoon, but also to take into most careful consideration the suggestion made by Mr. Fleming, which has been emphasized by the Senator from Wyoming, namely, that we cut down every expenditure which is not necessary for the national defense.

Mr. O'MAHONEY. I agree with the Senator from Nebraska; but we must bear in mind that the $16,700,000,000 supplemental appropriation bill which is about to be passed will amount to considerably more than 29 percent of the appropriations the Congress passed a short time ago, which have no defense connections.

Mr. WHERRY. Of course it depends upon what definition one uses for defense and military items. The Senator from Wyoming has his definition, with which others may not agree.

For instance, I do not think point 4 has a thing to do with the defense of the United States; I make that point. If I had my way about the matter, in view of the fact that the Nation is in desperate condition, with a debt of $260,000,000,000 which must be protected, I would see to it that all such nondefense items were eliminated or drastically reduced. Senators talk about all the dollars which are coming in; but today's dollars are not the 100-cent dollars which we had in 1939.

Mr. O'MAHONEY. Mr. President, I do not wish to get into a dispute now in regard to point 4.

Mr. WHERRY. I do not, either.

Mr. O'MAHONEY. However, I cannot let the Senator's remark pass without calling attention to the fact that Congress did not agree with the Senator from Nebraska, for Congress provided for the point 4 program. I know I supported it, and I did so in the firm and the sound belief that the expenditures to be made for it were much better than many other expenditures we could make to prevent a third world war, and that it would result in saving the lives of many of our men.

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

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Much as we love our dear friend, the Senator from Nebraska, Mr. President——

Mr. WHERRY. Oh, oh! [Laughter.]

Mr. DOUGLAS. Nevertheless, is it not true that the Senator from Nebraska seems to model his debate along the line of the conversational style of Mr. Dick, a character in Dickens' novel, David Copperfield? We remember that Mr. Dick never could discuss any subject without bringing into the discussion the head of Charles I.

I always marvel at the way in which our friend the Senator from Nebraska, no matter what subject is under debate, always brings in ECA and point 4. I wish to congratulate the Senator from Nebraska on his education in the novels of the Victorian period and the way he imitates Mr. Dick on any and all occasions.

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

Mr. O'MAHONEY. I yield.

Mr. WHERRY. If I can bring into the debate more Dicks advocating economy [laughter] perhaps some day the Senate will realize that the Dicks the Senator from Illinois introduces have nothing to do with the defense of this country. That is what I should like to submit this afternoon for the Senate's consideration.

I wish to tell the Senator from Wyoming that we should give serious consideration to the observations made by Mr. Fleming, as they have been referred to this afternoon, and also the observations of many other persons, as they apply to the various appropriations. When we consider all the appropriations together, we find that we can eliminate appropriation items amounting to millions and millions of dollars, for they have nothing at all to do with the defense of the United States.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the debate about Mr. Dick be placed in the RECORD at the conclusion of my remarks.

Mr. WHERRY. I certainly shall not object, Mr. President. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. Mr. President, will the Senator from Wyoming yield in order that I may submit two conference reports?

Mr. O'MAHONEY. I yield.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendments of the Senate and agree to the same.
>
> PAT MCCARRAN,
> ALEXANDER WILEY,
> *Managers on the Part of the Senate.*
>
> WILLIAM T. BYRNE,
> THOMAS J. LANE,
> JOHN JENNINGS, Jr.,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

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

Mr. McCARRAN. Mr. President, the report concerns a private claim bill. The House allowed slightly more than $3,000. The Senate reduced the amount to $2,000, eliminating a proposed amendment. In the conference the House agreed to recede from its disagreement and to accept the Senate amendment.

I now move the adoption of the conference report.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to.

EWA PLANTATION CO., A HAWAIIAN CORPORATION—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, and intend to ask unanimous consent for its immediate consideration, if I may have the attention of the distinguished acting majority leader.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendments of the Senate and agree to the same with amendments as follows: On page 1, line 3, strike out "Court of Claims", and insert in lieu thereof "District Court for the Territory of Hawaii", and on page 2, line 8, after the word "Government", insert the following: "*And provided further,* That the Court of Claims shall have exclusive jurisdiction to review by appeal any final judgment by the said District Court for the Territory of Hawaii on any suit brought under this act, and that in any such review the said Court of Claims shall consider both the law and the facts: *And provided further,* That the foregoing shall not deprive the parties hereto from a further appeal to the Supreme Court of the United States."
>
> G. L. WITHERS,
> ALEXANDER WILEY,
> *Managers on the Part of the Senate.*
>
> WILLIAM T. BYRNE,
> WINFIELD K. DENTON,
> JOHN JENNINGS, Jr.,
> *Managers on the Part of the House.*

Mr. McCARRAN. This is a bill in the nature of a private relief bill, but it does not provide for the payment of money. It only puts the claimant in court. The House of Representatives granted jurisdiction to the district court. The Senate amended it so as to put jurisdiction in the Court of Claims. This was at the request of the Senator from Iowa [Mr. GILLETTE]. The conferees recommended language which would bring the claim before the district court, in the first instance, but it would provide for a review by the Court of Claims in the

case of an appeal. I am informed that this compromise is satisfactory to the author of the bill, the Senator from Iowa.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on H. R. 2233, to which I have just referred.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the report was considered and agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that on August 24, 1950, the President had approved and signed the act (S. 459) for the relief of Cornelis Ruhtenberg, also known as Cornelia Ruhtenberg Helmsing.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. DAVIS of Tennessee and Mr. TRIMBLE had been appointed on the part of the House to serve as managers in place of Mr. BUCKLEY of New York and Mr. LARCADE at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The message announced that the House had passed, without amendment, the following bills of the Senate:

S. 665. An act for the relief of Margaret D. Scott;

S. 858. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife; and

S. 3724. An act for the relief of Maria Sulikowska Forbes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered:

(Ch. II) 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, 51;

(Ch. III) 94, 107;

(Ch. V) 142, 148, 151;

(Ch. VI) 157, 166, 201, 223, 224, 232, 234;

(Ch. VII) 254, 275, 277, 278, 279, 285, 295, 300, 302, 306;

(Ch. VIII) 342, 353;

(Ch. IX) 398;

(Ch. X) 417, 418, 451, 456;

(Ch. X-B) 474, 478, 480, 481, 482, 483, 485, 486, 488, to the bill, and concurred therein.

That the House receded from its disagreement to the amendments of the Senate numbered 35, 68, 72, 92, 175, 189, 192, 198, 200, 209, 215, 238, 284, 288, 289, 319, 337, 338, 345, 354, 361, 363, 373, 388, 399, 467, 471, 472, 473, 475, 476, and 477, to the bill, severally with an amendment in which it requested the concurrence of the Senate.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. WILLIAMS. Mr. President, I offer an amendment to the amendment of the Senator from Wyoming on behalf of himself and the Senator from Texas, and I ask that the amendment be made the pending amendment.

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The amendment will be received, printed, and lie on the table.

Mr. WILLIAMS. No, Mr. President, I offer it as the pending amendment.

Mr. GEORGE. Mr. President, the pending amendment is the amendment offered by the distinguished Senator from Wyoming on behalf of himself and the Senator from Texas.

Mr. WILLIAMS. Yes, but this is an amendment to the amendment offered by the Senator from Wyoming and the Senator from Texas.

Mr. GEORGE. An amendment to the amendment?

Mr. WILLIAMS. Yes, which I will discuss later.

Mr. GEORGE. Is the Senator ready to discuss his amendment?

Mr. WILLIAMS. No, I do not want to discuss it tonight, because I understand it is the intention to take a recess of the Senate shortly. I shall discuss it on Monday.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. WILLIAMS. I offer it and ask that it be printed and made the pending amendment.

Mr. GEORGE. Do I understand the amendment is the pending amendment?

The PRESIDING OFFICER. Yes. The question is on the amendment offered by the Senator from Delaware to the amendment of the Senators from Wyoming and Texas.

Mr. GEORGE. Has the amendment been stated?

Mr. WILLIAMS. It is the cooperative tax amendment. It is the same amendment identically as was offered in committee. I was very much impressed by the arguments of the Senator from Wyoming and the Senator from Illinois, and I agree with them fully, to the effect that as we face this emergency every segment of society has got to be called upon to do its proportionate part for the war. I think there is no more appropriate place to which to offer the amendment than to the amendment of the Senators from Wyoming and Texas. The adoption of the amendment will place everybody on a basis of equality.

Mr. GEORGE. I suppose the Senator from Wyoming will accept the amendment in view of the logic of the statement just made by the Senator from Delaware, which has convinced him of the advisability of adopting the amendment.

Mr. WILLIAMS. I know of no better argument I could make for the amendment than that contained in the closing remarks of the Senator from Wyoming.

Mr. GEORGE. Mr. President, I want to ascertain the character of the amendment. As I understand, the Senator does not want to discuss it at this time.

Mr. WILLIAMS. No. It is the same amendment I submitted to the Finance Committee.

The PRESIDING OFFICER. The amendment has been ordered to be printed and to lie on the table.

Mr. WILLIAMS. I understand that my amendment is the pending question.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Has the amendment been offered, and is it an amendment to the O'Mahoney-Connally amendment?

The PRESIDING OFFICER. Yes, it has been offered and it is an amendment to the O'Mahoney-Connally amendment.

Mr. WHERRY. And it is now the pending amendment?

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS' amendment is as follows:

At the appropriate place in the bill insert the following:

"SEC. . Income tax treatment of cooperative corporations.

"(a) Repeal of exemption of cooperatives from income tax on corporations: Section 101 (12) and (13) of the Internal Revenue Code are repealed.

"(b) Imposition of income tax and computation of income.—

"(1) Technical amendment.—Section 4 of the Internal Revenue Code is amended by inserting at the end thereof a new subsection reading as follows:

"'(m) Cooperative Corporations—Supplement V.'

"(2) Taxation of cooperatives.—Chapter 1 of the Internal Revenue Code is amended by inserting after section 421 a new supplement reading as follows:

"'SUPPLEMENT V—COOPERATIVE CORPORATIONS

"'SEC. 431. Tax of cooperative corporations.

"'(a) In general.—

"'(1) Cooperative corporation.—For the purposes of this chapter the term "cooperative corporation" means a corporation (A) that calls itself a "cooperative" or "co-op," or (B) that represents to any persons or classes of persons which deal with it that

their patronage will or may entitle them (i) to the payment, either actually or constructively, of patronage dividends, or (ii) to an equity interest in any of the corporation's assets, or (C) that is otherwise operated for the mutual benefit of persons or classes of persons that deal with it; but such term does not include a mutual insurance company or any corporation exempt under section 101.

"'(2) Net income.—In computing the net income of a cooperative corporation there shall be excluded patronage dividends paid or payable to patrons, but only if—

"'(A) The activities of such corporation during the whole of the taxable year did not extend beyond

"'(i) marketing commodities acquired solely from members, and transactions ordinarily and necessarily incident to such marketing, or (ii) selling goods or commodities to, or performing services for, members, and transactions ordinarily and necessarily incident to such sales or services;

"'(B) The patronage dividends are paid in money exclusively not later than 60 days after the close of the taxable year, and there are no conditions either precedent or subsequent as to the application or use of such money by the members;

"'(C) Such patronage dividends are derived exclusively from marketing commodities acquired from members, or the sale of goods or commodities to, or performance of services for, members, or from transactions ordinarily and necessarily incident to such marketing, sales, or services; and

"'(D) Such patronage dividends are paid to each member solely on the basis of the amount of commodities acquired from such member or the amount of goods or commodities sold to, or services performed for, such member, as the case may be; and are not denied to any member because of the limited extent of his transactions, or conditioned upon his retaining or presenting evidences of his transactions.

"'(3) Gross receipts: The gross receipts from the sales of goods or services used in computing the gross income of a cooperative corporation shall be determined without the exclusion or subtraction of any patronage dividends, paid or payable to patrons.

"'(4) Cost of products bought from producers: In determining the cost to a cooperative corporation of products sold to it by a producer for resale (whether or not in their original form), only amounts other than patronage dividends, paid, or payable to such producer on account of such sales shall be used in computing such cost unless under regulations prescribed by the Commissioner with the approval of the Secretary, the corporation establishes that the application of this paragraph would more clearly reflect income, in which case the prevailing market price on sales of such products by producers, or the amounts, including patronage dividends, paid or payable in money on account of such sales, whichever is the lesser, shall be used in determining the cost to the corporation of such products so sold to it for resale.

"'(5) Patronage dividend: For the purposes of this chapter the term "patronage dividend" means an allocation or a distribution paid or payable (whether or not in money and whether described as a refund, rebate, price adjustment, or payment of a balance due under a marketing agreement) to member patrons or to member and nonmember patrons on some basis related to their sales to or purchases from the corporation during the taxable year, if (A) the allocation or distribution is conditional (i) upon profits or margins being earned by the corporation from all its operations or a class of its operations during its fiscal year, or (ii) upon income attributable to the resale of the producer's product along with products or a class or classes of products of some other producers less any deductions determination of which is within the discretion of the corporation, or (B) the amount of the allocation or distribution can be determined only with reference to the amount of the profits, margins, or income earned, or (C) the amount of the allocation or distribution can be determined only after declaration or payment of dividends on any class of stock of the corporation or only after the fixing of sums to be transferred to capital, reserves, or surplus.

"'(6) Member of cooperative corporation: For the purposes of this chapter, a person shall be considered a member of a cooperative corporation only if such person is entitled to exercise voting rights and meets such requirements for membership as are prescribed by the cooperative.'

"(c) Information returns required of cooperatives: The Internal Revenue Code is amended by inserting between section 148 and 149 a new section as follows:

"'SEC. 148A. Information by cooperatives.

"'(a) Payments of patronage dividends, refunds, or rebates: Every association organized and operated as a cooperative shall, when required by the Commissioner, render a correct return, duly verified under oath, of its payments of patronage dividends, rebates, or refunds, stating the name and address of each member in the association, and the amount of payments paid to each member and patron.

"'(b) Accumulated earnings and profits: When requested by the Commissioner, every association organized and operated as a cooperative shall forward to him a correct statement of accumulated earnings and profits, including patronage dividends, rebates, or refunds allocated to, but not paid in cash to, members and patrons, and the names and addresses of members and patrons who would be entitled to the same if divided or distributed, and the amounts that would be payable to each.'

"(d) Taxable years to which applicable: The amendments and repeals made by this section shall be applicable only with respect to taxable years beginning after June 30, 1950."

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON APPROPRIATION BILL ON MONDAY

Mr. MORSE obtained the floor.

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

Mr. MORSE. I yield.

Mr. WHERRY. May I ask the chairman of the Appropriations Committee, the Senator from Tennessee [Mr. McKELLAR], when he intends to bring up the conference report on the omnibus appropriation bill?

Mr. McKELLAR. Mr. President, it is a privileged matter. If there is no objection, I see no reason why we cannot bring it up right away.

Mr. WHERRY. I would appreciate it if it were brought up on Monday. There are several Senators whom I should like to see on the floor when the report is brought up for consideration.

Mr. McKELLAR. Mr. President, I ask the Senator from Georgia if he is willing to agree that we take up the conference report on the appropriation bill on Monday. I think consideration of it will require only a few moments. I have been assured by the leaders that it will take only a short time. If it takes any considerable amount of time, we can defer action on it.

Mr. GEORGE. Mr. President, it is a privileged matter.

Mr. McKELLAR. Yes.

Mr. GEORGE. Why can we not act upon it now?

Mr. WHERRY. Mr. President, it would be perfectly agreeable to the junior Senator from Nebraska to have the Senate act upon it now; but, several Senators are not now on the Senate floor who should be here when discussion is had of the report. I am not sure that they can be brought back to the floor so late in a Friday session. While I am in total agreement with the distinguished chairman of the Appropriations Committee that consideration of the report will not take much time, I believe we should defer action until Monday, unless the Senator should wish to ask for a quorum call and get the absent Senators back to the Chamber.

Mr. GEORGE. No, Mr. President, I would not ask for a quorum call this late in the afternoon.

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

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Tennessee?

Mr. MORSE. I yield.

Mr. McKELLAR. As the Senator knows, there are 11 chapters to the bill. There were subcommittees which dealt with each chapter, and the chairmen of those subcommittees ought to be present. I think they should be notified before we proceed to consider the report. In my judgment it will be impossible to notify all of them so they can be here this afternoon.

Mr. GEORGE. I am merely apprehensive that we may get into a long discussion of the budget on Monday.

Mr. McKELLAR. I hope not.

Mr. GEORGE. But, of course, the conference report is a privileged matter, and I shall yield to the Senator from Tennessee to bring it up.

Mr. McKELLAR. That is very kind of the Senator. I appreciate it very much.

Mr. President, I ask unanimous consent that when the Senate meets on Monday the unfinished business be temporarily laid aside, and that the Senate proceed to consideration of the conference report on the omnibus appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INVESTIGATION OF FEDERAL JUDICIARY

Mr. LANGER. Mr. President, I am submitting a concurrent resolution providing that there be a thorough investigation of the entire Federal judiciary. If the facts in the Bridges case are as they have been stated to me, Judges William Orr and William Healy should be impeached and thrown out of office. If, on the other hand, the facts are otherwise, those judges should be retained. During the last 18 years there have been appointed too many judges who have simply been politicians, some of them utterly devoid of the attributes of a good, fair, honest judge. Some of them were members of subversive organizations before they were appointed. Others have simply been political hacks with enough influence to be appointed and confirmed. Certainly all of us are fa-

miliar with one case, argued upon this floor, which stinks to high heaven. Also, we should find out whether judges who are not even citizens of the United States have been appointed. If there are any judges who, while our boys are dying on the field of battle, to protect the skins of all our people, are sympathizers with Russian communism, the quicker this committee, to be composed of representatives of the House and Senate, finds that out and the quicker steps are taken to impeach and get rid of all judges of that sort, the better.

I hope, Mr. President, that we may have prompt action on this concurrent resolution, and that sufficient money be given to the committee so that a fair, honest, impartial, and thorough investigation can be made immediately, because I believe that the people of the United States are entitled to have on the bench good, fair, honest, capable judges who believe in the American system of government.

The concurrent resolution (S. Con. Res. 103), submitted by Mr. LANGER, was received and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee of six be appointed, three by the chairman of the Judiciary Committee of the Senate and three by the chairman of the Judiciary Committee of the House, to make a thorough investigation of the entire Federal judiciary with a view to ascertaining whether any of the Federal judges are Communists, sympathizers of Russian communism, believers in Marxism system of government, members of subversive organizations, whether they are real Americans and citizens of the United States, and still fit, because of age or otherwise, to properly conduct their duties as Federal judges of the United States Government, with full authority to recommend impeachment.

Mr. LANGER. Mr. President, I now call attention to an article entitled "Court Rules 2 to 1—Bridges Free—Prosecutor Says 'God Help America'—Will Quit." The article appears on the front page of today's issue of the Washington Post. I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

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

BRIDGES FREE—PROSECUTOR SAYS "GOD HELP AMERICA"—WILL QUIT

SAN FRANCISCO, August 24.—CIO Longshore Leader Harry Bridges today was ordered freed in $25,000 bail pending his appeal on a perjury conviction, and in Washington the Government's special prosecutor who had handled the Bridges' case, F. Joseph Donohue, announced he would resign Friday.

He would not amplify his remarks except to say:

"God help America."

The $25,000 bail was the amount Australia-born Bridges had furnished while awaiting decision on his appeal from a Federal Court conviction and sentence of 5 years' imprisonment on August 5.

He was convicted in April of perjury and conspiracy to defraud at the time he obtained his United States citizenship in 1945. A jury found he lied when he swore he was not a member of the Communist Party.

Bridges will be freed after papers in the case are signed at 10 a. m. Friday.

In a 2 to 1 ruling the Court of Appeals held that the Government's effort to jail Bridges was "novel and startling."

Voting for Bridges' release on bail were Judges William E. Orr and William Healy. Judge Clifton Mathews dissented.

"It is our purpose neither to minimize, on the one hand, nor to exaggerate, on the other, the possible implications of Bridges' utterances as disclosed in the Government showing," the majority opinion said.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a marked portion of page 19 of the hearings before the Committee on the Judiciary, on September 27, 1949, on the nomination of Judge Minton.

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

From 1900 to 1909 there were seven Republicans and two Democrats on the Supreme Court. From 1910 to 1916 there were six Republicans and three Democrats. From 1917 to 1921 there were five Republicans and four Democrats. From 1922 to 1932 there were six Republicans and three Democrats. From 1933 to 1937 there were five Republicans and four Democrats. In 1938 there were four Republicans and five Democrats. In 1939 and 1940 there were three Republicans and six Democrats. From 1941 to 1946 there were two Republicans and seven Democrats, and for the last 3 years there has been one Republican and eight Democrats. That just shows that we are losing the equitable balance by continually receiving what somebody has termed "appointment of government by cronies."

Senator FERGUSON. The last three appointments were all Democrats.

Senator JENNER. And the picture is much worse than that. That is referring only to the Supreme Court. When you get into the breakdown of actual judges, Mr. Truman has carried on the Roosevelt tradition of appointing political partisans to the bench, and of the 192 Federal judges appointed since 1933, up to date, 184 of the 192 have been Democrats, and only 8 Republicans.

PROTECTION OF INTERNAL SECURITY OF THE UNITED STATES—PERMISSION TO SUBMIT MINORITY VIEWS DURING RECESS

Mr. KILGORE. Mr. President, will the Senator from Oregon yield to me for a moment?

Mr. MORSE. I yield.

Mr. KILGORE. Mr. President, I ask unanimous consent for permission for myself and some of my colleagues to file with the clerk of the Senate minority views on the so-called McCarran bill, Senate bill 4037, to protect the internal security of the United States, and for other purposes. It is the so-called anti-Communist bill, which now is on the Senate Calendar.

The reason for making this request is in order that the minority views may be submitted and printed. The delay in submitting them arises from the fact that we were unable to obtain the majority report on the bill until so late that we shall not be able to complete the minority views until tomorrow.

Therefore, I ask unanimous consent that the minority views may be filed tomorrow, during the recess of the Senate, if the Senate is not in session at that time, in order that the minority views may be printed.

The PRESIDING OFFICER. Without objection, consent is granted.

THE RAILROAD STRIKE

Mr. MORSE. Mr. President, I wish to make a few remarks in reference to the pending railway case.

As the Senate knows, the press ticker has informed us this afternoon that the President of the United States has issued an order seizing the railroads of the country at 5 p. m. next Sunday and placing their operation, or token operation, under the Army.

I think the action of the President is a great mistake and an unfortunate precedent to establish in this national emergency. I do not think it should have occurred until all other possible procedures for settlement of the case had been completely exhausted. I most respectfully say that I do not think all possible procedures had been exhausted.

I happen to be one who believes that labor disputes should be kept away from the White House if there is any possible way of doing so. I think labor disputes in this country should be settled by procedures and machinery outside of the White House except in those rare instances when no other course is available. However, judging from the past experience we have had I recognize that there are rare emergency occasions when it becomes necessary for the President of the United States to take jurisdiction of the case. Nevertheless, when that is done, I think it is very important that before the President takes any so-called enforcement action in respect to the dispute—and seizure is that kind of action—the White House should hand down a decision in accordance with what it thinks a fair settlement of the dispute should be. I think the American people are entitled to know that. I think the American people are entitled to know the facts about any labor dispute which results in action as drastic and significant as is the action taken today by the President of the United States in the railway case.

Furthermore, Mr. President, I think it is very important that labor and industry recognize that whenever a case goes to the White House it is to be expected that the White House will finally render on that case a decision in behalf of the American people. Under such circumstances it is to be expected that the White House will make clear to both sides to the dispute that their failure to settle the case by the peaceful procedures which are available to them is not going to stop their Government at the executive level from calling upon them, as the last step in the case, to abide by a fair decision in respect to the issues.

That has not been done in this case, Mr. President, and that is why I think the order of seizure is a very bad precedent.

Let us consider some of the steps in this case. I shall not pass judgment on the merits of the respective positions of the parties on the various issues, because I have not studied the record. Nevertheless, all of us are familiar with some of the steps of procedure which have been followed in this case. We

know that the dispute is of many months' standing—in fact, some 17 months. We know that it involves wages and conditions of employment. We know that an emergency board's report was handed down on those issues; and we know that the brotherhoods—for their own reasons, and I am not going to pass judgment on the propriety of their reasons—refused to accept the recommendations of the Emergency Board. They had a right, under the law, to refuse to accept those recommendations; and that refusal on their part came prior to the Korean war.

Under the Railway Labor Act they were entitled to 30 days for further negotiations, after their refusal to accept the recommendations of the Emergency Board. The history of the Railway Labor Act, its spirit and intent—yes, its very language—leaves no room for doubt that it was planned under that act that if during the so-called cooling-off period of 30 days following the issuance of an Emergency Board's report the parties could not negotiate a settlement between them, either side would then be free to resort to economic action by way either of a strike or a lock-out.

In this case, the brotherhoods made perfectly clear that they would not accept those recommendations. Again I am not going to render a judgment here this afternoon on the wisdom of their decision. I only wish to point out that they had the right to reach that conclusion if they wanted to. They would have had a right to strike under the Railway Labor Act. Then a new condition developed which did not exist during the 17 months of negotiations on this case. It was a condition which was not in the picture when the Emergency Board held its hearings and made its recommendations. That new condition was the outbreak of the Korean war. In my judgment, Mr. President, that changed things materially. It placed new obligations, I think, on both parties to the dispute. Those obligations are great moral obligations, great patriotic obligations. I think as the result of the outbreak of the Korean war both sides owed a duty to the American people to reach a settlement by way of the peaceful procedures of mediation and conciliation. They did not do it. A strike was threatened, and then the brotherhoods—and I want to be very careful to understate this situation, but by way of that understatement, nevertheless, to report it accurately—I think it is an understatement to say that at that point the brotherhoods sent to the President of the United States a telegram which made very clear that if the case were not settled on a basis which they considered to be fair, and if the President of the United States did not order the railroads seized by the Government, they would call a strike. I think, by way of interpretation of their message to the White House it is fair to say that they had the right to send the message. As one who has been involved in a great many labor disputes, I think I can understand their attitude. But the next step in the procedure of this case is of great importance in the analysis I want to present to the Senate this afternoon in support of my contention that a great mistake was made in ordering a seizing of the railroads this afternoon, or in ordering that they be seized on Sunday.

I think the record will show that, upon receiving that telegram, the President, although he did not communicate directly with the presidents of the two brotherhoods concerned, turned the telegram over to one of his very able assistants at the White House, Mr. John R. Steelman, former Director of the United States Conciliation Service. He apparently instructed Mr. Steelman to proceed with negotiations and mediation hearings with the brotherhoods and the carriers. By the issuance of that order to Mr. Steelman the White House took jurisdiction of the case. It is not the first time that the White House has taken jurisdiction of great labor cases in this country. The present occupant of the chair, the Senator from North Carolina [Mr. GRAHAM], who, as a member of the War Labor Board, served with me on a great many cases during the late war, knows that, in all those cases during the war, when the White House took jurisdiction it also ultimately rendered a decision on the case. It rendered a decision whether that decision was through a decision of the War Labor Board itself, or a subsequent decision of the President of the United States, himself.

As I intimated on the floor of the Senate yesterday, we had, in 1941, immediately preceding the Pearl Harbor attack, a great railway case similar in many respects to the dispute which is now before the country in this railway case. In that case, too, the brotherhoods refused to accept the recommendations contained in the Emergency Board report, and, after the refusal to accept and after the lapse of a certain length of time, the White House took jurisdiction of the case.

In that case, too, there were various statements made by some of the union leaders as to what would happen if certain things were not done by the Government. Interestingly enough, in that case, too, the representatives of some of the brotherhoods wanted the Government to seize and operate the railroads. In fact, as I recall, the leader of one of the brotherhoods in that case went so far as to suggest that probably, in view of what he considered to be the very unfair attitude of the carriers, the railroads ought to be nationalized by the Government. But when the President of the United States took jurisdiction of that case at the White House level, we went through to a decision. That is highly important. I want to make this point of procedure as clear as I can, because, if we should let the precedent in the instant case become a pattern, I do not know where it would stop.

In the 1941 case we reached the point in mediation where some of the representatives of the Brotherhoods said they were going to walk out of the case. They said that about 3 o'clock in the morning. But the President of the United States was apprised of that situation at 3 o'clock in the morning and was apprised, also, of what his mediators thought a fair settlement of that case would be. He agreed that the proposed settlement of the mediation should be announced to the parties to that case as the White House settlement of the case, and that they be called upon, in the name of the President of the United States, to accept that settlement as their clear patriotic duty in the emergency situation which then confronted us, which was a short time before Pearl Harbor.

What happened? The thing happened that will usually happen. The thing happened which the present Presiding Officer of the Senate saw happen many times during World War II, when the White House either supported a decision of the War Labor Board or issued certain orders in connection with the decision of the Board. Knowing the support of public opinion that would fall quickly behind the White House position, the parties usually accepted the decision.

In this case, Mr. President, I think if there had been a position taken by the White House by way of a notification to the American people as to what the White House considered to be a fair settlement of these issues for the duration of the emergency, both sides would have had to accept it. I am very sorry, Mr. President, that such a decision was not handed down by the White House, because I think the White House was in a position to tell the American people what would have been a fair mediation settlement on the issues.

I think if that had been done, Mr. President, neither the brotherhoods nor the carriers would have dared to resist an acceptance of such a fair decision. As I stated yesterday on the floor of the Senate, I would have supported it, as I think every Member of the Congress would have supported it, irrespective of whether it was the same decision we individually would have rendered if it had been our responsibility to determine the merits of the case.

The dispute is not settled by the seizure order. The controversy will go on behind the scenes. This kind of a settlement is not going to be helpful to morale within the industry. It is going to be causative of bitterness and resentment. It is going to be misunderstood throughout the country, and it runs the danger, Mr. President, of encouraging this kind of a method of settling management-labor disputes in this country. It is a great mistake.

I think that what should have been done is to have said to the carriers and brotherhoods, "If you cannot settle the issues of this dispute between yourselves, and because of the importance of the full operation of the railroads to the war effort, after hearing the pros and cons of your respective positions on the issues, the White House now offers you this series of proposals for the settlement of this case."

That would have put them on the spot. That would have tested, in my judgment, the good faith of both sides to the dispute. Instead of that, what do we have? There is no settlement of the issues. The Government coming in and taking over the railroads, even though it is a token seizure, settles nothing. I think it is a poor example to set to the world. I believe the labor case has yet to exist in

time of emergency in this country that cannot be settled by bringing the force of public opinion to bear upon a fair decision on the merits of the case. This Government of ours has too much important work to do in prosecuting the war effort to have anyone down at the Pentagon Building spending a single hour in connection with the seizure of America's railroads. Even if we make it a paper seizure, we cannot go through this kind of a seizure without taking a great deal of time at the Pentagon Building. We cannot go through it without involving a great many financial considerations, also. This kind of Government operation costs money, and it raises a great many intricate and complex legal problems which will remain in the courts for months or for years. I just do not think it was necessary to take the step that was taken this afternoon. At least, I am satisfied that the White House did not exhaust all the procedures it should have exhausted before it seized the railroads.

I do not know to what extent the President's decision to seize the railroads resulted from a mistaken impression that he apparently formed yesterday, if one is to judge from the newspaper reports of his press conference yesterday, namely, that some pledge had been broken on the part of the brotherhoods, some pledge which had been given to the White House. As I read the newspapers, it appears that the President was under the impression that the brotherhoods had made a pledge to Mr. Steelman that they were not going to extend the strike. I was not there, Mr. President, and I cannot say for a certainty that what I now report is a completely accurate statement, but I think that what I now report should be in the RECORD, nevertheless.

I was advised this morning that no such pledge was ever made to Mr. Steelman. I was advised this morning that if the Committee on Labor and Public Welfare would call in the representatives of the Railway Mediation Board who were present at the mediation conferences at which this pledge is supposed to have been made, they would testify that they heard no such pledge. I am advised that if the Committee on Labor and Public Welfare, or at least its subcommittee which has been established for the purpose of looking into labor dispute problems that exist in the country at this critical time, would proceed to find out the facts about the negotiations connected with this railway labor dispute, it would be found that no such pledge was made. It is difficult for me to believe that the presidents of the two brotherhoods, Mr. W. P. Kennedy and Mr. R. O. Hughes, would send to the President of the United States the telegram which they sent to him today if, in fact, they had made any such pledge to Mr. Steelman.

That telegram reads:

WASHINGTON, D. C., *August 25, 1950.*

The PRESIDENT,
The White House,
Washington, D. C.:

We wish to personally advise you that at the concluding conference presided over by Dr. Steelman in the east wing of the White House on Wednesday, August 23, 1950, no mention whatever was made regarding the calling of any Nation-wide strike, and therefore any statement to the effect that we had broken our pledge is 100 percent false.

Respectfully,

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

R. O. HUGHES,
President, Order of Railway Conductors.

I have been in enough of such very difficult and sometimes heated negotiations in labor disputes to know how easy it is for misunderstandings to develop. I want to say that I am satisfied that if Mr. Steelman made a report to the effect that he thought a pledge had been made, that is exactly what he did think. I have worked closely enough with Mr. Steelman over the years to know that he would not report to the President of the United States that something was a fact when he in fact did not believe it to be a fact. However, I think that the difference of opinion as to what actually did occur in the mediation negotiations provided all the more reason for trying to get the case settled short of seizure. The brotherhoods may think they won a great victory by the order of seizure. I think everyone lost by it. I think the greatest loss, Mr. President, was that the case represents in one sense a breakdown in a very precious thing in America, namely, the use of voluntary procedures for settling the differences among men in a labor case. To think, Mr. President, that men involved in a labor dispute cannot get the case settled short of placing the American flag on every train in America and over every station in America is a very sad thing. It is the implications of this case that must not be overlooked. I think it is very unfortunate that the presidents of the great railways of America were not down here in Washington, not only today but for many past days, trying to reach with Mr. Steelman and with the presidents of these brotherhoods some reasonable settlement of these issues. When I say that I mean no disrespect to the negotiating committee of the carriers, but I do know, Mr. President, the presidents of the railroads had an obligation, too, of exhausting every possible procedure in getting this case settled short of seizure. I do not think it is in their interest to have the railroads seized. I do not think it is in the interests of the brotherhoods to have the railroads seized, although they may think it is. They are dead wrong about it. I am perfectly satisfied that it is not in the interest of the American people to have them seized. I believe that if the President of the United States had all the facts he would have acted differently. I say that because I am satisfied that President Truman always wants to be fair in controversies. I think it is too bad, before the railroads were ordered to be seized beginning on Sunday, that the President did not use the great prestige of his office to call in both the negotiating committees for the carriers and the presidents of the railroads, and the presidents of the brotherhoods, and talk very frankly to them about the great mistake they were making in not entering into whatever conscionable compromises were necessary to settle this case short of seizure.

Let it be clearly understood that I make no personal criticism of the President. I am simply talking about the procedure that I think ought to have been followed in this case in order to get it settled short of seizure, a procedure which I am convinced would have settled it short of seizure.

Mr. President, when negotiations are had at the White House level, even though the negotiations are being carried on by a representative of the President of the United States, in the heat of negotiations within a labor mediation room—and I think the present Presiding Officer will agree with me that it can get very hot in those rooms from the standpoint of the temperature of tempers—that the representative of the President himself sometimes needs the backing of the Commander in Chief in person. If the White House takes jurisdiction over a case, I think if necessary it should use the full prestige of the White House in the form of a personal request on the part of the President, if necessary, for a settlement of the case, or the White House should not take jurisdiction in the first instance. I feel that the fairness of Harry Truman and the sincerity of Harry Truman, if brought to bear on these disputants directly in support of what he believed to be a fair settlement of the case, would have made it very difficult for them as disputants to have refused to accept that settlement. It would have made it very difficult for them to have said to the President of the United States, in view of the great emergency which confronts the people of America, "No, Mr. President, we won't take that settlement. We are going to strike unless you seize the railroads." I am sorry he did not have a personal conference with the parties to this dispute.

Mr. President, perhaps out of this case we can learn a lesson, because I always like to take every disappointment or every loss and try to find some good in it, and try to find something from that experience that will help us in some future experience to avoid the mistakes of the past. I am so worried tonight that there may be those in the country on both sides of the collective bargaining table who may think they have something to gain from a repetition of this precedent.

I am so worried about that possibility that I sincerely hope that in the immediate future there will be called in this country a labor-management conference, and that the President of the United States will call upon that conference to enter into a no strike, no lockout pledge, as was done prior to the setting up of the War Labor Board in the Second World War. In return for that pledge it should be understood that the President will set up a new agency corresponding in jurisdiction to the War Labor Board of World War II, to settle labor disputes during the crisis in which we now find ourselves.

Mr. President, the present presiding officer has heard me say so many times in the midst of very difficult labor disputes

during World War II that I happened to be one who believes that when American boys were dying in defense of their country no union has the right to strike. The right to strike is, after all, a relative right, not an absolute one. Like so many of our rights, it is relative in terms of the facts and circumstances and conditions which exist at any given time.

We just cannot have strikes these days interfering with our present war effort. I am one who believes that this is not a minor war. It certainly is not a minor war or police action to the boys who are out in Korea today. I think it has all the potentialities of developing into a major war if we continue to give Russia evidence of any weakness on our part in the handling of our own domestic economic affairs. If our economy starts breaking at the seams, either as a result of direct economic action on the part of labor or employers or both, who can say that such conduct might not be the straw that breaks the camel's back, as it is said, insofar as causing the Communists to feel that we do not have the unity necessary to stop their aggressive conduct?

I hasten to add, Mr. President, that labor in turn is entitled to a fair procedure for the settlement of their disputes with employers on the basis of the merits of those disputes, keeping in mind, of course, the extraordinary conditions created by the war itself.

The Presiding Officer and I certainly know that there were a great many instances during World War II when employers hid behind the war effort itself in their attempts to weaken or break the ranks of organized labor in their factories and plants, thinking that of course behind the so-called patriotic shield, workers would not be successful in demanding of the employers fair treatment on wages, hours, and conditions of employment.

The Presiding Officer knows that whenever we ran into such a case as that we did not hesitate to disclose the facts to the public, and the disclosure of the facts was about all that was needed to cause most of those employers to accept a very quick decision from the Board.

I am worried, too, Mr. President, about this seizure pattern, because I think an analysis of the seizure cases will show that financially industry does not lose by seizure. In fact, I am afraid it is true that an analysis of the seizure cases during World War II will show that in most instances the employers were better off financially as a result of seizure than they would have been if there had been no seizure at all.

There were times when we became suspicious that some labor disputes were intentionally developed by an employer in order to provoke the union into unwise action which would lead to seizure because the employer figured he would come out better with seizure than without it. That seems difficult to believe, Mr. President, but unless Members of the Senate went through some of the cases we went through, I can understand how they might not understand that employer attitude.

I just think that seizure is so dangerous, I think it is so undesirable, I think it is so pregnant with great negative potentialities so far as sound industrial relations in this country are concerned, that I do not think it should ever be used unless a situation is so completely beyond solution that the safety, the welfare, and the security of our Nation demand that kind of drastic action.

I am so far from being convinced that the railway case pending today is such a case that I wanted to make these comments this afternoon, registering my regret that seizure was resorted to at least so quickly after the White House received the telegram from the brotherhoods that they were going to extend the strike on Monday into a Nation-wide railway strike. I think it was a mistake, particularly in view of the fact that the first telegram from the brotherhoods was one which, in fact, asked for seizure.

I feel that the American people were entitled to receive from the White House, prior to any seizure, a report on the merits of the issues in the form of the conclusions of the White House as to what would be a fair settlement of the case. I think the American people were then entitled, after the White House reached those conclusions, to have the White House say to the parties: "We now call upon you to perform the patriotic duty of accepting those recommendations in the interest of keeping the railroads running under private enterprise and not under Government seizure."

Mr. President, I am sure there is not a Member of this body who does not know my attitude toward the use of the injunction. I have always said that when the parties have been given their hearing, and a fair one, when they have had an opportunity to present their evidence and a fair decision is then rendered on the merits of the case, at that point I think it is perfectly proper in great emergency cases, if we are going to maintain Government by law in this country, then to say to the courts of America: "Take a look at this case, and if you agree with our petition and prayer for an injunction, we pray that an injunction issue."

I would much have preferred to have had that course of action followed today than the seizure course of action, because I think that course of action would have been in keeping with a procedure that we must never sacrifice in this country, namely, a procedure of giving the parties an opportunity to exercise a voluntary judgment by deciding for themselves whether or not they are willing to abide by a fair decision on its merits.

This case has got to be settled sometime, Mr. President, on its merits. I happen to believe that today was the time it ought to have been settled. The parties have demonstrated their lack of ability to settle it in negotiations. The White House should have issued a decision on the merits before issuing its seizure order.

Every Member of the Senate also knows that I am one who believes that seizure procedure should be a matter of last resort. I do not agree with an argument made on the floor of the Senate yesterday afternoon by my good friend, the Senator from Florida [Mr. HOLLAND] that some further legislative action needs to be taken before an injunction in a case such as this could be sought. Mr. President, I think the power under which the President ordered a seizure of the railroads included also within it the power to seek an injunction. But there should have been no exercise—and may I emphasize this—there should have been no exercise of the power to seek an injunction until after a decision on the merits was issued by the White House. I think it should have rendered a decision on the merits of this case, having taken jurisdiction over the case.

Mr. President, I wanted to say these things this afternoon, because I do not think that the action which has been taken in this case settles very much. I happen to be one who believes that the heads of the railroads and the heads of the brotherhoods in the not too distant future will be more inclined to agree with the suggestions made by the junior Senator from Oregon this afternoon, than I am sure they will agree with them when they first hear about them.

I have seen men in labor disputes many times, after they have relaxed and reflected, finally come to recognize that it would have been much better for them to have accepted a fair compromise proposal handed down by some mediator, or if it is a case that gets to the White House, by the President of the United States, than to force seizure by the Government.

I suppose it is true that the President's order having been issued, there is not much hope of any change in the strategy now, but it is still quite a long time between now and Sunday. You and I, Mr. President, have seen a lot of very tough cases—and I think tougher than this one—settled in a period of time much shorter in duration than the time available to these parties before the seizure of the railroads on Sunday.

I think it is fair and proper to say from my desk in the Senate this afternoon to these parties: "Why do you not come to your senses? Why do you not see that you are putting on a very undesirable demonstration by refusing to give and take in connection with your differences of opinion over these issues? Why do you not sit down now on the basis of the various proposals that I am sure must at least have been suggested to you in the many days of mediation with Mr. Steelman, and rise to the heights of industrial statesmanship that I think you owe to the American people, and announce before Sunday that you have had enough of quarreling among yourselves? Why do you not reach a settlement of these issues which will make it unnecessary to put your Government to all the trouble and the expense of seizing railroads on Sunday?"

I make that plea to them, no matter how irritated it may make some of

them, and I have close friends on both the carrier and the brotherhood sides. But I say to my friends among the railway presidents of this country: "Stop standing on form. Get yourselves down here and dig into the substance of this dispute. Doing so will not be throwing overboard your negotiating committee. Doing so will be cooperating with your negotiating committee. In the last analysis it is true that as presidents of these roads you have the final responsibility and obligation connected with this dispute. Get yourselves into the negotiations on this dispute and in the hours between now and Sunday see whether or not you cannot reach a conscionable common ground of agreement on which you can settle these issues with the presidents of the brotherhoods."

To the presidents of the brotherhoods, let me issue this plea this afternoon:

"Whatever victory you think you have won by this seizure order, it is going to be an empty victory, because there is no substance to it. Demonstrate to the American people that you are great industrial statesmen, too, and that you are willing to sit down on Saturday with the representatives of the carriers and in good faith work out conscionable compromises of your differences, because, after all, your country has the right to expect no less from you, and you have the duty of performing such an act of industrial statesmanship."

Mr. President, I sincerely hope that the following will be the news which we shall read on Sunday morning about this case—news that the parties to the dispute themselves settled this case on Saturday prior to any seizure.

Mr. DONNELL. Mr. President, it has been announced that the President will seize the railroads at 5 o'clock Sunday afternoon. I shall not now discuss the merits or demerits of that procedure.

I hope the action of the President will result in cancellation of the strike call.

It had been my plan to seek to take up this afternoon, in the Senate, Senate bill 3463, which would make unlawful any strike, or any lock-out by a carrier, arising out of or in connection with any dispute falling within the purview of the Railway Labor Act.

In the hope that the President's action will result in cancellation of the strike call, I have concluded not to ask the Senate to take up my bill today. I shall await the outcome of the seizure and the strike before determining the time when I shall seek to have the Senate make my bill the order of business.

The seizure does not, however, decrease in the slightest the importance of enactment by Congress of a bill to make unlawful such strikes and lock-outs.

Mr. President, I cannot quote precisely the remarks which have been made in the Senate this afternoon by the distinguished Senator from Oregon [Mr. MORSE], but I understood him to refer to his preference of a remedy—which I know he does not favor, and which on numerous occasions he has indicated very frankly and fully he does not favor—namely, the remedy of injunction—to that of seizure. He referred to the opportunity to present evidence and the making of the decision, and he mentioned the examination of the evidence by the court. I understood him to mean, thereby, that under those circumstances he would look more favorably on having a court consider an application for an injunction than on the method of seizure.

Mr. President, without undertaking to enter upon a discussion at this late hour this afternoon, let me say that Senate bill 3463, as I see it, carries out the idea of giving both sides to labor disputes which come within the purview of the Railway Labor Act an opportunity to present evidence, to have it heard, and to have a decision made. That bill does not provide for seizure, but provides for enforcement by injunction rendered by the court, as set forth in the forth paragraph of the new section 10–A, of the Railway Labor Act, contained in that bill.

COMMUNISTS IN THE DEMOCRATIC PARTY IN HAWAII

Mr. BUTLER. Mr. President, during the last few weeks we have heard the claim made that the Democratic Party in Hawaii has been cleaning itself up and getting rid of its officials who are Communists. It is claimed, for example, that the party in Hawaii is requiring members of its central committee and all of its officials to take non-Communist oaths.

I hold in my hand, Mr. President, an editorial from the Honolulu Advertiser of August 5, 1950, which I ask leave to insert in the RECORD at the conclusion of my statement. It shows clearly just how little those so-called non-Communist oaths amount to.

Apparently they are simple affidavits, made without even any authentication by a notary public. Many of these men have refused to answer the questions of the House Un-American Activities Subcommittee, and have since been cited for contempt by the House of Representatives. They can hardly expect to have anyone pay much attention to an unsworn affidavit.

If the Democratic Party in Hawaii really desires to clear itself of the charge of Communist domination, it should, at the very least, require these men to take a real non-Communist oath under penalty for false swearing.

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

[From the Honolulu Advertiser for August 5, 1950]

MEANINGLESS AFFIDAVITS

Witnesses who refused to aid the Walter congressional committee in its inquiry into communism in Hawaii are making affidavits now that they are not Communists. These oaths are filed with the faction of the Democratic Party that refused to unseat them as delegates to that party's territorial convention when other Democrats demanded that this be done.

The current affidavits are meaningless. They do not absolve the signers from the charges of contempt of Congress that are raised against them, nor do they have any standing in any court. There is no legal penalty for swearing falsely to an affidavit in these circumstances. Any Communist could sign such an oath without fear of prosecution.

There is no doubt in the public's mind that some of the witnesses who refused to aid in the investigation of communism here are not Communists. They were the victims of bad advice from their lawyer. But they are in bad company and any unofficial oaths they may take now will not clear their record.

If they are not Communists and are not sympathetic with the Communist conspiracy, their best course would be to step quietly out of politics for the time being. When they have shown their American loyalty in their conduct in private capacities it will be time enough for them to aspire to represent their neighbors and fellow citizens in political activity.

HARRY BRIDGES

Mr. BUTLER. Mr. President, in connection with the incident of the day, which has been reported in the press—I refer to the court order permitting Harry Bridges to leave jail, on bail—I ask unanimous consent to have inserted at this point in the RECORD an editorial entitled "Water on Both Shoulders," appearing in the Honolulu Advertiser of August 23.

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

[From the Honolulu Advertiser of August 23, 1950]

WATER ON BOTH SHOULDERS

Action of ILWU delegates at their North Bend, Oreg., meeting in declaring against Harry Bridges policies and at the same time pledging fealty to Bridges himself is not encouraging. It smacks too much of politics; of carrying water on both shoulders. It is an admission, of course, that public opinion will not tolerate continued defiance of American welfare.

Bridges is in jail as an opponent of this country's war in Korea. Federal courts have held that his attitude is such that he cannot be allowed the privilege of liberty on bail.

Now comes the ILWU and gives its all-out pledge that it will support the country's efforts in war and that it will have nothing to do with the Communist World Maritime Federation of which Bridges is an honorary president. But it will stick by Bridges, who is convicted of perjury for swearing he was not himself a Communist.

Thus the union places itself in the position of facing two ways at once. Perhaps it thinks that by doing so it can appease the CIO, which has threatened to kick it out. Perhaps it regards its pledges at North Bend in the same light that island ILWU leaders look upon their contracts with sugar and pineapple companies; as scraps of paper to be ignored whenever they want to go on a quickie strike.

Whatever the delegates at North Bend intended, their position will remain under suspicion by the public as long as they wear the Bridges' halter.

Mr. BUTLER. Mr. President, also in connection with the incident of the day, which I have already mentioned, I ask unanimous consent to have printed in the RECORD a short newspaper article announcing that Mr. Bridges has been permitted to leave jail on bail. The article was published in the Washington Daily News for today.

I read the following from the conclusion of the article:

In a minority opinion, Presiding Judge Clinton Mathews said Judge Harris had used

his discretion "wisely and properly" in revoking bail. He said the Government was not indulging in "fanciful ideas" when it suggested that Bridges and his longshore union could paralyze west coast shipping.

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

[From the Washington Daily News of August 25, 1950]

DONOHUE TO QUIT—BRIDGES WINS BAIL, LEAVES JAIL TODAY

SAN FRANCISCO, August 25.—Harry Bridges gets out of jail today but not as a free man. A United States appeals court ordered the west coast longshore leader released on $25,000 bail, finding he had committed no recognizable crime since his perjury-conspiracy conviction earlier this year.

Bridges is awaiting ruling of a higher court on that conviction. If it is upheld, he will have to serve a 5-year sentence on charges that he swore falsely he was not a Communist when he became a United States citizen in 1945. Two union aides, J. R. Robertson and Henry Schmidt, were convicted with him.

The appellate court's 2-to-1 ruling was handed down yesterday. Bridges, however, had to spend the night in jail while a Federal court completed legal technicalities.

In Washington, F. Joseph Donohue, who prosecuted Bridges and argued the Government's case for revoking his bail, announced he will resign. He refused to comment on the appeals court decision until his resignation is accepted.

BAIL REVOKED

Bridges' bail was revoked 3 weeks ago by Federal Judge George B. Harris, who ruled the longshore leader's policies on Korea and on waterfront security checks "menaced" national security. Judge Harris called Bridges a "potent Communist."

But Appeals Court Judges William E. Orr and William Healy found the Government's effort to jail Bridges "novel and startling."

"We are obliged to point out that there is no showing that Bridges has committed any recognizable crime or that he has himself counseled or advocated sabotage or sought to foment strikes or to establish picket lines on the waterfront," they said.

The court found further that there was a "substantial question of law" involved in Bridges' indictment and conviction, and for this reason he must be released.

COURT WARNING

The court also warned there was a danger that the courts might be used as the instrument "military expediency" during wartime.

In the minority opinion, Presiding Judge Clinton Matthews said Judge Harris had used his discretion "wisely and properly" in revoking bail. He said the Government was not indulging in "fanciful ideas" when it suggested that Bridges and his longshore union could paralyze west coast shipping.

ESTABLISHMENT OF UNITED NATIONS POLICE AUTHORITY AND INTERNATIONAL CONTINGENT

Mr. SPARKMAN. Mr. President, out of order, I ask unanimous consent to submit a Senate concurrent resolution, for appropriate reference. Mr. President, the concurrent resolution is submitted on behalf of myself and 20 other Senators, as follows:

The Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], the Senator from South Dakota [Mr. MUNDT], the Senator from Maryland [Mr. O'CONOR], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maine [Mrs. SMITH], and the Senator from Mississippi [Mr. STENNIS].

I may say that there may be other Senators who will be interested in sponsoring the resolution, for we have not made a great effort to obtain additional sponsors. If any other Senators care to have their names added as sponsors of the concurrent resolution, of course it will be a pleasure to do so.

Mr. President, it is my understanding that, likewise today, there has been submitted in the House of Representatives a resolution following very closely the concurrent resolution to which I have just referred. I am not sure that the House resolution is identical in language with the Senate concurrent resolution, but the two are very similar. The House resolution likewise has a number of sponsors.

Mr. President, I have prepared a statement which I had intended to present to the Senate in connection with this resolution. Instead of reading the statement, let me say very briefly that the resolution seeks to express the sense of both Houses of the Congress that the United Nations should be asked to implement the provision of its original charter providing for an international police force. We believe it is timely. We believe that the Korean situation has pointed up very clearly the timeliness of an international police force organized under the United Nations and through the United Nations organization. Without going into it more fully, I ask unanimous consent that the statement which I had prepared be printed at this point in the RECORD. Included in the statement is a copy of the resolution as we are proposing it. I ask that it be printed along with my statement at this point in the RECORD.

There being no objection, the statement, including a copy of the resolution, was ordered to be printed in the RECORD.

The first part of Mr. SPARKMAN's statement is as follows:

Mr. President, I have submitted today a Senate concurrent resolution for myself, and the following Senators: The Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], the Senator from South Dakota [Mr. MUNDT], the Senator from Maryland [Mr. O'CONOR], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maine [Mrs. SMITH], and the Senator from Mississippi [Mr. STENNIS].

In the House the sponsors are: The Representative from Oregon [Mr. ELLSWORTH], the Representative from New York [Mr. GWINN], the Representative from Maine [Mr. HALE], the Representative from Arkansas [Mr. HAYS], the Representative from Massachusetts [Mr. HERTER], the Representative from Minnesota [Mr. JUDD], the Representative from Montana [Mr. MANSFIELD], the Representative from Minnesota [Mr. MARSHALL], the Representative from California [Mr. NIXON], the Representative from Connecticut [Mr. PATTERSON], the Representative from Tennessee [Mr. PRIEST], the Representative from South Carolina [Mr. RICHARDS], the Representative from Oklahoma [Mr. STIGLER], the Representative from Oregon [Mr. STOCKMAN], and the Representative from Indiana [Mr. WALSH].

The concurrent resolution (S. Con. Res. 104) submitted by Mr. SPARKMAN, is as follows:

Whereas the prompt and firm action of the President and the Congress of the United States, together with the United Nations Security Council in meeting the challenge of aggression in Korea has unified the peace-seeking nations of the world; and

Whereas the situation in Korea has demmonstrated the need for immediately available armed forces, to be continually at the disposal of the United Nations, so as not to place undue burden on any one nation in dealing with aggression; and

Whereas the continuance of the unity among the peace-seeking nations can best be insured by the establishment, on a voluntary basis, of a United Nations International Contingent, to support the national armed forces of member states fighting against aggression, and to give practical implementation, both for a successful prosecution of the present action in Korea; and for the purpose of deterring future aggression anywhere; Therefore be it

Resolved, That it is the sense of the Congress that a fundamental objective in the strengthening of the United Nations and in the unified defense against aggression should be to seek the establishment of a United Nations International Contingent under an autonomous United Nations Police Authority, and that the President is hereby requested to initiate such measures as will carry out this objective, being guided by such principles as he may deem advisable, including the following:

1. The procedure for the establishment of the United Nations Police Authority: The United Nations Police Authority may be established either through the recommendation of the United Nations General Assembly; or under article 51 of the Charter; or by combining the recommendation of the General Assembly with article 51.

2. The United Nations International Contingent: It should be the duty of the United Nations Police Authority to organize the United Nations International Contingent along the following lines:

(a) A volunteer, paid, professional, balanced land, sea, and air force, operating on a full-time basis, either independently or as an auxiliary to the national armed forces of member states.

(b) It should be recruited from volunteers who are not citizens of the five permanent member states of the Security Council, but who may be citizens of nonmembers, including Italy, Germany, and Japan.

(c) The International Contingent should owe its allegiance solely to the United Nations; during military operations it should

be integrated with participating national armed forces under a joint high command.

(d) The volunteers comprising the International Contingent should be organized, as far as practicable, in units of their respective nationalities, but during their terms of service they should be subject solely to the orders and regulations of the United Nations Police Authority.

(e) The International Contingent will be stationed, by agreement, in internationalized bases in sensitive areas, and in western Germany or Japan. It will operate as a combat-ready force, for quick concentration in an area of conflict.

(f) The size of the International Contingent should be determined by the United Nations Police Authority, and may vary from a few thousand men to scores of divisions.

(g) The International Contingent should be maintained by contributions (in money, goods, or services) from member states of the United Nations and from the participating nonmember states in accordance with agreements to be negotiated by the United Nations Police Authority. This provision should not affect the commitments of the United States under the Atlantic Pact.

3. The United Nations Police Authority: The United Nations Police Authority should have individual representation from the major states and collective representation from all the remaining states. Suggested representation:

Nine members—three from the United States; three from the British Commonwealth and France; and three chosen by the remaining member-states to represent them collectively. Eventually, provision could be made for representation in the United Nations Police Authority from Italy, Germany, Japan, and other major states.

Decisions of the United Nations Police Authority should be made, within the scope of its delegated power, by a simple majority vote (no veto). It should have specific delegated power:

(a) To organize and manage the United Nations International Contingent.

(b) To initiate or terminate action by the International Contingent against aggression in an emergency and pending affirmative action by the Security Council.

(c) To make mutual defense or armament agreements with sovereign states (member or nonmember) involving the use of the International Contingent.

(d) To coordinate the activities of the International Contingent with the Atlantic Pact Council or similar mutual defense organizations.

These powers of the United Nations Police Authority may be abolished, extended, or modified by the affirmative vote of the Security Council. Nothing in these provisions for the United Nations Police Authority shall be interpreted as depriving any member-state of its rights under article 51 of the United Nations Charter, or as limiting its sovereign rights.

4. The United Nations Police Authority and abstaining member-states: The United Nations Police Authority (when established under article 51 of the United Nations Charter) should guarantee the use of the international contingent against aggression to any or all states who subscribe to its conditions and who thereby become participating states.

Membership in the United Nations Police Authority should be kept open to all abstaining states, including Soviet Russia, provided that at the time they are not engaged in armed hostilities, against a participating state; and provided they subscribe to the same conditions for international control of atomic energy and elimination of the armament race (strict inspection, no veto, and punishment of violators) as shall prevail for the United States and other member states.

In the event that all five permanent member states of the United Nations agree to the foregoing terms, the International contingent should be retained and the United Nations Police Authority should either be broadened to enforce the armament-control agreements, or be abolished in favor of a reconstituted Security Council and World Court operating without veto in the specifically defined matters of aggressions and armament for aggression.

The second part of Mr. Sparkman's statement is as follows:

Mr. President, it is clear from a reading of the resolution that the plan for a UN police force under a United Nations Police Authority reaches to the heart of our foreign policy.

It is also clear, I hope, that this resolution is not the product of hasty and feverish thinking, but comes rather as the next and inevitable step in the struggle to remedy the fatal defects in the structure of the United Nations—defects which account for much of the present tragic situation in the world. We can best understand the significance of this resolution by submitting it to a searching analysis.

The preamble begins by justly praising the President for his prompt and firm action in meeting together with the United Nations Security Council the challenge of aggression in Korea. We who believe that the hope of the world lies in a workable United Nations were deeply gratified at the resurgence of the United Nations which previously seemed to be entering into a neurotic stage of frustration. Why this sudden revival? There seems to me to be one answer; because the United Nations, in effect, began to operate as though the paralyzing veto did not exist (due to the absence of Soviet Russia), and as though an international police force did exist (due to the presence of United States Armed Forces). Soviet Russia, realizing her blunder, has come back to plague the Security Council with her obstructionist tactics.

Mr. President, I submit that something must be done, and done now to remove the paralyzing tactics of Soviet Russia.

The preamble of the resolution goes on to point out that the situation in Korea has demonstrated the need for immediately available armed forces, to be continually at the disposal of the United Nations. We stressed this point again and again in our previous resolutions. At the time there were many more doubting Thomases than believers, but today is there any one here who would not have wished that the United Nations had had her own mobile corps ready to fight side by side with our American boys against the common aggressor. True, there are still some who, deep in their hearts, would like to do away altogether with the United Nations.

They say, why waste money and time on that conglomeration of foreigners who give nothing, take everything, and whose great assemblies are meeting places for the Communists propagandists. The answer is that the United Nations, if properly organized, will save American lives—thousands of lives in Korea and certainly hundreds of thousands of lives if the conflict extends throughout the world.

The United States is engaged in a struggle for survival against the Communist aggressor. The help of every ally is important to win this struggle and in winning it to preserve as far as it be just, our most precious national asset—the reservoir of our youth. What greater potential help is there than the help of the United Nations with its 52 allies?

Those who allow themselves the luxury of isolationism or the pride of military exclusivism forget that for every foreign soldier that is absent an American soldier must be put in his place.

No, what we must do is not to throw away the United Nations like the baby with the dirty water, but to utilize the enormous potentialities of the United Nations so as to integrate their manpower with our manpower for war and for peace.

We cannot for long permit that the United States carry the burden of sacrifice, virtually alone, while throughout the world there are hundreds of thousands of eager volunteers unable to help us because we do not organize them. We should not be expected in case of world conflict to be bled white on the fields of Germany and China when there are scores of valiant divisions within those countries eager and available to fight for their own salvation from Communist slavery.

Nor can we expect to preserve unity within this Nation and among the United Nations if more and more Americans will say, "We give our blood and they the flags."

Statesmen could perhaps understand the plight of France and Britain, bled white by two world wars, militarily weak in their home territories, and compelled to sap their strength in the struggle against Moscow's vanguard in Malaya and Indochina as we are sapping our strength in Korea. But the fact remains that many Americans will not understand how it came about that the vast manpower resources of 52 United Nations allies of the United States, not to count Germany and Japan, remain virtually untouched in a struggle where their survival is as much at stake as America's.

Many Americans will be bitter toward their Government, will condemn even if perhaps unjustly, the selfishness of their allies. They will lose faith in the United Nations. We must remedy this situation, and we must remedy it now and completely. This, Mr. Presdent, is the flaming background of our resolution for the establishment of the United Nations International Contingent under a United Nations Police Authority.

Now let us take a look at the plan itself. First there is the question of how one can legally establish a workable United Nations police force. For 5 years the majority of members have been trying to do just that, and failed dismally. The reason for this failure is that the United Nations Security Council is hopelessly paralyzed by the veto power of anyone of its major powers. Soviet Russia, whose aggressive designs would be thwarted by an international police force, seldom misses an opportunity to veto or procrastinate. And even if there were no Russian veto some other major power, for reasons of internal political fluctuations, may well use it, or threaten to use it. It is evident that no effective UN police force is possible so long as the Security Council is crippled by veto in matters of aggression. And no effective international organization is possible without a workable international police force.

To revise the UN Security Council is not possible because Soviet Russia has the legal right to veto any revision.

Fortunately, a perfectly legal way exists. That is under article 51 of the Charter which could be used alone, but which if used with the recommendation of the UN General Assembly would have a broader moral basis. We can therefore establish with all like-minded nations the United Nations Police Authority and to this authority we can delegate whatever powers are necessary to organize, manage, and command a United Nations International Contingent.

Malik with his veto will be bypassed. And yet the United Nations Security Council will remain as before, and, nominally at least will remain a superior body when and if all five permanent members can get together for affirmative action.

We visualize the United Nations International Contingent as a professional, well-paid, hand-picked, ready-for-combat force, recruited from carefully screened volunteers. It will be a sort of foreign legion owing its

sole allegiance to the United Nations Police Authority. But unlike the French Foreign Legion it will be recruited in national units to make it tyranny-proof and better fitted for combat.

One of the outstanding characteristics of the United Nations International Contingent as we propose it in this resolution is that citizens of the five permanent members may not serve in it. In the first place major powers have their own large military establishments. Furthermore, the value of the United Nations International Contingent would be proportionately weakened by the presence of soldiers from major powers, and there would be too much power politics.

One may raise an objection on purely military grounds: that a composite force, made up of soldiers from many nations, would not be practical and effective. This objection would hold true in the case of a loose, conglomerate force, the various parts of which owe allegiance to various governments. Such a force of "contingents" was contemplated in article 43 of the UN Charter, which has become a dead letter. It does not hold in the case of a force welded together under one discipline, one command, and one allegiance.

The UN International Contingent would have many added advantages of structure and organization. Attracted by the honor of being soldiers of peace and relatively high paid, the volunteers would be hand-picked from the best elements of the various nations.

Another objection that might be raised is that the UN International Contingent, controlled by and owing its sole allegiance to the UN Police Authority, might encroach on the sovereignty of member states. This would not be true. Each state, large or small, would retain its own national armed forces, with full sovereignty over their use.

In effect, the UN World Police Force will be made up of two parts: First, the international contingent, under the authority of the UN operating as a collective sovereign state; and, second, the national armed forces of participating member states, operating as national contingents under the sovereign authority of their respective governments.

The United States and the UN have called Russia's bluff in Korea. If Russia plans to continue disguised aggression through the chain reaction of her satellites, the international contingent, spearheading the UN Police Force, will be the quickest and most effective answer, while the vetoless Police Authority will provide a dependable organ for emergency defense action by the free nations.

It may be objected that the establishment of the international contingent, particularly with German and Japanese divisions as part of it, might provoke Soviet Russia into starting a world war. President Truman and Congress have already answered this counsel of appeasement by initiating a vast program of immediate rearmament in the United States and with our allies. Moreover, it is doubtful that any amount of provocation will cause the Politburo to start a war at this time, when Russia is virtually certain to be defeated, due to the overwhelming superiority of the United States in atomic weapons.

The destruction of 25 of Russia's key industrial centers could paralyze 80 percent of her war machine, while her capacity of atomic retaliation is still weak. True, most members of the Politburo are narrow-minded fanatics, and they might become convinced, by their own propaganda, of the myth of Russia's invincibility. If, because of this, Russia insanely plunges the world into war—then it is far better to face her challenge now rather than wait supinely for 2 or 3 years, when Russia will have enough atomic bombs for retaliatory destruction of 30 or 40 American cities.

As President Truman states: "The free nations face a world-wide threat. It must be met with a world-wide defense." The United States and the other free nations, though overwhelmingly powerful, have been defeated because disunited. Once Russia is confronted with the prospect of facing not only the power of the United States, Britain, and France, but a powerful international contingent possibly incorporating Germany and Japanese divisions—all united for defense of peace. The chances are strong that, rather than risk a war which she cannot win, she will retire behind her rightful frontiers and seek a world settlement satisfactory to peace-seeking nations rather than embark upon a suicidal venture.

The UN police plan offers to a peaceful Russia a guaranteed security, on the same terms as for any other nation—international control of atomic energy and control of heavy armament, with strict inspection, no veto, and punishment of violators. Once Russia agrees to such terms they can readily be put into effect through revision of the UN Charter.

The UN International Contingent can become the nucleus of an international police force. And the UN police authority can either be broadened to enforce the armament-control agreements or abolished in favor of a vetoless, reconstituted Security Council and World Court.

In concusion, the UN police plan is extremely simple and yet far-reaching. It is politically acceptable to all peaceful nations, and militarily effective in a show-down with any aggressor. It preserves the United Nations by giving it a powerful heart—a true international police force.

I believe the plan will be acclaimed throughout the world and from and by all circles, except Communists and their appeasers.

The UN police plan, as part of America's present, vast counteroffensive for peace, can and will help to avert the third world war; and in so doing it will lay a solid foundation for a lasting organization of nations that can insure a durable peace.

The concurrent resolution (S. Con. Res. 104) submitted by Mr. SPARKMAN (for himself and other Senators), was received, and referred to the Committee on Foreign Relations.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. GRAHAM in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Arnold Raum, of Massachusetts, to be a judge of the Tax Court of the United States, for the unexpired term of 12 years from June 2, 1948, vice Byron B. Harlan, deceased, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Edgar A. Hawk and sundry other candidates for appointment in the Regular Corps of the Public Health Service; and

Donald D. Gold, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

RECESS TO MONDAY

Mr. SPARKMAN. Mr. President, if there be no further business, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 41 minutes p. m.) the Senate took a recess until Monday, August 28, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 25 (legislative day of July 20), 1950:

TAX COURT OF THE UNITED STATES

Arnold Raum, of Massachusetts, to be a judge of the Tax Court of the United States, for the unexpired term of 12 years from June 2, 1948, vice Byron B. Harlan, deceased.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 25, 1950

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., the chaplain, offered the following prayer:

O Thou who art the Supreme Intelligence, may the Members of this legislative body daily come to the sacrament of public service richly endowed with clear judgment and wise decision.

Grant that during these days, when our national and international problems and tasks seem so very complex and difficult, we may know that we were never meant or expected to meet them unaided and alone, for Thou hast made available the inexhaustible resources of Thy grace.

Help us to feel that there is no one else of whom we can ask and expect so much, for Thou art of all counselors the wisest, of all companions the nearest, and of all helpers the ablest and most willing to meet our every need.

May the day be hastened when we shall find a just and righteous solution to all our problems.

To Thy name we ascribe the praise, through Jesus Christ, our Lord.

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2484. An act to authorize the Secretary of Commerce to provide war-risk and certain marine and liability insurance.

The message also announced that the Senate had ordered that the Senator from Maryland [Mr. O'CONOR] and the Senator from Maine [Mrs. SMITH] be excused as conferees on the bill S. 3959, entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes," and the Senator from North Carolina [Mr. HOEY] and the Senator from South Dakota [Mr. MUNDT], respectively, be appointed in their stead.

The message also announced that the Senate had ordered that the Senator from Maryland [Mr. O'CONOR] be excused as conferee on the bill H. R. 9038 entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes," and the Senator from Minnesota [Mr. HUMPHREY] be appointed in his stead.

PUBLIC AIRPORT IN OR NEAR THE DISTRICT OF COLUMBIA

The SPEAKER. The unfinished business is the vote on the motion offered by the gentleman from Wisconsin [Mr. BYRNES] to recommit the bill (S. 456), the so-called District of Columbia Airport.

Without objection, the Clerk will again report the motion to recommit.

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

Mr. BYRNES of Wisconsin moves to recommit the bill to the Committee on Interstate and Foreign Commerce for further study and investigation.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and the Speaker announced the "noes" appeared to have it.

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

The SPEAKER. Evidently no quorum is present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 124, nays 226, not voting 80, as follows:

[Roll No. 253]

YEAS—124

Abernethy	Garmatz	Mack, Wash.
Allen, La.	Gary	Macy
Andersen, H. Carl	Goodwin	Martin, Mass.
	Gossett	Meyer
Angell	Graham	Michener
Arends	Gross	Miller, Md.
Bates, Mass.	Gwinn	Miller, Nebr.
Bennett, Fla.	Harden	Morton
Bishop	Harvey	Nicholson
Boggs, Del.	Herlong	Nixon
Bolton, Md.	Hill	Norblad
Bolton, Ohio	Hoeven	Norrell
Bramblett	Hoffman, Mich.	O'Konski
Brown, Ohio	Holmes	Patten
Burleson	Hope	Phillips, Calif.
Byrnes, Wis.	Hull	Pickett
Camp	Jackson, Calif.	Poage
Case, S. Dak.	James	Polk
Chiperfield	Jenkins	Potter
Clevenger	Jennings	Reed, Ill.
Cole, Kans.	Jensen	Reed, N. Y.
Corbett	Jonas	Rees
Cotton	Jones, Ala.	Rich
Coudert	Keating	Riehlman
Cunningham	Kilburn	Robeson
Curtis	Lanham	Sadlak
Dague	LeCompte	St. George
Davis, Ga.	LeFevre	Sasscer
Davis, Wis.	Lovre	Scott, Hardie
D'Ewart	Lucas	Scrivner
Dolliver	McConnell	Scudder
Elston	McCulloch	Secrest
Fallon	McDonough	Shafer
Fenton	McGregor	Sikes
Fernandez	McKinnon	Simpson, Ill.
Fisher	Mack, Ill.	Simpson, Pa.
Gamble		Smith, Wis.
Stefan	Vorys	Wigglesworth
Taber	Vursell	Wilson, Ind.
Talle	Weichel	Wolcott
Van Zandt	Wheeler	Wood
Velde	White, Idaho	

NAYS—226

Abbitt	Gathings	Multer
Addonizio	Gavin	Murdock
Albert	Gilmer	Murray, Tenn.
Allen, Calif.	Golden	Nelson
Anderson, Calif.	Gordon	Noland
Andresen, August H.	Gorski	O'Brien, Ill.
	Granahan	O'Brien, Mich.
Andrews	Granger	O'Hara, Minn.
Aspinall	Grant	O'Sullivan
Auchincloss	Green	O'Toole
Baring	Hale	Passman
Barrett, Pa.	Hardy	Patman
Bates, Ky.	Hare	Patterson
Battle	Harris	Perkins
Beckworth	Harrison	Peterson
Bennett, Mich.	Hart	Philbin
Bentsen	Havenner	Phillips, Tenn.
Blatnik	Hays, Ark.	Plumley
Bonner	Hays, Ohio	Poulson
Bosone	Hedrick	Preston
Boykin	Heffernan	Price
Breen	Heller	Priest
Brooks	Herter	Rabaut
Brown, Ga.	Heselton	Rains
Bryson	Hobbs	Ramsay
Buchanan	Hoffman, Ill.	Rankin
Buckley, Ill.	Holifield	Redden
Buckley, N. Y.	Horan	Rhodes
Burdick	Howell	Ribicoff
Burke	Huber	Richards
Burnside	Irving	Rodino
Burton	Jackson, Wash.	Rogers, Fla.
Byrne, N. Y.	Javits	Rogers, Mass.
Canfield	Jenison	Rooney
Cannon	Jones, Mo.	Roosevelt
Carlyle	Jones, N. C.	Saylor
Carnahan	Judd	Shelley
Carroll	Karst	Sheppard
Case, N. J.	Karsten	Sims
Cavalcante	Kean	Smathers
Celler	Kearns	Smith, Va.
Chelf	Kee	Spence
Chesney	Kelley, Pa.	Staggers
Christopher	Kelly, N. Y.	Stanley
Clemente	Kennedy	Stigler
Combs	Keogh	Stockman
Cooley	Kerr	Sullivan
Cooper	Kilday	Tackett
Cox	King	Tauriello
Crook	Kirwan	Teague
Crosser	Kruse	Thomas
Davenport	Lane	Thompson
Davies, N. Y.	Larcade	Thornberry
Davis, Tenn.	Lichtenwalter	Tollefson
Deane	Lind	Trimble
DeGraffenried	Linehan	Underwood
Delaney	Lyle	Vinson
Denton	Lynch	Wagner
Dollinger	McCormack	Walsh
Donohue	McGrath	Walter
Doughton	McGuire	Welch
Douglas	McMillan, S. C.	Whitaker
Doyle	Madden	White, Calif.
Eberharter	Magee	Whitten
Elliott	Mahon	Whittington
Ellsworth	Mansfield	Wickersham
Engle, Calif.	Marcantonio	Widnall
Evins	Marsalis	Wier
Feighan	Marshall	Wilson, Okla.
Flood	Merrow	Wolverton
Fogarty	Mills	Woodhouse
Forand	Mitchell	Woodruff
Ford	Monroney	Yates
Frazier	Morgan	Young
Fugate	Morris	Zablocki
Fulton	Moulder	

NOT VOTING—80

Allen, Ill.	Dondero	Jacobs
Bailey	Durham	Johnson
Barden	Eaton	Kearney
Barrett, Wyo.	Engel, Mich.	Keefe
Beall	Fellows	Klein
Biemiller	Furcolo	Kunkel
Blackney	Gillette	Latham
Boggs, La.	Gore	Lodge
Bolling	Gregory	McCarthy
Brehm	Hagen	McMillen, Ill.
Bulwinkle	Hall, Edwin Arthur	McSweeney
Chatham		Martin, Iowa
Chudoff	Hall, Leonard W.	Mason
Cole, N. Y.		Miles
Colmer	Halleck	Miller, Calif.
Crawford	Hand	Morrison
Dawson	Hébert	Murphy
Dingell	Hinshaw	Murray, Wis.
Norton	Rivers	Taylor
O'Hara, Ill.	Sabath	Towe
O'Neill	Sadowski	Wadsworth
Pace	Sanborn	Werdel
Pfeifer, Joseph L.	Scott, Hugh D., Jr.	Williams
		Willis
Pfeiffer, William L.	Short	Wilson, Tex.
	Smith, Kans.	Winstead
Powell	Smith, Ohio	Withrow
Quinn	Steed	
Regan	Sutton	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Beall for, with Mr. Towe against.
Mr. Withrow for, with Mr. Hand against.
Mr. Gillette for, with Mr. Taylor against.
Mr. Smith of Ohio for, with Mr. Latham against.
Mr. Wilson of Texas for, with Mr. Biemiller against.
Mr. McMillen of Illinois for, with Mr. Murphy against.
Mr. Crawford for, with Mr. Boggs of Louisiana against.
Mr. Barrett of Wyoming for, with Mr. Morrison against.
Mr. Hébert for, with Mr. Klein against.

Until further notice:

Mr. Chudoff with Mr. Allen of Illinois.
Mr. Dingell with Mr. Werdel.
Mr. Miller of California with Mr. Johnson.
Mr. Williams with Mr. Blackney.
Mr. Winstead with Mr. Brehm.
Mr. Willis with Mr. Cole of New York.
Mr. Regan with Mr. William L. Pfeiffer.
Mrs. Norton with Mr. Hugh D. Scott, Jr.
Mr. O'Neill with Mr. Kearney.
Mr. Bailey with Mr. Leonard W. Hall.
Mr. Bolling with Mr. Halleck.
Mr. Chatham with Mr. Sanborn.
Mr. Jacobs with Mr. Eaton.
Mr. Colmer with Mr. Mason.
Mr. Sabath with Mr. Martin of Iowa.
Mr. Sadowski with Mr. Hinshaw.
Mr. Gregory with Mr. Dondero.
Mr. Furcolo with Mr. Fellows.
Mr. O'Hara of Illinois with Mr. Kunkel.
Mr. Steed with Mr. Lodge.
Mr. Sutton with Mr. Smith of Kansas.
Mr. Rivers with Mr. Edwin Arthur Hall.
Mr. McCarthy with Mr. Murray of Wisconsin.

Mr. VURSELL, Mr. ARENDS, and Mr. BROWN of Ohio changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

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

PASCH BROS.

The Clerk called the bill (S. 1208) for the relief of Pasch Bros.

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

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

OTHO F. HIPKINS ET AL.

The Clerk called the resolution (H. Res. 734) for the relief of Otho F. Hipkins, individually, and Otho F. Hipkins; Cecil Clyde Squier; Conrad Reid; J. Thomas C. Jopkins, Jr.; and Isaiah Lawrence Paxton, as trustee of the Hipkins Traction Device Co.

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

Resolved, That the bill (H. R. 5243) entitled "A bill for the relief of Otho F. Hipkins, individually, and Otho F. Hipkins; Cecil Clyde Squier; Conrad Reid; J. Thomas C. Hopkins, Jr.; and Isaiah Lawrence Paxton, as trustees of the Hipkins Traction Device Co.," now pending in the House of Representatives, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimants.

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

MRS. SANFORD PRUITT

The Clerk called the bill (S. 858) for the relief of Mrs. Sanford Pruitt.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Sanford Pruitt, of Casar, N. C., the sum of $10,000, in full satisfaction of her claim against the United States for the death of her husband, the late Sanford Pruitt, who was fatally injured on July 12, 1930, in the performance of his duties as a deputy United States internal revenue agent: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

CLARA WHITESELL

The Clerk called the bill (S. 2948) to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915.

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

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment of Clara Whitesell, Standing Rock allottee No. 915, described as the east half of southwest quarter and west half southeast quarter section 36, township 21 north, range 29 east, Black Hills meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale to the said Clara Whitesell.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Standing Rock Sioux Tribe of Indians of the Standing Rock Reservation of South Dakota and North Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Standing Rock Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Standing Rock Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Standing Rock Agency.

(b) A certificate of the superintendent of the Standing Rock Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

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

HERNANDO J. ABAYA ET AL.

The Clerk called the bill (S. 294) for the relief of Hernando J. Abaya, his wife, and two children.

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

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

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

There was no objection.

MARGARET D. SCOTT

The Clerk called the bill (S. 665) for the relief of Margaret D. Scott.

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

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Margaret D. Scott shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States upon payment of the required head tax and visa fee. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

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

GERDA MOLLER ULDALL ET AL.

The Clerk called the bill (S. 1344) for the relief of Gerda Moller Uldall and her son, Mikkel Moller.

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

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

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

There was no objection.

ADELAIDE GIOVANNA SUMMA

The Clerk called the bill (S. 1913) for the relief of Adelaide Giovanna Summa.

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

Be it enacted, etc., That in the administration of the administration and naturalization laws, Adelaide Giovanna Summa, of Trenton, N. J., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of December 13, 1948, the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

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

MARIE C. ARAUJO

The Clerk called the bill (S. 2047) for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito.

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

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Marie C. Araujo, also known as Marie Conceipaco de Brito, who is the adopted daughter of Pedro Alcartara Araujo, a citizen of the United States, shall be deemed to be the minor natural-born alien child of said Pedro Alcartara Araujo.

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

MIRIAM ROSENBLUM

The Clerk called the bill (S. 3094) for the relief of Miriam Rosenblum.

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

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Miriam Rosenblum shall be held and considered to be the natural born alien child of Mr. and Mrs. David Rosenblum, who are citizens of the United States.

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

BOLESLAW H. DROBINSKI AND FAMILY

The Clerk called the bill (S. 3107) for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina.

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

Be it enacted, etc., That, in the administration of the immigration laws, Boleslaw H. Drobinski, his wife, Marjorie, and his

daughter, Janina, of Los Angeles, Calif., who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon the payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct three numbers from the appropriate quotas for the first year that such quotas are available.

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

GERHARD ZAHN AND HIS WIFE

The Clerk called the bill (S. 3426) to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife.

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

Be it enacted, etc., That the Secretary of State and the Attorney General be, and are hereby, authorized and directed jointly to provide for the temporary admission for the period of 1 year from the date of entry of Gerhard Zahn, and his wife, the said Gerhard Zahn being a specialist possessing special and unique skill vitally needed for the operation of an engraving plant by the K. C. S. Co., of Milwaukee, Wis.

SEC. 2. If the Attorney General finds that the said Gerhard Zahn has failed to maintain a satisfactory employment status at any time within the year after the date of his temporary admission, or that said Gerhard Zahn and his wife have failed to depart from the United States at the end of 1 year after the date of their temporary admissions, said Gerhard Zahn and his wife shall be deemed to have violated the conditions of their admission, and shall be subject to deportation as provided in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.

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

MARIA SULIKOWSKA FORBES

The Clerk called the bill (S. 3724) for the relief of Maria Sulikowska Forbes.

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

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Maria Sulikowska Forbes shall be deemed to have been admitted to the United States for permanent residence as of the date of her entry on November 13, 1947, upon payment of the required visa fee and head tax.

SEC. 2. The Secretary of State is authorized and directed to cause one number to be deducted from the appropriate quota for the first year for which such quota is available.

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

HUNT, HILL & BETTS

The Clerk called the bill (S. 3367) for the relief of the law firm of Hunt, Hill & Betts.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the law firm of Hunt, Hill & Betts, of New York, N. Y., the sum of $1,656.53, in full satisfaction of its claim against the United States for compensation for out-of-pocket expenses incurred in connection with services rendered by such firm in the defense of certain Japanese war criminals.

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

GOSHEN VENEER CO., AN INDIANA CORPORATION

The Clerk called House Resolution 814.

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

Resolved, That the bill (S. 410) entitled "A bill for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation," now pending in the House of Representatives, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The House resolution was agreed to.

A motion to reconsider was laid on the table.

MR. AND MRS. FRED A. FLETCHER

The Clerk called the bill (H. R. 3463) for the relief of Mr. and Mrs. Fred A. Fletcher.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Fred A. Fletcher, of Forks, Wash., the sum of $2,650.15, in full satisfaction of their claim against the United States for reimbursement of expenses incurred by them in connection with the eminent-domain proceedings instituted in 1940 by the United States for the purpose of acquiring their property, described in such proceeding as tract J-200, together with other parcels of land, for the Olympic public works project (PWA 723 A and B); the United States having dismissed such tract from such proceedings after a verdict had been rendered in favor of the said Mr. and Mrs. Fred A Fletcher in the amount of $12,266.15.

With the following committee amendment:

Page 2, after line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

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

LILLINGTON ROLLER MILLS, INC.

The Clerk called the bill (H. R. 3666) for the relief of the Lillington Roller Mills, Inc.

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

Be it enacted, etc., That the Reconstruction Finance Corporation is authorized and directed to pay to the Lillington Roller Mills, Inc., of Lillington, N. C., a sum of money equal to the total amount of subsidy payments for wheat ground into flour during the period beginning June 6, 1944, and ending June 30, 1945, to which the said Lillington Roller Mills would have been entitled under section 2 (e) of the Emergency Price Control Act of 1942, as amended, and applicable regulations, if application for such payments had been filed within the time limit specified in such regulations.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of North Carolina to hear, determine, and render judgment upon the claim of Lillington Roller Mills, Inc., of Lillington, N. C., for losses sustained as the result of subsidy payments for wheat ground into flour during the period beginning June 6, 1944, and ending June 30, 1945, to which the said claimant would have been entitled under section 2 (e) of the Emergency Price Control Act of 1942, as amended.

"SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in such cases against the United States: *Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the United States."

The committee amendment was agreed to.

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

WESTERN CHEMICAL & MANUFACTURING CO.

The Clerk called the bill (H. R. 6528) for the relief of the Western Chemical & Manufacturing Co.

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

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Western Chemical & Manufacturing Co., a corporation of Los Angeles, Calif., the sum of $1,300. The payment of such sum shall be in full settlement of all claims of the said Western Chemical & Manufacturing Co. against the United States for refund of the fine which was imposed on November 24, 1947, by the United States District Court for the Southern District of California. Such court subsequently ordered such fine to be refunded in part, but such refund was not made because the money paid on account of such fine had been covered into the Treasury: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to

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

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

WARREN THOMAS AND OTHERS

The Clerk called the bill (H. R. 8152) for the relief of Warren Thomas and others.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following claimants the sum specified with respect to such claimant in full settlement of all claims of such claimant against the United States for the damage indicated in his case resulting from a collision involving the automobile in which such claimants were riding and a United States Army truck (operated by a private who was using such truck without authority and not in line of duty) on or about February 1, 1946, on Anaheim Street near the intersection of such street and Santa Fe Avenue, Long Beach, Calif.:

(1) Warren Thomas, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $5,582.67;

(2) Willie Thomas, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $939.73;

(3) Jesse R. Reeves, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $971.50; and

(4) Fred S. Moseley, Long Beach, Calif., for personal injuries, medical and hospital expenses, loss of earnings, and damage to his automobile, the sum of $875.63.

SEC. 2. No part of the amount appropriated in this act for the payment of any one claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 6, strike out "$5,582.67", and insert "$1,582.67."

Page 2, line 9, strike out "$939.73", and insert "$616.96."

Page 2, line 12, strike out "$971.50", and insert "$621.50."

Page 2, line 16, strike out "$875.63", and insert "$332.50."

The committee amendments were agreed to.

Mr. TRIMBLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. TRIMBLE: Page 2, line 4, before the name "Warren" insert "Guy Thomas, son of"; page 2, line 4, before the name "Long" insert "deceased"; page 2, line 6, after the word "earnings" insert "sustained by the said Warren Thomas"; page 2, line 10, before the name "Jesse" insert "Lula A. Reeves, widow of"; page 2, line 12, after the word "earnings" insert "sustained by the said Jesse R. Reeves."

The amendments were agreed to.

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

The title was amended so as to read: "A bill for the relief of Guy Thomas and others."

A motion to reconsider was laid on the table.

WILLIAM A. HOGAN

The Clerk called the bill (H. R. 8337) for the relief of William A. Hogan.

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

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,207.80 to William A. Hogan, of 5322 Q Street, Coral Hills, Md., in full settlement of all claims against the United States for allowances in lieu of quarters and subsistence for the period from May 24, 1944, to August 31, 1945, while serving as special agent (staff sergeant) United States Army, Fort Devens, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$1,207.80" and insert "$1,208.27."

The committee amendment was agreed to.

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

BERNARD CROFT

The Clerk called the bill (H. R. 8362) for the relief of Bernard Croft.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard Croft, South Boston, Mass., the sum of $15,000. The payment of such sum shall be in full settlement of all claims of the said Bernard Croft against the United States arising out of injuries he sustained at South Boston, Mass., on April 8, 1944, when he was struck by a United States Army motor vehicle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$15,000" and insert "$6,000."

The committee amendment was agreed to.

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

ANGELO MESSINA

The Clerk called the bill (H. R. 8687) for the relief of Angelo Messina.

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

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Angelo Messina, of 2625 Thirtieth Street SE., Washington, D. C., the sum of $2,000, in full settlement of all claims against the United States for personal injuries and loss of earnings sustained by him, as a result of an accident which occurred when the automobile which he was driving was struck by a Navy truck on Good Hope Road, Washington, D. C., on August 25, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following amendment:

Page 1, line 7, strike out "$2,000" and insert "$1,000."

The committee amendment was agreed to.

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

CARLOS RIGGENBACH

The Clerk called the bill (S. 986) for the relief of Carlos Riggenbach.

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

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Carlos Riggenbach as of May 5, 1941, the date upon which he was admitted temporarily to the United States as a student. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Switzerland during the current year.

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

FE'R. DUMAGUING

The Clerk called the bill (H. R. 4365) for the relief of Fe'R. Dumaguing.

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

Be it enacted, etc., That in the administration of the immigration and naturalization laws Fe'R. Dumaguing, of New York City, N. Y., shall be held and considered to have been lawfully admitted to the United States for permanent residence on the 19th day of September 1946, the date of her actual entry into the United States, upon the payment by her of a visa fee of $10 and a head tax of $8.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category from the first available Philippine immigration quota.

With the following committee amendment:

Page 1, line 8, strike out "a visa fee of $10 and a head tax of $8" and insert "the required visa fee and head tax."

The committee amendment was agreed to.

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

HENRY LEONARD HOFFMANN

The Clerk called the bill (H. R. 5022) for the relief of Henry Leonard Hoffmann.

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

Be it enacted, etc., That the admission for temporary residence of Henry Leonard Hoffmann, a native of Saar, Germany, who entered the United States at the port of New York, N. Y., on March 17, 1939, as a visitor under section 3, paragraph 2, of the Immigration Act of 1924 (43 Stat. 153, as amended), shall be taken, deemed, and regarded as an entry into the United States for permanent residence, under the immigration laws: *Provided,* That upon approval of his admission into this country for permanent residence as herein proposed, the applicant named herein shall be permitted to file his petition for naturalization immediately to become an American citizen and shall in due course be admitted as a citizen of the United States by the court if otherwise found qualified: *Provided further,* That upon approval of this bill one number shall be deducted from the first available quota for Germany.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of the immigration and naturalization laws Henry Leonard Hoffmann shall be deemed to have been lawfully admitted to the United States for permanent residence as of March 17, 1939, the date of his lawful admission under section 3 (2) of the Immigration Act of 1924, as amended."

The committee amendment was agreed to.

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

DANIEL KOKAL

The Clerk called the bill (H. R. 6106) for the relief of Daniel Kokal.

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

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, the alien Daniel Kokal, 2 Alfred Street, Pittsburgh 16, Pa., shall be held and considered to have been lawfully admitted at New York, N. Y., on April 27, 1949, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the first available quota for Yugoslavia.

With the following committee amendments:

Page 1, line 7, after "residence", insert "upon the payment of the required visa fee and head tax."

Page 1, line 11, strike out "the first available quota for Yugoslavia" and insert "the appropriate immigration quota."

The committee amendments were agreed to.

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

CHRISTINA KARAMANOS DEMAS AND ANTONIA KARAMANOS DEMAS

The Clerk called the bill (H. R. 6990) for the relief of Christina Karamanos Demas and Antonia Karamanos Demas.

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

Be it enacted, etc., That, in the administration of the immigration laws of the United States, relating to the issuance of immigration visas for admission into the United States for permanent residence and relating to the admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 28 (1) of the act of May 26, 1924 (47 Stat. 253 (1); U. S. C. A., title 8, 224 (1)), which define the terms "child", "father", and "mother" as not including "a child or parent by adoption unless the adoption took place before January 1, 1924"; shall be held not to apply to Christina Karamanos Demas and Antonia Karamanos Demas, the adopted children of Peter C. Demas and Angelice Demas, and said children shall in all respects under the immigration laws of the United States be held to be the natural children of the said Peter C. Demas and Angelice Demas and found if otherwise admissible under the immigration laws of the United States an immigration visa may be issued and admission granted to Christina Karamanos Demas and Antonia Karamanos Demas under this act upon proper application therefor.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That, for the purpose of the immigration and naturalization laws, Christina Karamanos Demas and Antonia Karamanos Demas shall be considered to be the alien natural-born children of Mr. and Mrs. Peter C. Demas, United States citizens."

The committee amendment was agreed to.

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

ROSETTE SELINA ROMANO

The Clerk called the bill (H. R. 7095) for the relief of Rosette Selina Romano, a minor.

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

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, Rosette Selina Romano, native and citizen of Italy, shall be considered to be the native-born daughter of Mr. and Mrs. Antonio Romano, United States citizens.

With the following committee amendment:

Page 1, line 5, strike out "native-born daughter" and insert "alien natural-born child."

The committee amendment was agreed to.

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

JOSEPH UMBERTO MONTALBAN-TROY

The Clerk called the bill (H. R. 8136) for the relief of Joseph Umberto Montalban-Troy.

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

Be it enacted, etc., That, in the administration of the immigration laws, Joseph Umberto Montalban-Troy, of Boise, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.

SEC. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Canadian immigration quota.

SEC. 3. Notwithstanding any other provision of law, the said Joseph Umberto Montalban-Troy may be naturalized as a citizen of the United States by taking the oath of allegiance, in the manner prescribed in the naturalization laws, before any court having jurisdiction of the naturalization of aliens.

With the following committee amendments:

Page 1, line 8, strike out "visa fee of $10 and the head tax of $8" and insert "required visa fee and head tax."

Page 2, line 2, strike out "Canadian."

Page 2, line 3, after the word "quota" insert "for Italy."

The committee amendments were agreed to.

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

MRS. OLGA KOWALIK AND CZESLAWA KOWALIK

The Clerk called the bill (H. R. 9144) for the relief of Mrs. Olga Kowalik and Czeslawa Kowalik.

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

Be it enacted, etc., That, notwithstanding any provision of the immigration laws prescribing annual quotas, the aliens Mrs. Olga Kowalik and Czeslawa Kowalik shall be granted admission to the United States for permanent residence if otherwise admissible under the immigration laws. Upon the admission of such aliens to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of two numbers from the quota for Poland.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That, notwithstanding the residence requirements of paragraph (1) of subsection 2 (c) of the Displaced Persons Act of 1948, as amended (50 U. S. C. App. 1951), Mrs. Olga Kowalik and her daughter, Czeslawa Kowalik, residing at a Polish refugee camp located at Tengerum Arusha, Tanganyika, East Africa, shall be deemed to be eligible displaced persons as defined in section 2 (c) of the said act."

The committee amendment was agreed to.

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

CHRISTINA SHALFEIEFF

The Clerk called the bill (H. R. 9434) for the relief of Christina Shalfeieff.

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

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Christina Shalfeieff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

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

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

GENERAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2991)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

CHAPTER I. DISTRICT OF COLUMBIA

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter I of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

JOE B. BATES,
SIDNEY R. YATES,
FOSTER FURCOLO,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
LOWELL STOCKMAN,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

LISTER HILL,
JOSEPH C. O'MAHONEY,
JOHN L. MCCLELLAN,
HOMER FERGUSON,
K. S. WHERRY,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter I of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DISTRICT OF COLUMBIA

Amendment No. 1—Federal contribution: Appropriates $9,800,000 as proposed by the House, instead of $11,000,000 as proposed by the Senate. The conferees are in unanimous agreement that this reduction shall not establish a precedent for future annual appropriations, but is recommended for the fiscal year 1951 because of the emergency situation now facing the nation.

JOE B. BATES,
SIDNEY R. YATES,
FOSTER FURCOLO,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
LOWELL STOCKMAN,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

CHAPTER II. LEGISLATIVE BRANCH

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter II of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 52.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 19, 21, 22, 24, 25, 27, 29, 30, 31, 32, 33, 34, 36, 37, 38, 40, 41, 42, 43, 44, 45, 50, and 52, and agree to the same.

The committee of conference report in disagreement amendments numbered 11, 15, 16, 17, 18, 20, 23, 26, 28, 35, 39, 46, 47, 48, 49, and 51.

CHRISTOPHER C. MCGRATH,
MICHAEL J. KIRWAN,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
ERRETT P. SCRIVNER,
JOHN TABER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
DENNIS CHAVEZ,
KENNETH MCKELLAR,
STYLES BRIDGES,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter II of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

LEGISLATIVE BRANCH

Senate

Amendments Nos. 2–34: Provide appropriations for the Senate, which were not included in the bill as passed by the House. Of such amendments, those numbered 11, 15, 16, 17, 18, 20, 23, 26, and 28 would have been subject to points of order if considered originally in the House, and therefore are reported in disagreement. The conference report recommends that the House recede and concur with the remainder of such amendments.

Amendment No. 35—Inquiries and investigations: Reported in disagreement.

Amendments Nos. 36–48: Provide for or pertain to appropriations for the Senate, which were not included in the bill as passed by the House. Of such amendments, those numbered 39, 46, 47, and 48 would have been subject to points of order if considered originally in the House, and therefore are reported in disagreement. The conference report recommends that the House recede and concur with the remainder of such amendments.

Joint Committee on Nonessential Federal Expenditures

Amendment No. 49, providing funds for the Joint Committee on Nonessential Federal Expenditures, would have been subject to a point of order if considered originally in the House, and therefore is reported in disagreement.

Architect of the Capitol

Amendment No. 50—Subway Transportation, Capitol and Senate Office Building: Appropriates $2,600 as proposed by the Senate.

Amendment No. 51—Senate Office Building: Reported in disagreement, inasmuch as it would have been subject to a point of order if considered originally in the House.

Library of Congress

Amendment No. 52—Editing and Publishing the Index-Digest of Publications of the Temporary National Economic Committee: Strikes out the Senate proposal.

Amendment No. 53—Library buildings, salaries and expenses: Appropriates $698,680 proposed by the Senate, instead of $695,200 proposed by the House.

CHRISTOPHER C. MCGRATH,
MICHAEL J. KIRWAN,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
ERRETT P. SCRIVNER,
JOHN TABER,
Managers on the Part of the House.

CHAPTER III. DEPARTMENTS OF STATE, JUSTICE, COMMERCE AND THE JUDICIARY

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter III of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 55, 60, 62, 63, 66, 73, 77, 79, 98, 102, 104, 105, 108, 110, 114, and 118.

That the House recede from its disagreement to the amendments of the Senate numbered 56, 58, 64, 67, 69, 70, 71, 74, 75, 76, 78, 80, 81, 82, 83, 85, 87, 88, 90, 91, 96, 99, 100, 101, 103, 109, 111, 112, 113, 115, and 116, and agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,800,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,449,297"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,900,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$508,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,350,000"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$98,500,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,150,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,500,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,897,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$995,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 68, 72, 92, 94, and 107.

JOHN J. ROONEY,
DANIEL J. FLOOD,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
CLIFF CLEVENGER,
JOHN TABER,
Managers on the Part of the House.

PAT MCCARRAN,
KENNETH MCKELLAR,
ALLEN J. ELLENDER,
THEODORE FRANCIS GREEN,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter III of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF STATE

Amendment No. 54—Salaries and Expenses: Appropriates $77,800,000, instead of $77,300,000 as proposed by the House and $78,300,000 as proposed by the Senate.

Amendment No. 55—Representation Allowances: Appropriates $675,000 as proposed by the House, instead of $900,000 as proposed by the Senate.

Amendment No. 56—Foreign Service Retirement and Disability Fund: Provides no appropriation or language, as proposed by the Senate, instead of appropriating $2,233,000 as proposed by the House.

Amendment No. 57—Buildings Fund: Appropriates $6,500,000, instead of $8,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 58—Emergencies in the Diplomatic and Consular Service: Appropriates $9,900,000 as proposed by the Senate, instead of $10,600,000 as proposed by the House.

Amendment No. 59—Contributions to International Organizations: Appropriates $54,449,297, instead of $55,178,297 as proposed by the House and $53,753,067 as proposed by the Senate. The reduction in the House figure applies to "International Civil Aviation Organization".

Amendment No. 60—Missions to International Organizations: Appropriates $1,600,000 as proposed by the House, instead of $1,500,000 as proposed by the Senate.

Amendment No. 61—International Contingencies: Appropriates $2,900,000, instead of $3,000,000 as proposed by the House and $2,800,000 as proposed by the Senate.

Amendments Nos. 62 and 63—International Boundary and Water Commission, United States and Mexico: Authorizes the purchase of 4 automobiles for replacement only as proposed by the House, instead of the purchase of 8 automobiles of which 6 were to be for replacement only as proposed by the Senate.

Amendment No. 64—International Boundary and Water Commission, United States and Mexico, Construction: Appropriates $3,000,000 as proposed by the Senate, instead of $5,035,000 as proposed by the House.

Amendment No. 65—American Sections, International Commissions: Appropriates $508,000, instead of $500,000 as proposed by the House and $600,000 as proposed by the Senate.

Amendment No. 66—American Sections, International Commissions: Eliminates the Senate proposal to make $92,000 available for the examination and survey of the Red River of the North and its tributaries.

Amendment No. 67—International Information and Educational Activities: Appropriates $32,700,000 as proposed by the Senate, instead of $34,000,000 as proposed by the House.

Amendment No. 68—International Information and Educational Activities: Reported in disagreement.

Amendment No. 69—International Information and Educational Activities: Authorizes the transfer of not to exceed $2,875,000 to other appropriations of the Department of State as proposed by the Senate, instead of $3,000,000 as proposed by the House.

Amendment No. 70—Philippine Rehabilitation: Appropriates $10,000,000 as proposed by the Senate, instead of $13,000,000 as proposed by the House.

Amendment No. 71—The Institute of Inter-American Affairs: Appropriates $5,000,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 72—The Institute of Inter-American Affairs: Reported in disagreement.

DEPARTMENT OF JUSTICE

Legal activities and general administration

Amendment No. 73—Salaries and Expenses, General Administration: Appropriates $2,175,000 as proposed by the House, instead of $2,125,000 as proposed by the Senate.

Amendment No. 74—Salaries and Expenses, General Legal Activities: Appropriates $7,475,000 as proposed by the Senate, instead of $7,300,000 as proposed by the House.

Amendment No. 75—Salaries and Expenses, Antitrust Division: Appropriates $3,750,000 as proposed by the Senate, instead of $3,850,000 as proposed by the House.

Amendment No. 76—Salaries and Expenses, United States Attorneys and Marshals: Appropriates $12,847,000 as proposed by the Senate, instead of $12,600,000 as proposed by the House.

Amendment No. 77—Fees and Expenses of Witnesses: Appropriates $1,000,000 as proposed by the House, instead of $1,250,000 as proposed by the Senate.

Amendment No. 78—Salaries and Expenses, Claims of Persons of Japanese Ancestry: Appropriates $1,300,000 as proposed by the Senate, instead of $4,000,000 as proposed by the House.

Amendment No. 79—Salaries and Expenses, Claims of Persons of Japanese Ancestry: Makes available not to exceed $250,000 for administrative expenses as proposed by the House, instead of $300,000 as proposed by the Senate.

Federal prison system

Amendment No. 80—Buildings and Facilities: Appropriates $800,000 as proposed by the Senate, instead of $900,000 as proposed by the House.

Amendment No. 81—Buildings and Facilities: Provides $170,000 cash for replacement of a power plant at the U. S. Penitentiary, Atlanta, Georgia, as proposed by the Senate, instead of $270,000 as proposed by the House.

Amendment No. 82—Buildings and Facilities: Corrects total to conform with action on amendment No. 81 as proposed by the Senate.

Office of alien property

Amendment No. 83—Salaries and Expenses: Makes available $4,150,000 for the general administrative expenses as proposed by the Senate, instead of $4,240,000 as proposed by the House.

DEPARTMENT OF COMMERCE

Office of the Secretary

Amendment No. 84—Salaries and Expenses: Appropriates $1,350,000, instead of $1,300,000 as proposed by the House and $1,400,000 as proposed by the Senate.

Bureau of the Census

Amendment No. 85—Seventeenth decennial census: Appropriates $28,500,000 as proposed by the Senate, instead of $29,500,000 as proposed by the House.

Civil Aeronautics Administration

Amendment No. 86—Salaries and Expenses: Appropriates $98,500,000, instead of $97,000,000 as proposed by the House and $99,775,000 as proposed by the Senate.

Amendment No. 87—Establishment of airnavigation facilities: Appropriates $27,500,000 as proposed by the Senate, instead of $32,000,000 as proposed by the House.

Amendment No. 88—Establishment of airnavigation facilities: Provides $22,000,000 of the amount contained in Amendment No. 87 for liquidation of prior contract authorizations as proposed by the Senate, instead of $26,500,000 as proposed by the House.

Amendment No. 89—Establishment of airnavigation facilities: Provides contract authority in an amount not to exceed $16,000,000, instead of $13,461,500 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 90—Federal-aid airport program. Federal Airport Act: Appropriates $37,000,000 as proposed by the Senate, instead of $45,000,000 as proposed by the House.

Amendment No. 91—Federal-aid airport program. Federal Airport Act: Provides $34,000,000 of the amount contained in Amendment No. 90 for liquidation of prior contract authority as proposed by the Senate, instead of $42,000,000 as proposed by the House.

Amendment No. 92—Air navigation development: Reported in disagreement.

Civil Aeronautics Board

Amendment No. 93—Salaries and Expenses: Appropriates $3,500,000, instead of $3,400,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 94—Salaries and Expenses: Reported in disagreement.

Bureau of Foreign and Domestic Commerce

Amendment No. 95—Departmental Salaries and Expenses: Appropriates $5,150,000, instead of $5,000,000 as proposed by the House and $5,300,000 as proposed by the Senate.

Amendment No. 96—Field Office Service: Appropriates $2,155,000 as proposed by the Senate, instead of $2,050,000 as proposed by the House.

Patent Office

Amendment No. 97—Salaries and Expenses: Appropriates $11,500,000, instead of $11,300,000 as proposed by the House, and $11,530,000 as proposed by the Senate.

Bureau of Public Roads

Amendment No. 98—General Administrative Expenses: Restores the House language which provides that not to exceed $3,000,000 to be derived from the administrative funds shall be available for continuing the construction of a laboratory for testing and research work.

Amendment No. 99—Federal-aid postwar highways: Appropriates $385,000,000 as proposed by the Senate, instead of $405,000,000 as proposed by the House.

Amendment No. 100—Federal-aid postwar highways: Corrects the amount to conform with action on Amendment No. 99 as proposed by the Senate.

National Bureau of Standards

Amendment No. 101: Provides a limitation of $700,000 for improvements to buildings, grounds and other plant facilities as proposed by the Senate, instead of $540,000 as proposed by the House.

Amendment No. 102—Operation and Administration: Appropriates $1,270,000 as proposed by the House, instead of $1,430,000 as proposed by the Senate.

Amendment No. 103—Radio Propagation and Standards: Appropriates $3,000,000 as proposed by the Senate, instead of $3,100,000 as proposed by the House.

Amendment No. 104—Construction of Laboratories: Appropriates $500,000 as proposed by the House, instead of $268,000 as proposed by the Senate.

Amendment No. 105—Construction of Laboratories: Authorizes contract authority in an amount not to exceed $5,675,000 as proposed by the House, instead of $3,000,000 as proposed by the Senate.

Weather Bureau

Amendment No. 106—Salaries and Expenses: Appropriates $24,897,000, instead of $24,447,000 as proposed by the House and $24,927,000 as proposed by the Senate.

Amendment No. 107—Salaries and Expenses: Reported in disagreement.

THE JUDICIARY

Customs court

Amendment No. 108—Salaries and expenses: Appropriates $417,465 as proposed by the House, instead of $411,465 as proposed by the Senate.

Court of Claims

Amendment No. 109—Salaries and expenses: Appropriates $575,000 as proposed by the Senate, instead of $587,000 as proposed by the House.

Amendment No. 110—Repairs and improvements: Appropriates $10,700 as proposed by the House, instead of $140,700 as proposed by the Senate.

Other courts and services

Amendment No. 111—Salaries of clerks of courts: Appropriates $4,470,000 as proposed by the Senate, instead of $4,500,000 as proposed by the House.

Amendment No. 112—Salaries of criers: Appropriates $520,000 as proposed by the Senate, instead of $540,000 as proposed by the House.

Amendment No. 113—Miscellaneous expenses: Appropriates $675,00 as proposed by the Senate, instead of $725,000 as proposed by the House.

Amendment No. 114—Travel expenses: Appropriates $725,000 as proposed by the House, instead of $650,000 as proposed by the Senate.

Amendment No. 115—Administrative Office of the United States Courts: Appropriates $520,000 as proposed by the Senate, instead of $530,000 as proposed by the House.

Amendment No. 116—Repairs and improvements, District Court of the United States for the District of Columbia: Appropriates $7,100 as proposed by the Senate, instead of $15,600 as proposed by the House.

Amendment No. 117—Expenses of referees: Appropriates $995,000 to be derived from the referees' expense fund, instead of $960,000 as proposed by the House, and $1,035,400 as proposed by the Senate.

GOVERNMENT CORPORATIONS

Department of State

Amendment No. 118—The Institute of Inter-American Affairs: Provides not to exceed $600,000 for administrative expenses of the funds available to the corporation, as proposed by the House, instead of $767,500 as proposed by the Senate.

JOHN J. ROONEY,
DANIEL J. FLOOD,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
CLIFF CLEVENGER,
JOHN TABER,
Managers on the Part of the House.

CHAPTER IV. TREASURY AND POST OFFICE DEPARTMENTS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IV of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 134.

That the House recede from its disagreement to the amendments of the Senate numbered 120, 122, 123, 125, 127, 130, 131, 132, and 133, and agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,185,000"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,600,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,850,000" and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,150,000"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
FREDERIC R. COUDERT,
JOHN TABER,
Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IV of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recom-

mended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

Office of Administrative Services

Amendment No. 119—Salaries: Appropriates $1,185,000, instead of $1,160,000 as proposed by the House and $1,207,000 as proposed by the Senate.

Amendment No. 120—Miscellaneous expenses: Appropriates $308,500 as proposed by the Senate, instead of $300,000 as proposed by the House.

Bureau of Accounts

Amendment No. 121—Salaries and expenses: Appropriates $2,100,000, instead of $1,875,000 as proposed by the House and $2,209,000 as proposed by the Senate.

Amendment No. 122—Recoinage of silver coins: Strikes out House language as proposed by the Senate.

Bureau of the Public Debt

Amendment No. 123—Distinctive paper for United States currency and securities: Appropriates $1,845,000 as proposed by the Senate, instead of $1,745,000 as proposed by the House.

Bureau of Customs

Amendment No. 124—Salaries and expenses: Appropriates $36,600,000, instead of $36,500,000 as proposed by the House and $36,806,360 as proposed by the Senate.

Bureau of Internal Revenue

Amendment No. 125—Salaries and expenses: Appropriates $245,547,500 as proposed by the Senate, instead of $245,600,000 as proposed by the House.

Bureau of Narcotics

Amendment No. 126—Salaries and expenses: Appropriates $1,850,000, instead of $1,750,000 as proposed by the House and $1,908,000 as proposed by the Senate.

Bureau of Engraving and Printing

Amendment No. 127—Salaries and Expenses: Appropriates $16,835,000 as proposed by the Senate, instead of $15,500,000 as proposed by the House.

Secret Service Division

Amendment No. 128—Salaries and Expenses: Appropriates $2,150,000, instead of $2,100,000 as proposed by the House and $2,250,000 as proposed by the Senate.

Coast Guard

Amendment No. 129—Acquisition, Construction and Improvements: Appropriates $17,000,000, instead of $15,000,000 as proposed by the House and $18,964,000 as proposed by the Senate.

POST OFFICE DEPARTMENT

Amendment Nos. 130, 131, and 132—Deficiency in Postal Revenues: Delete the House Limitation of $401,500,000 as the maximum amount which can be drawn from the Federal Treasury for this purpose and inserts language allowing the use of an indefinite amount, as proposed by the Senate.

Amendment No. 133—Transportation of Mails: Inserts language to allow the use of this appropriation for payment of current and prior fiscal year settlements with foreign countries, as proposed by the Senate.

RECONSTRUCTION FINANCE CORPORATION

Amendment No. 134—Administrative Expenses: Authorizes not to exceed $26,000,000 as proposed by the House, instead of $26,700,000 as proposed by the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
FREDERIC R. COUDERT,
JOHN TABER,
Managers on the Part of the House.

CHAPTER V. DEPARTMENT OF LABOR AND FEDERAL SECURITY AGENCY

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter V of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 137, 141, and 152.

That the House recede from its disagreement to the amendments of the Senate numbered 139, 144, 145, 146, 149, 154, and 155, and agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "forty-five passenger motor vehicles, of which seventeen shall be for replacement only"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,466,700"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,971,500"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,800,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and including $200,000 for transfer to the Department of Agriculture for research into utilization of plant material and vegetable sources of cortisone"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,090,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$250,000"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$523,100"; and the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,582,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 142, 148, and 151.

JOHN E. FOGARTY,
E. H. HEDRICK,
CHRISTOPHER C. MCGRATH,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
ERRETT P. SCRIVNER,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House

DENNIS CHAVEZ,
PAT MCCARRAN,
RICHARD B. RUSSELL,
WILLIAM F. KNOWLAND,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter V of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FEDERAL SECURITY AGENCY

Food and Drug Administration

Amendments Nos. 135 and 136—Salaries and expenses: Appropriate $5,466,700, instead of $5,666,700 as proposed by the Senate and $5,066,700 as proposed by the House, including the purchase of not to exceed 45 passenger motor vehicles, instead of not to exceed 65 proposed by the Senate and not to exceed 17 proposed by the House.

Office of Education

Amendment No. 137—Promotion and further development of vocational education: Appropriates $19,977,760 as proposed by the House, instead of $23,235,000 as proposed by the Senate.

Amendment No. 138—Salaries and expenses: Appropriates $1,971,500, instead of $2,023,420 as proposed by the Senate and $1,900,000 as proposed by the House.

Public Health Service

Amendment No. 139—Venereal diseases: Appropriates $14,500,000 as proposed by the Senate, instead of $14,900,000 as proposed by the House.

Amendment No. 140—Tuberculosis: Appropriates $9,800,000 instead of $9,600,000 as proposed by the Senate, and $10,000,000 as proposed by the House.

Amendment No. 141—Salaries and expenses, hospital construction services: Appropriates $1,357,000 as proposed by the House, instead of $2,107,000 as proposed by the Senate.

Amendment No. 142—National Institutes of Health, operating expenses: Reported in disagreement.

Amendment No. 143—Restores the House language providing for transfer of funds to the Department of Agriculture for research into utilization of plant material and vegetable sources of cortisone, modified to make the transfer in the specific amount of $200,000.

Amendment No. 144 — National Cancer Institute: Appropriates $20,686,000 as proposed by the Senate, instead of $20,086,000 as proposed by the House.

Amendment No. 145—Mental health activities: Appropriates $10,000,000 as proposed by the Senate, instead of $9,944,000 as proposed by the House.

Amendment No. 146—National Heart Institute: Appropriates $14,750,000 as proposed by the Senate, instead of $14,150,000 as proposed by the House.

Amendment No. 147.—Dental health activities: Appropriates $2,090,000, instead of $2,140,000 as proposed by the Senate and $2,040,000 as proposed by the House.

Amendment No. 148—Construction of research facilities: Reported in disagreement.

Saint Elizabeth's Hospital

Amendment No. 149—Salaries and expenses: Appropriates $2,005,000 as proposed by the Senate, instead of $1,948,000 as proposed by the House.

Social Security Administration

Amendment No. 150—Salaries and expenses, Bureau of Federal Credit Unions: Appropriates $250,000, instead of $300,000 as proposed by the Senate and $200,000 as proposed by the House.

Amendment No. 151—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Reported in disagreement.

Amendment No. 152—Salaries and expenses, Children's Bureau: Appropriates $1,500,000 as proposed by the House, instead of $1,510,000 as proposed by the Senate.

Office of the Administrator

Amendment No. 153—Salaries, Office of the General Counsel: Appropriates $523,100, instead of $535,100 as proposed by the Senate and $511,100 as proposed by the House.

General provisions

Amendment No. 154: Inserts a separate section proposed by the Senate, making certain appropriations of the Federal Security Agency in the bill available for travel expenses and for expenses of attendance at meetings concerned with the function or activity for which any such appropriation is made.

Amendment No. 155: Corrects a section number.

NATIONAL LABOR RELATIONS BOARD

Amendment No. 156—Salaries and expenses: Appropriates $8,582,500, instead of $8,615,000 as proposed by the Senate and $8,550,000 as proposed by the House.

JOHN E. FOGARTY,
E. H. HEDRICK,
CHRISTOPHER C. MCGRATH,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
ERRETT P. SCRIVNER,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House.

CHAPTER VI. DEPARTMENT OF AGRICULTURE

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VI of the bill (H. R. 7786) "making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 159, 163, 170, 171, 174, 176, 185, 202, 203, 214, and 229.

That the House recede from its disagreement to the amendments of the Senate numbered 158, 160, 161, 162, 164, 165, 167, 168, 169, 199, 205, 206, 207, 210, 211, 213, 216, 218, 219, 226, 227, 228, 233, 235, 236, and 237, and agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,294,000"; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,325,000"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,617,500"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,960,000"; and the Senate agree to the same.

Amendment numbered 179: That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,437,500"; and the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,012,500"; and the Senate agree to the same.

Amendment numbered 181: That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$452,500"; and the Senate agree to the same.

Amendment numbered 182: That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,723,750"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,130,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,157,500"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,450,000"; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,354,700"; and the Senate agree to the same.

Amendment numbered 188: That the House recede from its disagreement to the amendment of the Senate numbered 188, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$560,000"; and the Senate agree to the same.

Amendment numbered 191: That the House recede from its disagreement to the amendment of the Senate numbered 191, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,490,000"; and the Senate agree to the same.

Amendment numbered 194: That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$537,050"; and the Senate agree to the same.

Amendment numbered 195: That the House recede from its disagreement to the amendment of the Senate numbered 195, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,837,475"; and the Senate agree to the same.

Amendment numbered 196: That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,115,475"; and the Senate agree to the same.

Amendment numbered 197: That the House recede from its disagreement to the amendment of the Senate numbered 197, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,100,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,315,000"; and the Senate agree to the same.

Amendment numbered 212: That the House recede from its disagreement to the amendment of the Senate numbered 212, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,565,175"; and the Senate agree to the same.

Amendment numbered 217: That the House recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,118,500"; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,550,000"; and the Senate agree to the same.

Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$32,500,000"; and the Senate agree to the same.

Amendment numbered 222: That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,000,000"; and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment, as follows: In lieu of the sum proposed by

said amendment insert "$28,500,000"; and the Senate agree to the same.

Amendment numbered 230: That the House recede from its disagreement to the amendment of the Senate numbered 230, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,161,300"; and the Senate agree to the same.

Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,562,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 157, 166, 175, 189, 192, 198, 200, 201, 209, 215, 223, 224, 232, 234, and 238.

JAMIE L. WHITTEN,
WILLIAM G. STIGLER,
EDWARD H. KRUSE, Jr.
LOUIS C. RABAUT,
W. F. NORRELL
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
ELMER THOMAS,
MILTON R. YOUNG,
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Research and Marketing Act

Amendment No. 157: Reported in disagreement.

Bureau of Agricultural Economics

Amendments Nos. 158 and 159—Economic investigations: Strike out House language to permit economic research on farm housing as proposed by the Senate and appropriate $2,600,000 as proposed by the House, instead of $2,720,000 as proposed by the Senate.

Amendments Nos. 160 and 161—Crop and livestock estimates: Strike out House language authorizing collection of data on farm construction as proposed by the Senate and appropriate $2,904,000 as proposed by the Senate, instead of $2,725,000 as proposed by the House.

Office of the Administrator, Agricultural Research Administration

Amendment No. 162: Corrects language as proposed by the Senate.

Working capital fund, agricultural research center

Amendment No. 163: Restores language establishing a working capital fund as proposed by the House.

Research on agricultural problems of Alaska

Amendment No. 164: Appropriates $280,000 as proposed by the Senate, instead of $260,000 as proposed by the House.

Office of Experiment Stations

Amendment No. 165—Payments to States and Territories: Inserts language proposed by the Senate in connection with the transfer of Research and Marketing Act funds.

Amendment No. 166—Payments to States and Territories: Reported in disagreement.

Amendment No. 167—Payments to States and Territories: Authorizes $37,500 for research in Alaska as proposed by the Senate, instead of $27,500 as proposed by the House.

Amendment No. 168—Payments to States and Territories: Appropriates $12,416,208 as proposed by the Senate, instead of $7,406,208 as proposed by the House.

Amendments Nos. 169 and 170—Salaries and expenses: Correct date reference as proposed by the Senate and appropriate $237,500 as proposed by the House, instead of $252,500 as proposed by the Senate.

Bureau of Human Nutrition and Home Economics

Amendment No. 171: Appropriates $1,500,000 as proposed by the House, instead of $1,763,200 as proposed by the Senate.

Bureau of Animal Industry

Amendment No. 172—Animal husbandry: Appropriates $2,294,000, instead of $2,319,000 as proposed by the Senate and $2,250,000 as proposed by the House. The amount appropriated includes $19,000 proposed by the Senate to enable the Department to continue operation of the Morgan Horse Farm until the State Legislature can consider a proposal for State of Vermont to take it over. It is agreed unanimously by the conferees of both Houses that this activity must be disposed of by the end of the fiscal year 1951.

Amendment No. 173—Diseases of animals: Appropriates $1,325,000, instead of $1,350,000 as proposed by the Senate and $1,300,000 as proposed by the House.

Amendment No. 174—Animal disease control and eradication: Appropriates $7,950,000 as proposed by the House, instead of $7,952,500 as proposed by the Senate. Although Senate increase is eliminated, the conferees of both Houses agree that the Seattle stockyards should be given the same inspection service accorded similar stockyards throughout the country, within the funds approved.

Amendment No. 175—Animal disease control and eradication: Reported in disagreement.

Bureau of Dairy Industry

Amendments Nos. 176 and 177: Eliminate language proposed by the Senate authorizing construction of housing at Beltsville and appropriate $1,617,500, instead of $1,735,000 as proposed by the Senate and $1,600,000 as proposed by the House.

Bureau of Agricultural and Industrial Chemistry

Amendment No. 178: Appropriates $7,960,000, instead of $8,500,000 as proposed by the Senate and $7,750,000 as proposed by the House. This amount provides partial restoration of House cut below 1950 level of operation. Funds for research on cortisone are provided in Chapter V of the bill.

Bureau of Plant Industry

Amendment No. 179—Field crops: Appropriates $3,437,500, instead of $3,475,000 as proposed by the Senate and $3,400,000 as proposed by the House. This amount includes $30,000 for research on new types of cotton.

Amendment No. 180—Fruit, vegetable, and specialty crops: Appropriates $3,012,500, instead of $3,075,000 as proposed by the Senate and $2,950,000 as proposed by the House. Funds for research into new sources of cortisone are included in Chapter V of the bill.

Amendment No. 181—Forest diseases: Appropriates $452,500, instead of $455,000 as proposed by the Senate and $450,000 as proposed by the House.

Amendment No. 182—Soils, fertilizers, and irrigation: Appropriates $2,723,750, instead of $2,767,500 as proposed by the Senate and $2,680,000 as proposed by the House.

Amendment No. 183—Agricultural engineering: Appropriates $1,130,000, instead of $1,140,000 as proposed by the Senate and $1,120,000 as proposed by the House.

Bureau of Entomology and Plant Quarantine

Amendments Nos. 184 and 185.—Insect investigations: Appropriate $4,157,500, instead of $4,165,000 as proposed by the Senate and $4,100,000 as proposed by the House and restore House language authorizing the transfer of funds to the Public Health Service for studies on effects of insecticidal and fungicidal residue on human health.

Amendment No. 186—Insect and plant-disease control: Appropriates $4,450,000, instead of $4,651,000 as proposed by the Senate and $4,185,900 as proposed by the House.

Amendment No. 187—Foreign plant quarantines; Appropriates $2,354,700, instead of $2,384,400 as proposed by the Senate and $2,325,000 as proposed by the House.

Amendment No. 188—Control of emergency outbreaks of insects and plant diseases: Appropriates $2,100,000, instead of $2,350,000 as proposed by the Senate and $850,000 as proposed by the House. The additional contingency funds, which are provided to eliminate future deficiencies, are to be released only after both committees have approved final plans for their use.

Amendment No. 189—Control of emergency outbreaks of insects and plant diseases: Reported in disagreement.

Control of forest pests

Amendment No. 190—Gypsy and brown-tail moths: Appropriates $560,000, instead of $590,000 as proposed by the Senate and $539,500 as proposed by the House.

Amendment No. 191—Forest Pest Control Act: Appropriates $1,650,000, instead of $1,900,000 as proposed by the Senate and $900,000 as proposed by the House. The additional contingency funds of $750,000 are included to eliminate as far as possible future deficiencies.

Amendment No. 192—Forest Pest Control Act: Reported in disagreement.

Amendments Nos. 193, 194, 195, and 196—White pine blister rust: Appropriate $3,490,000, instead of $3,700,000 as proposed by the Senate and $3,280,000 as proposed by the House and adjust amounts to be transferred to the three agencies which carry out this program.

Forest Service

Amendment No. 197—National forest protection and management: Appropriates $27,100,000, instead of $29,320,500 as proposed by the Senate and $26,890,000 as proposed by the House.

Amendment No. 198—Cooperative range improvements: Reported in disagreement.

Amendment No. 199—Forest and range management investigations: Appropriates $3,030,000 as proposed by the Senate, instead of $2,995,000 as proposed by the House.

Amendment No. 200—Forest and range management investigations: Reported in disagreement.

Amendment No. 201—Forest products: Reported in disagreement.

Amendment No. 202—Forest resources investigations: Appropriates $880,000 as proposed by the House, instead of $1,000,000 as proposed by the Senate.

Amendment No. 203—Forest development roads and trails: Appropriates $10,348,000 as proposed by the House, instead of $12,000,000 as proposed by the Senate.

Amendment No. 204—Acquisition of land for national forests, Weeks Act: Appropriates $300,000, instead of $401,000 as proposed by the Senate and $100,000 as proposed by the House. The conferees of both Houses agree that none of these funds shall be used to purchase lands unless they are located entirely within national forest boundaries.

Amendments Nos. 205, 206, and 207—Farm and other private forestry cooperation: Approve corrections proposed by the Senate in sublimitation accounts.

Flood Control

Amendment No. 208: Appropriates $10,315,000, instead of $9,880,000 as proposed by the Senate and $10,750,000 as proposed by the House. Within the funds available, special attention shall be given to the areas where work has been delayed.

Amendment No. 209: Reported in disagreement.

Soil Conservation Service

Amendment No. 210. Omits surplus heading.

Amendment No. 211—Soil conservation operations: Appropriates $52,400,000 as proposed by the Senate, instead of $52,900,000 as proposed by the House.

Amendment No. 212—Land utilization and retirement of submarginal land: Appropriates $1,565,175, instead of $1,665,175 as proposed by the Senate and $1,490,000 as proposed by the House. The amount approved includes Senate increase for the San Simon Valley project.

Amendment No. 213—Water conservation and utilization projects: Appropriates $500,000 as proposed by the Senate, instead of $400,000 as proposed by the House.

Production and Marketing Administration

Amendment No. 214—Conservation and use of agricultural land resources: Appropriates $282,500,000 as proposed by the House, instead of $283,000,000 as proposed by the Senate.

Amendment No. 215—Conservation and use of agricultural land resources: Reported in disagreement.

Amendment No. 216—Sugar Act: Appropriates $63,750,000 as proposed by the Senate, instead of $60,000,000 as proposed by the House.

Amendment No. 217—Market News Service: Appropriates $2,118,500, instead of $2,187,000 as proposed by the Senate and $2,050,000 as proposed by the House. The amount approved includes Senate increase for market news service on naval stores.

Amendment No. 218—Marketing regulatory acts: Appropriates $3,495,000 as proposed by the Senate, instead of $3,550,000 as proposed by the House.

Federal crop insurance

Amendment No. 219: Appropriates $7,204,000 as proposed by the Senate, instead of $6,854,000 as proposed by the House.

Rural Electrification Administration

Amendment No. 220—Salaries and expenses: Appropriates $8,550,000, instead of $8,750,000 as proposed by the Senate and $8,150,000 as proposed by the House.

Amendment No. 221—Loan authorization: Authorizes rural telephone loans in the amount of $32,500,000, instead of $40,000,000 as proposed by the Senate and $25,000,000 as proposed by the House. The conferees agree that the fees for engineering and legal services on the larger loans should be reduced. They also feel that standardization of plans should be developed to make possible further savings to the consumers. In addition, the Rural Electrification Administration is expected to exercise its power generation authority only in line with its announced policy and the law.

Farmers' Home Administration

Amendment No. 222—Loan authorization: Authorizes $65,000,000 for farm tenancy and housing loans, instead of $71,350,000 as proposed by the Senate and $56,350,000 as proposed by the House. In addition, the Farmers' Home Administration will have a carry-over of approximately $7,000,000 from 1950 for farm housing loans, which will make a total of $72,000,000 available for 1951.

Amendment No. 223—Loan authorization: Reported in disagreement.

Amendment No. 224—Loan authorization: Reported in disagreement.

Amendment No. 225—Salaries and expenses: Appropriates $28,500,000, instead of $29,000,000 as proposed by the Senate and $27,700,000 as proposed by the House.

Extension Service

Amendments Nos. 226, 227, and 228—Payments to States and Territories: Appropriate $27,103,498 as proposed by the Senate, instead of $27,000,000 as proposed by the House and adjust language to increase payments to Alaska and Puerto Rico.

Amendment No. 229—Salaries and expenses: Appropriates $900,000 as proposed by the House, instead of $915,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 230: Appropriates $2,161,300, instead of $2,179,300 as proposed by the Senate and $2,143,300 as proposed by the House.

Office of the Solicitor

Amendment No. 231: Appropriates $2,562,500, instead of $2,675,000 as proposed by the Senate and $2,450,000 as proposed by the House.

Amendment No. 232: Reported in disagreement.

Office of Information

Amendment No. 233: Approves language as proposed by the Senate.

Amendment No. 234: Reported in disagreement.

Travel limitation

Amendment No. 235: Eliminates language proposed by the House limiting funds for travel expenses, in view of Senate substitute in Amendment No. 238.

Commodity Credit Corporation

Amendment No. 236—Administrative expenses: Authorizes $16,350,000 as proposed by the Senate, instead of $16,000,000 as proposed by the House.

Amendment No. 237—Restoration of capital impairment: Approves $66,698,457 as proposed by the Senate, instead of $170,515,131 as proposed by the House.

General provisions

Amendment No. 238: Reported in disagreement.

JAMIE L. WHITTEN,
WILLIAM G. STIGLER,
EDWARD H. KRUSE, Jr.,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
Managers on the Part of the House.

CHAPTER VII. DEPARTMENT OF THE INTERIOR

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 239, 240, 242, 245, 248, 250, 253, 256, 257, 258, 259, 266, 272, 280, 286, 287, 291, 292, 299, 308, and 309.

That the House recede from its disagreement to the amendments of the Senate numbered 241, 243, 244, 246, 247, 249, 255, 260, 261, 264, 267, 269, 274, 276, 282, 290, 293, 294, 297, 298, 301, 303, 304, 305, and 307, and agree to the same.

Amendment numbered 251: That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$700,000"; and the Senate agree to the same.

Amendment numbered 252: That the House recede from its disagreement to the amendment of the Senate numbered 252, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and proposed by said amendment, insert "*Provided*, That of appropriations herein made for the Bureau of Land Managament expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands shall be reimbursed from the 25 per centum referred to in section c, title II, of the Act approved August 28, 1937, of the special fund designated the 'Oregon and California Land Grant Fund' and section 4 of the Act approved May 24, 1939, of the special fund designated the 'Coos Bay Wagon Road Grant Fund' "; and the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,272,651"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 268: That the House recede from its disagreement to the amendment of the Senate numbered 268, and agree to the same with an amendment, as follows: In lieu of the matter stricken by said amendment, insert ": *Provided*, That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary. Any tribal funds advanced under this authority shall be reported to the Congress in the annual Budget for the fiscal year 1952"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,875,000"; and the Senate agree to the same.

Amendment numbered 271: That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,116,000"; and the Senate agree to the same.

Amendment numbered 273: That the House recede from its disagreement to the amendment of the Senate numbered 273, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$295,828,000"; and the Senate agree to the same.

Amendment numbered 281: That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,200,000"; and the Senate agree to the same.

Amendment numbered 283: That the House recede from its disagreement to the amendment of the Senate numbered 283, and agree to the same with an amendment, as follows: In lieu of the matter stricken out

and proposed by said amendment, insert "not to exceed $100,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), including such services at rates for individuals not to exceed $100 per day, when authorized by the Secretary"; and the Senate agree to the same.

Amendment numbered 296: That the House recede from its disagreement to the amendment of the Senate numbered 296, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,400,000"; and the Senate agree to the same.

Amendment numbered 310: That the House recede from its disagreement to the amendment of the Senate numbered 310, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 254, 275, 277, 278, 279, 284, 285, 288, 289, 295, 300, 302, and 306.

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CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
KENNETH S. WHERRY,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF THE INTERIOR

Office of the Secretary

Amendment No. 239—Salaries and expenses: Appropriates $2,315,000 as proposed by the House, instead of $2,100,000 as proposed by the Senate.

Amendment No. 240—Standardization of geographic names: Provides no appropriation, as proposed by the House, instead of making an appropriation of $14,000 as proposed by the Senate.

Amendment No. 241—Enforcement of Connally Hot Oil Act: Appropriates $180,000 as proposed by the Senate, instead of $200,000 as proposed by the House.

Amendment No. 242—Southeastern power marketing area, operation and maintenance: Appropriates $150,000 as proposed by the House, instead of $100,000 as proposed by the Senate.

Amendments Nos. 243 and 244—Southwestern Power Administration, construction: Appropriate $8,620,000 and provide contractual authority of $1,730,000 as proposed by the Senate, instead of appropriating $10,350,000 and providing $6,000,000 contractual authority as proposed by the House.

Amendment No. 245—Southwestern Power Administration, operation and maintenance: Appropriates $760,000 as proposed by the House, instead of $660,000 as proposed by the Senate.

The Southwestern Power Administration is expected to exercise its power generation and transmission authority only in line with its announced policy and the law.

Bonneville Power Administration

Amendments Nos. 246 and 247—Construction: Appropriate $39,500,000 and provide contractual authority of $20,000,000 as proposed by the Senate, instead of appropriating $41,500,000 and providing contractual authority of $21,750,000 as proposed by the House.

Amendment No. 248—Operation and maintenance: Appropriates $5,000,000 as proposed by the House, instead of $4,500,000 as proposed by the Senate.

Bureau of Land Management

Amendment No. 249—Management of lands and resources: Appropriates $7,127,810 as proposed by the Senate, instead of $6,756,800, as proposed by the House.

Amendment No. 250—Management of lands and resources: Eliminates the Senate proposal to include express authorization to expend funds for weed control on the revested Oregon and California Railroad and Coos Bay Road lands, since such express authority is not needed.

Amendment No. 251—Construction: Appropriates $700,000, instead of $600,000 as proposed by the House and $800,000 as proposed by the Senate.

Amendment No. 252—Administrative provisions: Provides for reimbursement of all expenditures in connection with the revested Oregon and California Railroad and Coos Bay Road lands from the special funds maintained by 25% of the receipts from such lands. Such reimbursement for current expenses is to be made entirely from 25% of current year receipts. If 25% of current receipts is inadequate also to reimburse for the $700,000 appropriation for capital expenditures such current year deficiency can be made up from later receipts. This modifies the reimbursement proposal of both Houses.

Amendment No. 253—Range improvements: Eliminates the Senate proposal to insert a limitation of $350,000 on expenditure of receipts.

Amendment No. 255—Payments to states (proceeds of sales): Reported in disagreement.

Amendment No. 255—Payments to states (proceeds of sales): Provides a limitation of $20,000 on such payments as proposed by the Senate.

Amendment No. 256—Payment to Oklahoma: Eliminates the Senate proposal to insert a limitation of $4,000 on such payment.

Amendment No. 257—Leasing of grazing lands: Eliminates the Senate proposal to insert a limitation of $6,000 on expenditure of receipts.

Amendment No. 258—Payments to states (Grazing fees): Eliminates the Senate proposal to insert a limitation of $300 on such payments.

Bureau of Indian Affairs

Amendment No. 259—Health, education and welfare services: Eliminates the Senate proposal to authorize expenditure for research among mixed Indians and non-Indian groups.

Amendment No. 260—Health, education and welfare services: Appropriates $40,252,328 as proposed by the Senate, instead of $37,929,000 as proposed by the House.

Amendment No. 261—Resources management: Appropriates $10,814,576 as proposed by the Senate, instead of $10,542,000 as proposed by the House.

Amendment No. 262—Construction: Appropriates $23,272,651, instead of $22,422,000 as proposed by the House and $23,635,151 as proposed by the Senate. This action eliminates the sum of $500,000 which was added by the Senate for the construction of roads and trails, but restores the sum of $137,500 for land acquisition which was deleted by the Senate. The restoration of $137,500 for land acquisition is made with the understanding that it is not to be expended for the acquisition of privately owned land to be held in trust so as to extend the boundaries of Indian reservations.

Amendment No. 263—Construction: Provides contractual authority of $3,500,000, instead of $2,500,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 264—Restriction on land acquisition: Adopts the proposal of the Senate to limit the use of appropriations for the acquisition of land or water rights for Indians in specified states.

Amendment No. 265—General administrative expenes: Appropriates $3,600,000, instead of $3,500,000 as proposed by the House, and $3,644,000 as proposed by the Senate.

Amendment No. 266—Administrative provisions: Authorizes the purchase of 227 automobiles as proposed by the House, instead of 250 as proposed by the Senate.

Amendment No. 267—Tribal funds: Appropriates $2,437,965 as proposed by the Senate, instead of $2,430,965 as proposed by the House.

Amendment No. 268—Tribal funds: Authorizes the advancement of tribal funds to Indian tribes during the current fiscal year upon the designation by the governing body of the tribe and approval by the Secretary, and requires that such advances shall be reported to the Congress in the annual budget for the fiscal year 1952, thus reinstating with modification the language proposed by the House but deleted by the Senate.

Amendment No. 269—Tribal funds: Inserts a limitation upon the use of tribal funds for the acquisition of land or water rights in specified states, as proposed by the Senate.

Bureau of Reclamation

Amendment No. 270—General investigations: Appropriates $5,875,000, instead of $5,150,000 as proposed by the House and $6,500,000 as proposed by the Senate. This action provides $50,000 for investigation of the La Prele unit, Wyoming.

Amendment No. 271—General investigations: Provides that of the appropriation of $5,875,000 for general investigations the amount to be derived from the reclamation fund is $5,116,000, instead of $4,400,000 as proposed by the House and $5,791,000 as proposed by the Senate.

Amendment No. 272—Construction and rehabilitation: Eliminates the proposal of the Senate to authorize emergency reconstruction of the La Prele unit, Wyoming, and initiation of construction on the Kennewick Division of the Yakima project, Washington.

Amendment No. 273—Construction and rehabilitation: Appropriates $295,828,000, instead of $297,467,000 as proposed by the House, and $294,713,000 as proposed by the Senate. This action ratifies the allocation of funds for construction and rehabilitation as set forth on pages 142 and 143 (and for the Missouri Basin project, on pages 147, 148, 149, and 150) of Senate report No. 1941, accompanying H. R. 7786, including ratification of the Senate action in providing $750,000 to initiate the work on the Folsom power facilities, Central Valley project, and including ratification of providing $504,000 (increase in appropriation of $228,000 together with $276,000 to be available through reprograming under House allowance) for construction of the Brighton-Brush transmission line and substations, Colorado-Big Thompson project, but with the following exceptions to such ratification:

(a) In addition to $343,000 allowed by the Senate for the Fort Peck project, Montana, $750,000 is also allowed to complete construction of the Havre-Shelby transmission line and substations. This is in lieu of the $1,400,000 allowed by the House and of the entire disallowance of funds for this line as proposed by the Senate.

(b) The additional sum of $365,000 is provided for the Missouri Basin project to construct the Canyon Ferry-Great Falls transmission line and substations.

Amendment No. 274—Construction and rehabilitation: Provides that of the appropriation of $295,828,000, the sum to be derived from the reclamation fund shall be $25,135,700 as proposed by the Senate, instead of $22,897,700 as proposed by the House.

Amendment No. 275—Construction and rehabilitation (contract authority): Reported in disagreement.

Amendment No. 276—Construction and rehabilitation: Ratifies the action of the Senate in deleting the proposal of the House to earmark $1,000,000 for the construction of specified transmission lines in South Dakota.

Amendment No. 277—Construction and rehabilitation (language authorizing South Dakota transmission lines): Reported in disagreement.

Amendment No. 278—Construction and rehabilitation (restriction on construction of Glendo unit): Reported in disagreement.

Amendment No. 279—Construction and rehabilitation (restriction on construction of Moorhead Dam): Reported in disagreement.

Amendment No. 280—Construction and rehabilitation: Eliminates the proposal of the Senate to rescind the unused portion of the 1950 appropriation for construction of the Havre-Shelby transmission line and substations, Fort Peck project, Montana.

Amendment No. 281—General administrative expenses: Appropriates $7,200,000, instead of $7,000,000 as proposed by the House and $7,400,000 as proposed by the Senate.

Amendment No. 282—General administrative expenses: Inserts a provision limiting expenditures for information work to not more than $150,000, as proposed by the Senate.

Amendment No. 283—Administrative provisions: Provides that not to exceed $100,000 shall be available for services authorized under section 15 of the Act of August 2, 1946, including such services at rates for individuals not to exceed $100 per day, when authorized by the Secretary. This modifies the proposals of both Houses in this connection.

Amendment No. 284—Administrative provisions (administration of interstate compacts): Reported in disagreement.

Amendment No. 285—Administrative provisions (payments to school districts): Reported in disagreement.

Amendment No. 286—Administrative provisions: Eliminates the proposal of the Senate to insert a provision limiting reimbursability of certain expenditures.

Amendment No. 287—Administrative provisions: Authorizes expenditures for studies of recreational uses of reservoir areas pursuant to law, as proposed by the House, instead of authorizing expenditures for such studies on a non-reimbursable basis and with an express limit on expenditures for any one reservoir area, as proposed by the Senate.

Amendment No. 288—Administrative provisions (Reimbursability of certain expenditures): Reported in disagreement.

Amendment No. 289—Transfer of Ephrata Air Force Base: Reported in disagreement.

The Bureau of Reclamation was permitted to insert in the Senate Hearings, Part I, beginning at page 576, a statement of the Bureau's interpretation of some of the provisions of H. R. 7786 as passed by the House. Such interpretation should be considered as that sought to be established by the Bureau of Reclamation, and not necessarily as the intent of Congress. When interpretation is necessary, the Comptroller General should resolve questions in the light of all relevant factors.

Geological Survey

Amendment No. 290—Surveys, investigations and research: Appropriates $19,382,000 as proposed by the Senate, instead of $19,129,000 as proposed by the House.

Bureau of Mines

Amendments Nos. 291 and 292—Conservation and development of mineral resources: Appropriate $17,758,000 as proposed by the House instead of $17,813,403 as proposed by the Senate; and eliminate the provision proposed by the Senate to authorize the reacquisition of certain properties in Montana.

Amendment No. 293—Construction: Appropriates $1,268,100 as proposed by the Senate, instead of $1,372,600 as proposed by the House.

Amendment No. 294—Administrative provisions: Authorizes the purchase of 150 automobiles as proposed by the Senate, instead of 145 as proposed by the House.

Amendment No. 295—Administrative provisions (Transfer of land in Minnesota): Reported in disagreement.

National Park Service

Amendment No. 296—Maintenance and rehabilitation of physical facilities: Appropriates $7,400,000, instead of $7,250,000 as proposed by the House, and $7,448,100 as proposed by the Senate.

Amendment No. 297—Construction: Appropriates $19,667,000 as proposed by the Senate, instead of $20,542,000 as proposed by the House.

This action on amendments Numbered 296 and 297 will necessitate some flexibility to permit adjustment of items originally scheduled under maintenance and rehabilitation and construction.

Amendments Nos. 298 and 299—Construction: Provide that of the construction appropriation the sum for liquidation of prior obligations shall be $7,935,000 as proposed by the Senate, instead of $8,935,000 as proposed by the House; and eliminate the proposal of the Senate to provide $100,000 in contract authorization.

Amendment No. 300—Construction (Provision regarding Independence National Historical Park): Reported in disagreement.

Amendment No. 301—General administrative expenses: Appropriates $1,314,500 as proposed by the Senate, instead of $1,264,500 as proposed by the House.

Fish and Wildlife Service

Amendment No. 302—Management of resources (Payment for information): Reported in disagreement.

Amendment No. 303—Management of resources: Appropriates $7,082,000 as proposed by the Senate, instead of $7,157,000 as proposed by the House.

Amendment No. 304—Investigations of resources: Appropriates $4,125,000 as proposed by the Senate, instead of $3,900,000 as proposed by the House.

Amendment No. 305—Construction: Appropriates $2,423,450 as proposed by the Senate, instead of $2,401,000 as proposed by the House.

Amendment No. 306—Migratory bird conservation fund: Reported in disagreement.

Territories and island possessions

Amendment No. 307—Administration of territories and possessions: Appropriates $3,892,180 as proposed by the Senate, instead of $3,329,500 as proposed by the House.

Amendment No. 308—Construction of roads, Alaska: Appropriates $20,400,000 as proposed by the House, instead of $18,883,212 as proposed by the Senate.

Amendment No. 309—Claims, Alaska Road Commission: Provides no appropriation as proposed by the House, instead of appropriating $12,893 as proposed by the Senate.

Amendment No. 310—Construction, Alaska Railroad: Appropriates $30,000,000, instead of $31,000,000 as proposed by the House and $28,700,000 as proposed by the Senate.

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IVOR D. FENTON,
Managers on the Part of the House.

CHAPTER VIII. INDEPENDENT OFFICES

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VIII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 316, 330, 331, 340, 341, 343, 346, 350, 357, 359, 362, and 371.

That the House recede from its disagreement to the amendments of the Senate numbered 311, 313, 314, 320, 321, 323, 324, 326, 327, 328, 329, 332, 333, 334, 335, 336, 347, 360, 364, 365, 366, 368, and 372, and agree to the same.

Amendment numbered 312: That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$187,750"; and the Senate agree to the same.

Amendment numbered 315: That the House recede from its disagreement to the amendment of the Senate numbered 315, and agree to the same with an amendment, as follows: In lieu of the matter stricken by said amendment insert ": *Provided further*, That no part of the foregoing appropriation or contract authorization shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of $90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of $45,000 per annum"; and the Senate agree to the same.

Amendment numbered 317: That the House recede from its disagreement to the amendment of the Senate numbered 317, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,511,913"; and the Senate agree to the same.

Amendment numbered 318: That the House recede from its disagreement to the amendment of the Senate numbered 318, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,000"; and the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,891,695"; and the Senate agree to the same.

Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$300"; and the Senate agree to the same.

Amendment numbered 339: That the House recede from its disagreement to the amendment of the Senate numbered 339, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$78,500,000"; and the Senate agree to the same.

Amendment numbered 344: That the House recede from its disagreement to the amendment of the Senate numbered 344, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,000,000"; and the Senate agree to the same.

Amendment numbered 348: That the House recede from its disagreement to the amendment of the Senate numbered 348, and agree to the same with an amendment, as follows: In lieu of the sum proposed by

said amendment insert "$190,000"; and the Senate agree to the same.

Amendment numbered 349: That the House recede from its disagreement to the amendment of the Senate numbered 349, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,500,000"; and the Senate agree to the same.

Amendment numbered 351: That the House recede from its disagreement to the amendment of the Senate numbered 351, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 352: That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$38,000"; and the Senate agree to the same.

Amendment numbered 355: That the House recede from its disagreement to the amendment of the Senate numbered 355, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,230,000"; and the Senate agree to the same.

Amendment numbered 356: That the House recede from its disagreement to the amendment of the Senate numbered 356, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,700,000"; and the Senate agree to the same.

Amendment numbered 358: That the House recede from its disagreement to the amendment of the Senate numbered 358, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,179,000"; and the Senate agree to the same.

Amendment numbered 367: That the House recede from its disagreement to the amendment of the Senate numbered 367, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$881,750,000"; and the Senate agree to the same.

Amendment numbered 369: That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment, as follows: In lieu of the per centum proposed insert "5.5"; and the Senate agree to the same.

Amendment numbered 370: That the House recede from its disagreement to the amendment of the Senate numbered 370, and agree to the same with an amendment, as follows: In lieu of the per centum proposed insert "9"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 319, 337, 338, 342, 345, 353, 354, 361, 363, and 373.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
FRANCIS CASE
(except as to amendment 363),
JOHN PHILLIPS
(except as to amendment 363),
JOHN TABER,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,
ELMER THOMAS,
HOMER FERGUSON,
GUY CORDON,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VIII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

Bureau of the Budget

Amendment No. 311—Salaries and Expenses: Appropriates $3,412,000 as proposed by the Senate, instead of $3,386,000 as proposed by the House.

Philippine Alien Property Custodian

Amendment No. 312—Administrative Expenses: Appropriates $187,750, instead of $160,000 as proposed by the House and $215,500, as proposed by the Senate.

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 313—Salaries and Expenses: Appropriates $670,000, as proposed by the Senate, instead of $695,000 as proposed by the House.

Amendment No. 314—Construction of Memorials and Cemeteries: Appropriates $8,500,000 as proposed by the Senate, instead of $8,680,000 as proposed by the House.

ATOMIC ENERGY COMMISSION

Amendment No. 315—Payment of Fees to Contractors: Restores provision in the House bill, amended to clarify intent. In connection with this provision the conferees wish it understood that they are aware that these contracts contain a cancellation clause and that they are expecting the Commission to take immediate advantage of that clause.

CIVIL SERVICE COMMISSION

Amendments Nos. 316 and 317—Salaries and Expenses: Authorize the expenditure of $50,000 for performing the duties imposed upon the Commission by the Act of July 19, 1940 (Hatch Act), as proposed by the House, instead of $80,000 as proposed by the Senate; and appropriate $15,511,913, instead of $15,261,913 as proposed by the House and $15,761,913 as proposed by the Senate.

COMMISSION ON RENOVATION OF THE EXECUTIVE MANSION

Amendment No. 318—Salaries and Expenses: Appropriates $35,000, instead of $20,000 as proposed by the House and $50,000 as proposed by the Senate. Re-appropriation of unobligated balances totaling $30,000 provides a total of $65,000 for this purpose.

DISPLACED PERSONS COMMISSION

Amendment No. 319—Salaries and Expenses: Reported in disagreement.

FEDERAL POWER COMMISSION

Amendments Nos. 320 and 321—Salaries and Expenses: Authorize the expenditure of $256,500 for travel expenses as proposed by the Senate, instead of $247,500 as proposed by the House; and appropriates $4,013,300 as proposed by the Senate, instead of $3,938,300 as proposed by the House.

FEDERAL TRADE COMMISSION

Amendments Nos. 322 and 323—Salaries and Expenses: Appropriates $3,891,695, instead of $3,866,695 as proposed by the House and $3,916,695 as proposed by the Senate; and strikes out the words "to the Bureau of Trade Practice Conferences" as proposed by the Senate.

GENERAL ACCOUNTING OFFICE

Amendments Nos. 324 and 325—Salaries: Appropriate $32,689,500, as proposed by the Senate, instead of $34,500,000 as proposed by the House; and authorizes the expenditure of $300 for newspapers and periodicals, instead of $600 as proposed by the Senate.

GENERAL SERVICES ADMINISTRATION

Amendment No. 326—Sites and Planning, Public Buildings Outside the District of Columbia: Appropriates $22,000,000 as proposed by the Senate, instead of $28,000,000 as proposed by the House.

Amendments Nos. 327, 328, and 329—Strategic and Critical Materials Stock Piling Act: Appropriate $605,000,000 as proposed by the Senate, instead of $633,608,240 as proposed by the House; strikes out the provision of the House to the effect that not to exceed $25,000,000 may be expended in accordance with the purposes of the act of July 23, 1946 through purchase contracts negotiated with operators as proposed by the Senate; and provides a contract authorization of $125,000,000 as proposed by the Senate, instead of $100,000,000 as proposed by the House. In connection with this activity the conferees wish to go on record as being in accord with the so-called "buy American policy" which was enacted in 1933. The conferees are of the opinion that this policy should continue in full force, and that every assistance should be extended by the government to the development of our domestic sources of raw materials. We point out that domestic development means double protection—a stock pile immediately acquired and the source of supply proved.

Amendments Nos. 330 and 331—Alaska Public Works: Strike out the proposal of the Senate authorizing a contract authorization in the amount of $4,000,000; and restores the provision of the House requiring that a certificate from the Secretary of Defense that the installation of such facility will be of value in connection with national defense.

Amendments Nos. 332 and 333—Advance Planning of Non-Federal Public Works: Appropriate $20,000,000 as proposed by the Senate, instead of $28,000,000 as proposed by the House; and provides a contract authorization in the sum of $27,000,000 as proposed by the Senate, instead of $32,000,000 as proposed by the House.

Amendment No. 334—Grants for Plan Preparation, Water Pollution Control: Appropriates $750,000 as proposed by the Senate, instead of $900,000 as proposed by the House.

Amendment No. 335—Administrative Expenses, Water Pollution Control: Appropriates $52,285 as proposed by the Senate, instead of $60,000 as proposed by the House.

Amendment No. 336—Virgin Islands Public Works: Appropriates $1,000,000 as proposed by the Senate, instead of $1,300,000 as proposed by the House.

Amendments Nos. 337 and 338—Public Works Advance Planning: Reported in disagreement.

Amendment No. 339—Operating Expenses: Appropriates $78,500,000, instead of $76,500,000 as proposed by the House and $82,725,000 as proposed by the Senate.

Amendment No. 340—Purchase and Distribution of Typewriters: Restores the two paragraphs contained in the House Bill relating to the acquisition and distribution of typewriters.

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

Amendments Nos. 341 and 342—Salaries and Expenses: Appropriate $4,200,000 as proposed by the House, instead of $4,900,000 as proposed by the Senate; and reports in disagreement the proposal of the Senate relating to expenses of inspections of projects financed through loans to educational institutions authorized by Title 4 of the Housing Act of 1950.

Public Housing Administration

Amendment No. 343—Annual Contributions: Appropriates $7,500,000 as proposed by the House, instead of $9,250,000 as proposed by the Senate.

Amendment No. 344—Administrative Expenses: Appropriates $9,000,000, instead of

$8,750,000 as proposed by the House and $11,500,000 as proposed by the Senate.

INTERSTATE COMMERCE COMMISSION

Amendment No. 345—General Expenses: Reported in disagreement.

Amendment No. 346—Railroad Safety: Appropriates $1,000,000, as proposed by the House, instead of $1,016,000 as proposed by the Senate.

Amendment No. 347—Locomotive Inspection: Appropriates $718,600, as proposed by the Senate, instead of $700,000 as proposed by the House.

MOTOR CARRIER CLAIMS COMMISSION

Amendment No. 348—Salaries and Expenses: Appropriates $190,000, instead of $175,000 as proposed by the House and $227,800 as proposed by the Senate.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Amendments Nos. 349 and 350—Salaries and Expenses: Appropriate $42,500,000, instead of $40,890,630 as proposed by the House and $44,225,630 as proposed by the Senate; and restores the provision of the House providing that no part of the appropriation shall be available for the operation of a field office outside the continental or territorial limits of the United States.

Amendment No. 351—Construction and Equipment: Provides a contract authorization of $11,000,000, instead of $10,000,000 as proposed by the House and $12,500,000 as proposed by the Senate.

NATIONAL CAPITAL HOUSING AUTHORITY

Amendments Nos. 352 and 353—Maintenance and Operation of Properties: Appropriate $38,000, instead of $35,000 as proposed by the House and $39,600 as proposed by the Senate; and reports in disagreement the provision of the Senate waiving the provisions of Section 507 of the Housing Act of 1950.

PHILIPPINE WAR DAMAGE COMMISSION

Amendment No. 354—Eligibility of Persons Who Collaborated With the Enemy: Reported in disagreement. Any recommendation submitted by the committee in connection with this amendment should in no way be considered justification for continuation of this activity beyond April 30, 1951, the statutory termination date for this part of the program.

SECURITIES AND EXCHANGE COMMISSION

Amendment No. 355—Salaries and Expenses: Appropriates $6,230,000, instead of $6,130,000 as proposed by the House and $6,330,000 as proposed by the Senate.

SMITHSONIAN INSTITUTION

Amendment No. 356—Salaries and Expenses: Appropriates $2,700,000, instead of $2,606,490 as proposed by the House and $2,770,000 as proposed by the Senate.

Amendment No. 357—Paleontological Investigations: Strikes out the provision of the Senate proposing an appropriation of $20,000.

Amendment No. 358—Salaries and Expenses, National Gallery of Art: Appropriates $1,179,000, instead of $1,158,000 as proposed by the House and $1,200,000 as proposed by the Senate.

TARIFF COMMISSION

Amendment No. 359—Salaries and Expenses: Appropriates $1,290,700 as proposed by the House, instead of $1,340,700 as proposed by the Senate.

THE TAX COURT OF THE UNITED STATES

Amendment No. 360—Salaries and Expenses: Appropriates $826,900, as proposed by the Senate, instead of $820,000 as proposed by the House.

UNITED STATES MARITIME COMMISSION

Amendment No. 361—Ship Construction: Reported in disagreement.

Amendment No. 362—Operating-Differential Subsidies: Appropriates $26,450,000 as proposed by the House, instead of $30,108,000 as proposed by the Senate.

Amendment No. 363—Limitation on Number of Ships Receiving Operating-Differential Subsidy: Reported in disagreement.

Amendment No. 364—Maritime Training: Strikes out the provision of the House appropriating $3,342,660, and inserts the proposal of the Senate appropriating $4,348,520 including pay of cadet-midshipmen and other trainees as proposed by the Senate. For several years there has been disagreement in the two Houses as to the justice and desirability of providing the $65 monthly allowance for cadet-midshipmen. It has been pointed out that similar payments are made to cadets at the Military Academy and midshipmen at the Naval Academy. It also has been pointed out that the obligation to serve on the part of the two latter groups is greater than it is in the case of cadets attending the Maritime Academy. It is recommended that the subcommittees of the Committees on Appropriations of the two Houses having the subject in charge, or certain members thereof, conduct a study of the problem with a view to submitting a recommendation thereon by the beginning of the next regular session of the Congress.

Amendment No. 365—State Marine Schools: Strikes out the proposal of the House containing an appropriation of $668,000 together with an unobligated balance of not to exceed $25,000, and inserts the proposal of the Senate appropriating $1,102,050, including pay of cadet-midshipmen at $65 per month.

Amendment No. 366—Vessel Operating Functions: Corrects statute reference as proposed by the Senate.

VETERANS ADMINISTRATION

Amendment No. 367—Administration, Medical, Hospital and Domiciliary Services: Appropriates $881,750,000, instead of $875,847,795 as proposed by the House and $887,621,000 as proposed by the Senate.

Amendment No. 368—Limitation on Educational and Training Institutions: Strikes out the proposal of the House regarding the eligibility of educational institutions for the training of veterans, as proposed by the Senate.

Amendments Nos. 369 and 370—Payment for Technical and Clerical Services for the Preparation of Plans and Specifications: Authorize the use of not to exceed 5.5 per cent of appropriation and contract authorizations, instead of 4 per cent as proposed by the House and 6.7 per cent as proposed by the Senate, in connection with projects supervised by the Veterans Administration; and authorizes the use of not to exceed 9 per cent where such projects are under the supervision of other government agencies, instead of 7 per cent as proposed by the House and 10 per cent as proposed by the Senate.

WAR CLAIMS COMMISSION

Amendment No. 371—Administrative expenses: Appropriates $600,000 as proposed by the House, instead of $700,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 372—Section 110: Excepts certain corporations from the general provisions of Title I, Chapter VIII, as proposed by the Senate.

TITLE II. CORPORATIONS

HOUSING AND HOME FINANCE AGENCY

Amendment No. 373—Public Housing Administration: Reported in disagreement.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
FRANCIS CASE
(except as to amendment 363),
JOHN PHILLIPS
(except as to amendment 363),
JOHN TABER
(except as to amendment 363),
Managers on the Part of the House.

CHAPTER IX. CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 384 and 395.

That the House recede from its disagreement to the amendments of the Senate numbered 374, 375, 376, 377, 378, 382, 385, 386, 389, 391, 392, 394, 396, and 397, and agree to the same.

Amendment numbered 379: That the House recede from its disagreement to the amendment of the Senate numbered 379, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,525,00"; and the Senate agree to the same.

Amendment numbered 380: That the House recede from its disagreement to the amendment of the Senate numbered 380, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following "(for replacements only) in the current fiscal year of three hundred and fifty passenger motor vehicles and one motorboat (to be acquired from surplus stock where practicable) and the purchase (not to exceed one, to be acquired from surplus stock where practicable), maintenance, repair, and operation of aircraft"; and the Senate agree to the same.

Amendment numbered 381: That the House recede from its disagreement to the amendment of the Senate numbered 381, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following ": *Provided further*, That the various appropriations for rivers and harbors and flood control shall be available for payments to school districts as authorized by law"; and the Senate agree to the same.

Amendment numbered 383: That the House recede from its disagreement to the amendment of the Senate numbered 383, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $198,811,500"; and the Senate agree to the same.

Amendment numbered 387: That the House recede from its disagreement to the amendment of the Senate numbered 387, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "383,408,250"; and the Senate agree to the same.

Amendment numbered 390: That the House recede from its disagreement to the amendment of the Senate numbered 390,

and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$66,422,400"; and the Senate agree to the same.

Amendment numbered 393: That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$432,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 388 and 398.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
ALBERT GORE,
E. H. HEDRICK,
W. F. NORRELL,
R. B. WIGGLESWORTH,
KARL STEFAN,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
ELMER THOMAS,
ALLEN J. ELLENDER,
JOHN C. STENNIS,
CHAN GURNEY,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Quartermaster Corps

Amendment No. 374—Cemeterial Expenses: Appropriates $5,000,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 375—Entombment of an Unknown American Serviceman, World War II: Deletes provision of the House providing funds incident to the selection and burial of an unknown American serviceman of World War II, as proposed by the Senate.

SIGNAL CORPS

Amendment No. 376—Alaska Communication System: Appropriates $2,877,920 for construction in Alaska as proposed by the Senate, instead of $1,000,000 as proposed by the House.

Amendment No. 377—Alaska Communication System: Deletes provision of the House limiting to $28,000 construction costs per housing unit and substitutes provision establishing an average cost of $24,000 per unit, as proposed by the Senate.

Amendment No. 378—Alaska Communication System: Enlarges provision of the House pertaining to inclusion of equipment in housing units, as proposed by the Senate.

CORPS OF ENGINEERS

Amendment No. 379—Administrative Expense Limitation: Authorizes a limitation of $1,525,000, instead of $1,450,000 as proposed by the House and $1,600,000 as proposed by the Senate.

Amendment No. 380—Administrative Provisions: Provides for the purchase of 350 passenger motor vehicles, one motor boat and one airplane, instead of only 350 passenger motor vehicles as proposed by the House and 500 passenger motor vehicles, two motor boats and one airplane as proposed by the Senate.

Amendment No. 381—Administrative Provisions: Provides for payments to school districts.

Amendment No. 382—Rivers and Harbors: Provides authority for investigations and for plans and specifications for authorized projects, as proposed by the Senate.

Amendment No. 383—Rivers and harbors: Appropriates $198,811,500 instead of $185,878,000 as proposed by the House and $221,244,500 as proposed by the Senate. The amount agreed upon is 10 percent below the amount approved by the Senate. The Senate had approved $1,800,000 for planning and $2,585,000 for examinations and surveys, which amounts are included in the lump sum appropriation for rivers and harbors. Since the appropriation has been reduced 10 percent below the Senate figure, the amounts for planning and examinations and surveys are likewise reduced by the amount of 10 percent below the amounts approved by the Senate.

Amendment No. 384—Old River, Cleveland, Ohio: Deletes provision of the Senate providing $75,000 for dredging.

Amendment No. 385—Alteration of bridges over navigable waters: Appropriates $900,000 as proposed by the Senate, instead of $1,000,000 as proposed by the House.

Amendment No. 386—Flood control: Corrects language.

Amendment No. 387—Flood control: Appropriates $383,408,250, instead of $341,055,000 as proposed by the House and $436,933,000 as proposed by the Senate. The amount agreed upon is 12 percent below the amount approved by the Senate. The Senate had approved $3,565,000 for planning and $6,500,000 for preliminary examinations, surveys, and contingencies which amounts are included in the lump sum appropriation for flood control. Since the appropriation has been reduced 12 percent below the Senate figure the amounts for planning, preliminary examinations, surveys, and contingencies are likewise reduced by the amount of 12 percent below the amounts approved by the Senate.

With respect to amendments Nos. 383, 387, 390, and 393, the conferees are agreed that obligation and expenditure of funds shall be made under the criteria set forth in the letter of the President and the Corps of Engineers, as follows:

THE WHITE HOUSE,
Washington, July 21, 1950.

The honorable the SECRETARY OF THE ARMY.

MY DEAR MR. SECRETARY: In my message of July 19 to the Congress, I announced that I was directing the executive agencies "* * * to conduct a detailed review of Government programs, for the purpose of modifying them wherever practicable to lessen the demand upon services, commodities, raw materials, manpower, and facilities which are in competition with those needed for national defense. The Government, as well as the public, must exercise great restraint in the use of those goods and services which are needed for our increased defense efforts."

In order to adjust the programs of the Federal Government, I am writing to you and the heads of the other agencies whose programs involve substantial use of materials and other resources needed for the defense effort. Please reexamine your programs, giving particular attention, to the extent applicable, to the following:

(1) All civil public works, both direct Federal programs and grant-in-aid programs, should be screened with the objective, as far as practical, of deferring, curtailing, or slowing down those projects which do not directly contribute to defense or to civilian requirements essential in the changed international situation set forth in my message.

(2) Consistent with the restrictive policy already in force for housing credit, other credit programs should be tightened. The only exceptions should be those which directly contribute to meeting our defense and international responsibilities.

(3) Procurement of supplies and equipment should be held to minimum amounts, especially purchases of motor vehicles, typewriters, and other equipment using critical materials. Inventories should be reduced to the lowest practical levels, and excess supplies and equipment should be made available immediately to the General Services Administration.

In addition, I shall expect that in the reexamination of the programs of your agency you will give first priority to those activities which contribute directly to national defense, including requests of other agencies for assistance.

I am asking the Director of the Bureau of the Budget to work closely with you in this review and to report to me on the steps which you have taken in revising your program to meet these objectives.

Sincerely yours,

HARRY TRUMAN.

TENTATIVE CRITERIA FOR REVIEW OF CIVIL WORKS PROGRAM OF CORPS OF ENGINEERS IN ACCORDANCE WITH THE PRESIDENT'S LETTER OF JULY 21, 1950

The civil-works program of the Corps of Engineers will be reviewed to insure that no new projects are initiated unless they make an important contribution to the war effort and that only those projects now under construction which meet one or more of the following specific criteria will be continued during the period of partial mobilization.

SPECIFIC CRITERIA

1. The project includes the development of power.

2. The project provides industrial or municipal water supply in critical areas.

3. The project is a dam and reservoir project where closure is under way or has been effected and should be completed to a point of useful operation.

4. The project is an important harbor or waterway.

5. The project protects important industries or major food-producing areas.

6. The project can be completed in the 1951 working season, and where termination costs would constitute an appreciable economic loss, the work in place would be damaged if not protected, and if relatively small amounts of additional work will make the project fully effective.

7. The project involves almost entirely the movement of earth such as channel improvements or levees and does not compete in the use of critical materials.

8. Maintenance of completed projects, advance planning of selected authorized projects, and the survey program should be continued.

With respect to those projects that meet the above criteria for continuation of construction, each individual feature of the project will be examined to determine whether it can be deferred without detriment to the major purpose of the project or to the work in place.

The conferees are further agreed that no construction or planning of any new project appropriated for in this chapter shall be started unless certified by the President as necessary to the war effort and amounts allowed for construction herein shall be available for reallocation to any project appropriated for in this chapter as the Corps of Engineers find necessary to meet the exigencies of the war effort and to maintain economical construction schedules.

Amendment No. 388—Mandan, North Dakota, and James River: Reported in disagreement.

Amendment No. 389—Flood Control General (Emergency Fund): Appropriates $2,700,000 as proposed by the Senate instead of $3,000,000 as proposed by the House.

Amendment No. 390—Flood Control, Mississippi River and Tributaries: Appropriates $66,422,400 instead of $65,000,000 as proposed

by the House and $66,778,000 as proposed by the Senate.

Amendment No. 391—Emergency Fund for Flood Control on Tributaries of the Mississippi River: Appropriates $450,000 as proposed by the Senate instead of $500,000 as proposed by the House.

Amendment No. 392—Flood Control, Sacramento River, California: Appropriates $2,524,500 as proposed by the Senate, instead of $2,700,000 as proposed by the House.

Amendment No. 393—Flood Control, Roseville, Ohio: Appropriates $432,000, instead of $540,000 as proposed by the Senate.

Amendment No. 394—Miscellaneous Civil Works: Appropriates $16,000 as proposed by the Senate, instead of $12,000 as proposed by the House.

UNITED STATES SOLDIERS' HOME

Amendment No. 395—Maintenance and Operation: Appropriates $2,395,000 from the Soldiers' Home Trust Fund as proposed by the House, instead of $2,363,240 as proposed by the Senate.

PANAMA CANAL

Amendment No. 396—Maintenance and Operation: Appropriates $13,251,700 as proposed by the Senate, instead of $14,500,000 as proposed by the House.

Amendment No. 397—Civil Government: Appropriates $3,849,000 as proposed by the Senate, instead of $3,925,000 as proposed by the House.

Amendment No. 398—General Provisions: Reported in disagreement.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
ALBERT GORE,
E. H. HEDRICK,
W. F. NORRELL,
R. B. WIGGLESWORTH,
KARL STEFAN,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X. DEFENSE

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 408, 409, 441, and 455.

That the House recede from its disagreement to the amendments of the Senate numbered 400, 401, 402, 403, 404, 405, 406, 407, 410, 411, 412, 413, 414, 415, 416, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 442, 443, 444, 445, 446, 447, 448, 449, 450, 452, 453, 454, 457, 458, 459, 460, 461, 462, 463, 464, 465, and 466, and agree to the same.

The committee of conference report in disagreement amendments numbered 399, 417, 418, 451, 456, and 467.

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
CHARLES A. PLUMLEY,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOSEPH C. O'MAHONEY,
M. E. TYDINGS,
CHAN GURNEY,
STYLES BRIDGES,
HOMER FERGUSON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—INDEPENDENT OFFICES

National Security Resources Board

Amendment No. 399—Salaries and expenses: Reported in disagreement.

Amendment No. 400—Salaries and expenses: Appropriates $3,500,000 as proposed by the Senate, instead of $3,000,000 as proposed by the House.

TITLE II—DEPARTMENT OF DEFENSE

Office of the Secretary of Defense

Amendment No. 401—Salaries and expenses: Appropriates $11,300,000 as proposed by the Senate, instead of $11,000,000 as proposed by the House. While the House recedes as to the amount, which is $100,000 below the budget estimates, the Senate agrees to the position of the House as stated in House Report No. 1797, 81st Congress providing no funds for the President's Committee on Religion and Welfare in the Armed Forces.

TITLE III—DEPARTMENT OF THE ARMY

Office of the Secretary of the Army

Amendment No. 402—Contingencies of the Army: Appropriates $51,878,000 as proposed by the Senate, instead of $51,978,000 as proposed by the House.

General Staff Corps

Amendment No. 403—Field Exercises: Appropriates $5,350,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 404—Pay of the Army: Appropriates $1,447,660,000 as proposed by the Senate, instead of $1,448,660,000 as proposed by the House.

Amendment No. 405—Travel of the Army: Appropriates $76,500,000 as proposed by the Senate, instead of $75,000,000 as proposed by the House.

Amendment No. 406—Finance Service: Appropriates $29,000,000 as proposed by the Senate, instead of $28,410,000 as proposed by the House.

QUARTERMASTER CORPS

Amendment No. 407—Welfare of enlisted men: Appropriates $8,362,500 as proposed by the Senate, instead of $8,000,000 as proposed by the House.

Amendment No. 408—Subsistence of the Army: Strikes out the phrase "without unduly increasing future United States market prices" as proposed by the Senate.

Amendment No. 409—Subsistence of the Army: Strikes out the word "highly" as proposed by the Senate.

Amendment No. 410—Regular supplies of the Army: Appropriates $107,247,258 as proposed by the Senate, instead of $100,000,000 as proposed by the House.

Amendment No. 411—Clothing and equipage: Appropriates $93,853,365 as proposed by the Senate, instead of $90,000,000 as proposed by the House.

Amendment No. 412—Incidental expenses of the Army: Appropriates $101,998,313 as proposed by the Senate, instead of $95,000,000 as proposed by the House.

TRANSPORTATION CORPS

Amendment No. 413—Transportation Service, Army: Appropriates $289,960,000 as proposed by the Senate, instead of $290,000,000 as proposed by the House.

SIGNAL CORPS

Amendment No. 414—Signal service of the Army: Appropriates $158,248,000 as proposed by the Senate, instead of $157,500,000 as proposed by the House.

MEDICAL DEPARTMENT

Amendment No. 415—Medical and hospital department: Appropriates $54,883,000 as proposed by the Senate, instead of $54,913,000, as proposed by the House.

CORPS OF ENGINEERS

Amendment No. 416—Engineer service, Army: Appropriates $304,187,500 as proposed by the Senate, instead of $300,176,000 as proposed by the House.

Amendment No. 417—Engineer Service, Army: Reported in disagreement.

Amendment No. 418—Military construction, Army: Reported in disagreement.

ORDNANCE DEPARTMENT

Amendment No. 419—Ordnance service and supplies, Army: Appropriates $647,827,000 as proposed by the Senate, instead of $621,559,000 as proposed by the House.

Chemical Corps

Amendment No. 420—Chemical service, Army: Appropriates $37,300,000 as proposed by the Senate, instead of $36,000,000 as proposed by the House.

Army training

Amendment No. 421—Army training. Appropriates $7,830,000 as proposed by the Senate, instead of $7,930,000 as proposed by the House.

United States Military Academy

Amendment No. 422—Maintenance and operation: Appropriates $5,120,000 as proposed by the Senate, instead of $5,200,000 as proposed by the House.

Civilian components

Amendment No. 423—Army National Guard: Appropriates $210,500,000 as proposed by the Senate, instead of $212,400,000 as proposed by the House.

Amendment No. 424—Organized Reserves: Appropriates $114,525,000 as proposed by the Senate, instead of $115,000,000 as proposed by the House.

Amendment No. 425—Army Reserve Officers' Training Corps: Appropriates $24,900,000 as proposed by the Senate, instead of $25,000,000 as proposed by the House.

Department salaries and expenses

Amendment No. 426—Office of Secretary of the Army: Appropriates $3,368,271 as proposed by the Senate, instead of $3,265,000 as proposed by the House.

Amendment No. 427—Office of Chief of Staff: Appropriates $6,576,239 as proposed by the Senate, instead of $6,354,700 as proposed by the House.

Amendment No. 428—Adjutant General's Office: Appropriates $9,777,200 as proposed by the Senate, instead of $9,477,400 as proposed by the House.

Amendment No. 429—Office of the Inspector General: Appropriates $203,880 as proposed by the Senate, instead of $197,600 as proposed by the House.

Amendment No. 430—Office of the Judge Advocate General: Appropriates $595,375 as proposed by the Senate, instead of $577,100 as proposed by the House.

Amendment No. 431—Office of the Chief of Finance: Appropriates $1,483,202 as proposed by the Senate, instead of $1,437,800 as proposed by the House.

Amendment No. 432—Office of the Quartermaster General: Appropriates $6,981,504 as proposed by the Senate, instead of $6,767,400 as proposed by the House.

Amendment No. 433—Office of the Chief of Transportation: Appropriates $2,940,000 as proposed by the Senate, instead of $2,850,000 as proposed by the House.

Amendment No. 434—Office of the Chief Signal Officer: Appropriates $2,455,821 as proposed by the Senate, instead of $2,379,600 as proposed by the House.

Amendment No. 435—Office of Chief of Special Services: Appropriates $58,636 as proposed by the Senate, instead of $56,800 as proposed by the House.

Amendment No. 436—Office of the Provost Marshal General: Appropriates $116,038 as proposed by the Senate, instead of $112,500 as proposed by the House.

Amendment No. 437—Office of the Surgeon General: Appropriates $2,475,873 as proposed by the Senate, instead of $2,400,000 as proposed by the House.

Amendment No. 438—Office of Chief of Engineers: Appropriates $3,751,026 as proposed by the Senate, instead of $3,636,200 as proposed by the House.

Amendment No. 439—Office of Chief of Ordnance: Appropriates $4,137,696 as proposed by the Senate, instead of $3,776,400 as proposed by the House.

Amendment No. 440—Office of Chief, Chemical Corps: Appropriates $817,707 as proposed by the Senate, instead of $792,700 as proposed by the House.

Amendment No. 441—Office of Chief of Chaplains: Appropriates $131,100 as proposed by the House, instead of $128,478 as proposed by the Senate.

Amendment No. 442—Contingent expenses, Department of the Army: Appropriates $9,970,000 as proposed by the Senate, instead of $9,000,000 as proposed by the House.

TITLE IV—DEPARTMENT OF THE NAVY

Amendment No. 443—Navy Personnel, General expenses: Appropriates $60,533,000 as proposed by the Senate, instead of $60,000,000 as proposed by the House.

Amendment No. 444—Military Personnel, Marine Corps: Appropriates $200,923,000 as proposed by the Senate, instead of $200,301,700 as proposed by the House.

Amendment No. 445—Marine Corps Troops and Facilities: Appropriates $82,354,000 as proposed by the Senate, instead of $80,699,000 as proposed by the House.

Amendment No. 446—Aircraft and facilities: Appropriates $532,226,000 as proposed by the Senate, instead of $536,226,000 as proposed by the House.

Amendment No. 447—Ships and facilities: Appropriates $411,782,000 as proposed by the Senate, instead of $415,282,000 as proposed by the House.

Amendment No. 448—Ordnance and facilities: Appropriates $181,665,000 as proposed by the Senate, instead of $177,088,000 as proposed by the House.

Amendment No. 449—Medical Care: Appropriates $37,862,000 as proposed by the Senate, instead of $38,212,000 as proposed by the House.

Amendment No. 450—Civil Engineering: Appropriates $34,778,000 as proposed by the Senate, instead of $35,178,000 as proposed by the House.

Amendment No. 451—Public Works: Reported in disagreement.

Amendment No. 452—Research: Appropriates $43,083,000 as proposed by the Senate, instead of $43,383,000 as proposed by the House.

Amendment No. 453—Service-wide supply and finance: Appropriates $209,292,000 as proposed by the Senate, instead of $200,000,000 as proposed by the House.

Amendment No. 454—Service-wide operations: Appropriates $99,281,000 as proposed by the Senate, instead of $94,261,000 as proposed by the House.

Amendment No. 455—Island Governments: Appropriates $1,500,000 as proposed by the House, instead of $1,785,000 as proposed by the Senate.

TITLE V—DEPARTMENT OF THE AIR FORCE

Amendment No. 456—Acquisition and construction of real property: Reported in disagreement.

Amendment No. 457—Maintenance and operation: Appropriates $1,027,662,000 as proposed by the Senate instead of $1,010,000,000 as proposed by the House.

Amendment No. 458—Air National Guard: Adds words "or State-owned" as proposed by the Senate.

Amendment No. 459—Air National Guard: Strikes out words "State or" as proposed by the Senate.

Amendment No. 460—Air National Guard: Strikes out word "thereof" and adds words "of a State" as proposed by the Senate.

Amendment No. 461—Salaries and expenses, administration: Appropriates $58,545,000 as proposed by the Senate, instead of $55,620,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 462: Strikes out Section 626 as proposed by the Senate.

Amendment No. 463: Corrects section number.

Amendment No. 464: Corrects section number.

Amendment No. 465: Corrects section number.

Amendment No. 466: Corrects section number.

Amendment No. 467: Reported in disagreement.

GEORGE H. MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
CHARLES A. PLUMLEY,
RICHARD B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X–A. GENERAL REDUCTIONS IN APPROPRIATIONS AND CONTRACT AUTHORIZATIONS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X–A of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 468, and agree to the same.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES
(except amendment 508),
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X–A of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 468: Strikes out provision, proposed by the House to reduce appropriations by $600,000,000, in view of action on amendment No. 508.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X–B. FOREIGN AID

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X–B of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 479.

That the House recede from its disagreement to the amendments of the Senate numbered 470, 484, 487, and 489, and agree to the same.

Amendment numbered 469: That the House recede from its disagreement to the amendment of the Senate numbered 469, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "CHAPTER X–A—FOREIGN AID"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 471, 472, 473, 474, 475, 476, 477, 478, 480, 481, 482, 483, 485, 486, and 488.

J. VAUGHAN GARY,
JOHN J. ROONEY,
JOE B. BATES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES,
CHAN GURNEY,
HOMER FERGUSON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X—B of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FOREIGN AID

Amendment No. 469, Foreign Aid: Corrects title of chapter.

Amendment No. 470, Funds Appropriated to the President: Inserts title.

Amendments Nos. 471, 472, 473, 474, 475, 476, 477, Economic Cooperation: Reported in disagreement.

Amendment No. 478, Assistance to the Republic of Korea: Reported in disagreement.

Amendment No. 479, International Children's Welfare Work: Deletes provision of the Senate appropriating $12,500,000.

Amendments Nos. 480, 481, 482, 483, International Development: Reported in disagreement.

Amendment No. 484, Mutual Defense Assistance: Appropriates $1,678,023,729 as proposed by the Senate.

Amendments Nos. 485 and 486, Government and Relief in Occupied Areas: Reported in disagreement.

Amendment No. 487, Department of State: Inserts title.

Amendment No. 488, Government in Occupied Areas of Germany: Reported in disagreement.

Amendment No. 489, Aid to Palestine Refugees: Appropriates $27,450,000 as proposed by the Senate.

J. VAUGHAN GARY,
JOHN J. ROONEY,
JOE B. BATES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Manager on the Part of the House.

CHAPTER XI. GENERAL PROVISIONS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter XI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 491, 492, 494 and 509.

That the House recede from its disagreement to the amendments of the Senate numbered 490, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507 and 510, and agree to the same.

Amendment numbered 493: That the House recede from its disagreement to the amendment of the Senate numbered 493, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612 (c)), with respect to agricultural commodities shall be subject to apportionment pursuant to this section."; and the Senate agree to the same.

Amendment numbered 508: That the House recede from its disagreement to the amendment of the Senate numbered 508, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "SEC. 1114. Appropriations, reappropriations, contract authorizations and reauthorizations made by this Act for departments and agencies in the executive branch of the government shall, without impairing national defense, be reduced in the amount of not less than $550,000,000 through the apportionment procedure provided for in Section 1111 of this Act."; and the Senate agree to the same.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES
(except amendment 508),
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter XI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

SECTION 1111

Amendment No. 490: Adds clarifying language as proposed by the Senate.

Amendments Nos. 491 and 492: Reinstates language of the House relating to reserves to be established in apportionment of funds.

Amendment No. 493: Provides that funds available for price support programs and available under section 32 of the Agricultural Adjustment Act shall not be subject to apportionment.

Amendment No. 494: Strikes out a proposal of the Senate to exempt appropriations for transportation of mail from apportionment.

Amendments Nos. 495 and 496: Add clarifying language as proposed by the Senate.

Amendment No. 497: Exempts funds under Titles I, IV, and X of the Social Security Act from apportionment.

Amendments Nos. 498 and 499: Exempt funds of the House, Senate, and Architect of the Capitol from apportionment.

Amendments Nos. 500, 501, 502, and 503: Add clarifying language as proposed by the Senate.

SECTION 1112

Amendments Nos. 504, 505, 506, and 507: Limit the annual leave provision to civilian employees, extend the limiting date to June 30, 1951, includes the District of Columbia government within the provision and exempts personnel inducted into military service, all as proposed by the Senate.

SECTION 1114

Amendment No. 508: Provides for reduction of $550,000,000 in appropriations and authorizations carried in the bill.

SECTION 1115

Amendment No. 509: Strikes out a provision proposed by the Senate to limit the price paid for typewriters in view of the fact a similar provision had been included in Chapter VIII of the bill.

SECTION 1116

Amendment No. 510: Prohibits, as proposed by the Senate, payment of retired military personnel who engaged in selling supplies to the Government.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

Mr. TABER (interrupting the reading of the statement). Mr. Speaker, may I ask the chairman of our committee if it would not be possible to agree to dispense with the further reading of the statement at this time. It has been printed in the RECORD and is available to all Members. It is almost impossible for the Members to hear as the Clerk reads, and I do not see that it serves any useful purpose to have it read now.

Mr. CANNON. Mr. Speaker, I heartily concur in the suggestion of the gentleman from New York, and in view of the fact that the conference report has been printed in full in the CONGRESSIONAL RECORD for this morning, and that the reading of it at this time would merely consume time unnecessarily, I ask unanimous consent that the further reading of the statement be dispensed with.

Mr. RICH. Mr. Speaker, reserving the right to object, does this bill contain any funds for the arming of the North Atlantic Pact nations?

Mr. CANNON. There is $1,200,000,000.

Mr. TABER. That is $1,600,000,000.

Mr. CANNON. Four hundred million dollars of it is for the liquidation of contracts. The principal amount for that purpose is carried in the deficiency bill which will follow the conference report.

Mr. RICH. But you do have in this bill $1,600,000,000 for the arming of these North Atlantic Pact nations?

Mr. CANNON. It is $1,200,000,000. Four hundred million dollars is for the liquidation of contracts.

Mr. RICH. Several days ago we made a request on the floor of the House that any bill which came back here for our own support should not contain any money for the arming of these North Atlantic Pact nations. I just want you to know it makes no difference what is in the bill—I am against it, because I believe in principle that that is the wrong thing. If we are going to get peace in this world, you cannot do it by arming everybody. I just want you to know that.

Mr. CANNON. I am certain this conference report meets with the warm approval of my friend from Pennsylvania, because it effects unprecedented retrenchments.

Mr. RICH. No, it cannot meet with my approval, because neither the committee nor anybody should bring a bill here which is to arm ourselves and for the support of the departments of Government, and contain gifts which go to arm any foreign country. I am against

it to the *n*th degree and I want you to know it.

Mr. CANNON. When we have friends and depend upon them to help us, it is imperative that we see that they have in their hands the implements with which to make that help effective.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I would like to have some information on this civil functions section of the bill. The appropriation, as I understand it, was increased from $185,878,000 to $221,244,500, is that correct?

Mr. CANNON. The budget estimate for that chapter was $834,867,500. It passed the House with a drastic reduction to the sum of $630,820,000. The Senate raised it to $763,464,620. But in conference we again reduced it to $687,043,270, which is $147,000,000 less than the budget and $56,000,000 less than the Senate figures.

Mr. RANKIN. What page is that on?

Mr. CANNON. I am reading from a tabulation which I will include with my remarks in the CONGRESSIONAL RECORD.

Mr. RANKIN. I am looking at the bill. It seems to me these bills ought to be so written that the Members of Congress could examine them and find out what is in them.

Mr. CANNON. It is written as they have always been written.

Mr. RANKIN. No; it is not, anything of the kind.

Mr. CANNON. It is written precisely as such bills have always been written. Furthermore it is accompanied by a report and a statement by the House managers. I trust the gentleman will find time to peruse the bill and the report and we will have additional tabulations in the RECORD for further analysis.

Mr. RANKIN. You have this amendment No. 383 under civil functions, which, as I understand it, gives the administration the right to use this money on any projects which have been approved by the Congress, is that right?

Mr. CANNON. That is correct.

Mr. RANKIN. That includes the Tennessee-Tombigbee, and also the Demopolis Dam, does it not?

Mr. CANNON. The President must certify that all projects are essential to national defense before he can spend money on them.

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

There was no objection.

Mr. CANNON. Mr. Speaker we present here the most complete and comprehensive résumé of annual Federal expenditures ever presented at one time since the adoption of the budgetary system.

The estimate submitted to the Congress by the President for the entire operation of the Government for the fiscal year 1951 aggregated $38,452,358,148. We submit a conference report today providing $36,153,490,425. In other words, the conference report which we submit today, notwithstanding the fact that we are unexpectedly at war, is $2,288,867,723 below the budget estimates, an unprecedented reduction in a war budget.

Summarizing the whole fiscal situation, Mr. Speaker, we provide in this general appropriation bill for expenditures of $36,153,490,425; we carry in the deficiency appropriation bill, reported yesterday, and which we hope to take up in the House today, $16,771,184,479. These two bills with the permanent appropriations of $6,557,462,804 which, under the statutes are automatic, including such items as interest on the national debt, aggregate $59,482,037,708. In brief, we are spending for the fiscal year for all purposes, as projected at this date, a total budget of $59,482,037,708, or in round figures, $60,000,000,000.

At this point I shall insert in the RECORD comparative tables indicating House and Senate action and agreements in conference in relation to the budget estimates:

Comparison of conference agreement with budget estimates

	Budget estimate	Conference agreement	Difference
Appropriations	$35, 581, 208, 648	$33, 934, 345, 425	−$1, 646, 863, 223
Contract authority	2, 261, 149, 500	2, 170, 145, 000	−91, 004, 500
Borrowing authority	610, 000, 000	599, 000, 000	−11, 000, 000
Total	38, 452, 358, 148	36, 703, 490, 425	−1, 748, 867, 723
General reduction		−550, 000, 000	−550, 000, 000
Net total	38, 452, 358, 148	36, 153, 490, 425	−2, 298, 867, 723

Appropriations, 1951

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter I. District	$12, 000, 000	$10, 800, 000	$12, 000, 000	$10, 800, 000	−$1, 200, 000		−$1, 200, 000
Chapter II. Legislative	87, 820, 747	56, 322, 450	69, 308, 211	69, 180, 211	−18, 640, 536	+$12, 857, 761	−128, 000
Chapter III. State, Justice	1, 185, 612, 897	1, 110, 870, 462	1, 066, 260, 732	1, 065, 627, 962	−119, 984, 935	−45, 242, 500	−632, 770
Chapter IV. Treasury, Post Office	2, 813, 379, 100	2, 754, 105, 000	2, 760, 305, 360	2, 757, 846, 000	−55, 533, 100	+3, 741, 000	−2, 459, 360
Chapter V. Labor, Federal Security	2, 463, 008, 500	2, 271, 099, 614	2, 276, 842, 274	2, 272, 428, 614	−190, 579, 886	+1, 329, 000	−4, 413, 660
Chapter VI. Agriculture	810, 626, 946	764, 032, 701	780, 336, 504	773, 208, 924	−37, 418, 022	+9, 176, 223	−7, 127, 580
Chapter VII. Interior	674, 971, 505	622, 134, 130	617, 061, 433	620, 396, 325	−54, 575, 180	−1, 737, 805	+3, 334, 892
Chapter VIII. Independent offices	8, 466, 982, 724	8, 021, 827, 007	8, 018, 289, 977	7, 996, 140, 947	−470, 841, 777	−25, 686, 060	−22, 149, 030
Chapter IX. Civil functions	834, 867, 500	630, 820, 000	763, 464, 620	687, 043, 270	−147, 824, 230	+56, 222, 870	−76, 421, 750
Chapter X. Defense	13, 376, 865, 000	12, 910, 702, 300	13, 294, 581, 821	13, 294, 299, 443	−82, 565, 557	+383, 597, 143	−282, 378
Chapter XI. Foreign aid	4, 855, 073, 729		4, 599, 873, 729	4, 387, 373, 729	−467, 700, 000	4, 387, 373, 729	−212. 500, 000
Total	35, 581, 208, 648	29, 152, 713, 664	34, 258, 324, 661	33, 934, 345, 425	−1, 646, 863, 223	+4, 781, 631, 761	−323, 979. 236

Bill as passed House, $29,152,713,664; estimates not considered by House, +$5,248,427,480; total, $34,401,141,144, conference total, $33,922,445,425, difference, −$478,695,719.

Contract authorizations

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter I. District							
Chapter II. Legislative							
Chapter III. State, Justice	$91, 036, 500	$58, 786, 500	$69, 650, 000	$62, 325, 000	−$28, 711, 500	+$3, 538, 500	−$7, 325, 000
Chapter IV. Treasury, Post Office							
Chapter V. Labor, Federal Security	161, 211, 000	154, 288, 000	154, 288, 000	154, 288, 000	−6, 923, 000		
Chapter VI. Agriculture							
Chapter VII. Interior	44, 750, 000	38, 250, 000	37, 870, 000	36, 230, 000	−8, 520, 000	−2, 020, 000	−1, 640, 000
Chapter VIII. Independent Offices	578, 367, 000	510, 517, 000	537, 017, 000	531, 517, 000	−46, 850, 000	+21, 000, 000	−5, 500, 000
Chpater IX. Civil functions							
Chapter X. Defense	1, 385, 785, 000	1, 385, 785, 000	1, 385, 785, 000	1, 385, 785, 000			
Chapter XI. Foreign aid							
Total	2, 261, 149, 500	2, 147, 626, 000	2, 184, 610, 000	2, 170, 145, 000	−91, 004, 500	+22, 518, 500	−14, 465, 000

Bill as passed the House, $2,147,626,500; estimates not considered by the House, $300,000,000; total, $2,447,626,500; conference amount, $2,170,145,000; difference, $277,481,500.

Borrowing authority

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter VI. Agriculture	$610,000,000	$520,350,000	$550,350,000	$536,500,000	−$73,500,000	+$16,150,000	−$14,036,000
Chapter X–B. Foreign aid			100,000,000	62,500,000	+62,500,000	+62,500,000	−37,500,000
Total	610,000,000	520,350,000	650,350,000	599,000,000	−11,000,000	+78,650,000	−51,536,000

Due to the fact that we are now engaged in a war which is taxing our resources, and which necessarily disorganizes routine and requires complete readjustment of all budgetary processes, it is impossible to draw didactic comparisons with former years or budgets.

It is to be noted, however, that in one respect this is one of the most extraordinary conference reports ever submitted to the House in the fiscal history of the Nation, in that it reflects the most complete agreement between the two Houses ever reported on the annual supply bills since the adoption of the budgetary system.

This voluminous bill, consisting of nearly 500 pages, embracing expenditures for every branch of the Federal Government, comprising thousands of items, provides for the operation of the Government in both peace and war. The House and the Senate conferees have reached complete agreement upon every item with the exception of one small provision. No record of such complete agreement between House and Senate managers and between the two Houses is to be found in the previous annals of the committee or the Congress.

Of course, we bring back to the House in technical disagreement those items which under the rules cannot be included in a conference report but must be submitted for a separate vote, but on all of them there was complete accord by the several committees of conference.

Mr. RANKIN. What is the one item in disagreement?

Mr. CANNON. The $130,000 which the other body inserted in the bill for the Bird Dog Committee which both Houses agreed should be liquidated at the close of the fiscal year ending June 30, 1950, and which they now attempt to continue regardless of the agreement. It is all the more unjustifiable and untenable because it attempts to support a joint committee with expenditures from the contingent fund of one House—characterized by their own majority leader as an absurd proposal.

With that single exception there is complete agreement of the managers on the part of the two Houses on every item in the omnibus bill.

Incidentally less time was spent in actual conference between the two Houses on this bill than has been spent in conference on the annual supply bills within the recollection of the committee staff.

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

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. On page 212 of the bill there is provided $350,000,000 for rural electrification. That is right, is it not?

Mr. CANNON. That is correct.

Mr. RANKIN. And also $40,000,000 for the rural telephone program.

Mr. CANNON. Thirty-two million five hundred thousand dollars.

Mr. RANKIN. Thirty-two million five hundred thousand dollars?

Mr. CANNON. Yes. The House figure on that, as the gentleman will note on page 212, amendment No. 221, if he has the bill with the Senate amendments before him, was $25,000,000. The Senate increased the figure to $40,000,000. In conference we agreed upon $32,500,000.

Mr. RANKIN. There is no restriction in this bill on these rural power associations' building steam plants where necessary, is there?

Mr. CANNON. None whatever. On the contrary, we included in the bill, both in the chapter on Agricultural appropriations and the chapter on Interior appropriations, explicit provision nullifying any effort on the part of reports to the other body to establish restrictions.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield further at that point?

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

Mr. HAYS of Ohio. There was some question that generating plants could be established only when it could show that the co-ops could not obtain power at a reasonable cost elsewhere. The other body attempted to put that language in. That has been stricken; is that right?

Mr. CANNON. If the gentleman read the statement of the managers on amendment No. 221, he will find a complete exposition of that subject. The language to which the gentleman referred was included in the committee report to the other body, but in conference we adopted language which so clarifies the situation that there is no possibility of any interpretation which could be construed as limitation.

Mr. HAYS of Ohio. This language, then, will let the Administrator decide that question of reasonable rates.

Mr. CANNON. That is correct.

Mr. RANKIN. Mr. Speaker, will the gentleman yield for a further question?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. That also applies to the construction of transmission lines, does it not?

Mr. CANNON. That is true.

Mr. RANKIN. I thank the gentleman.

Mr. CANNON. Mr. Speaker, there are two features of this conference report which may be especially noted. In the consideration of estimates of appropriations for the support of the defense program, for the prosecution of the war, both committees, meeting separately and meeting in conference, resolved every doubt in favor of liberality and adequacy on war expenditures and preparations for national defense.

On the other hand, just as insistently, if not more so, the committee attempted to resolve every doubt on nondefense items against the proposed expenditure. And I am but relating the circumstances when I say that every nickel of the $2,300,000,000 which we saved through reduction of appropriations is stained with blood and sweat, because we had to fight to hold it from the clutch of voracious interests which sought to spend it, and more, on nondefense projects, which could make no possible contribution to the winnings of the war or the avoidance of future wars.

The SPEAKER. The gentleman has consumed 10 minutes.

Mr. CANNON. I will take five additional minutes, Mr. Speaker.

The country is in the gravest danger. That is the unanimous opinion of the military authorities. We are today in danger not merely of war, but of extermination. We carry the largest debt men ever dreamed of and we face the heaviest expenditure ever required of a nation. In addition to that our national revenues are declining. For the fiscal year ending June 30 last, the Federal Government collected in revenues $1,500,000,000 plus, less than collected the previous year.

At the same time the sale of Government bonds is declining. For the last month more bonds were cashed than were sold. So in time of great national danger, with declining revenues, with mounting expenditures, increasing difficulty in floating Government loans, there are interests in the country which insist on spending money for unnecessary nondefense purposes. They fought bitterly to the last ditch for expenditures which even if we had no debt and if we were not at war would be unwarranted. With the debt which we are carrying and with the war which we are now waging, and with the possibility of other and more terrible wars in the future, we barely saved $2,000,000,000. It is to be hoped that the Nation will realize that we cannot have business as usual or politics as usual—that all must sacrifice and lessen the pressure on Congress for projects which can be eliminated or deferred.

Mr. Speaker, may I add that it is fortunate that we were proceeding this year under the one-package appropriation bill. Had we not had the omnibus appropriation bill this year—had we been reporting out every week or two separate supply bills, most of them would have become law months ago and the programs they implemented would have been in effect long before the war opened. But with all appropriations in one bill, we were in position to readjust plans

and expenditures to meet the changed conditions thrust upon us by the war. As it is, every expenditure has been reconsidered and readjusted. All plans and programs have been brought down to date. The funds which under the old system would have already been spent and committed to peacetime purposes and conditions are now available for the needs of the day and the hour. The omnibus appropriation bill is one of the few fortuitous features of this unhappy war.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, we have before us the conference report on the general appropriation bill. I am not going to do much more than to describe some of the major items that are involved and to perhaps answer any questions that may be raised with reference to them.

There is complete agreement on most items with reference to amount. There are three or four items in disagreement that will probably require some little discussion, although I do not think that it should take too long.

As far as the regular departments are concerned, the only items where I was particularly disappointed in the result were the Agricultural chapter and the Department of the Interior chapter where too often the high figure of either House or Senate has been taken. This resulted in those chapters being away above the highest figures in almost every case. But in most of the other chapters we did reasonably well.

In connection with the items at the end of the bill, which were put in by the Senate, it was necessary to yield to the Senate on most of the items relating to the military because of the war situation. In connection with the items relating to foreign relief, the conference reports back an agreement upon $2,250,000,000 for ECA. That is a very liberal figure, but, everything considered, I think we should be glad we were able to get a $200,000,000 reduction from the Senate figure.

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

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman might state that there was an effort to reduce that more than we did.

Mr. TABER. That is correct.

Mr. STEFAN. We reserved some of it.

Mr. TABER. That is correct. Of course, there is a situation there that is very distressing. In yesterday's Times-Herald there was an article which I think would be profitable for the House to read. Mr. Speaker, I ask unanimous consent that I may insert the article at this point in my remarks.

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

There was no objection.

Mr. TABER. The article reads as follows:

MARSHALL PLAN PRESS AGENTS GIVEN FREE VISITS TO EUROPE

(By Philip Wardin)

Young Americans can join the Navy and see the world through a porthole but if they prefer luxury they can become Marshall plan press agents at a good salary and see the world first class, with expenses paid by the taxpayers.

A survey reveals that the Economic Cooperation Administration information office has been giving several of its employees free visits to Europe and the Middle East this summer.

Robert Mullen, director of ECA information, left yesterday on a tour of Europe. He originally mapped a $7,500 round-the-world trip, but later postponed part of it—a visit to the Orient—until fall.

Mullen has sent an heiress to the J. P. Morgan banking fortune to London for a convention of clubwomen—to get new propaganda material on the Marshall plan to influence American clubwomen.

He sent an inexperienced youth, hired as a "picture expert" tripping to Paris and London to see the sights and get new pictures for propaganda purposes here.

Despite the fact that ECA now has 73 American press employees in Paris alone and 56 more in the various 16 Marshall plan missions in Europe plus 222 Europeans on these staffs, ECA sent a former woman reporter to Paris last week to get "human interest" stories for a clubwoman propaganda pamphlet.

Although the ECA press information office in Paris has a chief who gets about $20,000 a year in salary and expense money, and has a large number of highly paid former reporters on his staff, the ECA here sent a man from Washington to show a group of editors about Europe.

Several others from the Washington office have gone to Europe this summer on similar assignments.

Mullen now has 48 persons on his Washington staff drawing salaries totaling $280,000 a year. Among these are the Morgan heiress, an ex-bullfighter, the daughter of a famous symphony conductor, and a score of graduates from the defunct war agencies of World War II.

He recently separated a noted Negro World War II Air Force pilot who achieved some success as an author from his Washington staff and dispatched him to Formosa at $15,000 a year to direct Marshall plan press information there.

The American press agents for ECA will draw $673,000 in salaries this year.

Now, it is perfectly apparent that they can get along with much less money. They saved $115,000,000 more out of last year's appropriation than they told us they would when they were before us on this side.

Mr. STEFAN. Mr. Speaker, if the gentleman will yield further, that newspaper article is a very good argument for the argument we have been making on the floor of this House time and time again that we, who are endeavoring to spread the truth about America throughout the world, should have one information service rather than having to scatter our shots in three or four different directions. We have three or four different information services from the United States, and unless we concentrate and coordinate this effort to tell the truth about our aims, you are going to have a situation like this happen right along and America will become the laughing stock of the world.

Mr. TABER. That is correct. On top of that extra balance that they had left, the expenditures for the fiscal year period down to a couple of days ago when I saw the Treasury statement, were running $115,000,000 as against $360,000,000 for the corresponding period a year ago. That indicates that a cutaway beyond the figure that I have named, and that has been made, would be justifiable. It indicates that there is considerable velvet in there.

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

Mr. TABER. I yield to the gentleman from New York.

Mr. CELLER. Would the gentleman care to express his opinion as to the reduction in the amount of moneys to be accorded to the Franco government of Spain.

Mr. TABER. Well, that will come up for discussion separately when that amendment in disagreement is reached, and I would rather not spend my time on it now, because I do not have enough time to justify doing it in both places.

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

Mr. TABER. I yield to the gentleman from New York.

Mr. JAVITS. Will there be an explanation also of the cut in the point 4 funds?

Mr. TABER. Yes. The item was cut $11,900,000, and that is in the conference report.

There are two or three other things that need explanation. In the first place, they could not possibly spend anywhere near the $15,000,000 in addition to the $8,000,000 that they have under the South America operation, and in the second place, the outfit operating in South America is bringing America into disrepute instead of creating good will in South America, and it was felt that a reduction of that kind would be helpful and would perhaps create a spirit of trying to do better instead of having a great lot of throw-away money without getting any results. The situation in South America has been very bad for a long time, and this other set-up is not even organized and in shape so that they can move in an intelligent way at all. I think that is about all I care to say on that.

The item for the children's fund was cut out. It was not authorized by law. Furthermore, that fund had $24,000,000 remaining from last year. There seemed to be pretty general unanimity among the House conferees on that point.

There are a good many other items involved here. I believe I should spend a minute on the items with reference to chapter IX. That relates to rivers, harbors, and flood control. The rivers and harbors items were reduced $22,000,000, or perhaps a little bit more, below the figure recommended by the other body. On flood control it is approximately $54,000,000 below the Senate figure. In each case that is a little above the House figure, but it was a settlement because the engineers had reported that the President was going to impound all of that amount of $74,000,000 anyway.

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

Mr. TABER. I yield.

Mr. GOLDEN. Will the gentleman from New York explain under what conditions the new emergency flood control projects which were put in by amendment in the other body can get approval so that they may proceed with the work?

Mr. TABER. They must have a certification from the President of the United States that it is necessary for the war effort. That is the rule. I would not expect any project unless it were really necessary and would contribute in some way to the war effort, to be approved. That is our understanding.

Mr. GOLDEN. If a flood control project which protects railroad yards over which as much as 18 million tons of coal are shipped per year, and if it is shown that coal is used constantly in the defense program, do you think that sort of program might be approved?

Mr. TABER. Of course I would not be able to tell what the President would do, but that would be an element which I would consider very important to think about.

Mr. CANNON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. FORAND). Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

CALL OF THE HOUSE

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

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and eighty-nine Members are present, not a quorum.

Mr. CANNON. 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. 254]

Bailey	Hall, Edwin Arthur	Pfeifer, Joseph L.
Barden	Hall, Leonard W.	Pfeiffer, William L.
Barrett, Wyo.	Halleck	Plumley
Beall	Hand	Poulson
Biemiller	Hare	Powell
Blackney	Hébert	Quinn
Boggs, La.	Hinshaw	Regan
Bolling	Jacobs	Rivers
Brehm	Johnson	Sabath
Bulwinkle	Kearney	Sadowski
Burdick	Keefe	Scott, Hugh D., Jr.
Chatham	Klein	Smith, Kans.
Cole, N. Y.	Kunkel	Smith, Ohio
Crawford	Latham	Sutton
Dawson	Lichtenwalter	Towe
Dingell	McMillen, Ill.	Wadsworth
Dondero	Martin, Iowa	Werdel
Eaton	Mason	Williams
Engel, Mich.	Miles	Wilson, Tex.
Fellows	Miller, Calif.	Winstead
Furcolo	Morrison	Withrow
Gillette	Murray, Wis.	
Gilmer	Norton	
Gore	O'Neill	
Gregory		
Hagen		

The SPEAKER. On this roll call 359 Members have answered to their names, a quorum.

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

GENERAL APPROPRIATION BILL, 1951

The SPEAKER. The Clerk will report the motion of the gentleman from New York [Mr. MARCANTONIO].

The Clerk read as follows:

Mr. MARCANTONIO moves to recommit the conference report on H. R. 7786 to the committee of conference with instructions to the managers on the part of the House to incorporate in the conference report the following provision: At the end of chapter XI, titled "General Provisions," add the following:

"None of the funds appropriated in this act shall be paid to any person, firm, partnership, or corporation which refuses equality in employment to any person because of race, color, or creed."

Mr. CANNON. Mr. Speaker, I make a point of order against the motion.

The SPEAKER. The gentleman will state the point of order.

Mr. CANNON. Mr. Speaker, the motion is not in order for two reasons: In the first place, the proposed instructions to the House managers incorporated in the motion propose action which is not within their province, they direct the managers on the part of the House to change the conference report, an action which can be taken only with the concurrence of the managers on the part of the Senate.

The second point is that the provision which the gentleman from New York seeks to add to the conference report does not appear in either the House bill or the Senate bill. It is therefore not in conference. It is not in difference between the two Houses. For either reason, the motion to recommit is not in order.

The SPEAKER. Does the gentleman from New York [Mr. MARCANTONIO] desire to be heard on the point of order?

Mr. MARCANTONIO. Yes, Mr. Speaker. As to the first point that has been raised, only the managers on the part of the House are directed by this motion to do certain things. This motion does not direct the managers on the part of the Senate. Therefore, if this motion were adopted, the House would not be going beyond its power or beyond its province. It would certainly be acting within its jurisdiction in instructing its own conferees.

The second question raised is whether or not this is a matter which can be discussed and taken up at a conference between the two Houses. The contention is made that this language was not contained in either one of the two bills. That is true, Mr. Speaker, but that is not the test to be applied. Assuming that these conferees had incorporated this language in the conference report, would the language then be subject to a point of order? Obviously not, because it would be germane. It would be language which both Houses had the power to incorporate. Therefore, the conference had the power to incorporate this language, and since the conferees had the power to incorporate this language, certainly the House has the power to instruct its own conferees to have this language incorporated.

What is more, Mr. Speaker, we are dealing here with a negative limitation. This is a limitation on funds which is something that the members of the conference can at any time put in a conference report. We have had conference reports here time and time again, particularly on appropriation bills, which contained limitations of various sorts, either a limitation of amount, or of scope, or of duties, and various other types of limitations, none of which had been either in the Senate or in the House bill. The precedents are ample on this point.

If the conferees could do it, why cannot the House ask the conferees to do it?

Mr. CASE of South Dakota. Mr. Speaker, would the Speaker permit a brief observation?

The SPEAKER. The Chair will hear the gentleman.

Mr. CASE of South Dakota. Mr. Speaker, I merely wish to make the observation that the conferees do not have the power to include in a bill something which is not in conference. This subject was not in conference.

The SPEAKER. The Chair is ready to rule. Without passing on the first point raised by the gentleman from Missouri, the Chair will rule on the second point made by the gentleman from Missouri. The point of order is that this matter was not incorporated in the bill when it passed the House, nor was it in the bill as it passed the other body. The motion to recommit calls upon the committee of conference to do something which the House itself does not have the power to do, namely to amend its own bill after its passage. This matter, not being in either the House version or the Senate version of the bill, the Chair holds that the point of order is well taken and sustains the point of order.

The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. CANNON. Mr. Speaker, most of the items reported in disagreement are merely formal matters on which there is general agreement. They are technicalities reported back in compliance with the rule, and as their individual consideration would consume a great deal of time, without any corresponding advantage, I ask unanimous consent that the following amendments be considered en bloc:

Chapter II: Amendments 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, and 51;

Chapter III: Amendments 94 and 107;

Chapter V: Amendments 142, 148, and 151;

Chapter VI: Amendments 157, 166, 201, 223, and 224;

Chapter VII: Amendments 254, 278, 279, 285, 295, 300, 302, and 306;

Chapter VIII: Amendments 342 and 353;

Chapter IX: Amendment 398;

Chapter X: Amendments 417, 418, 451, and 456;

Chapter X–B: Amendments 474, 478, 481, 482, 483, 485, 486, and 488.

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

Mr. MARCANTONIO. Reserving the right to object, this is only for the purpose of keeping the record straight; is any one of these amendments the amendment providing for a loan to Franco?

Mr. CANNON. No. That is submitted in a separate amendment.

Mr. YATES. Reserving the right to object, Mr. Speaker, do any of these amendments include the amount appropriated under the point 4 program?

Mr. CANNON. No; these amendments are likewise submitted separately.

Mr. KEOGH. Reserving the right to object, Mr. Speaker, may I ask whether the amendments enumerated in this list are amendments on which the conferees on the part of the House and on the part of the other body are in unanimous agreement?

Mr. CANNON. The managers on the part of the House and the managers on the part of the Senate are all in complete and unanimous agreement on the amendments included in the request.

Mr. RICH. Reserving the right to object, Mr. Speaker, do any of the amendments read affect the Economic Cooperation Administration funds that have been added to this bill that were not considered in the House?

Mr. CANNON. No; they do not.

Mr. RICH. Have you agreed to the fact that you are going to give this $100,000,000 to Spain?

Mr. CANNON. That will come up in a separate amendment.

Mr. RICH. And the $1,678,000,000 for arming these foreign countries? When you talk about peace and you are preparing for war——

Mr. CANNON. No such provision is included in the amendments enumerated.

Mr. RICH. That comes up later?

Mr. CANNON. Either in the conference report or later.

Mr. RICH. Is the House going to agree to that?

Mr. CANNON. That will be for the House to determine.

Mr. RICH. We hope not.

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

There was no objection.

The amendments are as follows:

Page 4, line 1, insert:

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiples of $5 per month, $50,370."

Page 4, line 11, insert:

"SELECT COMMITTEE ON SMALL BUSINESS

"For professional and clerical assistance to the Select Committee on Small Business, $88,645, authorized by Senate Resolution 272, agreed to May 26, 1950, at rates of compensation to be fixed hereafter in accordance with the provisions of the Legislative Reorganization Act of 1946, approved August 2, 1946, as amended, with respect to standing committees."

Page 4, line 18, insert:

"CONFERENCE COMMITTEES"

Page 4, line 19, insert:

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $30,280."

Page 4, line 22, insert:

"For clerical assistance to the Conference of the Minority at rates of compensation to be fixed by the chairman of said committee, $30,280."

Page 5, line 5, insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For office of Sergeant at Arms and Doorkeeper, including three in lieu of two assistant chief telephone operators at $2,400 each and 33 in lieu of 26 telephone operators at $1,800 each, $1,028,205."

Page 5, line 15, insert:

"Legislative reorganization: For salaries and expenses, legislative reorganization, including the objects specified in Public Law 663, Seventy-ninth Congress, $100,000."

Page 6, line 1, insert:

"Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, Eightieth Congress, $160,135."

Page 6, line 11, insert:

"Committee on Interstate and Foreign Commerce: To enable the Committee on Interstate and Foreign Commerce to engage by contract the services of private firms or corporations for making a survey of certificated interstate, overseas, and foreign air-carrier operations, with a view to drafting legislation requiring the separation of mail compensation from any Federal subsidy payments, $200,000."

Page 8, line 13, insert:

"Senate restaurants: For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $42,500."

Page 9, line 11, insert:

"The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding $900 per annum for each Senator."

Page 9, after line 21, insert:

"Commencing with the fiscal year 1949 the Secretary of the Senate is authorized and directed to protect the funds of his office by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration."

Page 10, line 4, insert:

"Salaries or wages paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed at basic rates as authorized by law, plus increased and additional compensation as provided by the 'Federal Employees Pay Act of 1945,' as amended, and the 'Second Supplemental Appropriation Act, 1950.'"

Page 19, line 8, insert:

"JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $20,000, to be disbursed by the Secretary of the Senate."

Page 22, line 12, insert:

"Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services, including four female attendants in charge of ladies' retiring rooms at $1,500 each and one at $1,560, for the care and operation of the Senate Office Building; to be expended under the control and supervision of the Architect of the Capitol; in all, $643,900."

Page 94, line 14, after "annum" insert "and such employees may be appointed without regard to the Classification Act of 1949."

Page 80, line 5, after "$3,400,000" insert "*Provided*, That the Departments of the Army, Navy, and Air Force are authorized to transfer to the Civil Aeronautics Board without charge, subject to the approval of the Bureau of the Budget, aircraft (for replacement only), aircraft engines, parts, and accessories surplus to the needs of such Departments."

Page 150, line 2, after "including" insert "grants of adrenocorticotripic hormone (ACTH), cortisone, and other chemical substances, and for."

Page 152, line 16, after "$1,375,000" insert "*Provided*, That the Surgeon General is authorized to convey by quitclaim deed upon such terms and conditions as he may prescribe not to exceed 25,000 square feet of land presently included in the site of the National Institutes of Health to the Bethesda Fire Department, a body corporate of the State of Maryland, for the purpose of erecting and maintaining a fire station to provide protection for the facilities of the National Institutes of Health and for the adjacent community: *Provided further*, That such terms and conditions may include an agreement by the Surgeon General to pay to such department on behalf of the United States 33⅓ percent of the cost of the construction of the station but not to exceed $20,000, to be charged to the maximum limits of costs set out in this paragraph."

Page 156, line 19, after "fund" insert "of which not more than $404 shall be available for payment in advance when authorized by the Federal Security Administrator for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public."

Page 168, strike out all after line 3 over to and including line 17, page 157, and insert:

"To enable the Secretary to improve and develop, independently or through cooperation among Federal and State agencies, and others, a sound and efficient system for the distribution and marketing of agricultural products under the provisions of title II of the act of August 14, 1946, as amended (7 U. S. C. 1621–1629), but including the objects for which funds are available for titles II and III of such act of August 14, 1946, $6,000,000: *Provided*, That not less than $650,000 of this amount shall be available for contracts in accordance with the provisions of section 205 of said act: *Provided further*, That the Secretary may make available to any bureau, office, or agency of the Department such amounts from this appropriation as may be necessary to carry out the functions for which it is made (but amounts made available to the Office of the Secretary, Office of the Solicitor, and Office of Information, shall not exceed those which the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine), and any such amounts shall be in addition to amounts transferred or otherwise made available to other appropriation items of the Department: *Provided further*, That no part of this appropriation shall be

available for work relating to fish or shellfish or any product thereof, except for the support of equitable transportation rates before Federal agencies concerned with such rates and for development of foreign markets."

Page 175, line 24, strike out "$2,863,708" and insert "Sections 3 and 5, $2,863,708, and sections 9 and 11 of said act as added by the act of August 14, 1946 (7 U. S. C. 427h, 427j), including administration by the Office of Experiment Stations in the United States Department of Agriculture, $5,000,000, no part of which latter amount shall be used for beginning construction of any building costing in excess of $15,000, except that a poultry breeding house may be constructed at Purdue University at a cost to this appropriation of not to exceed $29,000."

Page 196, line 11, after "$1,300,000" insert "of which $30,000 shall be made available for the establishment of a forest utilization service unit in the Southwest."

Page 214, line 6, after "$56,350,000" insert "of which not to exceed $3,500,000 of the amount available for the purposes of title I and section 43 of the Bankhead-Jones Farm Tenant Act, as amended, may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public land."

Page 215, line 5, after "acts" insert "*Provided further*, That for the purpose of making loans pursuant to the foregoing authority, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such loans to the Secretary: *Provided further*, That repayments to the Secretary of the Treasury on such loans shall be treated as a public-debt transaction."

Page 238, line 19, after "lands" insert "and materials."

Page 248, line 14, after "Dam" insert "*Provided further*, That in order to promote agreement among the States of Nebraska, Wyoming, and Colorado and to avoid any possible alteration of existing vested water rights, no part of this or of any prior appropriation shall be used for construction or for further commitment for construction of the Glendo unit or any feature thereof, until a definite plan report thereon has been completed, reviewed by the States of Nebraska, Wyoming, and Colorado, and approved by Congress."

Page 248, line 12, after "Dam" insert "*Provided further*, That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress."

After "(e))" insert "including payments on account of dependents of employees in field offices in project areas engaged in construction and related activities."

Page 263, line 11, insert: "The Veterans' Administration is authorized to transfer to the Department of the Interior, for the use of the Bureau of Mines, without compensation therefor, full jurisdiction, possession, and control of a parcel of forty-three acres, more or less, within the boundaries of the Fort Snelling Government Reservation in Hennepin County, Minnesota."

Page 265, line 6, after "appropriation" insert "*Provided further*, That not to exceed $150,000 of the funds available for the Independence National Historical Park, Pa., shall be available after January 1, 1951, for the management, protection, maintenance, and rehabilitation of Independence Hall, grounds, and structures in that park."

Page 266, line 11, after "695c);" insert "and not to exceed $30,000 for payment, in the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Fish and Wildlife Service."

Page 267, line 22, strike out lines 19 to 23, inclusive, and insert: "For carrying into effect section 4 of the Act of March 16, 1934, as amended (16 U. S. C. 718–718h), amounts equal to the sums received during the current year and each fiscal year thereafter from the proceeds from the sale of stamps, to be warranted monthly and to remain available until expended."

Page 288, line 23, after "amended" insert: "*Provided further*, That necessary expenses of inspections of projects financed through loans to educational institutions authorized by Title IV of the Housing Act of 1950 shall be compensated by such institutions by the payment of fixed fees which in the aggregate in relation to the development costs of such projects will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative, and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made."

Page 294, line 23, after "monthly" insert: "*Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, 81st Cong.) shall not be effective."

Page 371, strike out lines 9 to 12, inclusive, and insert:

"SEC. 102. No part of any appropriation contained in this chapter shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however*, (1) That notwithstanding the provision in the act approved August 11, 1939 (53 Stat. 1409) limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this chapter shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this chapter (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further*, That the President may suspend from time to time in whole or in part compliance with this section if he should deem such course to be in the public interest."

Page 393, line 20, after "$300,176,000" insert "*Provided*, That the sum of $2,000,000 of the appropriation 'Engineer Service, Army', fiscal year 1947, shall remain available until June 30, 1951, for the payment of obligations incurred under contracts executed thereunder prior to July 1, 1947."

Page 394, line 1, insert:

"MILITARY CONSTRUCTION, ARMY

"For construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army, as authorized by the Act of June 17, 1950 (Public Law 564, 81st Cong.), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles; $95,318,585, to remain available until expended: *Provided*, That not to exceed $661,400 of the funds appropriated under this head in the Military Functions Appropriations Act, 1949, are hereby made available for construction authorized by the Act of October 27, 1949 (Public Law 414)."

Page 414, after line 11, insert:

"PUBLIC WORKS

"For construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy, as authorized by the Act of June 16, 1948 (62 Stat. 459), and the act of June 17, 1950 (Public Law 564, 81st Cong.); major repairs and improvements to the Davisville pier, Naval Base, Newport, R. I.; furniture for public quarters; personnel in the Bureau of Yards and Docks and other personnel services necessary for the purposes of this appropriation; and engineering and architectural services as authorized by section 3 of the act of April 25, 1939 (34 U. S. C. 556); $62,928,000, to remain available until expended: *Provided*, That the funds appropriated by the act of June 25, 1948 (62 Stat. 1027), for construction of two new storehouses at Adak, Alaska, may be used for the conversion of existing facilities, if the Secretary of the Navy determines such action would result in a savings to the Government."

Page 419, strike out lines 13 and 18, inclusive, and insert:

"For construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force, as authorized by the act of March 30, 1949 (Public Law 30, 81st Cong), the act of October 27, 1949 (Public Law 415, 81st Cong.), the act of May 11, 1949 (Public Law 60, 81st Cong.), and the act of June 17, 1950 (Public Law 564, 81st Cong.), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles, to remain available until expended, $164,784,000, of which $25,000,000 is for liquidation of obligations incurred pursuant to authority granted under this head in the Second Supplemental Appropriation Act, 1950, or authorized to be transferred to this head by the National Military Establishment Appropriation Act, 1950."

In the last line of Senate amendment No. 471, after "specified" insert "of which not more than $25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended."

Page 449, line 9, insert:

"ASSISTANCE TO THE REPUBLIC OF KOREA

"For expenses necessary to provide assistance to the Republic of Korea, as authorized

by law, including expenses of attendance at meetings concerned with the purposes of this appropriation; payment of tort claims pursuant to law (28 U. S. C. 2672); health service programs as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; hire of passenger motor vehicles and aircraft; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $90,000,000: *Provided*, That not to exceed $1,500,000 shall be available for administrative expenses."

In the last line of Senate amendment No. 477, after "years" insert *"Provided, however*, That no part of this appropriation may be expended for the duplication of any program being carried on by any other agency of the United States Government or any international agency to which the United States is a major contributor, nor for the construction of any project except for demonstration or instructional purposes, nor for any purpose except administrative expenses, and preliminary surveys and technical cooperation programs upon which reports shall be made to the Congress of the United States quarterly."

In the last line of Senate amendment No. 477, after "years" insert *"Provided further*, That the making of any survey or the advancement of any technical cooperation program or the preparation of plans for projects does not constitute any obligation whatsoever on the part of the Government of the United States to make any loan or grant for the execution or construction of any project or for the completion of any program devised under title IV of Public Law 535, approved June 5, 1950."

In the last line of Senate amendment No. 477, after "years" insert *"Provided further*, That it shall be the duty of the Secretary of State to give written notice to each recipient of funds or beneficiary under said title that such assistance shall not be construed as an obligation on the part of the United States to make funds available for the construction or execution of any project and to report such action to Congress."

Page 453, preceding line 16, insert:

"TITLE II—DEPARTMENT OF DEFENSE"

Page 453, line 16, insert:

"DEPARTMENT OF THE ARMY, CIVIL FUNCTIONS

"GOVERNMENT AND RELIEF IN OCCUPIED AREAS

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas (except Germany), including personnel services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed $10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools in Japan for American children who are dependents of Government personnel; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; $288,000,000, of which not to exceed $18,200,000 shall be available for administrative expenses: *Provided*, That the general provisions of the appropriation act for the fiscal year 1951 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (41 U. S. C. 151–161): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in such occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned."

TITLE III—DEPARTMENT OF STATE

Page 457, line 21, insert:

"GOVERNMENT IN OCCUPIED AREAS OF GERMANY

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government, occupation, and control of occupied areas of Germany, under such regulations as the Secretary of State may prescribe, including personal services in the District of Columbia; one deputy to the United States High Commissioner for Germany at a salary of $17,500; tuition, personal allowances (not to exceed $10 per day), travel expenses (not to exceed those authorized for United States civilian personnel), health and accident insurance, and fees incident to instruction in the United States or elsewhere, of such persons as may be required to carry out the provisions of this appropriation; actual expenses of preparing and transporting to their former homes the remains of persons who may die away from their homes while participating in activities authorized under this appropriation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of tort claims pursuant to law (28 U. S. C. 2672) and payment of tort claims in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; expenses for translation and reproduction rights; acquisition, maintenance, operation, and distribution of educational, informational, reorientation, and rehabilitation materials and equipment for Germany, including grants; medical and health assistance for the civilian population of Germany; expenses incident to the operation of schools for American children who are dependents of Government personnel; expenses incident to maintaining discipline and order in occupied areas (including trial and punishment by courts established by or under authority of the President); printing and binding, including printing and binding outside continental United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); purchase, rental, operation, and maintenance of printing and binding machines, equipment, and devices abroad; purchase and hire of passenger motor vehicles; transportation to occupied Germany of property donated for the purposes of this appropriation; unforeseen contingencies (not to exceed $100,000) for the United States High Commissioner for Germany, to be accounted for pursuant to the provisions of section 291 of the Revised Statutes (31 U. S. C. 107); and representation allowances (not to exceed $20,000) similar to those authorized by section 901 (3) of the Foreign Service Act of 1946 (22 U. S. C. 1131); $27,000,000: *Provided*, That provisions of law, including current appropriation acts, applicable to the Department of State shall be

available for application to expenditures made from this appropriation: *Provided further,* That when section 601 of the Economy Act of 1932, as amended (31 U. S. C. 686), is employed to carry out the purposes of this appropriation the requisitioned agency may utilize the authority contained in this appropriation: *Provided further,* That expenditures from this appropriation may be made outside the continental United States, when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended: *Provided further,* That the Department of State is authorized to utilize for carrying out the purposes of this appropriation, including unforeseen contingencies, without dollar reimbursement from this or any other appropriation (1) currencies deposited in Germany by the Federal Republic of Germany in accordance with section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, and which may be made available by the Economic Cooperation Administration, (2) currencies otherwise deposited in Germany by the Federal Republic of Germany and which become available for use of the Government of the United States, its representatives or agencies in Germany, in such quantities and under such terms and conditions as may be determined by the Secretary of State after consultation with the Administrator for Economic Cooperation, and (3) other currencies derived from activities carried on under this appropriation: *Provided further,* That civilian employees of the United States serving in Germany who received appointments in October 1949 to the Foreign Service of the United States for service in Germany shall, for the purposes of section 625 of the Foreign Service Act of 1946, be considered to have been in class on September 30, 1949: *Provided further,* That for the purposes of this appropriation appointments may be made to the Foreign Service Reserve without regard to the 4-year limitation contained in section 522 of the Foreign Service Act of 1946: *Provided further,* That in the event the President assigns to the Department of State responsibilities and obligations of the United States in connection with the government, occupation, or control of foreign areas in addition to Germany, the authorities contained in this appropriation may be utilized by the Department of State in connection with such government, occupation, or control of such foreign areas: *Provided further,* That when the Department of the Army, under the authority of the act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany."

Mr. CANNON. Mr. Speaker, I offer a motion, which I send to the desk.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendments of the Senate numbered: (Ch. II) 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, 51; (ch. III) 94, 107; (ch. V) 142, 148, 151; (ch. VI) 157, 166, 201, 223, 224; (ch. VII) 254, 278, 279, 285, 295, 300, 302, 306; (ch. VIII) 342, 353; (ch. IX) 398; (ch. X) 417, 418, 451, 456; (ch. X–B) 474, 478, 481, 482, 483, 485, 486, 488; and concur therein.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

Mr. RICH. Reserving the right to object, Mr. Speaker.

The SPEAKER. There is no question of reserving the right to object. The gentleman from Missouri has made a motion that is in order.

The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: On page 7, line 11, insert:

"Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter; and including $50,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, and Public Law 20, Eightieth Congress, $832,000: *Provided,* That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of $9 per day except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States: *And provided further,* That hereafter the provisions of section 134 (a) of Public Law 601, Seventy-ninth Congress, shall be applicable to the Select Committee on Small Business."

Mr. McGRATH. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. McGRATH moves that the House recede from its disagreement to the amendment of the Senate No. 25, and concur therein with an amendment, as follows: In line 13 of the Senate amendment, strike out "$832,000" and insert the following: "$722,000, and the affairs of the Joint Committee on Foreign Economic Cooperation, provided for in Senate Resolution No. 298, Eighty-first Congress, shall be liquidated not later than August 31, 1950."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 54, line 13, after "$34,000,000" insert "of which sum $200,000 shall be used for the purpose of preserving friendships with the peoples of western European countries by means of radio broadcasts, said programs to be created and produced under the supervision and control of the Department of State by experienced private international broadcasting organizations; and."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 68, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "of which sum $100,000 may be available for the purpose of preserving friendships with the peoples of western European countries by means of radio broadcasts, said programs to be created and produced under the supervision and control of the Department of State by experienced private international broadcasting organizations; and."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 72: Page 56, line 16, after "expended" insert "and in addition, the Institute is authorized, prior to June 30, 1953, to enter into contracts for the purposes of such act, as amended, in an amount not to exceed $7,000,000."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 72, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 92: Page 79, line 9, after "expenses" insert "of which $35,000 may be transferred to the appropriation "Salaries and expenses, Civil Aeronautics Administration" for such expenses, including the maintenance and operation of aircraft."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 92, and concur therein within an amendment, as follows: In lieu of the sum named in said amendment, insert: "$17,500."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 175: Page 179, line 1, strike out all after "$7,950,000" down to and including "entry" in line 23.

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 175, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: "including $30,000 for the acquisition of land and construction of buildings for inspection of livestock at Canadian border ports of entry."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 189: Page 189, line 22, after "$850,000", insert "of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes for the purposes of said joint resolution only to the

extent that the Secretary, with the approval of the Bureau of the Budget, finds necessary to meet emergency conditions."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 189, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,250,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 192: Page 190, line 22, after "$900,000", insert "of which $1,000,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes for the purposes of said act only to the extent that the Secretary, with the approval of the Bureau of the Budget, finds necessary to meet emergency conditions."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 192, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$750,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 198: Page 195, line 5, insert:

"Cooperative range improvements: For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national-forest lands, pursuant to section 12 of the act of April 24, 1950 (Public Law No. 478), $750,000, to remain available until expended."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 198, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$700,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 200: Page 196, line 6, after "$2,995,000", insert "of which $55,000 shall be available for such investigations and experiments at Bartlett Experimental Forest only."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 200, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$41,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 209: Page 200, line 14, after "situated", insert *"Provided further,* That of the funds available herein, not in excess of $7,880,000 may be expended in watersheds heretofore authorized by section 13 of the Flood Control Act of December 22, 1944, for necessary gully control, floodwater detention, and floodway structures in areas other than those over which the Department of the Army has jurisdiction and responsibility."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 209, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$8,315,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 215: Page 206, line 2, strike out all after "States" down to and including "county" in line 24.

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 215, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: *"Provided further,* That not to exceed 5 percent of the allocation for the agricultural conservation program for any county may be allotted with the approval of the State committee to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program and the funds so allotted shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such county."

Mr. H. CARL ANDERSEN. Mr. Speaker, may I have a minute or so to interrogate the gentleman?

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman.

Mr. H. CARL ANDERSEN. May I ask the gentleman in this connection if he feels the language is absolutely voluntary as regards the various counties and States?

Mr. WHITTEN. There is no question but what it is purely permissive.

Mr. H. CARL ANDERSEN. I notice that the State PMA committee must agree to any such transfer on the part of the county.

Mr. WHITTEN. That is right. It has to be agreeable to the county and to the State before it is done; in other words, it is permissive. It enables them to do it if they want to.

Mr. H. CARL ANDERSEN. Has the gentleman conferred with the gentleman from North Carolina [Mr. COOLEY] and the members of the legislative Committee on Agriculture?

Mr. WHITTEN. I have several times, and they are in complete accord with what we are trying to do.

Mr. H. CARL ANDERSEN. They do not think that we are infringing on their legislative rights?

Mr. WHITTEN. None whatever.

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

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. Would the language in this amendment in any way prohibit the PMA committees from employing personnel which some might consider to be technicians in the construction or work such as pools, terraces, and so forth, where there are no soil conservation districts?

Mr. WHITTEN. It would not restrict it in any way whatsoever. This is to try to prevent duplication, but in those areas in which soil conservation technicians are not available, it would in no way restrict their activities.

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

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Does the gentleman feel that this additional assistance from the Production and Marketing Administration of soil conservation personnel assigned to soil conservation districts will be kept in those districts where the work has not been substantially completed?

Mr. WHITTEN. Certainly, there is no intention to upset that in the least..

Mr. ALBERT. But you did cut the soil conservation item approximately $500,000?

Mr. WHITTEN. No.

Mr. ALBERT. In this make-up?

Mr. WHITTEN. No. The figure for the soil conservation district is in excess of $1,000,000 higher than it was last year. The Senate did cut it $500,000, and this is additional money over what they had hoped to get at this date. So, since they got a million dollars more than they now have, I do not see that there is any reduction. There might be a reduction in what they hoped to have.

Mr. ALBERT. And the gentleman feels that all these districts which have not completed their jobs will be kept open under this bill?

Mr. WHITTEN. Certainly, that is the intention of this committee.

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

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman explain the difference in the language in this amendment which the gentleman has just offered and the language in the present law?

Mr. WHITTEN. Well, the difference was this: The Senate insisted that this should have approval of the State PMA committee. Personally, I think it is sound to have some consideration by the State and have a State policy rather than have individual handling of it in

each county. I think that is the only change.

Mr. JENSEN. In other words, this language is giving the authority back to the farmers, so to speak?

Mr. WHITTEN. That is the way I see it, and it is an effort to correlate the efforts of these two agencies which I think have done a splendid job. We counseled with numerous members of the legislative committee. This program did not get started until last November, but nevertheless, 250 counties have voluntarily come into it, and it looks like it holds real promise to get maximum dividends from this soil program.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 232: Page 220, line 6, insert the following: "together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses which several amounts not exceeding a total of $207,000 shall be transferred to and made a part of this appropriation."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 234: Page 221, line 19, insert the following: *"Provided,* That when and to the extent that in the judgment of the Secretary agricultural exhibits and motion and sound pictures relating to the programs of the various agencies of the Department authorized by Congress can be more advantageously prepared, displayed, or distributed by the Office of Information, as the central agency of the Department therefor, additional funds not exceeding $300,000 for these purposes may be transferred to and made a part of this appropriation, from the funds applicable, and shall be available for the objects specified herein."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 238: Page 229, line 6, insert the following:

"SEC. 411. Of the funds appropriated in this chapter for travel expenses, $791,888 shall be carried to the surplus fund and covered into the Treasury on or before August 1, 1950; but such amount shall be credited toward any other reduction in amounts available for such travel expenses resulting from decreases in appropriations made by this act below the budget estimates."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 238, and concur therein with an amendment, as follows: "In lieu of the words "on or before August 1, 1950" in said amendment, insert the following: "within 30 days after enactment of this act."

The motion was agreed to.

DEPARTMENT OF THE INTERIOR

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 275: Page 247, line 4, after "fund" insert "and in addition thereto the Commissioner of Reclamation is hereby authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding $3,000,000 for power transmission lines and substations in the fiscal year 1951."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 277: page 247, line 22, after "Dam" insert *"Provided further,* That $3,000,000 of the funds provided in this paragraph plus $3,000,000 contract authority shall be available for construction of transmission lines and substations in South Dakota, to include a transmission loop from Fort Randall through the load centers of Armour, Huron, Aberdeen, Andover, Watertown, Brookings, Sioux Falls, and Gavins Point to Fort Randall, and lines from Fort Randall to Winner and from Rapid City to Midland."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 284: Page 252, line 8, after "Reclamation;" insert "payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interestate compacts; and, without reimbursement or return under the reclamation laws."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 284, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 288: Page 253, line 7, strike out all after "law" down to and including "Investigations." in lines 8 and 9, and insert *"Provided further,* That, except as otherwise provided by the act of April 19, 1945 (43 U. S. C. 377), or by any other law, no part of any appropriation made herein shall be available pursuant to the said act of April 19, 1945, for expenses other than those incurred on behalf of specific reclamation projects except expenses under the head 'General administrative expenses' and under the head 'General investigations.' "

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 288, and concur therein with an amendment, as follows: In lieu of the matter stricken out and proposed by said amendment, insert *"Provided,* That no part of any appropriation made herein shall be available pursuant to the act of April 19, 1945 (43 U. S. C. 377), for expenses other than those incurred on behalf of specific reclamation projects except $7,200,000 under the head 'General administrative expenses' and $1,193,205 ($197,925 for reconnaissance, $769,080 for basin surveys, and $226,200 for general engineering and research) under the head 'General Investigations.' "

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 289: Page 256, line 11, insert:

"TRANSFER OF EPHRATA AIR FORCE BASE

"For the purpose of assisting in the construction, operation, and maintenance, and settlement programs on the Columbia Basin project in the State of Washington, the armed services, General Services Administration, or other Federal agency having ownership or custody thereof or interest therein, is authorized and directed to transfer to the Bureau of Reclamation, without reimbursement or transfer of funds, all of their right, title, and interest to certain buildings, facilities, and equipment at the Ephrata Air Force Base, Ephrata, Wash., including the following buildings in accordance with block and building numbers: Block 800, building No. 68; block 1900, buildings Nos. 10, 11, 12, 13, 14, 16, 17; block 2000, 4 buildings No. 75. 2 buildings No. 56; block 3000, buildings Nos. 56, 131, 58; block 2900, buildings Nos. 59, 53, 55, 57, 66, 89, 90, 85, 84, 124, 141, 2 buildings No. 60, 2 buildings No. 64, 2 buildings No. 65; block 3300, 11 buildings No. 28; block 3400, 7 buildings No. 28; block 3500, buildings Nos. 43, 46; block 3600, buildings Nos. 34, 35, 36, 38, 2 buildings No. 37; block 3700, buildings Nos. 35, 38, 4 buildings No. 31, 2 buildings No. 32, 2 buildings No. 34, 2 buildings No. 37; block 3800, buildings Nos. 35, 38, 39, 42, 2 buildings No. 37; block 4300, buildings Nos. 19, 20, 21, 22; block 4400, buildings Nos. 113, 114, 2 buildings No. 112; block 4600, buildings No. 134; block 4700, buildings Nos. 94, 95, 96, 99, 109, 100, 35, 108, 104, 110, 6 buildings No. 97; block 4800, buildings Nos. 53, 40, 102, 101, 103, 105, 107, 111, 2 buildings No. 32, 5 buildings No. 106, 3 buildings No. 98, together with one sewage-disposal plant No. 116, 1 water tank No. 115, 1 well, 1 flag pole No. 118, 2 garbage racks No. 155, 2 garbage racks No. 158, 1 wash rack No. 63, 2 grease racks No. 62, and sewer system, water lines, electric-power lines, railroad spur and siding, road improvements, and all other facilities and equipment incident to the foregoing property, and including land and rights-of-way formerly under Reclamation withdrawal to other federally owned land

on which said buildings, are situate, which have heretofore or which may hereafter be declared surplus to the needs of the Armed Forces."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 289, and concur therein with an amendment, as follows: In the last line of the matter proposed by said amendment, before the period, insert "*Provided*, That amounts equal to the value of all property transferred hereunder and used shall be charged, in the same manner as appropriations are charged, as part of the construction or appropriate other costs of the Columbia Basin project, such values to be determined by appraisal approved by the Administrator of General Services of the market value of such property current at the time of transfer hereunder less expenditures on such property by the Bureau of Reclamation prior to such transfer."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 319. On page 291, strike out all of line 11, on page 291, down to and including line 17, on page 292, and insert:

"Displaced Persons Commission: For expenses necessary to carry out the provisions of the Displaced Persons Act of 1948, as amended by the Act of June 16, 1950 (Public Law 555), including personal services and rents in the District of Columbia; travel expenses without regard to the Standardized Government Travel Regulations, as amended, and the rates of per diem allowances under the Subsistence Expense Act of 1926, as amended; purchase (not to exceed three), and hire of passenger motor vehicles; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); expenses incident to the primary and secondary education of American children who are dependents of Government personnel paid from this appropriation and stationed overseas; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); employment of aliens; and payment of rent in foreign countries in advance; $9,000,000: *Provided*, That allocations may be made from this appropriation by the Commission upon approval by the Bureau of the Budget to any department, agency, corporation, or independent establishment of the Government for direct expenditure for the purposes of this appropriation, and any such expenditures may be made under the specific authority herein contained or under the authority governing the activities of the department, agency, corporation, or independent establishment to which amounts are allocated: *Provided further*, That the Commission may enter into agreements with international, governmental, and private agencies and may make payment in advance or by reimbursement for expenses incurred by such agencies in rendering assistance to the Commission in carrying out the purposes of this act."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 319, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Displaced Persons Commission: For expenses necessary to carry out the provisions of the Displaced Persons Act of 1948, as amended by the act of June 16, 1950 (Public Law 555), including personal services and rents in the District of Columbia; travel expenses, including travel expenses outside continental United States without regard to the standardized Government travel regulations, as amended, and the rates of per diem allowances under the Subsistence Expense Act of 1926, as amended; purchase (not to exceed three), and hire of passenger motor vehicles; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); expenses incident to the primary and secondary education of American children who are dependents of Government personnel paid from this appropriation and stationed overseas; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); employment of aliens; and payment of rent in foreign countries in advance; $8,000,000: *Provided*, That allocations may be made from this appropriation by the Commission upon approval by the Bureau of the Budget to any department, agency, corporation, or independent establishment of the Government for direct expenditure for the purposes of this appropriation, and any such expenditures may be made under the specific authority contained or under the authority governing the activities of the department, agency, corporation, or independent establishment to which amounts are allocated: *Provided further*, That the Commission may enter into agreements with United States governmental agencies and may make payment in advance or by reimbursement for expenses incurred by such agencies in rendering assistance to the Commission in carrying out the provisions of this act."

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 337: On page 304, strike out "the" and insert "not to exceed $4,000,000 of the."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 337, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$4,350,000."

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 338: page 304, line 21, after "1951" insert: "The sum of $2,000,000 carried in the said unexpended balances shall be carried to the surplus fund and covered into the Treasury immediately upon the approved of this act."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 338, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,324,000."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 345: Page 314, line 13, strike out "$9,889,600" and insert "$10,002,600."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 345, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$9,889,600 (and any part of the amount of $100,000 for valuations of pipelines, and $3,831,920 for the work of the Bureau of Motor Carriers, contained in this paragraph, may be transferred as the Commission may determine for carrying out other functions of the Commission)."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 354: Page 320, line 18, after the word "Philippines," insert "or, in the absence of such finding by such court, the Commission after hearing finds upon evidence that such person was guilty of such collaboration or act of disloyalty."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 354, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "or, in any case involving charges of such collaboration or disloyalty which have not been adjudicated by any such court, where the Commission, after hearing and evidence, certifies that it is satisfied that the person so charged is guilty of such collaboration or disloyalty."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 325, line 17, strike out all after "$63,000,000" down to and including "estimates" in line 15, and insert: *Provided*, That no part of this appropriation or contract authorization shall be used (1) to start any new ship construction for which an estimate was not included in the budget for the current fiscal year or (2) to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget unless, in either case, the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, or used herein, the term "budget" includes the detailed justification supporting the budget estimates: *Provided further*, That not to exceed $64,875,000 of the funds and contract authority made available for new ship construction, including reconditioning and betterment, in the Independent Offices Appropriation Act, 1950, shall continue to be available until December 31, 1950."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 361, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "*Provided*, That not to exceed $64,875,000 of the funds and contract authority made available for new ship construction, including reconditioning and betterment, in the Independent Offices Appropriation Act, 1950, shall continue to be available until December 31, 1950: *Provided further*, That no part of this appropriation or contract authorization shall be used (1) to start any new ship construction for which an estimate was not included in the budget for the current fiscal year; or (2) to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term 'budget' includes the detailed justification supporting the budget estimates."

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

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

Mr. RICH. This $64,875,000, after World War II, or before we got into this Korean war we had hundreds and hundreds of ships that were tied up in ports.

Mr. THOMAS. Twenty-two hundred; and we still have them.

Mr. RICH. Twenty-two hundred ships. Is this money to be used for the repair of those ships, or are you going to start to build new ships?

Mr. THOMAS. Let me say to my friend from Pennsylvania that this is not fresh money; this is merely a reappropriation of money that has heretofore been appropriated, and this item has nothing in the world to do with the repair of the 2,200 ships that are laid up.

Mr. RICH. Is the Congress now going to go out and build a lot more ships and tie them up after we finish the Korean war?

Mr. THOMAS. There is no money in here for that purpose. We are building six or seven ships which are really prototypes, types that have not yet been built.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 363: Page 328, line 11, strike out all after "contracts" down to and including "1950" in line 25.

Mr. THOMAS. Mr. Speaker, I offer a motion to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 363, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of 263, unless a certificate has been received from the Director of the Bureau of the Budget, with the approval of the Secretary of Defense, that an operating-differential subsidy is required for a larger number of such ships in connection with national defense."

Mr. PHILLIPS of California. Mr. Speaker, I offer a preferential motion to recede and concur.

The Clerk read as follows:

Mr. PHILLIPS of California moves that the House recede and concur in the Senate amendment.

Mr. THOMAS. Mr. Speaker, I demand a division of the motion.

The SPEAKER. The question is on the motion to recede.

The motion to recede was agreed to.

Mr. THOMAS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House concur in the amendment of the Senate numbered 363 with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of 263, unless a certificate has been received from the Director of the Bureau of the Budget, with the approval of the Secretary of Defense, that an operating-differential subsidy is required for a larger number of such ships in connection with national defense."

Mr. PHILLIPS of California. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Speaker, as I understand it now, there are two motions before the House, the motion of the gentleman from Texas to adopt the amendment of the Senate which has just been read, and my amendment to concur in the original Senate wording?

The SPEAKER. That is correct.

Mr. PHILLIPS of California. Will the gentleman yield me some time?

Mr. THOMAS. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, the point at issue is the only point, I think, in our particular chapter of the bill in which my distinguished chairman and myself have any difference of opinion. I still live in hopes, Mr. Speaker, that some day I am going to persuade him of the correctness of the side which I take. This is in defense of the American merchant marine. There is no money involved. There is a technical point involved which says that a line, in order to set itself up and to offer itself as a carrier to the people of the United States, must some months ahead of time establish its trade routes; it must offer its service to people all over the United States and must, therefore, know in advance that it is eligible to an operating subsidy. It must know that, once started, it may continue to operate for the benefit of its customers upon that line. It may take months to secure information and to present its case to the Maritime Commission. I know one line that has perhaps $50,000 involved already of its own money in order that it may set itself up so that it is in the eligible class for subsidies, if needed.

The amendment offered by the gentleman from Texas [Mr. THOMAS] sets an arbitrary figure for the number of boats which may receive subsidies. It is not the prerogative of the Appropriations Committee to set an arbitrary figure but to set a figure in money. We have set that figure in money in the appropriation and I have no controversy with that figure; it is adequate. In addition to that, the gentleman from Texas [Mr. THOMAS] wishes in his amendment to set a figure which limits the number of ships to those now under the wire for an operating subsidy or were entitled to it as of January 1 of this year.

Rather than to argue that point, I wish to point out that two lines involved, having 15 ships, which would be shut out by this amendment, are the very lines upon which the United States has been depending since the outbreak of the war in Korea to carry supplies to the men on the battle front over there.

Mr. Speaker, I now yield to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, I rise to support the position presented by my colleague, the gentleman from California [Mr. PHILLIPS]. I am in complete disagreement with the approach being made to this subject by the very able gentleman from Texas [Mr. THOMAS].

On the west coast we have at the present time two lines, as the gentleman from California [Mr. PHILLIPS] has mentioned, the Pacific Far East and the Pacific Transport Lines, which are the very backbone of the military supply to the

Korean operations now. They are not subsidized at the present time. Their applications are in for a subsidy. Their vessels are not included in the 263 figure set by the amendment offered by the gentleman from Texas [Mr. THOMAS]. With the return to a normal condition, which we all hope will be somewhere in the immediate future, and with the cessation of the business now being conducted by these lines and possibly other lines, these particular lines would be barred from any subsidy and would be out of business.

I think it is an unfair approach to companies that are doing their best to return the American flag to the seas. We are trying with the reorganization of the Maritime Commission to build an American merchant marine, to find new and faster vessels. This is that in reverse.

I sincerely hope that the amendment offered by the gentleman from California [Mr. PHILLIPS] will be adopted by the House.

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

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

Mr. RICH. How long do these vessels have to operate before they can apply for a subsidy?

Mr. THOMAS. There is no set time.

Mr. RICH. Why not treat everybody alike if these vessels are now operating?

Mr. THOMAS. I may say to the gentleman from Pennsylvania that during wartime steamship companies make more money than they can count much less haul. They never need a subsidy. A subsidy is a hard-times matter. In the next three or four years if the war keeps up like it is today there will not be a dime of subsidy paid to any of them. They do not need it and they do not ask for it.

Mr. RICH. The fact of the matter is you are giving subsidies to everybody. Of course, I do not believe in subsidies at all, but I think you ought to treat everybody the same way.

Mr. THOMAS. There are more subsidies in here than you have ships for already.

Mr. RICH. With the 2,200 ships we still have tied up?

Mr. THOMAS. Yes. We have them, too.

Mr. PHILLIPS of California. Mr. Speaker, I yield to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Speaker, I wish to join with my colleague, the gentleman from California [Mr. SHELLEY] in urging the position taken by the gentleman from California [Mr. PHILLIPS]. In my opinion the amendment proposed by the gentleman from Texas effectively abrogates the policy set forth in the Merchant Marine Act under which the merchant marine of this Nation is, in part, assisted. The Merchant Marine Act is designed to keep American ships on the seas to carry on our domestic commerce and a part of our foreign commerce, to provide American operators, to provide that the ships shall be operated by American seamen and repaired and constructed by American yards, all of which are absolutely necessary when an emergency arises, for national defense. The Merchant Marine Act keeps the ships going in times of peace, and they are ready when we need them in national defense. That is the position we are in now. This amendment proposed by the gentleman from Texas would wipe out, to some extent, the possibility of being as well prepared when we need them again. There is no money involved; it is not a matter of appropriations.

Mr. PHILLIPS of California. Mr. Speaker, I yield to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Speaker, I am in complete accord with the objective of the gentleman from Texas to try to get some efficient and sensible operation in the Maritime Commission, but I am completely opposed to putting our merchant marine in a strait-jacket, and I believe that is what would be done unless the amendment offered by the gentleman from California is adopted. I have been given to understand that the Committee on Merchant Marine and Fisheries is completely in accord with the amendment of the gentleman from California. I have not heard anybody from that committee make an observation, but with the gentleman's permission I would like to ask the gentleman from Texas [Mr. THOMPSON] if that expression is not correct.

Mr. THOMPSON. That is correct, so far as I know.

Mr. PHILLIPS of California. Mr. Speaker, during the discussion of this bill on May 8 it was made abundantly clear by the members of the Committee on Merchant Marine and Fisheries that they felt the number should be 285 ships, at least, and this would set it at 263.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I arise in support of the motion made by the gentleman from California [Mr. PHILLIPS]. His motion gives recognition to the fact that under the law as it now exists provision has been made for the payment of an optional subsidy to our merchant marine. The adoption of his amendment would not increase by one penny the amount that has been appropriated for this purpose, but it would make certain that all ships that can qualify under the law would participate under the fund.

The motion made by the gentleman from Texas [Mr. THOMAS] although offered with good intent, would in my opinion leave some uncertainty as to the number of ships that could participate. From the explanation he has given it would seem that he believes that no qualifying ship would be left out. However, why adopt a course that might have that effect?

I believe there is a question of good faith involved in the matter. We owe an obligation to all ship owners who have constructed ships for use in the merchant marine. They have done so with the understanding that in the event the operation should be a losing venture then they could, by due proof, obtain reimbursement of such loss. This is only fair in view of the fact that the route on which they operate has been approved or directed by the Merchant Marine Commission. No one knows whether the operation will prove profitable or otherwise. Without some such guarantee no ship line would be willing to operate these unknown routes. We must realize that the competition is great, with the advantage in most instances in favor of the foreign shipowner because of his cheaper cost of operation. We must do something of the kind we have in our law set out to do. It is the only way we can expect or hope to build up an American merchant marine.

Two world wars have demonstrated the need of an adequate merchant marine to support our fighting ships and our soldiers fighting on foreign fields. When war comes we find ourselves deficient in this respect. This has been our experience in World Wars I and II. It is even now our experience in the present Korean conflict. We have found it necessary, in getting men and supplies to Korea, to lease or utilize the ships of foreign companies to make up for our own deficiency in available ships.

I support the motion of the gentleman from California [Mr. PHILLIPS], because it is the best guaranty to our shipowners that we intend to carry out the policy adopted by Congress in its effort to build up the American merchant marine.

Mr. PHILLIPS of California. Mr. Speaker, I would point out to you that in signing the report, the gentleman from New York [Mr. TABER], the gentleman from South Dakota [Mr. CASE], and I signed the report with the exception of this particular point which is still in controversy. I also point out, Mr. Speaker, that when the vote comes it will come first on the motion of the gentleman from Texas [Mr. THOMAS], and then upon the motion which I would like to substitute for the motion of the gentleman from Texas.

I reserve the balance of my time, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I do not think I have ever heard any more loose statements than have been made, no doubt in good faith, here this afternoon about this item. In the first place, the House thoroughly debated this question some 2 or 3 months ago and the House sustained the committee.

Now let us go back and see just what the facts are. I am imputing no ill motives to anybody. I think some of our friends are a little bit overzealous to give away about $350,000 per year, per ship, to certain pressure groups.

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

Mr. THOMAS. I yield to the gentleman from New York.

Mr. ROONEY. Is this the matter in which a gentleman by the name of Frazier Bailey is interested?

Mr. THOMAS. I understand Mr. Bailey is perhaps one of the highest-priced lobbyists that has been in Washington for the last 20 years, representing

the steamship companies. When this item came up before your subcommittee the Maritime Commission justified the payment of differential subsidies to 235 ships, plus 19 others who wanted to get it, and of that 19, seven were building under construction-differential subsidies.

Now, what is this operating-differential subsidy that we hear so much about? You pay it to Club 13 which owns all these ships; just 13 steamship companies, that is all it is. Incidentally, when the act started out, it was Club 17 or Club 18, but it has shrunk now to Club 13, for whom Mr. Frazier Bailey, as somebody has pointed out, is the chief spokesman and mouthpiece.

You have an operating-differential subsidy on: (1) wages, (2) insurance, (3) food, (4) maintenance of the ship, and (5) repair of the ship. They wanted $93,000,000. And, if my friend from California thinks there is no money involved in here, I wonder what he calls $93,000,000 for the fiscal year 1951. But, that is all they want, $93,000,000, for those 254 ships. Now, you can do a little quick arithmetic and that figures out that all you are paying Club 13 for each ship—not 13 ships but 254 ships—is $367,000 per ship.

How often? Every year for the 10-year period. Do you see? They just get about $3,500,000 over the 10 years for the one ship. And there are only 254. That is what the Maritime Commission justified to our committee.

About 2 months intervened before they appeared before the other body. On page 137 of the independent office appropriation hearings for 1951, before the other body, about a month or 6 weeks ago, this is what you find. This is their language—this is the Maritime Commission's language:

> Number of actual vessels eligible for subsidy after January 1, 1950, and proposed additional ones eligible for subsidy for the year 1951 add up to 262.

Of course they increased the ante in the 2 months from the time that they left the House and went over to the other body. The limitation contained in this bill gives them one more than they asked for. Now that is really being hard on them, is it not? In addition there are seven ships building under a construction differential subsidy, and we were advised inferentially by the Maritime Commission that in all probability those seven ships will be put into military use and not to private use. Therefore, of course, they get no subsidy. Therefore, you have in this limitation eight ships more than they have asked for, and yet he says we are not being generous.

Listen to what our Comptroller General Lindsay Warren has to say about these ship subsidies. He has been working on it apparently for some time trying to find out the yardstick by which the Maritime Commission gives the Club 13 $350,000-plus per vessel per year. This is what General Warren says:

> Our detailed analysis of the calculations, is attached as appendix B hereto, on the audit of the United States Maritime Commission for the fiscal year 1948–49. That analysis revealed that the calculations by the Maritime Commission supporting the approved rates, contained so many errors and omissions as to render the result totally unreliable—

Now listen to this—

> unreliable by the Maritime Commission.
>
> As a result the former Chairman of the Maritime Commission ordered the recalculations of all operating differential subsidies since January 1, 1947.

Now pay particular attention to this point:

> Up to date little real progress has been made, and none of the rates have been revised.

Can you imagine anything like that?

Now, Mr. Speaker, that is the condition and all your committee is trying to do is to save the taxpayers a little money and put a little common horse sense into the head of the Commission. We are not trying to hurt the shipping industry. Why, you cannot hurt them in this bill—it is too one-sided. Do you think you are going to hurt them when you pay them $350,000 every year per ship? If a good part of that amount is not all profit, I do not know anything about it.

Here is what the President of the United States says in his budget message to the Congress in January of this year:

> I am seriously concerned about the increasing cost of these operating subsidies and by the potential cost of new subsidies now being advocated.

The President must have had in mind our good friend, the gentleman from California, and two or three of my other friends who are advocating not only keeping up this enormously wasteful and expensive burden on the pocketbooks of your taxpayers, but who advocate adding more to it.

Let us see further what the President has to say. He says, "To permit such expansion as may be required by a future emergency." Of course, the emergency he is talking about is building. Of course, we are building some. This has nothing in the world to do with building. This is operating.

Further the President said:

> However, to limit the burden on the taxpayers, this subsidy program should be held to the minimum level that will satisfy national defense needs.

Do you know what this amendment does? It has not been exactly explained. It may be my fault, or it may be the fault of the gentleman from California. In addition to giving subsidies for eight more ships than the Maritime Commission has asked for, we put a clause in there which provided that in case the Secretary of National Defense wants more ships for national defense with a subsidy, he has authority to waive this provision. Let me read it to you. It gives them everything they want, and yet Mr. Bailey and the Club 13 are not satisfied. They are telephoning and wire-working everybody they can.

Just listen to this proviso:

> That no part of the number of ships in excess of the number 263—

and that is eight more than the Maritime Commission asked for—

> unless a certificate has been received from the Director of the Budget, with the approval of the Secretary of Defense, that an operating differential subsidy is required for a larger number.

It could go to a thousand, if the Secretary of Defense said he needed them in connection with national defense.

Now, let us be frank about this whole matter. I think we are making a lot of fuss over nothing. We all know that during wartimes the shipping companies make so much money they cannot even haul it, much less count it.

You know that during World War II they did not get a subsidy. A subsidy is a hard-time proposition. You give them a subsidy because they cannot make money, because business is bad. Now they have more business than they can possibly handle. We are even giving them business when you have 2,200 ships of the same type laid up here. In fact, we sold them some of those ships they have for about 30 cents on the dollar, and we have over 2,000 of them laid up.

Mr. PRESTON. Mr. Speaker, will the gentleman yield me 5 minutes to answer the argument he has made in support of this amendment?

Mr. THOMAS. Yes, I will yield the gentleman 5 minutes, after I have finished.

Mr. CASE of South Dakota. I would like to have about 3 minutes, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, there is more involved in this item here today than one might think, just hearing it discussed during the few moments which it is before us. In my opinion this is a one-man crusade by the gentleman from Texas against the Maritime Commission. Those of us who have watched the operation of the Maritime Commission in the past cannot find too much fault with the gentleman from Texas in his crusade against the Commission, because the operation of the Commission has not been on a very sound basis; it has been subjected to severe criticism, and I think properly so. But in order to punish the Maritime Commission, American shipping is being made the whipping boy. Now, let us get back to this question coming up in the 1951 appropriation bill. When this limitation first came up in the consideration of the bill originally on the floor not a single Member could find out from the gentleman from Texas the language in the amendment he was going to offer. The gentleman from New Jersey [Mr. HART], after having heard it read by the Clerk said: "I think this perhaps meets our objection." But lo and behold, when it is adopted we find that it did not do a single thing but smokescreen the whole proposition, and it battened down this business of ship subsidies just as tight as the gentleman from Texas had power to batten it down.

Since that time the Senate wisely struck that language out. Now today we had no way of knowing what language the gentleman was going to offer until we heard it read by the Clerk. Talk about not doing anything, let me tell you what it does, it applies to every shipping company in the United States. This is no Frazier Bailey fight either; it is a fight

of all maritime interests against national security; it strikes at every shipping company who had applied for subsidy contracts on routes which had been declared to be essential, but on which contracts had not been executed.

Under this language these shipping companies would be denied the right to have a subsidy contract although the route had been approved by the Maritime Commission. It does that on the west coast and along portions of the east coast. It strikes at a company in my district.

Talk about not affecting shipping, it strikes at the very basic maritime policy established by Congress; and one man, may it please you, one man in the House of Representatives, through the position he holds as chairman of this subcommittee, is striking at the very roots of it and would destroy it by the action here today and by the action he took in May.

I say this not in derogation of my friend from Texas; everyone recognizes him as an able man, a fine representative of his people, but I feel that he has some feeling about this maritime situation which we have not been able to fathom. It is demonstrated by the fact that he is determined to put the lid on this program which, incidentally, I want to say has not cost the Treasury of the United States one dime in subsidy. This would abolish the rights of any shipping company to an operating differential subsidy by virtue of the maritime law which we passed. Does anyone dispute the correctness of this statement?

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

Mr. PRESTON. I yield.

Mr. THOMAS. Of course, I dispute that. There is $85,000,000 in this bill to meet that. But what do you think the purpose of this is?

Mr. PRESTON. I am talking of an operating subsidy. I am not referring to a construction subsidy.

Mr. THOMAS. Construction subsidy is not before this House now. This is only an operating-differential subsidy and there is $85,000,000 in here for that.

Mr. PRESTON. This language that we are arguing over today does not involve a penny; it is a limitation. It does not involve 1 dime, and the subsidy cannot be paid, Mr. Speaker, until the route has lost money. If it is making money it is not eligible for a subsidy payment, not at all. It has got to go in the hole before the subsidy is paid. He just wants to adopt this language which will destroy the merchant marine program in this country.

Do you know what he is doing? He is perpetuating the so-called Club 13. Nobody else can join the club if this language is approved. But he wants to take the subsidies away from these small companies like the South Atlantic Steamship Co. in the port of Savannah, Ga., which does not get subsidies, although they are operating on routes that the Commission said were essential, going to distant ports of the world where we want to establish trade relations and where it would be of assistance under the point 4 program of the President.

I hope you defeat the motion of the gentleman from Texas and adopt the motion of the gentleman from California.

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

Mr. THOMAS. I yield.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that notwithstanding the filing and printing of the conference report, Senator WHERRY may be permitted to sign the report on the general provisions and the general reduction sections including chapters 10 (a) and chapter 11 of the bill H. R. 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

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

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, there are no ships from South Dakota operating in the merchant marine. I have no personal interest in this matter one way or the other, but I have sat through the hearings of the committee and I have sat through the conferences and I have heard the discussion on the one hand by the gentleman from California [Mr. PHILLIPS], and on the other by the gentleman from Texas [Mr. THOMAS]. Perhaps I can make a little objective observation here. There is not a dollar involved in either amendment as to how much we appropriate; the dollar sign appears earlier in the bill. That is not affected in any way by what we do at this point.

What we are doing here is considering only whether the limitations shall be the requirements which exist in the basic law and those remaining in the original House bill, or whether we shall adopt the limitation proposed by the gentleman from Texas which would add a limitation by number on the ships that might get this subsidy. As I say, I heard the whole argument. It seems to me that the whole question here is whether or not this $85,000,000, which is available for payment of operating subsidies, shall be limited to 263 ships that already have their feet in the trough, so to speak, or whether it will be possible for other ships to qualify and participate in the operating subsidy. Perhaps I should change the metaphor and say "keels in the soup" instead of "feet in the trough."

The gentleman from California has pointed out that there are several shipping lines or some shipping lines which have prepared other ships to go into service. They have expended money on them anticipating that they could qualify if they went into service and failed to make operating expenses.

The limitation that the House approved when the bill passed the House limited payments to those ships that were in service and qualified as of January 1, 1950. The Senate amendment strikes that out and leaves the money here for such ships as might meet the qualifications under the basic law. That would be the effect of the motion to concur by the gentleman from California. The amendment offered by the gentleman from Texas would seek to put a limitation on the number of ships that could receive subsidy payments. He now says 263 or 262 is the number that are in operation. I have heard various figures. I have heard the figure as low as 239 and I have heard the figure as high as 288.

I do not know what the number is because the testimony has been conflicting. I do know that the effect of the amendment offered by the gentleman from Texas will be to freeze this monopoly in the hands of certain ships or their owners. If it is a good thing to encourage the development of our merchant marine by providing an operating subsidy so that those who do not make their expenses can come before the Maritime Commission, offer a showing of their operating losses and qualify for some of this fund, it does not seem to me that we should limit it to a number of ships or to those owners having their feet in the trough already. It should be open to the ships that can qualify under the terms of the law.

That is why I think the amendment offered by the gentleman from Texas is not as good as a limitation as we had in the bill when it passed the House. It would be fairer to put it upon the basis of those who qualified as of January 1, 1950, as we did by the bill as it passed the House. To limit it to a certain number of ships, which by the gentleman's own words is only one more than those already actually in operation, could be an unwise and unfortunate limitation. The parliamentary situation is this: The gentleman from Texas has offered an amendment which would take the place of the motion offered by the gentleman from California. If you want to go back to the position offered by the gentleman from California, of course, you must vote down the preferential amendment offered by the gentleman from Texas.

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

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. SCUDDER. I am interested in this measure. As I understand it the amount of money provided would be spread out a little thinner over a greater number of ships?

Mr. CASE of South Dakota. That is right. Those of you who are familiar with the agricultural conservation program will remember that we provide so much money for the triple A or for the conservation program to use in prosecuting its program with the farmers of the country. I know more about that than I do about the ship subsidy. But when you say so much money is available to the Department of Agriculture, they then have to make their allotments by States and the farmers come in within the amount available for that State. You do not limit the farmers by number. The effect of the amendment offered by the gentleman from Texas is to say that only a certain number of ships can qualify for operating subsidies. The motion offered by the gentleman from California does not change the dollars appropriated it; it simply says any ship can come in if it can qualify.

Mr. THOMAS. Mr. Speaker, that is the queerest argument I have ever heard

my distinguished and able friend from South Dakota make. Of course, he participated very actively in the committee in this when we wrote a limitation at the very beginning of 235 ships. Now it is 265. His conclusion that it will perpetuate a monopoly is as erroneous as any statement that, that great, fine gentleman has ever made. Of course, under the limitation in here you could increase the number from 263 up to a thousand if the Secretary of Defense says it is necessary.

Now, about the money angle in here. All of this talk is about nothing but money. Mr. Frazier Bailey and his crowd would not be needling everybody around here if there were not other than dollars and cents involved.

We have tentatively agreed, and the Maritime Commission has indicated—and I am not trying to pin them down on anything—do not misunderstand me—that the probabilities are great when your next rescission bill comes in here that $50,000,000 of this subsidy will be rescinded. My judgment is we ought to rescind the whole $85,000,000, but the Maritime Commission has tentatively agreed we can rescind $50,000,000 of it on the basis they do not need it, because all of the ships, if the present war keeps up, will, as I said a while ago, make more money than they can haul, much less count.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I was just going to recall to the gentleman's mind the fact that none of us were entirely happy about the original numbers limitation, and we abandoned it when the debate started on the independent offices appropriation bill in favor of the January 1, 1950, formula. The gentleman has read from the Comptroller's report. I do not know what that has to do with this particular question. No one went further than I in castigating the Maritime Commission on the basis of the Comptroller's report, and the record of the debate when the original bill was on the floor will bear me out on that.

Mr. THOMAS. We only had 235 ships, and we have given them 19 more now, and yet my friend blows both hot and cold, and again I say I love him and admire him.

Mr. CASE of South Dakota. The gentleman knows that the limitation of 235 was not entirely satisfactory to everybody because of conflicting evidence. And during the debate on the floor of the House we came out with a limitation not in terms of numbers but upon the basis of those that qualified as of January 1, 1950.

Mr. THOMAS. Which we found was around 235.

Mr. CASE of South Dakota. And I said on the floor a minute ago that I thought the limitation by the date January 1, 1950, was much more sensible than either the position of receding entirely or of making the limitation by numbers. Unfortunately, we have already receded, and I know of no way now to go back to the limitation or qualification that was in the bill as it left the House.

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

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 91, noes 63.

So the previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 91, noes 76.

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

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-one Members are present, a quorum.

Mr. PHILLIPS of California. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Speaker appointed as tellers Mr. THOMAS and Mr. PHILLIPS of California.

The House again divided; and the tellers reported there were—ayes 121, noes 97.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 373: Page 353, line 23, strike out "$17,724,000" and insert "$17,524,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment:

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 373, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$15,024,000."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 388. Page 366, line 1, after "project" insert *"Provided further,* That the section entitled 'National Military Establishment' in Public Law 343, Eighty-first Congress, first session, providing appropriations for the project at Mandan, N. Dak., is hereby amended to authorize reimbursement to local interests for such work as they may have done in providing interior drainage facilities at Mandan, subsequent to appropriation of funds for construction, as a part of the local flood-protection project, insofar as such drainage facilities shall be approved by the Chief of Engineers and found to have been done in accordance with the authorized project: *Provided further,* That such payment shall not exceed the sum of $76,000: *Provided further,* That $25,000 of the funds appropriated herein shall be available, at a total cost of not to exceed $100,000, to the Board of Engineers for Rivers and Harbors for the purpose of continuing the review of the report on James River and tributaries, North and South Dakota, published as House Document Numbered 83, Seventy-third Congress, and determining the advisability of improvements for flood control and related purposes on James River and tributaries, including Pipestem Creek."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate numbered 388, and concur therein with an amendment, as follows: In line 13 of said amendment, and after the figure "$76,000", change the colon to a period and strike out the remainder of the paragraph.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina [Mr. KERR].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 399. Page 374, line 19, after "diem" insert "and contracts with not to exceed 23 temporary or part-time employees may be renewed for 1 year."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 399, and concur therein with an amendment, as follows: In line 2 of said amendment strike out the words "not to exceed 23."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 467. Page 443, line 10, insert:

"SEC. 630. Appropriations and contract authority contained in this chapter shall not be subject to the provisions of subsections (c) to (i), inclusive, of section 3679 of the Revised Statutes, as amended by section 1111 of this act, during the existence of an emergency affecting the national security."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 467, and concur therein with an amendment, as follows: Strike out the language proposed by the said amendment and insert in lieu thereof the following: "During the current fiscal year, appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, shall not be subject to the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended by section 1111 of this act."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 471. Page 447, line 4, insert:

"ECONOMIC COOPERATION

"For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47), and as further amended by the act of June 5, 1950 (Public Law 535), including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed $30,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed $20,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $2,450,000,000, of which not to exceed $50,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with funds heretofore made available for the purposes of the Economic Cooperation Act of 1948, as amended, and such consolidated appropriation may be used during the fiscal year 1951 within the limitations herein specified."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 471, and concur therein with an amendment, as follows: In lieu of the sum named in line 15 of said amendment insert: "$2,250,000,000."

Mr. TABER. Mr. Speaker, the line number is wrong. It should be line 18.

The SPEAKER. Without objection, the motion will be modified accordingly.

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman from Virginia yield?

Mr. GARY. I yield.

Mr. RICH. You are now considering an amendment that was offered to the appropriation bill by the other body appropriating money for this economic cooperation and for other foreign gifts. It seems to me that when the House has not considered this legislation but it comes from the Senate, that it ought to be taken up in the House and the Members be allowed to give consideration to the items that are contained therein. For instance, you have $100,000,000 for Spain; $90,000,000 for Korea; $12,500,000 for welfare; $26,900,000 for development; $1,678,000,000 to arm foreign countries under the Atlantic Pact, yet the House of Representatives has not had an opportunity to debate and discuss them.

Mr. GARY. I may say to the gentleman from Pennsylvania that the Members will have ample opportunity to debate those matters; they are in separate amendments.

The amendment which you have before you at the present time relates purely to the ECA, the Economic Cooperation Administration. That organization last year had an appropriation of $3,628,380,000. The budget estimate for this year was $2,657,700,000, which is approximately $1,000,000,000 less than was spent last year.

As the gentleman has properly stated, although the House committee had extensive hearings on all foreign-aid items, we did not complete our hearings in time to include these items in the House bill. The Senate approved for the ECA $2,450,000,000, which was a further cut of approximately $200,000,000. The conferees have recommended a further cut in that amount of $200,000,000 to bring the amount down to $2,250,000,000. I personally felt that was too much of a cut; and in view of the fact that the prices which the ECA is required to pay for commodities at the present time have greatly increased, I think the chances are that they are going to find it difficult to carry out their program as planned. However, that amount has been agreed to, and as chairman of the subcommittee I am now offering an amendment to make the amount $2,250,000,000, as agreed to by the conferees.

Mr. RICH. If the gentleman will yield further, the gentleman says that he is interested in increasing this because prices of commodities have increased. I want to ask you in all good faith, for the benefit of the American people who are paying the bill and the American people who have to buy the things in this country that they need, that if you think that you can increase this amount and expect the taxpayers of America to pay the bill and give these things away to these foreign countries all around the world, I say to you now, and I say to the Members of the House, that you will find out that all the help and aid you will get from these foreign countries will react to the detriment of the United States. Whenever you come to the time that you are wrecked financially and you have to go to the people of this country and say, "I want to go back to Congress because I want to protect you," the people of the country ought to say to this Congress, "You have ruined us; you have brought us to the point almost of despair; yet now you want us to pay more and more." I want to say that this New Deal administration ought to be taken into recognition by the people of this country, and they ought to be changed. If they do not change it, they are lost—lost forever.

Mr. GARY. May I say that I have the greatest respect for my friend from Pennsylvania, but I have just completed a primary campaign in my district. The election was held on August 1. In that campaign foreign aid was one of the major issues. I did not hesitate to champion the foreign-aid program as promulgated by this administration and approved by this Congress. I took an offensive rather than a defensive position on the issue and I was renominated by a handsome majority. So far as the people of my district are concerned they approve the foreign-aid program.

Mr. RICH. What are they going to say when you talk about arming these foreign countries? You talk about peace, peace, peace, yet all you do is prepare for war.

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

Mr. GARY. I yield.

Mr. McCORMACK. The gentleman from Pennsylvania is acting in good faith, yet I think if we were to follow his direction it would mean a blow to the security of our country. If we were to follow the gentleman's reasoning, all of Europe would be controlled by the Communists today. We might just as well face the cold facts. None of us wants to appropriate the money but it is for the national interest of the United States.

It is very easy to talk about appropriating money and making gifts to other nations. What we are doing is for the national interest of our own country not to have all of Europe dominated by Communist regimes. We have seen Poland, we have seen Czechoslovakia, we have seen Rumania and Bulgaria, we have seen Lithuania, Estonia, and Latvia not even given a satellite status. Unless we step in and do what we have done western Europe, France, and Italy would undoubtedly be under the control of the Communists today.

With all due respect to my friend from Pennsylvania, and I respect him very much, as one American I do not think that would be for the national interest of the United States of America. The gentleman represents a point of view that is honest, the gentleman is absolutely sincere and I respect him for it; but in all justice to myself and other colleagues of mine who feel similarly, I think the record should show that we do not believe it would be for the best interests of the United States of America to permit the remaining free countries of western Europe to become dominated by Communist regimes and thereby subject to Stalin and his gang in the Kremlin.

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

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

Mr. RICH. I do not question the way any Member votes. It is a tough proposition for me to get up here and say what I think when I know I am in the great minority. I believe it so sincerely that I think you will live to see the day you are going to rue it because we are wrecking America financially and when we wreck ourselves we are no good to either ourselves or anyone else.

Mr. McCORMACK. If I live to see the day when the Communists get control of the entire world but the United States of America, I shall rue that day, and I am going to do everything I can do to stop it if I can.

Mr. GARY. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, I regret to differ with my majority leader, but,

in my opinion, the money as it is now being spent under the Mutual Assistance Act of over $1,500,000,000 will not do the job as it is now being administered.

I think that we are heading for a major disaster in Western Europe—an area of immense strategic importance to the United States.

The signs are many:

First, in Eastern Europe the last year has seen Yugoslavia's military superiority decrease in relation to the Russian satellite countries. According to last Sunday's New York Times the Polish Army is stronger in number, equipment, training, and leadership than all of the Western European continental armies put together. The Bulgarians are believed to have eight full combat divisions. It is assumed that the Soviet has made no less an effort with the Hungarian and Rumanian Armies.

Second, Western Europe armed forces are in a deplorable condition in relation with the strength the Soviets could bring to bear in that area.

According to John Sherman Cooper, consultant to the State Department, there are about 12 British, French, Dutch, Belgian, and American divisions, without a unified command, ready to defend Western Europe. To meet this, the Russians have 175 divisions available—with approximately 80 divisions averaging 10,000 men each, ready for any European offensive.

Third, it is, of course, general knowledge that the role of Western Germany in defending Western Europe is still undetermined.

Fourth, of even more importance is the lack of will to fight, especially in France, which has been growing steadily as the situation deteriorated.

According to the Associated Press of August 16 the lack of a will to fight such as resulted in the French collapse of the 1940's is in evidence again. What then must be done?

According to Walter Lippmann, the time has gone by when the continental nations can be satisfied with military aid, that is to say with money appropriated to procure arms.

The note of the French Government on August 7 stated the case clearly—no bigger French Army can be envisaged without a sufficient number of American divisions stationed in Europe.

Dr. Adenauer, the Western German Chancelor, states that we are going to have to send at least three more divisions within the next 3 months, and from then on there must be a steady build-up of army units.

If we are going to successfully meet our obligations under the Atlantic Pact—if we still feel it essential to our security that Western Europe remain free—then we must mobilize our manpower to a far greater degree than we have as yet planned.

We must be able to put sufficient American divisions in the field in that area to demonstrate to the Europeans that we believe Western Europe can be held.

The plain truth, and we all must know it, is that the forces that we now have and that we are planning to raise do not begin to meet the commitments that we have made.

On July 1 we had under arms 10 divisions—with 4 in Japan, the First and the constabulary in Germany, with perhaps 2 or 3 divisions in the United States. Nearly all of these troops, and the four National Guard Divisions are not enough to solve the problems in Korea alone. The French and the Germans have made it plain that they are not willing to fight, unless we are willing to put American divisions over in Western Europe to show our determination to oppose the Russians. We have not got them, and we have no plan of mobilization to get them, so I suggest that the money plan here is a waste of money unless we are willing to raise troops and put them in Western Europe.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Speaker, ladies and gentlemen of this House, during my short tenure in this body as a Member of the Eighty-first Congress, I have, as the gentleman from Pennsylvania [Mr. RICH], protested and voted against foreign aid as peace measures. Some of you will recall that during my many speeches in opposition to the foreign-aid program I always emphasized that former Secretary of State Marshall's plan for the European recovery program could not be justified as a peace measure and could be applied only as a defense and war measure for the preservation of our democracy.

I shall never have any apology for having protested during peacetime the lavish spending upon foreign soils with the fictitious hope of buying undependable friendship. No, it was never a peace movement; and during peace, there could be no justification for the taxpayers' money being so wasted. Especially, I could not justify the amounts of money involved, in face of my personal observation of the records which conclusively revealed wasteful administration to the extent that a great percentage intended for foreign aid was diverted from proper utilization.

However, Mr. RICH, we are now at war, and there is no need to kid ourselves about that. The European recovery program is a war measure that can properly be utilized in the time of war. The false dream of peace because of the European recovery program has completely vanished. We must not now deprive foreign aid of one single penny that we can afford in our efforts to prohibit the spread of war. This is now a defense measure; yes, this is now a war measure. We must not deprive ourselves of the benefits that can be derived from the involved funds in our efforts to protect the democracies from the onslaught of communism. I shall vote for foreign aid and every other defense appropriation during these troublesome times.

It is regrettable that this Congress has so lavishly wasted money during the last few years of peace upon unrealistic foreign policy to such an extent that we need now search for defense funds during war. Yes, it is regrettable that those wasted dollars have not been used for the general welfare of our own people. Especially is it regrettable that such funds were not used for our own defense. Our Air Force is pitiful; and, yet, those who have advocated lavish peacetime foreign aid have in the same breath protested the building of a great air force, necessary battleships, and providing ourselves with warring equipment, even though a child could easily foresee the probability of war at any minute during the last few years.

Oh, many who have in the past supported the European recovery program will now attempt to justify it in face of its failure by saying that the war would have come sooner, or that communism would have spread more had it not been for such policies. All of us can look around and see that our foreign-aid program has not in any wise provided peace or precluded war for 1 minute; and has certainly in no wise curtailed the spread of communism abroad or even internally within our own midst.

The peacetime Korean-aid program did not call for one dime of defense money; and of the millions appropriated by this Congress, less than $1,000 ever reached Korea. This is just a typical example of the failures encountered by the foreign-aid program. Many other similar failures could be cited concerning the peacetime European recovery program. We have not bought a friend; and we are in the same trouble as had we saved our money for these troublesome times.

Mr. Speaker, we might as well confess that this country is now within its most critical period. Even though we are economically the strongest Nation in the world, we are without funds and strong friends. The British Navy is gone—the French people have given up—there are no allies that can assist materially. It is necessary that the United States of America fight the battles and pay the costs for the entire United Nations in the Korean conflict and any other outbreaks from Russia.

We have made mistakes, but to quibble over them will amount to nothing beneficial and will serve only to weaken our efforts. Maybe this time we will benefit from past experience; and after winning the war, we will for a change win the peace. I am hopeful that those who have protested wasteful foreign aid during peacetime will today assist in the passage of foreign aid as a defense and war measure.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I want to say that I heartily concur in the recommendation of my good and able friend from Massachusetts that we must build up at least 25 combat divisions in Germany and do it quick if we are to stop Russians from communizing all of Europe and moving on to the English Channel. Time is running out on us. It is about time the policy makers of the State Department went into a huddle and determined what their policy in Germany is to be.

Recently, on July 21, in an interview with Ed Haaker NBC carried on July 22 in Voices and Events, Mr. John J. McCloy was asked the question:

Question. Should there be an attack on western Germany, will American troops defend the country without the help of German military contingents?

Answer. There are no German military contingents in Germany and we are not establishing them. On the other hand, I suppose there would be very many Germans who would be prepared and anxious to defend Germany in event of an attack, if given the opportunity. We are not talking now about rearmament of Germany or the creation of any sort of offset to the Communist-inspired Volkspolizei of the eastern zone. I am opposed to the re-creation of a German Army, but in the event of an attack such as took place in Korea I believe it would be very difficult indeed to deny the Germans the right and means to defend their own soil.

From this statement that the Germans would not be denied their right and means to defend their own soil, I wonder what Mr. McCloy thinks they would fight with—sticks and stones?

Now, along comes Mr. McCloy in a statement, by United Press, in the Washington Post of August 24, in which he says, and I quote:

West Germany's two top political leaders called today for a vast build-up of western armed strength in Europe and United States High Commissioner John J. McCloy promised that western Europe must and will be strengthened.

And continues:

Western Europe must and will be strengthened. Defense of Europe must be a joint effort and strength will be achieved. This will include Germany and require of the German people and their representatives straightforward and cooperative action.

As I stated before time is running out on us. We are either going to take a German on guard or a Russian on guard in France and Germany, and the State Department and the High Commissioner had better make up their minds—and quick—on a German policy.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I had not intended to address the House on anything today except the question of the Spanish loan. But what was said by my dear friend and colleague the gentleman from Massachusetts, I think makes it necessary against to speak, especially as a member of the Foreign Affairs Committee charged with the European recovery program, and the Mutual Defense Assistance Act. As I see it our country has a hard choice to make. Either fight the Russians now—and if you adopt this philosophy that all we have to do is to set down United States divisions in Europe and Asia and not do anything else, then that is a logical conclusion—to fight on our own terms and in our good time when we believe we can win.

The alternative, which I think is favored by the great majority of the American people very decidedly is that we should do everything we can to try to win the struggle against communism without a great war. In the interim to defend Europe with new divisions, and I think such divisions are necessary but also to do other necessary things.

That is the choice, Mr. Speaker, of fighting and fighting now, or of doing all the things which need to be done to take advantage of the only chance we have to avoid a war, and that is to put divisions where they are needed now—and I agree that they are needed in Europe—but also to arm and equip and train the Europeans; and finally to give them and other free peoples the will to fight by the economic recovery programs, because then we give them something in terms of goods, whereas the Communists give them nothing, only promises.

I am sure that practically every Member of the House of Representatives is just as worried as I am about the fact that the people in the Far East do not seem to have had enough which they considered worth while fighting or in adequate numbers on our side. It is our divisions in Korea now, with inadequate numbers of valorous South Korean—South Korean Republic—troops, who are carrying the heavy fighting. It is true that military preparations have not been well handled for the Asiatic peoples but the basic question is still the will to resist.

I say to you, my colleagues, though it may call for austerity on our part, our people are, I believe perfectly prepared. I am confident that as they are required to fight this struggle against communism, they are willing to fight on three fronts—one, with United States divisions; two, with arming of our allies; and three, with economic aid—because I think our people are convinced that it is needed and they are prepared to go much further than the leadership in the administration on that. They are convinced that that is the way to fight and to succeed in the struggle that we all want to win against communism.

Mr. KENNEDY. Do you not think it would be a mistake for us to expect merely because we are giving the Europeans large sums of money for arms that we are putting in the Europeans any will to fight?

Mr. JAVITS. I just said to the gentleman that arms aid is only one phase of the whole effort—all phases must go together.

Mr. KENNEDY. If we expect to hold western Europe we are going to have to send troops as well as money for arms.

Mr. JAVITS. I agree. I say all the things have got to be done—United States divisions—our allies' divisions—and economic aid to free peoples. That is the hard choice we face. That is the hard battle against communism we must make.

The SPEAKER pro tempore (Mr. KEOGH). The time of the gentleman from New York has expired.

Mr. GARY. Mr. Speaker, I yield such time as he may require to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, a few days ago this House passed and sent to the Senate without a dissenting vote H. R. 9141 to encourage and assist the construction of modern, efficient wholesale markets for fresh fruits and vegetables and other perishable food commodities. The sole purpose of this bill is to help in bringing about a reduction in the price spread between the producer and the consumer of perishable food commodities. It will do this by making possible construction of modern wholesale markets which will eliminate much of the waste, unnecessary handling and delay, and other costly practices that add to the consumer's food bill and impair the quality and nutritional value of these foods.

Essential to the operation of this legislation are the surveys and studies being made by the Department of Agriculture to determine, upon the request of the cities involved, whether improvements in their present wholesale market facilities are necessary and, if they are, exactly what type of facility is best suited to the needs of that community. This work was authorized under the Marketing Act of 1946 and was reemphasized in the bill the House has just unanimously adopted, H. R. 9141.

There are now pending a great many requests from cities for these surveys and studies. These studies are absolutely necessary before any real progress can be made in improving these facilities. I think there are more than 30 cities that are presently urging the Department to made these studies in their communities.

Under the provisions of the omnibus appropriation bill now before us, the funds for title II of the Marketing Act of 1946—the appropriation from which the funds to make these studies and surveys is derived—are appropriated in a lump sum of $6,000,000. The allotment of that money among the various projects and purposes authorized by title II is left to the discretion of the Secretary of Agriculture.

If it were not for the provisions of section 1114 of this bill—the section which directs a saving in the aggregate expenditures for each department—I would have no fear that the work of surveying, studying and planning to meet the market needs of cities would receive its full proportion of the available funds. In view of the fact that this provision is in the bill—and that the allotment of these funds are entirely within the discretion of the Secretary—I believe it should be recalled to his attention the importance with which Congress views this work.

During the past fiscal year only about $140,000 out of the several millions available for title II operations were devoted to these important market facility studies and plans. It seems to me that this is a small enough amount to be devoting to this work. In view of the fact that the House has within the past few days unanimously expressed itself on the great importance it attaches to the improvement of our wholesale marketing facilities, I hope that it will be possible to make the necessary reductions in other projects, or at the very least not cut this important marketing work more than the over-all average which is applied to the whole program.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I had not intended to speak on this because I thought it was pretty well settled. But possibly it might be well to clear the atmosphere. The question before the House is, Are we going to appropriate the $2,250,000,000 to continue the Marshall plan, or not, and that is going to be the "yes" or "no" vote which will come along shortly. This program was launched in 1948 in the Eightieth Republican Congress. In that year, as you remember, we appropriated about $5,380,000,000. It has been cut down now to where it is less than half that amount in the third year. It was launched at a time when a great many of us thought Europe might go Communist from the inside. I remember during the debate on this floor telling one of my colleagues, "If you are not voting for this on the basis of security for the United States, you had better not vote for it at all." I said that 2 years ago and I think so even more now. I regret the failure of our foreign policy in the eastern half of the world, but our foreign policy in Europe, based largely on the Marshall plan and Greek-Turkish aid, which were both launched in the Republican Eightieth Congress, has resulted in holding the line against Communists over there up to now.

On this "Yes" and "No" proposition that faces us now, if we were now to say "No" to those whom we have encouraged to continue to resist by very generous contributions toward their economic rehabilitation, if we were now to say, "Boys, it is all over, let us forget it," Europe would probably go Communist in a hurry. I say that not because I have such great confidence in their will to fight. On the contrary, their will to fight and their economic ability to fight needs bolstering. They are over there under the guns; the first people who will be attacked if the Communists start west will be the people in western Europe. They will do their best, but they will also be looking over their shoulder wondering whether the most powerful Nation on earth is going to fight if they are invaded. The most powerful Nation I refer to is ourselves. Not most powerful militarily, because our policy is not aggression, but most powerful economically, politically, morally, and spiritually, towering over all the rest. To say to those people, when we have had devastating defeats and disasters in the eastern half of the world, that because of that and because of high prices and the general situation we are going to vote "No" on this, we are not going to continue this plan that was launched 2 years ago, in 1948, would be so disastrous that I had thought it was a matter that was not at this time the subject of serious debate. I do not think it should be.

The SPEAKER. The time of the gentleman from Ohio [Mr. VORYS] has expired.

Mr. GARY. Mr. Speaker, I yield the gentleman one additional minute.

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

Mr. VORYS. I yield.

Mr. McCORMACK. I remember well the gentleman's speech, where he stressed the importance of the Marshall plan from a security angle, and I joined with the gentleman on that occasion. I would like to ask my friend, who is one of the outstanding students of foreign affairs in this country, assuming we had not given aid, has the gentleman any views as to whether or not Italy and France could have successfully resisted the influence of the Communists within, backed by the power of the Soviet Union without?

Mr. VORYS. I believe they could not have resisted. I remember very vividly, although some others may not, the Italian election that was going to be held on April 18, 1948, and the race against time to get this legislation through in the Eightieth Congress. The deadline was April 1 on that measure and other measures included in it. This House finished it on March 31, and the fact that we not only passed it and supplies went forward, but that we finished it on time was, in my humble opinion, a great factor in the result that those countries did not go Communist from the inside, and since that time, at least for a period of 2 years, the Soviet Russian Communists have apparently despaired of overturning Europe from the inside. Now, comes the threat of overt aggression. I proposed that we combine military aid with economic aid in March 1948, but the Administration would not support my proposal. However, what we did was not only valuable in peace, a great generous measure for rehabilitation and recovery, but also involved an element of higher selfishness that involved our own security in that it strengthened Europe to resist Communism, especially from within. That is clearer every day.

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

Mr. GARY. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, we have here a motion to agree to $2,250,000 for the ECA. Frankly, I think it is a larger figure than is needed. On the other hand, it represents the working out of a situation, and I shall support the motion made by the gentleman from Virginia [Mr. GARY].

The whole situation has changed in the last few months. We have in this bill an item of a little over $1,600,000,000 for military aid to Western Europe. We have in the supplemental appropriation bill, which is to follow this conference report, something like $4,000,000,000 for that same military aid. A very large amount involved in that military aid will be provided for the purpose of permitting those countries to make things themselves which can be used for their defense. It will tend to build up their economic situation; it will provide them with dollars with which they can obtain goods so that there will be very considerably less need than there has been on some other occasions. The drafts out of the Treasury to this date are approximately $115,000,000 as against $360,000,000 a year ago. Or about one-third of what a year ago was required. It is absolutely necessary that we go ahead and pass this motion, in my opinion, and I hope that the House will do so.

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

The previous question was ordered.

The SPEAKER pro tempore [Mr. KEOGH]. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 472: Page 448, line 8, after "specified," insert "*Provided further*, That the Administrator is authorized and directed to issue notes from time to time during the fiscal year 1951 for purchase by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases, in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 472, and concur therein with an amendment, as follows: In lieu of the sum named in line 6 of said amendment insert "$62,500,000."

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. GARY. I yield.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, is it possible at this time to have this question divided so that the House will have presented before it squarely the question of receding or not receding?

The SPEAKER. The motion is divisible.

Mr. MARCANTONIO. Then, Mr. Speaker, I ask that the motion be divided.

The SPEAKER. The gentleman asks for a division of the motion.

Mr. MARCANTONIO. I do. A further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. The question now before the House is whether or not the House recedes; am I correct?

The SPEAKER. That will be the first question presented.

Mr. GARY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this is the Spanish loan provision. I am, personally, absolutely and unequivocally opposed to the Spanish loan provision of this bill. I do not think it has any place in the bill. If it does remain in the bill, in my judgment, the language should be changed. However, the conferees agreed that the language should not be changed but that the amount approved by the Senate should be reduced from $100,000,000 to $62,500,000. As chairman of the managers on the part of the House I offered the motion to carry out that agreement.

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

Mr. GARY. I yield.

Mr. COX. May I inquire of the gentleman managing this item of the bill, he being opposed to it, if it is his intention to yield to Members who favor the

provision and would like to see it adopted?

Mr. GARY. I shall yield to anyone who asks me for time as long as time is available. I may say to the gentleman from Georgia that I shall discharge my duties to my committee in full. I simply stated my personal views for the RECORD. If, however, the gentleman has any doubt as to my fairness I shall be glad to retire from the management of this item.

Mr. COX. Of course, Mr. Speaker, I do not question the gentleman's fairness; but I do feel that the committee having reported this item, that those favoring its adoption should have something to say in the debate.

Mr. GARY. Certainly, as far as I am concerned, Mr. Speaker, those favoring will have the same opportunity as those opposing.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am opposed to any loan to Franco, whether it be $100,000,000 or $62,500,000. There is an old saying, "To him who is in fear everything rustles." We are indeed in a jittery state if we approve this loan. Apparently the shadow of Russia makes us do queer things. This loan is one. We seem to hear rustling on all sides. This fear persuades us to rely upon Franco as an ally. What a broken reed to lean on.

The United Nations resolution, be it remembered, condemned Franco. We supported wholeheartedly that resolution and we did it with courage and with determination. We withdrew our Ambassador. Now our fears make us forget the UN resolution, in spirit at least, if not in word.

Mr. Speaker, you remember the telegram that Franco sent to the head of the puppet Government in the Philippines, Jose Laurel, when Emperor Hirohito made Laurel head of that country. Franco said in that telegram: "Most sincere sentiments from the Spanish people." That was while our boys were fighting and dying in the foxholes with the purpose of liberating the Philippines.

Nor must we forget the Nazi submarines and the U-boats which operated from the Spanish port of Vigo with the knowledge and consent of Franco. Think of the heavy loss we paid in lives and treasure.

We cannot subscribe to the non sequitur that an enemy of an enemy is a friend. If Tom hates Harry and Dick hates Harry, does it necessarily follow that Tom and Dick love each other? Must Uncle Sam love Franco because both hate Russia?

Moreover, I see very little point in wooing a bride that is already won. By that I mean that by no stretch of the imagination would Franco Spain throw its lot in with the Russian cause. No pact of ours need shape Spain's policy in that direction. It is already shaped. The word "welcome" would be on the Spanish mat to American aviators. There is no need to buy that "welcome" with a loan.

I believe the whole conception of the dependability of building beachheads for United Nations forces in Spain is the worst kind of deceit and defeatism.

This picture of Franco Spain as a strong and indispensable ally is just wishful thinking and blatant propaganda. Franco Spain is weak and its people cowed and frightened by military dictatorship. Franco's army is designed to run a police state, not to fight a good cause.

Therefore, Mr. Speaker, I hope this provision involving a loan to Franco will be decidedly voted down.

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

Mr. GARY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, opposition to this motion is, in my judgment, reckless irresponsibility. Here by this vote we measure the depth of the concern of the membership of this Congress in the welfare of a nation. I should recognize the fact that we need Spain quite as badly as Spain needs us. She is in position to offer valuable and effective assistance to us and others in our endeavor to save what still remains of the once free world.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, in addressing myself to this question I shall not deal with those phases of it which go to personalities nor to the tragic events of the past which my colleague from New York [Mr. CELLER] has just so completely dealt with, but shall confine myself to what I consider to be policy for the best interests of our country in a sense of complete responsibility today and for the future.

Let us first recognize what has occurred in this measure. Without the consent of the head of our foreign policy, the President, the administrative organ in charge of foreign policy, the State Department, the Foreign Relations Committee of the Senate or the Foreign Affairs Committee of the House, but on the motion of a particular Member of the other body who is especially interested in this cause, there is introduced into this appropriation bill a great decision of national policy—to establish Spain as a recipient of foreign economic aid from us. If for no other reason, at a time when foreign policy is the most important element in the life of the United States, this particular provision should be stricken out. If anything is irresponsible on the issue of how to run our foreign policy, this is it.

Let us go a little further and see what happens if we adopt this particular provision. It strikes a blow of the most serious character at two pillars of American foreign policy, the Atlantic Pact and the European recovery program. The Congress, not the Executive, is telling the other nations of Europe that we fear their vulnerability to a Soviet aggression and occupation; that we fear we must defend behind the Pyrenees; so by this act we tend to discourage them in the face of this Communist menace, even though we have appropriated billions of dollars for them to rearm and to resist. Even though, also, that is the basic purpose of the Atlantic Pact, of which Spain is not a part.

Then as to the European recovery program—in respect of which we pride ourselves that it is based on the great policy of self-help and mutual cooperation—we say to the nations of Europe who are organized in the Organization for European Economic Cooperation, "No; you cannot make up your mind as to who you take in or whom you will cooperate with, we in the United States will do it for you." They have the full right and power to do it under the way we have set them up under the European recovery program, but we say, "We will dictate to you." The very thing we have been trying to avoid all these years we do by this particular provision of a loan to Spain. We say, "We will dictate to you what you shall do with respect to Spain," one of the great vexing problems of the world.

We are losing thereby infinitely more than we could possibly gain in help from Spain in our struggle against communism. We are in danger of losing millions of Europeans to seek a dubious allegiance which Spain cannot do anything else but give us anyway, because she is completely isolated, and she cannot do anything else but cooperate with the United States and the other Western Powers fighting against communism. We do it in this way and at this time by a loan without agreements or commitments of any kind and with no assurance of any kind of action to help by Spain.

Let no one be deceived by this loan provision of $62,500,000. A few years ago the most important financiers of Spain said that Spain needed a billion and a half dollars to sustain her economy instead of the amount proposed in this bill. Spain, economically, is at a low ebb. She needs far more than $62,500,000, and this is nothing more than the camel getting its nose under the tent.

In economic terms, on economic conditions and agreements, Spain right now is discriminating against business generally, and American business. Foreign investment is limited to a total of 25 percent in any Spanish industrial enterprise, and foreign management participation is not favored. Private enterprises, though American-owned as to Spain, are subjected to harassments on foreign exchange and to other peculiar and harassing discriminations. The policy Spain is pursuing in economic matters is definitely opposed to the very things which the United States is trying to preserve in the world today; a full statement as to practices of grave concern to us has been made to the House this year.

And, I say this advisedly, that the proponents of this amendment should think very carefully about the fact that today there is coming into existence a policy of aid to Spain by the back door, off the cuff, which hereafter will always haunt our relations with Spain. The thing to do for the proponents is to fight it out on the level on which it should be fought out, as a great national policy, and then if we give aid to Spain we will do it the right way, in an advised way,

and in such a way that it will really help us in this great struggle against communism. As it is being done here today it is doing ourselves and our allies in all of western Europe and free peoples everywhere, a grave disservice.

Mr. KEOGH. Will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KEOGH. Does the gentleman realize that his statements of opinion about the condition of the business there and American businessmen are not agreed to by the American businessmen who are engaged in business there, as was evidenced by a dispatch in the New York Times on August 21?

Mr. JAVITS. I would like to refer the gentleman to what I consider to be a highly authoritative answer on the gentleman's point and which bears me out fully. It is the speech made on the floor of this House January 9, 1950, by the gentleman from West Virginia [Mr. KEE], the chairman of the Committee on Foreign Affairs, which is based upon a survey made by a subcommittee of the Committee on Foreign Affairs in Spain in November and December 1949 in which he stated exactly and almost in the same words just what I have said here about American and other business in Spain and about the economic situation in Spain.

Mr. GARY. Mr. Speaker, I yield 4 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, for the first time in 12 years, one of our colleagues has not been present on the floor of this House when an appropriation bill was up or a conference report such as we are considering this afternoon. I refer to none other than the Honorable FRANK KEEFE, of Wisconsin, whom I had the honor and the privilege to serve with on the same subcommittee for the past 4 years. For 12 years he has been a member of this august body. For the past 10 years he has been a member of the Committee on Appropriations and a member of the subcommittee that I have the honor to serve as chairman of at the present time. During the Eighty-first Congress he was the ranking minority member of this committee, and even though at times during the Eightieth Congress, when he was chairman of the committee, we did not see eye to eye on many of the issues that were presented to us, there was one subject that we saw eye to eye with at all times and worked together in complete coordination, and that was on the over-all health problems confronting all of the people of our Nation. I take these few minutes today to express my appreciation in behalf of the gentleman from Wisconsin for all of the work that he has accomplished in his 12 years as a Member of this Congress toward better health for all the people of our Nation. I only mention a few things that he has accomplished. In the control of tuberculosis, it was through his efforts that we have the so-called X-ray teams that have been operating throughout the States of this country for the past 5 years; the water pollution and sanitation control program.

The hospital construction act which he so ably helped to get through the House appropriating necessary moneys for the National Institute of Health, where $50,000,000 is being spent at Bethesda. It is the expectation that the hospital construction will be finished in July of 1952. That, in my opinion, is a monument to FRANK KEEFE, because it will be without question of doubt the greatest research institution in the world.

I think everyone knows of his work for the establishment of the National Cancer Institute and the National Heart Institute and the work he has done in the field of mental illness and dental health and for the construction of research facilities, which he started as chairman of this committee during the Eightieth Congress, and the foresight that he showed at that time in securing appropriations for the future financing of scholarships in the medical sciences which were established in the medical colleges throughout the country during the past few years.

Everyone knows of his work in the field of social security for all the people of this country. That work will never be forgotten.

Mr. Speaker, I am very sorry that because of a recent heart attack, the gentleman from Wisconsin, FRANK KEEFE, cannot be here. It seems strange that a man who has done so much in the field of heart research in this country should be stricken by a heart attack only 2 months ago on his arrival at his home. It seems strange that he cannot be here this afternoon. He is not going to run for reelection again.

Mr. Speaker, I consider it not only an honor, but a privilege and a pleasure to have worked and cooperated with the Honorable FRANK KEEFE of Wisconsin. I believe he has done more than any other individual, not only in the Congress, but in our country, for the better health of all the people of our Nation.

I know it is the fervent wish of every single Member of the Congress on both sides of the aisle that FRANK KEEFE will have a speedy and happy recovery and that his services will again be available for all the people of the country.

Mr. SCRIVNER. Mr. Speaker, the applause following the remarks of the gentleman from Rhode Island [Mr. FOGARTY], coming as it did from both sides of the aisle, demonstrates the esteem and respect which this body holds for our colleague, the gentleman from Wisconsin, FRANK KEEFE.

The gentleman from Rhode Island [Mr. FOGARTY], chairman of the Appropriations Subcommittee on Labor and Federal Security, has fully and completely covered the record of Mr. KEEFE's legislative activities and the contribution he has made to the health and welfare programs of this Nation.

Although I only served on this subcommittee with the gentleman from Wisconsin [Mr. KEEFE] during this Congress, I learned to admire and respect his great store of knowledge, his untiring zeal, and his forceful advocacy of the programs to which he was so deeply devoted.

I am sure, Mr. Speaker, I bespeak the hopes and voice the prayers of my colleagues that the gentleman from Wisconsin [Mr. KEEFE] will be speedily and completely restored to health.

All of us wish for FRANK KEEFE a long, happy life as he leaves behind him his congressional life and activities. He served long and honorably.

We will miss him in the next and succeeding Congresses.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Speaker, I did not expect to take the floor to discuss this matter which we now have under consideration. I hold no brief for Franco as such. It was my privilege, however, in 1947, together with the gentleman from Minnesota [Mr. JUDD] and Senator MUNDT, who was then a Member of the House, to spend 2 hours with Franco in his summer palace. I came away from that meeting with the feeling that Franco was trying to do a good job for the Spanish people. When we talk about dictators, when we talk about the course of conduct he has pursued to bring peace, and some measure of stability to Spain, I think we ought to be consistent. We are not consistent when we condemn him for what he has done, because we are supporting other dictators in Europe and South America just as well as Franco or his Government.

What protest was made, I ask you, by Members of this House, when, a few weeks ago, the Communist dictator Tito received loans from our Government? Steel plants are being shipped to Yugoslavia now. Did ever a more ruthless dictator rule anywhere than Tito? It was his antiaircraft batteries that shot down American airplanes. We are supporting another dictator in Europe, another country that is a member of the North Atlantic Treaty group whom we have accepted with open arms. Have you ever heard of Salazar of Portugal? Was any protest made when we included Portugal for loans under ECA? No. Yet does any head of any government anywhere rule with greater dictatorial power than Salazar? Where were those Members then who now profess with great alarm the menace of dictatorships? Franco may be guilty of many charges made against him. I do not know about that, but I do know that Franco has prevented the Communists from taking over his country. Our own authorities will admit, as have the British, that Franco did cooperate with the Allies during the war. We say that it is our policy to stop communism, yet we are doing business with Russia and, in the city of Washington, the Soviet maintains an embassy, a listening post which gathers information to be used against us. Where is our consistency?

What consistency in our foreign policy when we recognize every rump revolution in South America and military dictators are set up as a result of those revolutions?

Mr. Speaker, every military man in our Government who has worked in the

European theater of operations states unequivocally that in the event of war with Russia in Europe we will need the help of Spain. It stands ready to assist us if we give it the chance. Our national security is involved in this whole question and, for that reason, I favor financial assistance to Spain at this time.

The SPEAKER. The time of the gentleman from Wisconsin [Mr. SMITH] has expired.

Mr. GARY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, what we have before us today to me is no surprise. It is true that the propaganda for this aid to Franco was conceived in Coca-Cola; but the fact nevertheless remains that the loan to Franco is the legitimate product of your foreign policy which compels us to embrace fascism. I cannot see how we in good conscience can justify embracing fascism, bearing in mind what fascism has done to the people of Spain. I cannot see how people who pretend to be the friends of labor can vote to aid a Fascist regime which has destroyed the labor movement completely in Spain; where hundreds of thousands of workers have been imprisoned, and thousands and thousands of workers have been shot. How can you justify voting $62,000,000 for Franco and in the same bill refuse the $12,000,000 which the Senate voted for international children's work? How can anyone justify support for Franco who aided and abetted Hitler and Mussolini in killing our boys? Of course, you seek to justify this, as you seek to justify everything else, by saying that all these crimes against democracy are committed to stop communism. This latest travesty on our democracy is the inexorable outcome of your foreign policy. If you oppose it nowadays, your patriotism is questioned. Whether it be a move to impose the exploitation of monopoly capital through the ECA on the people of Europe, or whether it be this action to help continue the Fascist rule of Franco on the Spanish people, oppose it and your loyalty is questioned by every faker and spurious patriot. By this foreign policy we must consider every revolt on the part of people against oppression as aggression on the part of the Soviet Union, or we are deemed to be subversive. Demand peace and the profit patriots and their political servants will seek to pillory you. Well, there was a time when we had a similar situation and a similar argumentation given in other parts of the world. Mussolini told the Italian people, "Follow me. This is a crusade against communism." As a direct result fascism was imposed upon the people of Italy, and he sought to impose it upon the people of Africa and Europe, and he helped impose the butcher Franco on the people of Spain.

Hitler said the same thing. He said, "Follow me. This is a crusade against Bolshevism. This is a crusade to stop communism. Destroy the civil liberties of the people of Germany. Destroy the constitutional rights of the workers and all other groups within Germany, and then march on against the rest of the world. We are fighting communism. We are doing this to stop communism."

There were some people in Germany who stood up and opposed that. They were called traitors, and the finger was pointed at them and they filled the concentration camps. But history has passed judgment on that policy, which is similar to the one which you have been promoting here today and other days for the past 5 years. History passed judgment and not too much time has gone by, just a matter of a few years. History has decided who were the real Germans; who were the real Italians. Those who said "yes" to this policy employed by Mussolini and Hitler? Those who said "yes" to the similar slogan, "destroy commmunsm," and with that they allowed democracy and decency that existed in those countries to be destroyed? Were they the patriots, they who said "yes" to all this? Oh, no, the real patriots of Germany and Italy were those who resisted, those who did stand up and did incur the wrath and the opprobrium and the persecution and the vilification that so many so-called liberals, pseudo-liberals are afraid to incur here and now join the real enemies of democracy in support of Fascism incarnate, the product of Mussolini and Hitler, the bloody and bestial Franco.

Now, there is something else here. You voted to draft American boys to fight and die for this policy. You want them to answer to their names when the roll is called. The least you can do is to go on record when you vote for this policy for which you ask Americans to fight and die. The American people want the Members of this House to answer to a roll call on this loan to Franco. There is a maneuver on foot to dodge a record vote. We might as well face it. I say you have no right to ask American boys to fight and die, and then refuse to go on record so that the American people can know how you vote on an issue as fundamental and as important as this. Therefore I throw out the challenge. No matter how you vote, stand up for the yeas and nays when they are demanded. You ask Americans to fight and die; but do you have the courage to stand up and be counted?

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I approach this question, I must confess, with some misgivings. I have long been of the opinion that we should be realistic about this Spanish matter. I, of course, do not find myself in accord with the reasoning of the gentleman from New York [Mr. MARCANTONIO]. The gentleman from New York at one time, I regret to say, not too long ago, had a considerable following in this House; but, thanks to the patriotism of those Members who followed him, now that they have been enlightened, they no longer are found in his procession.

Mr. Speaker, I hold no brief for the dictator, Franco. Nor did I have any love for the dictators, Mussolini and Hitler, to whom the gentleman referred; but I might, also, add that I have never held any brief for the greatest dictator of them all, Joe Stalin, to whom the gentleman from New York did not refer in his arraignment of dictators. But permit me to say to my colleagues that I do not like this idea of a loan to Spain. I am generally in disfavor with the philosophy that our friends abroad must be purchased with American dollars. I think this whole approach of this loan is conceived in error. That we need friends abroad and that we should establish diplomatic relations with Spain is, to my mind, unquestioned. To my mind it is inconceivable that we should continue diplomatic relations with Russia, headed by the greatest dictator of all, and refuse to recognize Spain, on the ground that Generalissimo Franco is a dictator. Obviously, this is a back-door approach, and I am afraid is one that is not well thought out. Before any loan to Spain should be considered, we at least should establish diplomatic relations.

In this all-out fight against communism at home and abroad we must be realistic. Who here today is there who can say that in the not too distant future we may not have urgent need for bombing bases in Spain, the closest proximity to Russia? I hope that day will not come, but if it does, who then will question the type of government that the people of Spain have? Let the administration reestablish diplomatic relations with Spain and forget the loan.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I have long been convinced that this Nation should recognize Spain, and I am more than ever convinced from what I have heard today from those who have spoken on both sides of this issue that Spain should be recognized, and that this loan of $62,500,000 should be made to the Government of Spain. This I know beyond the peradventure of a doubt, Franco has maintained the independence of Spain and the dignity of the Spanish people. No foreign invader, no foreign dictatorship has imposed its will upon Spain or the people of that country. I know also and we all know that Spain is a natural fortress in Europe: The Pyrenees are a natural barricade between Spain and France. The mountains, the Mediterranean and Gibraltar which is still under the control of Britain constitute that country a natural fortress.

Franco, I am informed has 18 divisions at this time which need only modern arms to be one of the finest fighting bodies in the world. In addition to that, I believe the people of that country will fight on our side. I am looking for a people and a nation who in the war that now impends will stand side by side with the boys from my country and your country and shoot down enemies who will be shooting down our boys.

Politics makes strange bedfellows. International politics has made natural bedfellows of Franco and the Spanish people for the people of our country. The Spanish people have always been known for their valor, for their courage and their willingness to fight and to die

for their convictions and for their freedom. Theirs is a religion that is one of the anchors of civilization and human freedom. I do not hesitate here, now, or anywhere else to stand up and be counted on this issue.

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

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

Mr. GAVIN. I want to call the attention of the gentleman to the fact that when we were in Paris last December I spent an hour with General DeLattre, commander of the ground forces of the Atlantic Pact countries, and he said he would like to have the Spanish infantry in the set-up for the protection of western Europe.

Mr. JENNINGS. All I have to do to make up my mind is to watch which way certain people go, then I go in the other direction.

The issue is crystal clear. The battle lines are drawn. Atheistic communism seeks to conquer, dominate, and commnize the free, Christian peoples of the world.

To all those whose heart is as our heart, we say: Give us your hand, stand by our side, make common cause with us; and civilization, Christianity, and liberty will be saved.

Mr. GARY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I happen to be against the principle of dictatorship, whether it is in Russia, whether it is in Spain, or whether it is in Portugal. It is a principle with me that I am against and I intend to vote against this loan to Spain as a part of that principle.

FRANCO LOAN IS A COLOSSAL BLUNDER AND SHOULD BE DEFEATED

Mr. Speaker, when the history of this decade is written, it will be said that it came to a close with a colossal blunder, a monumental act of stupidity inspired by this Congress, namely, the proposal for a $100,000,000 loan to Franco Spain.

Those who have pursuaded themselves that Dictator Franco should be granted this loan are guilty of a fatal error in their thinking. They believe that every enemy of communism is a valuable ally of the democratic cause. They suppose, in palpable disregard of the known facts, that Dictator Franco can give aid and comfort to the democracies.

They have shrugged off the fact that the Franco regime is a Fascist regime that holds power by naked force and terroristic methods of suppression. Civil liberties are unknown in Fascist Spain. Free labor unions are not allowed to exist. Spaniards who, in their misery and agony, openly protest against the Franco regime, are jailed or shot in cold blood. Franco does violence to everything that we hold dear in the democratic way of life.

Paid propagandists of the present Spanish Government are working overtime in this country at lavish salaries, to persuade Americans that Franco is a kindly and benevolent ruler who makes common cause with us in the crusade against communism. They aim to help us forget that Franco came to power only with the help of Hitler and Mussolini—the Fascist dictators who were ground to dust by allied might in World War II.

It is a curious and ironic note that antisubversion legislation now before the Senate, if literally and honestly construed, would bar from our shores as subversive aliens the Spanish Falangists whom we propose to help by means of a $62,500,000 loan.

The loan to Franco is reprehensible from any point of view.

This loan is bad in principle. At a time when we are proclaiming to the world the virtues of democracy, we cannot in good faith and consistency take to our bosom this orphan of facism left over from World War II. Democracy is not made stronger by seeking allies among those who hate it. The success of our struggle against world communism depends upon the strength and vigor of democracy.

This loan is bad business. In effect we would be directing the Export-Import Bank to make the loan without regard to sound business judgment and the criteria normally used for such loans. The Franco loan would be, as has been said, a "shotgun" order to the bank.

Our State Department has repeatedly declared that Spain can freely apply to, and consult with, the Export-Import Bank for credits for specific projects on the same basis as any other country. The department is on record as being prepared to acquiesce in the extension of credits to Spain covering specific and economically justifiable projects. Also, loans by private American bankers have been, and can be, made to Spain.

I believe that our Government has leaned over backward and has been more than generous in its position on economic assistance to a government which merits no support whatever from us. Aside from being a Fascist dictatorship, the Spanish Government has imposed restrictions on trade and foreign exchange and on foreign investments which prevent the very economic development we now propose in Spain to foster by this loan. Why should the American taxpayer support, through a bad loan, those economic objectives which Spain will not diligently undertake for itself?

This loan is bad business in another important sense. Today we are spending millions for Voice of America broadcasts. A greatly stepped-up information program has been requested by the President. By holding up Spain with one hand while we are offering democracy with the other, we will nullify for a great part of the world the value of our expensive broadcast program. The Voice of America will fall upon deaf ears while the Russians are blaring forth the fact of our aid to Fascist Spain.

A $62,500,000 loan to Franco will mean that another $100,000,000 program—the Voice of America—will be broadcast into a rat hole.

This loan is bad political policy. The eyes and ears of the world are concentrated upon the fateful decisions we make today. Fascist Spain does not sit well with the democracies of western Europe. Still struggling painfully to rebuild their war-shattered lives, the free peoples of Europe do not have such short and convenient memories as we do. The horror of nazism and fascism is burned too deeply into their minds and souls for them to hold out the hand of friendship to the remaining spawn of Hitler and Mussolini. If we hold out that hand to the Spanish Government, we will fritter away the good will of free Europe. We will do irreparable damage to the cause of democracy.

I have heard a few Members say in this House that Spain is the real bulwark against communism in Europe. Why do they suppose we are spending billions in Marshall plan aid to strengthen the democracies of France and Britain and the other free nations of Western Europe? Communism will be held back in Europe if these nations remain free and are made strong. Fascist Spain can do nothing to save Europe from communism. Politically and geographically isolated, it has no influence in the councils of Europe, no prestige, no power—nothing. It is but the evil symbol of the Fascist remnants left over from the Great War.

Toward the end of that war, when the United Nations organization was being created, it was agreed that Spain should never become a member of the United Nations so long as the Franco government held sway. The first session of the General Assembly early in 1946 endorsed this position and later in that year the General Assembly passed a resolution that the Franco government be barred from membership in specialized agencies of the UN and that all member nations recall their ambassadors from Madrid. In subsequent years, the matter of Spain was debated a number of times in the General Assembly, but the original resolution was never repealed.

Our State Department has declared itself as questioning the wisdom and efficacy of the actions recommended by the 1946 resolution of the General Assembly, particularly on the ground that it has only served to strengthen the position of the Franco regime. Whether that be so or not, let us keep in mind that the great majority of the United Nations have never accepted Franco Spain as an equal partner or a deserving member of the family of nations.

This loan is bad military policy. It is often said, though never verified, that we must court Franco because the military planners want to make Spain a stronghold behind mountains, a military bastion and base of operations in the event Europe is overrun by Soviet communism. Here again, we must ask the advocates of this view, why do they suppose we are preparing to spend billions for arms aid to the nations of Western Europe, and planning actively for standardized weapons and joint resistance to aggression following the Atlantic Pact? Spain with her outmoded weapons, her poorly trained soldiers, and her demoralized population, will have no military help to offer. If the other nations of Western Europe became convinced that in fact our military strategy is to use Spain as the focal point of European defense, then the Atlantic Pact will become a shambles, the billions to be spent for

joint military security will be wasted in shattered European morale. For nothing would be plainer evidence that we considered western Europe expendable than a retreat behind Spanish mountains.

Let us, then, give sober thought to our actions here. By one fell stroke we can wipe out the gains made in the past few years—gains made with hard work, and sacrifice and tremendous money costs—to keep the cause of democracy alive and strong in the free nations of Europe.

Let us come before the bar of world opinion with clean hands and a clear voice. Franco would weaken the fabric of the democratic, civilized world. Until Spain changes her robes of dictatorship for garments of freedom, we cannot, we must not feed the flames of Soviet propaganda by courting this Fascist regime.

Mr. TABER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, Joe Stalin is out to wreck the liberties of mankind. He is the menace that the free world faces today. In Russia you have no free labor unions, no free business enterprise, no free religion; you have an absolute dictatorship which controls every movement of her people. He seeks to fasten his tentacles upon the people of all the world. The United States today and the free nations of Western Europe and the world are faced with a situation where they must utilize every facility at hand to combat communism and to maintain the liberties of their peoples. It is impossible for us to pass up alining ourselves with the free nations of the world. Spain must be alined with us. It is absolutely necessary if the United States and the rest of the free world are to survive the drive of communism and the effort to destroy our liberties, that we must stand together; that we must take advantage of our opportunity to protect ourselves to have every military facility that it is possible to line up alined up with us. I can see no way here for one who wishes to maintain the liberties of the world and the rights of the American people but to vote for this motion.

Mr. ROONEY. Mr. Speaker, I yield the balance of the time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I have listened with great interest to this debate, because it is something I do not know too much about. There is one thing that impressed me all the way through. I know these Members of the House are serious. They know that we are dealing with grave problems that will affect our generation and generations to come. Yet, I have been struck with the idea that perhaps it was almost ludicrous for the House to sit here and undertake to write the foreign policy of the administration in a meeting of the House. We have a State Department; we have an executive department.

You may laugh. I do not stand here in defense of any individual, but I stand here in the interest of my people and of my country.

We have a system of Government of which we are very proud. To ignore the State Department and to ignore your President and sit here in a debate of 1 hour and undertake to establish a most important question of foreign policy, seems to me to be utterly ridiculous.

What are the terms of this loan? Under what conditions are we going to make this loan? Somebody gets up here and says, "We would like to have bases in Spain." How do you know you are going to get any bases in Spain? How do you know you are going to get a farthing's worth for the sixty or ninety or one hundred million dollars? Gentleman, let us stop, look, and listen before doing such a thing as this.

I have not been one who has been regarded as an administration Member of the House, but at least, in all the years that I have been in Congress, when we have been dealing with questions of foreign policy, I have always wanted to know before embarking on any such enterprise as this, what is the position of the President of the United States; what is the position of the Secretary of State; what is the position of your Secretary of War, and those people who are supposed to know? What does any individual Member of this House know about this situation, or what will be the effect or the result of this loan? We have been dealing with dictators for many years. All dictators look alike to me. I cannot see much difference between them, and I cannot understand how my friends here, who I know are thinking of only one thing, namely, the welfare of our country, can sit here in advance of advice from the administration and from the people who know the foreign situation and undertake to deal with this proposition in a House of 435 Members, many of whom I am sure, like myself, know very little about the situation.

Here you are not merely permitting this loan. You are not making any conditions of this loan. You are just saying here in the House of Representatives, "We demand and we instruct that you make the loan to Franco Spain."

Well, it is said, we are going to take a note for it. What do you want to take a note for anyhow, from a guy like that? If you are going to give him any money, why do you not give it to him and forget about it. If you do give him any money, do not expect to get any quid pro quo, because his word is not worth anything, nor is the word of any other dictator worth anything.

Again let me ask the Members of the House when you vote on this question, voting as I know you will, with the deepest sincerity and motivated by the highest ideals of public service, to stop, look, and listen, and at least ask for some advice of your President whom you elected to handle the questions of foreign affairs.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I never thought the occasion would arise when I would find myself in so complete disagreement with my dear friend, the gentleman from Virginia, who has just yielded the floor, as I do find at this time.

Mr. Speaker, this Spanish question has been dangling in the air for a number of years now, and I make the assertion that there are probably no more than 30 Members of this House of Representatives who are lacking in appreciation of the importance of our establishing some kind of a friendly working relationship with Spain.

The gentleman from Virginia takes the position that the making of the foreign policy of this country is no concern of the Congress. I would remind him that the Congress, or at least one branch of the Congress is, under the Constitution, made the final arbiter on the question of treaties and therefore it does have a responsibility in making decisions on questions of our relationship with other peoples of the world.

Mr. Speaker, I have found thousands of instances where I was in disagreement with the State Department but not one where my disagreement was so complete as relates to its attitude toward Spain. Is Spain to ever be taken into the family of nations resisting Russia? How much longer does the State Department need to make final decision?

The gentleman from Mississippi [Mr. COLMER], in the brief address he made this afternoon, developed the case quite satisfactorily, because he demonstrated in what respect we would need the cooperation and assistance of Spain in the event of an all-out struggle.

Mr. Speaker, at the moment we find ourselves in combat, in war, with a force that we know intends, if possible, to enslave the entire world. Just how long it will be our good fortune that this contest be localized in Korea, we do not know, but we have no assurance that it will not spread out all over the globe. Mr. Speaker, if that event should come to pass, is there one here who would question the need of Spain?

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

Mr. COX. I yield.

Mr. COLMER. Of course, I made it quite clear that I was in favor of recognition of Spain, but I did not say I was in favor of the loan. I want to get that straight.

Mr. COX. The gentleman at least did develop the case as far as the need of the cooperation of Spain is concerned. I say to the gentleman that we should manifest some reasonable understanding of the tremendous problem with which we are confronted. We should evidence something of an intelligent and interested concern in the welfare of the Republic. We should adopt this amendment and follow it with quick recognition of Spain.

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

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to recede.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROONEY. It is not a fact that the vote now recurs on the motion to recede; and if that is carried, then there will be a vote on the motion that the House concur in the amendment of the Senate with an amendment?

The SPEAKER. The gentleman is correct.

Mr. SMITH of Virginia. Mr. Speaker, a further parliamentary inquiry. Is it not a fact that on the motion to recede, if that motion is defeated that ends the matter of the Spanish loan?

The SPEAKER. That would be equivalent to disagreeing and insisting.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to recede.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede.

Mr. MARCANTONIO. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

Mr. MARCANTONIO. Mr. Speaker, I ask for tellers.

Tellers were refused.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 165, noes 90.

So the motion was agreed to.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to concur in the Senate amendment with an amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion to concur in the Senate amendment with an amendment.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 164, noes 80.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 473: Page 448, line 15, after "specified" insert: ": *Provided further,* That not to exceed $15,255,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1951."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 473, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$14,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 475: Page 448, line 22, after "specified" insert: ": *Provided further,* That not to exceed $600,000,000 shall be available for transfers under section 111 (d) of the Economic Cooperation Act of 1948, as amended."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 475, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$500,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 476: Page 448, line 25, after "specified" insert: ": *Provided further,* That after November 1, 1950, no funds herein appropriated shall be made available to any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 476, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ": *Provided further,* That after November 1, 1950, no funds herein appropriated shall be made available to any nation of which a dependent area fails in the opinion of the President to comply with any treaty to which the United States and such dependent area are parties."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 477: Page 449, line 3 after "specified" insert *"Provided further,* That no part of the funds herein appropriated shall be used to provide assistance to any participating country which, in the opinion of the President, has failed, refused, or neglected to support the United Nations in the Korean war by supplying armed personnel, materials of war, or services."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 477, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: *"Provided further,* That no part of the funds herein appropriated shall be used to provide assistance to any participating country which, in the opinion of the President, has failed, refused, or neglected to support the United Nations in resisting aggression."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 480: Page 450, line 4, insert:

"INTERNATIONAL DEVELOPMENT

"For expenses necessary to enable the President to carry out the provisions of the act for international development (title IV of Public Law 535, approved June 5, 1950), including personal services in the District of Columbia; expenses of attendance at meetings concerned with the purposes of this appropriation; purchase (not to exceed 12), and hire of passenger motor vehicles for use outside the continental limits of the United States; printing and binding; payment of tort claims pursuant to law (28 U. S. C. 2672); health-service programs as authorized by law (5 U. S. C. 150); insurance of official motor vehicles in foreign countries when required by law of such countries; acquisition of temporary quarters outside the continental limits of the United States to house employees of the United States Government by rental (without regard to section 322 of the act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, or construction, and necessary repairs and alterations to such temporary quarters; exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); entertainment (not to exceed $2,000); health and accident insurance for foreign trainees and technicians while absent from their own countries participating in activities authorized under this appropriation, and actual expenses of preparing and transporting to their former homes the remains of such persons who may die away from their homes while participating in such activities; services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for purposes of providing such services the Public Health Service may appoint not to exceed 20 officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed 20 commissioned officers in addition to those otherwise authorized; $26,900,000; and, in addition, there may be transferred to this appropriation for the purposes hereof not to exceed $2,600,000 from the appropriation to the Department of State for international information and educational activities, fiscal year 1951: *Provided,* That this appropriation shall be available for contracts or agreements entered into during the fiscal year 1951 pursuant to section 405 (e) of the act for international development which entail commitments for the expenditure of funds for not to exceed 3 years."

Mr. GARY. Mr. Speaker, I move that this House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 480 and concur therein.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Speaker, I wish to compliment my good friend the gentleman from Virginia [Mr. GARY] and my fellow conferees on this chapter for their action with regard to this amendment. On yesterday during the conference with the Senate I moved that the House recede on this item and concur in the amount voted by the other body. The gentleman from Virginia, the gentleman from Kentucky [Mr. BATES] and I voted in favor of receding and giving to the point 4 program the full amount voted by the Senate. The motion now before the House would correct an unfortunate mistake made on the part of the conferees who voted the other way on yesterday. I thoroughly agree with the present plan of correction of that mistake.

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

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, this is a similar program to one down in South America which has brought so much discredit to the United States and which has created such ill will on the part of South Americans against us. We have had people come back from there indi-

cating repeatedly that that is the situation and that is the result.

Why we should appropriate three times what they can intelligently use is beyond any intelligent person's mind.

Mr. JACKSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. Mr. Speaker, it is always a precarious thing to try to look into the future. But I am convinced that if we accept the drastic cut in the point 4 appropriations, recommended in the conference report on foreign aid, we will find, a few years hence, that we have been penny-wise and pound-foolish.

It seems to me that World War II showed us all too clearly that military victory alone—and the words "unconditional surrender"—do not necessarily mean the end of struggle. Five years of waging the cold war should have taught us that.

No sooner had we won a global war against a totalitarianism of the right when we were plunged into another global war—of a quite different kind—this time against a totalitarianism of the left.

Because we had not attacked the roots of world conflict, the military surrender of the Germans and the Japanese has meant very little in the way of bringing peace to America and the world.

We are now afforded an opportunity to learn our lesson. For unless we attack the roots of the present world conflict—the misery and poverty and disease that grip millions of human beings—military victory—in Korea or elsewhere—will mean precious little. We will still be faced with the task of meeting basic human needs.

Point 4 is our one program aimed at satisfying the basic needs of underdeveloped areas. It is our one program that attacks the roots of world conflict. It is not a large program by any standards—even with the $26,000,000 provided in the Senate bill. It may not be large enough to do the job—but it is the foundation of an attack upon human misery.

In 1947, we tried to ignore the job to be done in Europe—and we tried to economize on foreign-relief funds to war-devastated areas—only to find in 1948 that the misery was still there. The job remained to be done, and we extended to Western Europe some $4,000,000,000.

I venture to say that had our penny-wise attempt to save $150,000,000 in foreign-relief funds prevailed in 1947, it might have seemed very pound-foolish in 1948, if it had cost an extra billion dollars to accomplish the Marshall plan aid of European recovery.

Now we are asked to save some $11,000,000 on our one program of economic aid to underdeveloped areas. I venture to say, Mr. Speaker, that democracy will sooner or later be called upon to help these areas raise themselves from their poverty and misery. If democracy does not, then a dictatorship of the left will.

Mr. Speaker, Paul Hoffman, the ECA Administrator, has estimated that the final cost to the American people of World War II—without trying to place any dollar value on the loss of human life—will be $1,300,000,000,000. And yet, 5 years after World War II, we are no closer to peace than we were in 1939.

A trillion-dollar investment in peace has apparently been wasted.

And now, Mr. Speaker, we are being asked to invest another $10,000,000,000 to rearm America, and an additional $4,000,000,000 to rearm other free nations.

We are about to embark upon another multibillion-dollar investment in peace.

Against such a colossal investment, the saving of $11,000,000 on point 4—our one program that proposes to attack the roots of world conflict—seems foolishly small.

I venture to say, Mr. Speaker, that should our multibillion-dollar investment in rearmament bring us victorious through a military war—only to bring us face to face with another world-wide struggle of mankind for a better life—those $11,000,000 will look even smaller and more foolish.

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

Mr. GARY. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Speaker, I think the record should show in connection with the South American activities which we have been engaged in that the South American countries do not agree with the gentleman from New York because they have in a period since the thing has been in effect quadrupled the amount of money they are putting into it. Today they are putting in something like $17,000,000 against our $5,000,000. So, those South American countries certainly feel it is doing them some good.

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

Mr. GARY. I yield to the gentleman from Oregon.

HAIL COLUMBIA; CALIFORNIA, HERE I COME

Mr. ANGELL. Mr. Speaker, must Oregon and Washington say good-by to the Columbia River? The public press recently has carried a number of news items to the effect that there is a proposal under consideration by the Bureau of Reclamation to divert water from the Columbia River to California to relieve that State of its water shortage. Some discussion has taken place recently in the House with respect to this proposal and a number of Representatives from the State of California have issued press releases thereon.

I have had the matter up with Commissioner Michael W. Straus of the Bureau of Reclamation and I am advised by him that there is no pending proposal on the part of the Bureau of Reclamation to divert water from the Columbia River to California. He further advises that under authority granted to the Department studies are being made of the full utilization of the water resources of the Pacific Northwest and that in that study consideration is given to any available use to which surplus waters might be put. The Commissioner advises me that no water in any event will be diverted from the Columbia River above existing or available potential dam sites for the development of hydroelectric power and in any event only water that is surplus would be considered. It is my information that any proposal to divert water from the Columbia River to California is so fantastic and would entail such enormous expense as to be pure moonshine.

The Columbia River is the second largest river in the United States and the largest in potential hydro power. Millions of acres of rich fertile land are available for reclamation in the watershed of the Columbia and its tributaries which can be reclaimed and put to agricultural use by utilization of the water of the Columbia River drainage basin not necessary for navigation, power, industrial, and domestic use.

I would suggest that if California residents have their eyes on this great natural resource which God has given to the Pacific Northwest, rather than to divert the water from its natural location to the arid lands of California, that they themselves migrate to this garden spot of America, the Pacific Northwest and become permanent residents of the area and utilize the waters of this great river in its natural habitat. They will be much happier, we will be much happier and the American taxpayer will be saved millions of dollars.

Mr. Speaker, I am including in my remarks some news releases from some of the Members of the California delegation with reference to this problem in which it will be noted that they state that the State of California does not want the Columbia River water. However some other Members of the delegation seem to have their eyes on the Columbia.

CALIFORNIA WANTS NO COLUMBIA RIVER WATER

(Statement of Representative NORRIS POULSON)

Newspaper and radio reports of the past 3 days have described in vague detail a gigantic project to bring Columbia River water into southern California. The project is proposed by the Department of Interior, and assertedly has the interest of President Truman.

I wish to make clear the following facts:

1. Neither the idea nor the plan was initiated by anyone connected with the State of California. No engineer or other responsible official in California, either employed by the State or the various California water agencies, has made such a proposal or has endorsed it. Neither the California State government nor any of its branches has proposed such a project.

2. Prosperous as California is, it could never afford to finance a project of such magnitude as the Columbia River diversion proposed by the Interior Department.

3. California would never call upon the taxpayers of the Nation to pay for such a project, as Arizona has done in the case of the proposed central Arizona project, which Secretary Chapman says would cost the Nation's taxpayers more than $2,000,000,000 in interest alone.

4. California does not need and does not want water from the Columbia River or any other river of the Northwest. Our State engineer has said that California's water supplies are sufficient, and that the State does not have to go beyond its boundaries for more water. The Colorado River water awarded to southern California in Federal Government contracts, and other available supplies, are sufficient to meet the foreseeable needs of that area.

5. The Columbia River diversion plan is brought forward at this time by the Interior Department in a desperate attempt to aid the fantastic central Arizona project, which would take an enormous share of California's Colorado River water. It is a nefarious scheme to rob California of Colorado River water by diverting attention to the Columbia River diversion proposal. The scheme also intended to give Representatives and Senators from Northwestern States the false impression that California has a plan to acquire Columbia River water. I wish to assure the entire Congress that California has no such plan, and does not support such a plan.

6. Southern California has always paid its own way. The people of southern California have obligated themselves for more than half a billion dollars for water projects, and they are paying these debts with unvarying regularity.

7. The Columbia River scheme is even more infeasible, grotesque, and absurd than the central Arizona project. It would cost an estimated 5 to 10 billion dollars. As a member of the Public Lands Committee, and as a leader in California's fight to protect its vital water supplies, I disavow the Columbia River proposal and proclaim California's opposition to it.

CALIFORNIA REPUDIATES COLUMBIA RIVER DIVERSION PLAN; FIGHTS FOR LEGAL RIGHTS TO COLORADO RIVER

(Statement of Representative CHET HOLIFIELD)

Reports continue to be circulated, both in Congress and in the northwestern United States that California is back of a plot to take away water from the Columbia and Snake Rivers.

Let me state at once, emphatically and without equivocation, that California has no part whatever in such a plot, and that California has not proposed or endorsed any such plan.

This is not the first time the Columbia River diversion scheme has been repudiated by responsible California officials, and no doubt it will not be the last time. Yet, I note in newspaper stories and in correspondence that the fear persists in certain sections of the Northwest that California has designs on northwestern waters.

Let me assure my colleagues and the people of the Northwest that California has no such designs, and that reports to the contrary are propaganda disseminated by those who would injure California.

The proposal to divert water from the Columbia and Snake Rivers to the Southwest is the brain child of the Bureau of Reclamation and the opponents of California's fight to protect its legal share of the Colorado River.

The proposal was designed for the purpose of aiding Arizona in taking an enormous share of California's Colorado River water. The strategy behind the Columbia River diversion scheme is to give Congress and the Nation the impression that California does not need its Colorado River water because water will be available to California from the Northwest.

This is a serious matter. It should be exposed and clarified in all details.

In my inquiry of the issue, I find that the Bureau of Reclamation is now conducting various studies on bringing Northwest water into southern California. I have a letter, dated August 18, 1950, from Reclamation Commissioner Michael W. Straus setting forth this fact.

In his letter, Mr. Straus states that the studies were "undertaken pursuant to congressional and California requests, directions and authorizations."

"Further," writes Mr. Straus, "in this instance, a specific congressional resolution requesting this investigation is at hand."

He identifies this legislation as House Resolution 244, Eightieth Congress, first session.

This resolution was not passed by Congress. It was introduced in the House Public Lands Committee, at the request of the Reclamation Bureau, on June 2, 1947, by the late Representative Richard J. Welch, Republican chairman of the committee. The resolution was strenuously objected to by both Republican and Democrat Members from California. Mr. Welch ignored the objections of his California colleagues and of his State, and forced the resolution out of committee with a favorable report.

That was as far as the resolution got. California Members objected to it on the floor, and it died.

Thus, I find no specific resolution "at hand" which authorizes the Reclamation Bureau to conduct the studies of the Columbia River diversion plan. Certainly H. Res. 244, which never passed Congress, provides no authorization. California Representatives opposed this resolution in committee, and continued to oppose it until they killed it.

Mr. Straus mentions that the Columbia studies were undertaken pursuant to "California requests."

So far as I can learn, the only so-called California request came from the late Representative Welch in the Eightieth Congress. He was opposed by his California colleagues, by the California State government, and by innumerable officials, engineers, and attorneys of California water agencies, such as the Metropolitan Water District of Southern California and the Colorado River Board of California, a State body appointed by the Governor.

Let me make it plain once again, that neither the State of California, nor any responsible water, reclamation, or power officials of California, nor the California Members of Congress, have in any manner supported or endorsed the Columbia River diversion proposal.

California has a water plan now being formulated, but it does not contemplate utilization of any water from the Northwest. This assurance comes to me in a statement from T. R. Simpson, principal hydraulic engineer of the California State Division of Water Resources.

Here is Mr. Simpson's statement: "The Federal Government is presently conducting a preliminary investigation to determine the feasibility of bringing water from the Columbia River to supplement California's supplies. The (California) State-wide water investigation is only partially completed at this time. * * * However, on the basis of the inventory of (California) water resources and estimates of ultimate requirements so far made, it is indicated that adequate water supplies can be developed and regulated from California's water resources, including California's right in and to the waters of the Colorado River * * * to meet probable water requirements of the State, without resort to importation from the Columbia River."

From James H. Howard, general counsel of the Metropolitan Water District of Southern California, I have received a statement soundly denouncing the Columbia River diversion scheme. The Metropolitan Water District includes Los Angeles and San Diego and 26 other cities and areas in southern California, with a population of nearly 4,000,000 persons.

"In advancing the Snake and Columbia River diversion surveys, the Reclamation Bureau is considering a plan that would take water away from Oregon, Washington, and Idaho. It is important that the people of those States realize the true sources of the scheme to divert water outside their State boundaries.

"It is a program that originated with, and is sponsored by, the Reclamation Bureau. The people of California are not parties to this proposal. California has no aspiration to any water belonging to Washington, Oregon, or Idaho, or any other State."

The list of protests from California representatives and officials against the Columbia scheme is long and impressive. It certainly should give assurance to the Representatives of the people of the Northwest that California has no part in, and does not endorse, such a proposal.

The facts of the matter are this: The people of southern California, at their own expense, have built dams, aqueducts, and canals costing more than half a billion dollars to bring their legal share of Colorado River water to their cities and farms. Southern California was awarded this Colorado River water in contracts with the Federal Government, approved by the Congress.

Now the State of Arizona and the Reclamation Bureau want to take an enormous part of California's share of Colorado River water for a fantastic, unfeasible project in Arizona. The proposed Arizona project would cost more than $1,000,000,000 to build, and would mean a loss in interest to the Nations' taxpayers of an additional $2,000,000,000.

There is no Colorado River water available for this Arizona project. So the Reclamation Bureau, with no doubt, the support of Arizona, has proposed the Columbia River diversion. This, they say, would give California her vitally needed water, and then Arizona could have California's share of the Colorado River.

That's the scheme. California is having none of it. California believes that its legal share of Colorado River, if protected, will be adequate for California's foreseeable needs and California will fight to preserve those legal rights against any attack. California is not looking to the Columbia and Snake Rivers for additional water.

INTERIOR DEPARTMENT WILL-O'-THE-WISP PLAN WOULD TAKE COLUMBIA RIVER WATER FROM NORTHWESTERN STATES

(Statement of Representative CLAIR ENGLE)

It is reported to me that the Department of Interior is proposing a gigantic project to bring the Columbia River water into California for the avowed purpose of solving California's water problem. Assertedly, President Truman has interested himself in this project.

The purpose of this proposed project is not, as stated, to solve California's water problem. The purpose is to solve Arizona's water problem by turning over to Arizona California's water in the Colorado River.

California will not be fooled by this obvious strategy into giving up her established rights and huge investments on the Colorado River for any such will-of-the-wisp. Moreover, the people on the Columbia and Snake Rivers should clearly understand what is going on * * * their water is to be exported at huge expense in order that an exchange can occur by which Arizona will get the water in the Colorado River.

It is a clever scheme designed in the Interior Department to eliminate California's opposition to the fantastic Arizona project, which has been proposed by the Interior Department, and would use water to which California has long-established legal rights. California is to be promised pie in the sky from the Columbia River and asked to drop her opposition to the central Arizona project, to give up long-established legal rights to the waters of the Colorado, and to abandon diversion works on the Colorado costing hundreds of millions of dollars.

Of course, if Arizona is able to perpetrate a theft of the Colorado River waters from California, it may be necessary for California, at some future time, to look elsewhere. For the present, however, California will

stand on her established rights and investments, and will develop the remaining water potential, which is substantial, within her own borders and in the Colorado River.

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

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. YATES. Mr. Speaker, I am very much pleased with the action of the foreign aid subcommittee in moving to recede and concur with the Senate in providing the appropriation of $26,900,000 to implement the President's point 4 program, rather than insisting upon the much lower figure which had been agreed upon by the conferees yesterday. Point 4 is a necessary and vital part of our foreign policy if we are to crush communism before it obtains a foothold among the underprivileged peoples of the world.

The supplemental appropriations bill, which this House will consider later tonight, contains a much increased and desired appropriation for the Voice of America, to spread the truth about democracy and our Nation, to counteract subversive Communist propaganda. Point 4 ties in with our Voice. It gives substance to the story of our warmth and peaceful good intentions, of our desire to live in peace and friendship with the nations of the world.

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. MANSFIELD. Mr. Speaker, we are now considering a bill which carries many billions of dollars. Much of this is for the necessary measures of military defense which we must undertake today in this troubled world. We are being forced by the aggressive actions of world communism to devote more and more of our resources and our energies to self-preservation. But the struggle in which we are engaged cannot be fought solely with guns and planes. The Communists have long realized as we are now beginning to do that this is an economic, social, and ideological struggle as much as a military one. It is easy for everyone to see the need to appropriate billions for defense. The need for making an adequate effort in other fields should be equally obvious.

The point 4 program is one program where we can at small cost—in fact with expenditures which are insignificant when compared with our military appropriations—do a great deal to strengthen the free world. Here is a program which is not a give-away program. It is a program to show others how they can support themselves. It is a concrete and positive answer to the false propaganda of the Communists who say that only under their system can the millions of backward people achieve a decent life. If we want to be purely selfish and materialistic about it we can say that it is one of the cheapest ways of fighting our Communist antagonists. If we want to put it on a higher plane we can say that it is a way in which we can cooperate with other free peoples in making this a better world.

This program will benefit most the very areas of the world which are now up against the guns of Communist aggression. These are areas whose people may be peculiarly vulnerable to Communist promises, for their living standards are low and their aspirations are high. They certainly could not understand any failure on our part to cooperate fully and adequately in a program to give them the benefit of knowledge and skill which could help them improve their economic conditions. The 49 countries which pledged assistance in the United Nations aspect of this program could not understand it if we fail to undertake our reasonable share of this constructive United Nations activity. We are holding high the United Nations banner in Korea. We should also hold it high in connection with its program of technical assistance in which such a great part of the free world is vitally concerned.

I do not see how we can expect the point 4 program to make any real headway or achieve any results if we limit the appropriation to $15,000,000. The program originally developed in the executive branch amounted to over $100,000,000. This was very carefully screened over a period of months by all of the agencies in the Government which are competent in the various fields of technical activity. The Department of Agriculture, the Public Health Service, the Department of Interior, and many others participated in this work. They based their analysis on their own experience over many years in conducting technical-assistance programs under previous congressional authorizations. As a result of all this work the program was screened down to $45,000,000 and this amount was requested by the President. We then cut $10,000,000 from this, authorizing only $35,000,000. The recommendation of the conferees limiting the appropriation for new programs to $15,000,000 would, with the addition of the $7,600,000 recommended for continuing existing programs, give a total of only $22,600,000. This is only 50 percent of the amount requested and only 65 percent of the amount which we authorized. I cannot see why we should cut this program so much more drastically than most of the other items in the bill especially when it has already been pared down so far.

We pride ourselves on being able to look ahead. We criticize those who have failed to foresee and prevent aggressive moves of our enemies. Here is a chance for us to help prevent such aggression in the future. Let us act now to help prevent conditions that will lead to war.

RESTORATION OF $26,900,000 APPROVED FOR POINT 4

Mr. DEANE. Mr. Speaker, the point 4 program is, I believe, potentially one of the most important international programs of our time. It can help our economy. It can help our international relations. And it can help our national security.

The long-run security of the United States must be built up over time. We must start to build early so that we are not caught unprepared. We must build adequately, for half measures may be worse than none.

National security is more than a military problem. It requires political stability, sound and productive economies, and friendly democratic governments and peoples in many areas outside the United States. Nearly a billion people live in underdeveloped areas outside the Soviet orbit, many of them in critical areas bordering upon that orbit. The political stability of these people is tied closely to their living conditions. They have the capacity and the natural resources to produce far more than now, and thus to raise their living conditions over the years. But they need help, and it is to our advantage, as well as to theirs, to help them.

There are various ways of helping them produce more, but some ways are cheaper and more enduring than others. Technical assistance is one of the least costly, relying largely on self-help on the part of the recipient country and leaving behind a widening circle of modern techniques, awareness of new methods, and friendship toward the sharing country. Its economic effects may not become apparent for years, but the fact that something concrete is being done can produce political effects very quickly.

The forces of peace and democracy throughout the world have already been greatly strengthened by the action of the administration and the Congress in proposing and authorizing a substantial point 4 program. To torpedo this program by refusing it adequate funds would hurt this Government and would hurt many governments which have been our strong supporters. It would give the Communist propaganda machine effective material. It would confirm the doubts of the many people of the world who are still doubtful that the United States has forsaken isolationism and really means to follow a consistent program of support for the forces of democracy and peace.

Point 4 is a symbol of the maturity of United States foreign policy. It indicates the transition from emergency programs hastily developed to put out fires, to prevention of the conditions that result in fires. It shows that this country recognizes the interrelation of economic and political developments, and the interrelation of developments abroad and at home. Instead of emergency thinking, and isolationist thinking, it represents a broad and deep approach, far more effective and far more economical than continual improvisation.

Because this is a program in which both the United States and the United Nations can make a great contribution to peace, I urge that the House give it full support. To my mind, $26,000,000

is a small price to pay for a major international program. I urge that we confirm our earlier support for this program by appropriating the full $26,900,000 approved by the Senate.

Mr. VURSELL. Mr. Speaker, Western Europe and the civilized world is faced with a dictator who seeks to destroy the liberty of the people of the entire world.

We are pouring billions of our money into Western Europe to help her build a military machine that will help us and them to keep our countries and our people free from the dictatorship of Russia. In the event Russia moves against Western Europe it will be the policy of this Government to help with all of the manpower necessary from the United States to protect Western Europe and defeat our enemies.

High military officials agree as to the great advantage that Spain offers as a natural base for our operations in the event of a war with Russia. Every Member of this House who knows anything about the geography of Europe knows that Spain with its broad expanse of territory surrounded on the north and east by mountains is a natural fortress and base which offers an opportunity to the United States and Western Europe as a base of operations in the event of a war with Russia, that should be embraced at the earliest possible moment.

Mr. Speaker, under our present foreign policy we are allied with all of the nations of Western Europe with the exception of Spain which is greatly needed by us and all of the Atlantic Pact nations. I am informed that Spain has an army consisting of 17 divisions well trained and only lacking modern equipment to make it the strongest fighting force today in Western Europe.

Spain has indicated its desire to join with the United States and other nations in its opposition to communism.

This bill today provides for a loan of $62,500,000 which I am informed largely will be used for military equipment.

I am supporting this loan because I believe the territory of Spain is essential to the defense of Western Europe and thereby our Nation. I am supporting it because we will need all of the military strength Spain can give us and our allies in the event of a war with Russia.

Mr. Speaker, I am supporting it because I believe that it will save thousands upon thousands of the lives of American boys, if unfortunately we have to meet Russia in a clash of arms in Western Europe.

Mr. Speaker, we will need all the strength that can be mustered in Western Europe. Because of the increasing danger of a drive to the west on the part of Russia and the billions of dollars we have poured into Western Europe to help build a military defense against Russia, I want to take the opportunity today to say I think it is imperative that Western Germany be taken into full fellowship and cooperation with the Atlantic Pact nations.

With the hate of the people of Western Germany against communism, its location between France and Russia, a powerful army in Western Germany could soon be organized into a great fighting force in cooperation with other nations to repel an attack by Russia.

In 1937, you will recall Russia sent troops to Spain to help the Communists take over that government. The Spanish Government defeated that attempt and soundly licked the Russian and Spanish Communists. Stalin has never forgotten it and has made his influence felt through our Government and others in the Potsdam Conference.

We will need Spain again to help do the job if we carry out our present policy of helping to defend European nations in the event Russia moves against them. We should welcome the help of any European nation that is willing to fight on our side against Russia.

Mr. Speaker, referring again to Western Germany: As a member of the Herter committee, who, with other Members of Congress, made a study of Germany in 1947; on our return home we strongly urged through a resolution to the Congress that we should abandon the Morgenthau plan and stop the dismantling and giving away to Russia, England, and France, industrial plants in Germany that we would doubtless be called upon in the future to help rebuild at great expense to our Government.

RECOGNIZE SPAIN

Spain should be accorded full diplomatic recognition by the United States Government and be taken into partnership with the European nations under the policy of the Atlantic Pact.

Its broad expanse of territory with its natural protection of the Pyrenees Mountains against an invasion of Russia, its hate throughout the years past against communism, and with its sizable army in the event of war, would add to the Atlantic Pact nations formidable strength and great value.

In the event of war by its broad expanse of territory it would furnish the greatest opportunity on the Continent for bases from which United States troops and air power could operate with telling effect.

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

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a letter to the Speaker from President Truman on the point 4 appropriation and the importance of it, which it is unnecessary to read at this time in view of the present legislative situation.

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

There was no objection.

The letter referred to follows:

AUGUST 25, 1950.

Hon. SAM RAYBURN,
The Speaker,
The House of Representatives.

DEAR MR. SPEAKER: The importance of the point 4 appropriation in the struggle against Communist imperialism cannot be overemphasized.

Although the amount involved is relatively small in terms of dollars, the point 4 program has come to be a symbol of hope for millions of people all over the world. In countries where the choice between Communist totalitarianism and the free way of life is in the balance, this program can tip the scales toward the way of freedom.

The advance agents of the Communist conspiracy loudly promise the peoples of these countries a better way of life. We know that communism cannot deliver on these promises. We know that the way of freedom actually can and will provide a better life for people everywhere. But only through such action as the point 4 program can we demonstrate that fact, in concrete and practical terms.

If the reduction made by the conference committee in the amount appropriated by the Senate for point 4 is allowed to stand, it will largely destroy the program's effectiveness. More than that, it will be regarded throughout the world as evidence that this country cannot be depended upon to help the millions of people in the underdeveloped areas of the world in bettering their lot. This attempt to save some $10,000,000 will do more for the Communists in their attack on the free world than hundreds of millions of dollars of their own propaganda.

At a time when we are calling upon our young men to go into battle in the cause of freedom, I can conceive of no more tragic blunder than to throw away this opportunity of doing so much to strengthen the cause of freedom at such little cost.

Sincerely yours,

HARRY S. TRUMAN.

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

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

Mr. RABAUT. Mr. Speaker, there was confusion in reference to this amendment yesterday. I am very pleased it is being reconsidered today and I am happy to join in what is going to be done.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. PHILLIPS of California. Mr. Speaker, we have just finished a vote on a limitation in the number of ships under the Merchant Marine Operating Subsidy Act. This is not a post mortem in any sense of the word. The wording that we adopted in the bill is still subject to interpretation and in order that there may be no misunderstanding as to what that interpretation should be, I should like the record to show that in fixing the limitation of 263 vessels, the committee did not intend, directly or by implication, to pass upon the inclusion of any particular vessels within the total. All vessels covered by pending applications or commitments are entitled to equal consideration on this point.

Further, the power to subsidize vessels in excess of 263 with the approval of the Secretary of Defense is a clear recognition and reaffirmation by the commit-

tee as to the importance of an adequate merchant marine for national defense purposes. It would be my understanding that in making his certification the Secretary of Defense would consider the total number of vessels now subsidized, the extent to which that number is deficient in supplying necessary shipping reserves for military purposes, and the resulting need for increasing the number of subsidized vessels in order to insure adequate military reserves. The reference to the Bureau of the Budget and the Secretary of Defense may serve a useful purpose by focusing attention on the importance of the merchant marine to our national defense, although it seems to me to be quite unnecessary as a subsidized fleet of 263 vessels obviously is woefully inadequate for defense purposes, and I am sure that the Secretary of Defense will so certify promptly. However, the reference may serve some useful purpose to emphasize the direct relation between national defense and the subsidized merchant marine.

Mr. GARY. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. As far as the remainder of the week is concerned, we will meet tomorrow for the further consideration of the final deficiency appropriation bill, unless disposed of today.

Mr. MARTIN of Massachusetts. I understand we are going to take that bill up immediately and continue on with it tomorrow.

Mr. McCORMACK. Exactly. Monday is District Day and there are six bills on the calendar.

H. R. 4281 relates to the limitation on taxicabs.

S. 3659 relates to dealers identification tags.

H. R. 1188 relates to regulating the practice of engineering.

S. 2028 relates to the Board of Education, teacher exchange.

H. R. 9524 is the supplemental teachers leave Act of 1949.

H. R. 9362 relates to the exchange of park land.

Following that we will take up House Resolution 474, the Teague resolution to investigate the Servicemen's Readjustment Act; S. 868, dealing with scientific, technological, and engineering information; S. 3357, gambling devices in interstate commerce, and S. 784, First, Second, and Third National Steamship Cos.

On Tuesday H. R. 9490, the so-called security bill, will come up.

Mr. MARTIN of Massachusetts. The security bill comes up the next day.

Mr. McCORMACK. That is the Wood bill.

Mr. MARTIN of Massachusetts. They are all the same.

Mr. McCORMACK. If the bills scheduled for Monday are disposed of, then the security bill will be in order of business on Tuesday.

If there is any change in the program, an announcement to that effect will be made to the House. Of course, conference reports may be brought up at any time. There are several important conference reports, such as the Defense Production Act and the tax revision bill. Whether or not they will all be ready for next week, I am unable to state, but I hope so, because we are anxious to dispose of everything we possible can next week.

Mr. MARTIN of Massachusetts. I know the gentleman cannot tell me definitely, but I have been asked to inquire if he thinks there is any possibility of a roll call on any of these bills on Monday. That is a matter of opinion, of course.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from Utah.

Mr. GRANGER. Those bills, I think, are not very controversial. They are all in the same category as the goat bill.

Mr. MARTIN of Massachusetts. None of them will be considered then if they are in the same category as the goat bill. We did not take up that bill.

Mr. GRANGER. They are in the same category as the bill for the regulation of goats.

Mr. MARTIN of Massachusetts. I will accept the gentleman's opinion on the bill.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from Arkansas.

Mr. HARRIS. I should like to say that the bills that have been reported from the District of Columbia are not as simple as has been indicated. The bill providing for the regulation and practice of engineering is a very important bill that has been urged on this Congress by practically every engineering organization in every State of the Union.

Mr. MARTIN of Massachusetts. The gentleman does not agree then that they are all goat bills?

Mr. HARRIS. We should not let that statement pass lightly as indicated. If the gentleman will yield further, there is another bill out of the Committee on Interstate and Foreign Commerce known as the gambling-machine bill, or the slot-machine bill. That could very well become controversial to the extent that there might be a demand for a roll call.

Mr. McCORMACK. That is on the program. Whether or not it will be reached by Monday, I cannot state.

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

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SUBSTITUTION OF CONFEREES

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUCKLEY] and the gentleman from Louisiana [Mr. LARCADE] be excused from further service as conferees on the bill H. R. 7941, the Federal Aid Road Act, and that conferees be appointed in their place.

The SPEAKER. Without objection, it is so ordered.

The Chair hears none, and appoints the following conferees: Mr. TRIMBLE and Mr. DAVIS of Tennessee.

GRAPHIC ARTS CORP. OF OHIO—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 697)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4832, an act for the relief of Graphic Arts Corp. of Ohio. The purpose of H. R. 4832 is to pay the sum of $84,359.19 to Graphic Arts Corp. of Ohio, Toledo, Ohio, in full settlement of all claims of the said Graphic Arts Corp. of Ohio against the United States.

The effect of H. R. 4832 is to afford financial relief to the Graphic Arts Corp. of Ohio for losses alleged to have been incurred in the performance of contract W33–038 ac–2023 with the Army Air Corps during the period January 1 to June 1, 1946.

The claim is predicated on the contention that the contractor was not supplied with the full quantity of work contemplated by the contract during the contract period, and that the contractor was assured by representatives of the Army Air Corps that it would be protected against losses in its operation under the contract. However, it appears that contractor did accept extensions of time and other amendments to the original contract under various change orders and supplements pertinent thereto by executing said documents. It is reported that payments totaling $2,029,185.29 were made to the contractor.

Thus, insofar as furnishing work under the contract was concerned, it appears that there was substantial compliance by the Government within the contract period as extended.

The general rule is that a formal written contract entered into on the basis of negotiations between the parties merges all such previous negotiations and is presumed in law to express the final understanding of the parties. Contract W33–038 ac–2023, as amended, was entered into on a fixed-price basis. It contained no provision for payment of additional compensation merely because the contractor might suffer a loss in performance. Hence, while the contractor's claim is based primarily upon the premise that certain representations were made by Government officers at the time the contract was negotiated, to the effect that the Government would protect the contractor from any loss in performance, the terms of the contract relating to the work to be performed and to the prices to be paid therefor were clear and unambiguous and such extraneous representations, even if established, legally could not be resorted to for the purpose of imposing an additional obligation on the Government. If the contractor felt that the formal contract and change orders and extensions,

and so forth, did not afford it sufficient protection against losses in performance, it should not have signed the contract and accepted the extensions. Having done so, it seems clear that there is no liability for any further payment to the contractor, based upon the contract provisions.

Government audit of the contractor's records indicates that this corporation, although claiming a loss of $67,952.31 in the operation of the "Gadi" Division for the 5 months' period beginning January 1, 1946, actually sustained a loss of only $46,213.94 during that period. Of this amount, the audit report shows only $29,432.29 was applicable to Army Air Corps contract W33-038 ac-2023. Despite this loss of $29,432.29 on this contract for the first 5 months of 1946, the contractor actually earned a profit of $34,202.86 on the entire contract. The audit report also discloses that this contractor earned a profit of $392,329.15 on all other Government business for the years 1944, 1945, and the first 5 months of 1946. Its commercial business during the same period also operated at a substantial profit.

Were I to approve this bill, it would establish the undesirable principle of Government insurance against any wartime losses incurred by contractors providing goods and services to the Government, regardless of the fact that such contractors did not sustain a net loss.

In my veto message on H. R. 834, Eighty-first Congress, a bill to amend the Contract Settlement Act of 1944, I stated—

> In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of financing the war, with incalculable effects upon our finances.

I reiterated this principle in my veto message on H. R. 3436, a bill to amend the War Contractors Relief Act, as amended.

This principle is even more applicable to H. R. 4832, where there was profit realized on the specific contract involved even though operations during the first 5 months of 1946 resulted in a loss. As I have said before, if this principle should be accepted for those who had contracts with the Government, there would exist no basis for withholding its extension to thousands of others who suffered financial losses in producing for the war effort without contracts. There exist no circumstances in this bill which would warrant the application of preferential treatment of the claimant to the detriment of other war contractors.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying message will be referred to the Committee on the Judiciary, and ordered to be printed.

There was no objection.

FRITZ BUSCHE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 696)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 602, a bill for the relief of Fritz Busche.

The purpose of this enrolled enactment is to direct the Attorney General to revoke various vesting orders with respect to certain property allegedly owned by one Fritz Busche, a citizen of the United States, and to make no further claims against the property covered by such vesting orders.

In 1937 one Anna R. Schneider, the aunt of the claimant, Fritz Busche, died leaving, under the terms of a will executed in 1931, the property which is the subject of the present measure to certain legatees, all of whom were residents in and nationals of Germany. After the will was admitted to probate, the claimant, as the named executor, took control of the property and exercised extensive control over it under grants of authority from the several legatees, to whom distribution of the property was never made.

In 1941 the subject property was frozen in accordance with the provisions of Executive Order 8765, which provided for the blocking of German-owned property. Subsequently, in 1946 and 1947, title to the property was vested in the United States by various vesting orders issued at that time.

The claimant filed a claim with the Office of Alien Property, Department of Justice, under applicable provisions of law, requesting the return of this property on the ground that he, rather than the German legatees, was the owner thereof. This claim was denied on June 16, 1950.

It appears that the claimant still has more than one full year within which to secure a de novo determination of his rights by a court of competent jurisdiction.

I feel that, as a general rule in cases of this character, the claimant should be required to exhaust all of the administrative and judicial remedies available to him, and to accept the outcome thereof. This case, in my judgment, does not warrant an exception to such a general rule.

The claimant has maintained, among other things, that he acquired title to the property by virtue of gifts made to him by the German legatees in 1945 when he was in Germany, which gifts were confirmed by formal deeds of gift executed subsequent to the 1946 and 1947 vesting orders issued by the Government. This position is without merit for, obviously, the German-enemy title to the property could not then have been affected or disturbed because the 1941 Executive order prohibiting transactions involving German-owned property held it in status quo, except under circumstances which are not material here. The only basis, therefore, for treating this case as an exception to the above-stated general rule would be a showing that the claimant became the owner of the property prior to the issuance of the 1941 freezing order. With respect to this feature of the case, not only does other evidence in the record support an opposite conclusion but, by admission of the claimant himself, he dealt with the property between the date of the testatrix's death and the date of the freezing order only in the capacity of an agent acting on behalf of the German legatees.

While these considerations seemingly support and justify the position of the Government, I recognize that, in the final analysis, the case presents issues of fact and law which properly and in fairness to both the claimant and the Government should be resolved by the courts. I have, therefore, withheld my approval from this measure in order to permit this course to be taken.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

SUPPLEMENTAL APPROPRIATION ACT, 1951

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up a resolution (H. Res. 825) providing for the waiving of points of order against H. R. 9526, a bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved,* That during the consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, all points of order against said bill or any provision contained in said bill are hereby waived.

Mr. LYLE. Mr. Speaker, I yield half of my time to the gentleman from Ohio, [Mr. BROWN], and now yield myself such time as I may require.

Mr. Speaker, your Committee on Rules presents this resolution in order that the supplemental appropriation bill for 1951 can be before the House for proper consideration it appeared necessary to write a rule waiving points of order so that all of the issues in controversy might be properly discussed. This resolution provides for waiving points of order against the bill, or any provision contained in the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Texas has so well explained, House Resolution 825 provides that the supplemental appropriation bill H. R. 9526, carrying certain important defense items, may

be consideerd under a rule waiving all points of order.

There are some provisions and some appropriation items in the bill, Mr. Speaker, with which I am not in agreement. If I had my way some would either be deleted, reduced, or materially changed. But Mr. Speaker, I appreciate that today we are in a great and grave crisis which requires prompt action. So I am favoring this rule, and hope it will be adopted promptly to permit this measure to be considered as speedily as possible. It is necessary the bill reach the other body, and final action be taken on these very important defense appropriations, as quickly as proper consideration will permit.

So, Mr. Speaker, I am going to set aside my objections to some portions of the bill and instead accept the collective judgment of the Committee on Appropriations as to what it is necessary to appropriate for the good of our country.

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

Mr. BROWN of Ohio. I yield.

Mr. HARRIS. Can the gentleman advise the Members of the House just what principal points of order are being waived, under this resolution?

Mr. BROWN of Ohio. I think there are only one or two matters on which points of order be made in this bill. I believe there is one in connection with the immigration bureau, whereby that Service would be permitted to follow customary procedure on certain immigration cases.

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

Mr. BROWN of Ohio. I yield.

Mr. WALTER. Does the gentleman mean by that that a point of order is waived against the section under which the decision of the Supreme Court holding that a hearing was to be granted any alien was rendered?

Mr. BROWN of Ohio. I do not think that is exactly correct. As I understand it, it deals with a court decision which was rendered that the Immigration Service had to follow the Administrative Procedures Act in every detail.

Mr. WALTER. That is not what the Supreme Court held, and I am sure you would not want to destroy the Administrative Procedures Act in this fashion.

Mr. BROWN of Ohio. I surely would not, and I do not think this does. It sets aside such procedure only in those cases I have mentioned, as I understand it.

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

Mr. BROWN of Ohio. I yield.

Mr. HARRIS. Is there something with reference to waiving points of order about changing the policy with reference to air-mail subsidies?

Mr. BROWN of Ohio. I am not sure. Of course, all points of order are waived.

Mr. HARRIS. Is there something of that nature in the bill?

Mr. BROWN of Ohio. I cannot advise the gentleman, because I am not a complete authority on the details of the bill.

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

Mr. BROWN of Ohio. I yield.

Mr. LYLE. Generally speaking, there has been a custom grown up where certain legislation is written into appropriation bills. The committee cannot even consider it unless the Committee on Rules gives a rule waiving points of order. You can offer an amendment to change it, but you canont even bring it up for consideration without having a rule.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, so I yield back the remainder of my time.

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

Mr. LYLE. I yield.

Mr. VORYS. Is it not true that under this rule one of the points of order to be waived deals with the limitation fixed in the MDAP legislation which we passed a few weeks ago, whereby the amount would be raised by $4,000,000,000?

Mr. LYLE. That is my understanding.

Mr. VORYS. And is it not also true—and I ask the gentleman to confer with the member of the Appropriations Subcommittee so that my question may be answered accurately—is it not true that there is no legislative change at all with reference to that act, except that the amount is increased?

Mr. LYLE. That is my understanding.

Mr. VORYS. May I just say this: If that is the case, that is the item on which a number of members of committees, including myself, conferred at the White House and agreed with the President that this legislation should be brought up in this form. As a member of the Foreign Affairs Committee, I want to serve notice that while I cooperated in that action and approve of it in this instance our committee does not intend to lose jurisdiction of the legislative provisions of the Military Defense Assistance Act by default.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, on many ocasions we have protested against legislation that Appropriation Committees have presumed to include in appropriation bills. I think that this bill contains the worst example of the usurpation of power that I have seen in that regard. For many years the people of this country have been interested in devising a system of hearings before administrative branches that would give to the citizens of this country a fair hearing and their day in court, if it was necessary to go to court, in order to obtain simple justice.

The Supreme Court of the United States has ruled that the Administrative Procedures Act applies in deportation matters. The Immigration Service knew full well a year ago, at least they were advised, that that act was applicable.

I knew of their practices and asked representatives of the Immigration Service to come to my office to a conference where the Immigration Subcommittee of the Committee on the Judiciary pointed out to them that their practice of having one man act as complaining witness, as prosecutor, as judge, as jury, and as executioner was in violation of the law. There was a very simple course open to them; all they had to do was select one of their inspectors and designate him to hold hearings. But they did not see fit to take this advice, and they went on with their practice which was clearly in violation of the law. The Supreme Court subsequently so determined.

They appeared before this Appropriations Committee and misrepresented the facts. They said that it would cost millions of dollars in order to set up a system of trial examiners if the decision of the Supreme Court was to be complied with. But this committee has in effect through this language in an appropriation bill set aside the decision by the Supreme Court.

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

Mr. WALTER. I yield.

Mr. STEFAN. The fact of the matter is that when the Director of the Immigration Service and his assistant came before our committee they requested this language for the reason that they were asking for a supplemental appropriation of only $3,000,000. In the hearings it developed that unless we have this language it would cost the United States Government $36,000,000 a year to operate. They requested to go along as they have been. It will save the spending of $36,000,000 every year.

Mr. WALTER. The fact is that they misrepresented the situation, and I repeat they have deliberately deceived the gentleman's committee.

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

Mr. WALTER. I yield.

Mr. JUDD. Is it not true that there probably have been more cases of injustice and arbitrary action in this sort of one man kangaroo court in the Immigration Service than almost anywhere else in the United States Government?

Mr. WALTER. That is true, but unfortunately there is also the possibility of showing favoritism to some people who ought not to be permitted to remain in the United States.

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

The previous question was ordered.

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and pending that, I ask unanimous consent that general debate close not later than 6:15 o'clock, one-half of the time to be controlled by the gentleman from New York, Mr. TABER, and one-half by myself.

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

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the

consideration of the bill H. R. 9526, the Supplemental Appropriation Act, 1951, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

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

Mr. CANNON. Mr. Chairman, this is the final appropriation bill of the session. It includes a few deficiency items for the fiscal year 1950, but is largely composed of supplemental items for the fiscal year 1951 made necessary because of the current acute defense situation.

Estimates considered by the committee totaled $16,852,484,598, and the appropriations recommended are $16,771,084,479, a reduction of $81,400,119. The following table is a summary of the estimates and the recommended amounts as distributed by chapters:

Comparison of budget estimates and the amounts recommended to be appropriated in the bill

Chapter	Subcommittee	Budget estimate	Amount recommended	Increase (+) or decrease (−)
I	District of Columbia	$2,717,614	$1,895,516	−$822,098
II	Legislative branch	460,910	262,910	−198,000
III	State, Justice, Commerce, and Judiciary	108,544,171	82,289,352	−26,254,819
IV	Treasury-Post Office	49,429,000	47,730,000	−1,699,000
V	Agriculture	[1] 26,100,000	[2] 100,000	−26,000,000
VI	Interior	11,301,000	11,301,000	
VII	Independent offices	957,476,000	940,727,700	−16,748,300
VIII	Civil Functions	21,900,000	11,400,000	−10,500,000
IX	Defense Establishment	15,642,906,000	15,642,906,000	
X	Claims and judgments	34,367,517	34,367,517	
	Total	16,852,484,598	16,771,084,479	−81,400,119

[1] And public debt transaction of $25,000,000.
[2] And public debt transaction of $18,000,000.

Mr. Chairman, I now yield 45 minutes to the gentleman from Texas [Mr. MAHON], chairman of the Subcommittee on the Armed Services.

MILITARY APPROPRIATIONS AND NATIONAL DEFENSE PROBLEMS

Mr. MAHON. Mr. Chairman, this is a most unpropitious hour in which to speak, but there are some things that need to be said, which must be said, about the United States military situation and Korean problem.

Mr. Chairman, in the bill now pending before the House, the Committee on Appropriations is recommending a supplemental sum for military spending in the amount of $11,600,000,000. Before discussing the details of the new program, I should like to make some general remarks in regard to defense spending.

In presenting military appropriation bills from year to year, those of us who are members of the Appropriations Committee have spoken in complete frankness as to the contents of the bills. We have proceeded on the theory that Members of Congress who are not on the committee, and the American people generally, should know the truth and should proceed with their eyes open to the realities of the situation.

On April 12, 1949, when the regular appropriation bill was before the House, I said to the House:

I would have no part in deceiving the people of this country. The bill before us does not prepare this country for the immediate outbreak of war. * * * If every tax dollar that the Government collects this year were spent for military purposes the funds would not be adequate for full mobilization. No military man before us recommended complete preparation for war. Nothing would please a potential enemy better than to have us bankrupt our country and destroy our economy by maintaining over a period of years complete readiness for armed conflict. Such a course would not only destroy our economy, but it would also probably destroy our democracy, destroy the essential natural resources of the country, and perhaps lead to a military dictatorship. Our country proceeds on the theory that our best interests are promoted by taking certain calculated risks.

When the bill was before us last year, I further pointed out that no man in this country could tell when and if war would come. On that question we had sought the advice of Secretary Forrestal, his successor, Secretary Johnson, members of the Joint Chiefs of Staff, General Eisenhower and other military and civilian leaders. These men recommended that we give consideration to both the military and economic requirements of the Nation. They did not recommend appropriations which would be adequate in the event of an early outbreak of war. Generally speaking, we appropriated the sums requested for defense by our military and civilian leaders.

This year the Committee on Appropriations again conducted exhaustive hearings into our military requirements and generally speaking we accepted the recommendations of the Joint Chiefs of Staff and presented to the House for passage a military bill in the approximate sum of $13,000,000,000. It was clearly pointed out that the $13,000,000,000 sum would be wholly inadequate in the event of an early outbreak of hostilities. The object of the bill was to maintain a relatively small but strong Army, Navy, and Air Force, with much emphasis on research and development. In other words, upon the recommendation of the President of the United States, the Department of Defense and the Joint Chiefs of Staff we struck a balance between economic and military considerations. Now, with respect to the recommendations of the Joint Chiefs of Staff as to the military bill last year and this year, certain reservations and explanations will have to be made. In a few moments I will come to a discussion of those matters.

By reason of the proven stature of Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, and Gen. Dwight Eisenhower, soldier and citizen extraordinary, former temporary Chairman of the Joint Chiefs, an informal adviser to the Department of Defense and to Congress in many military matters, these men have had great weight with the House Committee on Appropriations.

Let me speak particularly for a moment about General Eisenhower. At my request on March 21, 1949, the General appeared before our subcommittee on Military Appropriations. He assured the committee at that time that in his judgment the bill then before us represented approximately what should be done by way of defense spending.

Again this year, the committee sought the advice of General Eisenhower and he appeared before the committee on February 24, 1950. General Eisenhower explained that he had participated in the early stages of the formulation of the military budget and that he felt at the time that our defense appropriations should be held within the range of 13 to 15 billion dollars. Including contract obligations available to the services, the funds provided in the 2 years has been about $15,000,000,000 per year.

Some time after the appearance of General Eisenhower before the House committee, the general made a speech in New York in which he said there might be areas of weakness in our military set-up and when called before the Senate Committee on Appropriations, the general suggested the appropriation of certain additional sums. The general transmitted the same suggestions to the House committee.

Following General Eisenhower's recommendations a supplemental budget estimate was sent to Congress requesting an additional sum of $350,000,000 for our Defense Establishment. This request was in keeping with the Eisenhower recommendations. On May 9 when the military appropriation bill was on the floor I secured the passage of amendments which incorporated in the bill the additional sums suggested by General Eisenhower.

To be specific the House on May 10 of this year passed an appropriation bill in keeping with the recommendations of General Eisenhower and the Joint Chiefs of Staff. It should be pointed out, however, that certain minor reductions were made by Congress in various items principally with the thought in mind of securing greater economy in the utilization of civilian personnel.

In regard to the regular military bill and the fact that it represented the views of General Eisenhower and many military thinkers, the following letter addressed to the Secretary of Defense by General Eisenhower on April 25, 1950, will be of interest:

DEAR LOUIS: I have just read a copy of the statement that General Gruenther tells me you propose to deliver before the Senate Appropriations Committee tomorrow, the 26th. As I understand its terms you recommend—

(a) A construction program for Alaska that represents the maximum possible in the short Alaskan building season.

(b) An increase in antisubmarine activity in accordance with Admiral Sherman's views, and authorization for modernization of naval aircraft.

(c) An amount of about $1,550,000,000 for airplane procurement for the Air Force.

(d) Increased provision for modernization of Army equipment.

(e) Adequate provision for intelligence and industrial mobilization.

So far as I can determine your recommendations accord exactly with what I personally believe should now be done. I hope the committee agrees with you in detail.

With warm regard.

Cordially,

IKE.

What I have just read is the full text of General Eisenhower's letter of April 25.

I repeat the final paragraph:

So far as I can determine your recommendations accord exactly with what I personally believe should now be done.

Congress followed these recommendations and the point I am trying to make is that our military bill this year was exactly in accord with the recommendations of General Eisenhower and the Defense Establishment, though, as I pointed out, we did make some reductions principally in civilian personnel not recommended by the Defense Department.

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

Mr. MAHON. I yield to the gentleman from Indiana who has shown a very keen interest in all defense matters throughout his service here.

Mr. KRUSE. There has been much comment regarding the manner in which the money for national defense has been spent. Now, can we correctly assume that the Joint Chiefs of Staff were fully aware of the manner in which the money was spent, so much for weapons, so much for housekeeping and so on, and that it was done at their direction and with their consent and their knowledge? Is that not correct?

Mr. MAHON. The gentleman is correct. The point is well taken, and a little later on I hope to discuss that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would the gentleman, who was very active in persuading the House a year ago to appropriate some $700,000,000 additional for the Air Force, say that the Joint Chiefs of Staff concurred in the freezing of those funds by the President? I think it was $735,000,000.

Mr. MAHON. I would not say that they did concur in it. The Joint Chiefs of Staff did not, of course, officially request the funds originally.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. WHITE of Idaho. Who would we fight in a global war?

Mr. MAHON. Well, I think that each Member could supply his own answer to that.

Mr. WHITE of Idaho. I think we have conquered most of the globe, have we not, except one little country north of China?

Mr. MAHON. I thank my colleague but I cannot yield further.

In the matter of military appropriations I hope I have now made two points clear. First, that Congress has given the weightiest consideration to the recommendations of our military and civilian leaders, and, second, that the appropriations have not been made with the assurance that the sums provided were adequate to prepare this country for an immediate outbreak of war. A balance has been struck between military requirements and economic considerations.

May I make a few additional references to this matter of a balance between military requirements and economic considerations. Everyone has realized that economic chaos at home would greatly weaken our Nation and many spokesmen of Government and business have pointed out that we could lose the war against communism through economic prostration at home as well as on the field of battle. Military leaders have often expressed the same view. For example, General Eisenhower in testifying before the Senate Subcommittee on Military Appropriations said in March of this year as shown on page 703 of the hearings the following:

I repeat—the first thing that the free world needs is the economic soundness of the United States.

Gen. Omar Bradley, who is unquestionably one of the great men of the world and who in his capacity as Chairman of the Joint Chiefs of Staff is our foremost military leader, had this to say a few months ago in regard to the balance between economic and military considerations:

There is a preparedness paradox that continually confronts the military planners. On one hand, we are constantly aware of the tremendous expense of military preparedness, and I assure you that no man in Government is more concerned than I am about economy. If we spend more money annually than we can afford, we could let our expenditures for preparedness lead us into bankruptcy. Any nation that has in mind the downfall of the United States can sit patiently by while we destroy the very backbone of our security—our industry and our economy. * * * We must not spend ourselves into bankruptcy, and yet we must be well prepared; we cannot afford a large enough Armed Forces to assure us quick victory, but we must provide for sufficient forces to avert disaster. * * * We have sought to devise a budget which will * * * maintain a balanced team for the conduct of the early phases of the war, as well as a mobilization base upon which we can construct a realistic and unified strategic plan to be employed in the event of war.

Our military leaders have often expressed the view that the aggressor is deterred perhaps as much or more by our colossal production and industrial potential as by our fighting force in being.

Now as previosuly stated, certain clarification of the position of the Department of Defense and the Joint Chiefs of Staff is necessary. In the regular bill last year, and in the regular bill this year, the Joint Chiefs of Staff desired more money than the $13,000,000,000 provided and, had they fixed the ceiling, it would have been fixed at a higher figure. The estimates of the Joint Chiefs last year for placing this country in a state of semireadiness for war went as high as $30,000,000,000, but no request was ever made for such a sum and there was never an intention of requesting such a sum for use during the fiscal year ending June 30, 1950. As a result of the thorough interchange of ideas within the Department of Defense and consultations with the Bureau of the Budget, the Budget finally fixed a ceiling for military appropriations in the sum of $15,000,000,000. In fixing the figure of $15,000,000,000, the available Federal revenue and economic considerations had great weight.

The relative value of hundreds of proposed plans were evaluated both as to cost and the time element as to when a project had to be completed to insure an over-all balance. The desirability of a larger military force for example was compared with the need and cost of expediting research and development. The desire for more and better housing was compared with the need for additional ordnance matériel and other hardware. The desires for increased operation and maintenance funds were weighed against the requirements for preparing industry to meet all our mobilization time tables.

The truth is that all thoughtful people have been aware for many months of the threat of communism to our security and the peace of the world. The Joint Chiefs of Staff earnestly desired additional billions for defense purposes. Not only did military leaders desire more money for defense, those of us who serve as members of the Committee on Appropriations recognized that vast additional sums for defense were highly desirable. These views were also shared by Members of Congress generally and by the rank and file of American citizens.

But, we have been faced with this situation: Our Federal revenues have been running at slightly less than $40,000,000,000 per year. Except for 1 year we have not balanced the budget and there has been widespread alarm over the threat of upsetting our economic stability as a result of unwise expenditure of resources, manpower, and funds.

Despite an appropriation last year of only $13,000,000,000 for the Armed Forces, our Government went into the red in the sum of $3,000,000,000. For the Army, Navy, and Air Force, we appropriated about $13,000,000,000, but when we add funds for the Atomic Energy Commission, foreign economic and military aid, and a few other items which have definitely to do with our program of preparedness, the sum runs to about $20,000,000,000. In other words, last year we appropriated for national defense in one form or another about $20,000,000,000 out of total revenues of about $40,000,000,000.

We are appropriating this year $25,000,000,000 for the Department of Defense, including the bill before us. But that is not all the money which we are providing for national defense. We are appropriating about $11,000,000,000 for foreign economic and military assistance programs, the Atomic Energy Commission, stockpiling of strategic materials and defense items of similar kind and character. In other words, when the

pending bill becomes the law, we will have appropriated this year for national defense in one form or another the sum of $36,000,000,000.

In January our estimated Federal revenue for this year was $37,300,000,000. If we spend this year $36,000,000,000 for defense, there will remain in cash only one and three-tenths billion for all of the other functions of the Government. I might point out that more recent estimates indicate that our revenues will considerably exceed thirty-seven billion, but that does not greatly alter the picture.

In keeping with my policy of frankness on the subject of military spending, I must further point out that the eleven and six-tenths provided in the pending measure for supplemental Department of Defense appropriations is not adequate to meet the requirements already in sight. The figures does not include funds for the four National Guard divisions which are being called into service and for a large increment of marines. There will also be further requirements for many purposes, and the Department of Defense is now preparing additional estimates of funds needed. I estimate that additional funds within the range of a total of $10,000,000 will be required within the next several months. However, it is impossible to tell at the moment just what the future holds and just what the additional requirements for the present fiscal year may be. I hope Members of Congress and the American people will understand the grim realities incident to the present situation.

A new tax bill is in the making which should measurably increase our Federal revenues, and there will be a continued weighing of both economic and military factors.

Of course, if it were possible to know the month and year that full-scale war would begin we could know when to abandon fiscal considerations in favor of a vast spending program on a total war basis. It is clear that no free nation could remain indefinitely in a state of total readiness for war. Moreover, such an attempt would result in a crippling of the military potential of the country, and would require such a drastic change in our way of life that our concept of a nation fit to live in would have to be greatly altered.

As to the pending measure before us now, the request for an additional $11,600,000,000 for defense, I say on my own responsibility that these additional sums requested for military purposes are pitifully and woefully inadequate for the waging of a major global war, if such a war is anticipated within the next 6 months or 2 years.

If we propose to prepare for a major war which might possibly develop within 2 years we need in this bill a minimum sum of $100,000,000,000, and we need to immediately suspend or readjust our civilian pursuits and move into a wartime economy, gearing our industry and manpower to a program of training and production for the forthcoming defense of our civilization.

Let us face up to the facts and let no man deceive himself. I repeat, the pending bill which provides supplemental appropriation in the sum of $11,600,000,000, to be added to the $13,300,000,000 already approved by the House and Senate, for Department of Defense is not adequate to prepare or to begin to prepare this country for all-out participation in a global war within 2 years.

There may be those who now look back with a suddenly acquired 20–20 hindsight vision, if I may borrow a phrase recently used by someone else, and say that if we had on some past occasion appropriated a few million, or even a couple of billion dollars, or somewhat more for this or that purpose, we would now be prepared for global war. That is utter nonsense. Preparation within a relatively brief time for global war is at the very minimum a $100,000,000,000 annual business.

In view of my statement that adequate preparation for an early global war is a $100,000,000,000 business, it may well be asked why the pending measure provides only for $11,600,000,000, making a total when added to previous sums approved of about twenty-five billion this year for the Department of Defense.

Our committee is providing the total sums requested at this time by the Joint Chiefs of Staff, and therefore the inescapable conclusion is that our military people do not believe that we are in world war III or that we will be in the midst of world war III within the next few months. The bare facts of the situation lead to no other conclusion. An $11,000,000,000 appropriation would not be a drop in the bucket compared to the money requirements for a global war. That fact ought to be plain enough for anyone to see.

In other words, under the military program envisioned in this bill, we continue to take very grave calculated risks, doing so with the hope that a major war may still be averted. We have either got to take these risks or immediately abandon present peacetime pursuits and begin full-scale mobilization for war.

The choice that has been made has been the choice of the President of the United States, the Department of Defense, and the Joint Chiefs of Staff. We of the Appropriations Committee in presenting this bill have not undertaken to override the recommendations of the President and the Joint Chiefs. We have accepted their recommendations as the very best possible source of guidance in this critical world situation.

The purpose of the additional funds now requested is to strengthen our Army, Navy, and Air Force, increase our degree of readiness; that is, create a stronger and sounder mobilization base, and apply greater pressure in discouraging aggression around the world.

Oh, yes; there is a relationship of these funds to the fighting in Korea, but it should be evident to everyone that most of the guns and ammunition, airplanes, tanks, and ships which will be produced by this additional money will probably not actually be utilized in Korea. We hope that the Korean situation may be stabilized before the elapse of the many months required to manufacture the major items provided for in the pending measure. Yet the awful truth is that we cannot tell what the Korean fighting may eventually lead to or whether aggression in some other area will jeopardize our security.

Now to further clarify the situation, it is not the plan to pick up the $11,600,000,000 herein provided and hurl it at the enemy in Korea and thereby achieve victory. The actual problem is far different from that. As we move existing men and equipment into the Korean theater of operations, and existing forces and equipment will be and are our chief reliance in Korea, we leave vacuums elsewhere and the supplemental funds will be helpful in filling the vacuums and greatly strengthening our over-all military posture. Put it this way: If the struggle against the Communists of North Korea were the only danger on the horizon the larger portion of the additional funds requested in the pending bill would hardly be necessary.

Again and again in recent days the question has been asked: Who is responsible for our plight in Korea, for the Korean situation. Some people have been so busy blaming the situation on the complacency of the American people, or the Department of Defense, Department of State, or Congress, that they seem to have overlooked the fact that the disturbers of world peace, the Communist aggressors, and they alone, are responsible for the Korean situation. Let us get a clear perspective of the picture and put the blame where the blame belongs.

Now when reverses come, and we have suffered temporary reverses in Korea, it is a human tendency to look for a scapegoat. Did the Communist thrust penetrate South Korea because we had too few men in the Army, Navy, and Air Force? No. We had 1,500,000 men in the three services and the Communists in Korea have apparently never employed over 10 percent of that number. Was it because we had too few naval ships in active service? No. If every ship in the mothball fleet had been in commission, the Communists could nevertheless have invaded South Korea. The North Koreans have no Navy at all. Was it because our Air Force was inadequate. Definitely not. We had 48 relatively modern groups, certainly an adequate air force to cope with the North Korean Communists, particularly since the Communists had no air groups at all.

As is well known, the Subcommittee on Military Appropriations, of which I am chairman, led the successful fight last year to provide the funds for stepping up our Air Force from 48 to 58 groups, a further step toward our minimum goal of 70 groups and we have not changed our views on that important subject. Did the failure of the President to expend those funds have any appreciable effect upon our reverses in Korea? In all fairness, the answer would have to be no. Was South Korea invaded because the United States had too few tanks, too little ammunition, or other military supplies or equipment? No. Had our Army, Navy, and Air Force been twice as strong, the Korean story to this date

might have been just about the same story.

My statement may appear to be superficial, and if I should stop here it would be superficial. I do not want to distort the picture or deal in oversimplification. It is true that we had in being an adequate Army, Navy, and Air Force to repel the Communist invasion but none of this force was stationed in Korea to repel an invasion. Not only were the entire Army, Navy, and Air Force adequate to repel the invasion, perhaps a relatively small segment of our men and equipment would have been adequate to repel the Communist thrust in Korea had they been deployed on the battle line in Korea on the 25th day of June 1950, when the invasion began.

All American troops were withdrawn from Korea before July 1949. This step was taken as a part of an effort to reach a final settlement of the Korean problem. It was in keeping with the policy of the United Nations and in keeping with resolutions adopted by the UN. When these troops were withdrawn, it was perfectly evident to anyone that a strong thrust across the border by the Communists from the north could and would penetrate South Korea, the South Koreans having a force equipped and trained for little more than the maintenance of internal security and the patrol of the border against harassing raids. Such a thrust from the north would penetrate South Korea, and the existence of American and United Nations forces elsewhere, however strong, could not possibly prevent the penetration of Korea.

Now, in a general war, South Korea is not a country of strategic importance to the defense of the United States. There are many strategic areas, the possession of which is vital to our military security, but Korea is not one of them. What is vital to our security is that an aggressor not be allowed to get away with aggression and bring about the collapse of the will of the free world to resist.

I do not profess to speak for our foreign policy makers but in a nutshell this seems to be the situation. South Korea was attacked by the Communist aggressors on the early morning of June 25, Korean time. On June 25, at 2 p. m. New York time, there was a convening in New York of the Security Council, at which meeting Communist aggression was discussed and condemned and a cease fire was ordered. It was immediately clear that the North Koreans would continue to defy this order. On June 27, South Korea requested military aid from the United Nations, the President determined that we should assist the Koreans to resist the attack, and the United Nations called upon its members to give military support in opposition to the Communist aggression. In other words, United States troops left South Korea in 1949 at the request of the United Nations and returned to South Korea in June 1950, in response to action taken by the United Nations to keep the peace.

Some have asked why our forces have done so poorly. The answer is that under all the facts and circumstances they have not done poorly. It may very well be that Prime Minister Menzies of Australia was right when he said in an address in this Chamber on August 1, 1950, that our hastily improvised campaign to halt the invaders short of success in their deliberate aggression, may be regarded as a really brilliant feat of arms.

The Time magazine of August 21, 1950, and the editors of Time do not lie awake nights to think up kindly things to say about persons or programs, reports as follows:

> The American effort and the American soldier in Korea are magnificent. Doubtless we could and should have been better prepared. But the more important fact is that never before in all our history have we been so nearly prepared at the start of any war as we were at the start of this one. Today we have in Korea more men and more arms than we sent to the invasion of north Africa in November of 1942, 11 months after Pearl Harbor.
>
> Already, though still outnumbered, we have the greater weight of arms, on the ground and in the air and at sea. We know how to use and coordinate the arms, as we did not know for many months after the start of World War II. It is a wonderful and thrilling thing to see, as I have just seen, infantry in action with the support of fighters from the Air Force, bombers from a naval carrier, and, if the field commander had wanted it, bombardment from warships standing offshore.
>
> It is wonderful and thrilling, too, to ride the pipeline into Korea. The C-54's, the C-46's, and 47's stream into the airports of Japan, laden with everything from battle-wise noncoms to dismantled artillery.
>
> We might yet be pushed out of Korea. But the build-up of American power has been achieved at a pace and on a scale that would never before have been possible so early in a war so far from home.

I may also suggest that the Congress should acknowledge and applaud the heroic fight being made by the South Koreans in defense of their country. South Korean divisions are now in the line and are fighting well.

Officials of our Armed Forces knew that over a period of months there had been a build-up of Communist strength, tanks included, in North Korea, just as even larger forces have been amassed in east Germany and in the areas near Yugoslavia and Iran, and there are numerous other danger spots. Even visiting Congressmen in Korea months ago reported the possibility of invasion of South Korea.

It is certainly evident in the light of events that our military force in Japan has not been sufficiently strong. Had we, in a measure, taken out of account the threats to peace in other areas of the world and amassed a relatively small but powerful and mobile, well-equipped, striking force in Japan, the thrust could have been stopped earlier. It could not have been stopped at the border. The difference in time when the invasion could be slowed down would be a matter of degree. No doubt South Korea would have been completely overrun before effective aid could have arrived from the United States and other free nations.

Let us be realistic. Only land troops in force and on the spot at the time can stop a land invasion. Just because we have a mighty air force and a formidable navy does not mean that a land advance across a land border cannot be made. No military person would assert that an air force and a navy can stop an advance by land of strong ground forces.

On the shores of the Adriatic in the little territory of Trieste, and adjoining the country of Yugoslavia, we have 5,000 American soldiers. If some day 100,000 Communist troops, and many more than that are available, should step across the Yugoslav border and attack our forces, the situation of our troops would be obviously hopeless. We have been taking many calculated risks. It has either been a matter of taking calculated risks of some degree or mobilizing millions of men, arming them to the teeth, and stationing them at strategic places all the way around the perimeter of the free world. We have been and we are in a very difficult predicament. Perhaps we are better prepared in some respects to begin to fight an all-out major war against the heart land of the potential enemy than we are to fight small wars at points picked at random all over the earth.

If the Communists should hurl a few dozen well-equipped divisions against western Europe, and they are perfectly capable of doing so, is there anybody who doubts that important parts of western Europe would be penetrated within a relatively short time? That seems evident. The probability that before such aggressive steps could be completed many of the key cities and industrial areas of communism would be in atomic shambles has perhaps been a restraining factor. Nevertheless, it is the Western European situation which has worried thoughtful people for many months. The threat to world security is greater in Western Europe, the storehouse of much of western civilization and potential power, chiefly because its safety is vital to the maintenance of the ability of the free world to resist.

It is impossible to know with complete certainty just what we should do to meet our responsibilities. Actually, absolute security is unattainable. In the pending bill we take another step toward greater preparation for war. Not that we want war. On the contrary, we take the step in the hope that aggression may be further discouraged and peace promoted.

In broad outline and round figures here is what we do in the bill for the Army, Navy, and Air Force.

For the entire Department of Defense we provide a supplemental appropriation in the sum of $11,600,000,000. When the sum provided in the regular bill of $13,300,000,000 is added we have a total Department of Defense appropriation for this year in the sum of $24,900,000,000. In addition to this the Department also has available in contract authorization $1,300,000,000.

DEPARTMENT OF THE ARMY

The supplemental bill gives the Army $3,100,000,000 which will enable the Army to build up its manpower by next June 30 to 1,000,000 men in uniform. However, included in that number are some National Guard units which will soon be in the Federal service but for which no funds are provided in the pending bill,

and estimates have not yet been provided for certain funds which will be required to round out the program.

Army Ordnance gets $1,400,000,000 of the new funds. These funds will make possible a great acceleration in our new tank program which we initiated in 1948 with a $100,000,000 appropriation and will provide for production of markedly superior weapons and ammunition which have been developed since World War II.

DEPARTMENT OF THE NAVY

The total additional sum provided for the Navy in the pending bill is $3,600,000,000. With these additional sums the Navy is scheduled to increase the number of men in uniform to a total of 750,000 by next June 30. Of this number 165,000 will be marines. Sums for the pay of some of the marines will have to be included in a subsequent bill as the committee has not yet received an estimate of the exact sums required.

SHIPS

Under the pending supplemental bill the combatant ships will be increased from 243 in the regular appropriation bill by 39 to a new total of 282 ships. The mine and patrol, auxiliary, and amphibious-type ships will be increased from 386 in the regular bill by 243 to a new total of 629 ships, thus bringing the over-all total of operating ships of the Navy to 911. A total of 282 ships are being withdrawn from mothballs in fiscal year 1951.

AIRCRAFT

As to Navy aircraft, here is the situation. In the pending supplemental bill we are appropriating $1,500,000,000 for the procurement of 2,377 aircraft. If you add to that the funds provided in the regular bill of $748,943,000 for 980 aircraft, you arrive at a total aircraft procurement program for the fiscal year 1951 of $2,300,000,000 for 3,357 aircraft.

DEPARTMENT OF THE AIR FORCE

Here is what we do for the Air Force. We provide a supplemental sum of $4,500,000,000. The Air Force is to increase its military personnel to a total figure of 550,000 by June 30 next. For an additional 2,956 aircraft $2,700,000,000 is provided. The regular bill provided for the purchase of 1,472 aircraft. Funds in the regular and supplemental bills provide for a total of 4,428 new aircraft, including all types.

OFFICE OF SECRETARY OF DEFENSE

In the Office of the Secretary of Defense, there is provided $85,000,000 to meet unforeseen emergencies that require expeditious handling.

Also provided is $120,000,000 for research and development and $70,000,000 for industrial mobilization.

SUMMARY OF FUNDS

To recapitulate, the funds provided in the pending supplemental bill when added to the funds provided this year in the regular bill give the following distribution of funds to the three services and the office of Secretary of Defense:

Army	$7,236,879,143
Navy	8,362,476,300
Air Force	10,086,675,000
Office of Secretary of Defense	633,300,000

Included in the Navy and Air Force funds are contract authorizations to the Navy of $575,496,000 and to the Air Force of $810,289,000.

To recapitulate as to military personnel, the presently estimated strength of the Army, Navy, Marine Corps, and Air Force on June 30, 1951, is 2,300,000 men.

The regular bill plus the pending bill provides for a public-works program in the Army, Navy, and Air Force totaling $639,034,000.

A minimum of essential construction is provided at installations in continental United States and overseas.

It is impossible in my remarks to give full details as to all the sums provided in the pending measure. The committee report and the hearing will be of interest to those seeking further information as to details.

SUMMARY OF EXPENDITURES, PAST 4 YEARS

Since the fighting began in Korea, some critics have been shouting, "What has happened to the $49,000,000,000 appropriated by Congress for the Department of Defense during the past 4 years?" The intimation seems to be that perhaps someone has stolen the money or absconded with it. There is nothing sinister about the situation at all. During the last 4 years we have appropriated about $49,000,000,000 for the Department of Defense as a down payment on a peace insurance policy or shall I say an investment in security. During the past 4 years the national income of the American people has been about $820,000,000,000. In other words, during the past 4 years we have spent about 6 percent of our income on peace insurance through the Department of Defense and that was not too much to spend. It was perhaps not enough.

What did we do with the money? The money was expended in accordance with the law by the three services. $20,000,000,000 was required to pay, feed, clothe and transport military personnel. I do not know of any Member of Congress who has offered a motion to reduce the pay of officers and enlisted men during the 4-year period. In fact, last year we passed a bill increasing the pay of officers and enlisted men and which has required this year large additional sums.

Approximately $13,000,000,000 has been required to operate and maintain aircraft, ships, and other tactical equipment and military installations. The National Guard and Reserves required about $2,000,000,000. Nobody suggested that those funds should have been reduced.

Eight and a half billion dollars was utilized in the procurement of major items such as ships, aircraft for the Air Force, Navy, and Marine, tanks other weapons, ammunition and other combat material. Of the $8,500,000,000 referred to, more than $6,000,000,000 was devoted to the procurement of aircraft.

The question is asked, "Why were only $8,500,000,000 of the total of forty-nine billion provided for procurement of fighting equipment?" We could have drastically reduced the size of the Army, Navy, and Air Force and closed military installations and put more ships and planes in mothballs and thereby had a greater percentage of the funds for procurement, but to have disbanded our military forces and closed our installations and invested the entire sum in fighting equipment to be placed in warehouses or under the open sky to deteriorate would have been a course of action which could only be characterized as indefensible and ridiculous.

Moreover, if we had spent all the $49,000,000,000 on hardware, much of it would now be obsolescent or out of date. That is true for this reason. During the past 4 years we have provided in excess of $2,000,000,000 for research and development, in the field of aircraft, antisubmarine warfare, guided missiles, and so forth, and that wise expenditure has placed the Nation in a much better shape in the long run to sustain our military effort at a minimum cost in human lives. As one Member of Congress, I have no apologies for the fact that during the past 4 years we have provided $49,000,000,000 for the Army, Navy, and Air Force. My only concern is that we have not spent enough. For the purposes of the record, I shall insert after my remarks a detailed statement of the military fiscal program for the past 4 years.

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

Mr. MAHON. I yield.

Mr. LYLE. Mr. Chairman, I believe this is one of the most helpful speeches that has ever been delivered on the floor of the House of Representatives; particularly in view of the misinformation that has gone out over the country. I sincerely hope every Member of the Congress will make it a point to read the statement of the gentleman from Texas. The gentleman has done a service for his country in compiling all this information and bringing it to us. I think the gentleman should be highly complimented.

Mr. MAHON. Thank you. I am much complimented by your very generous remarks.

I now insert for printing in the RECORD a more detailed summary of military expenditures for the fiscal years 1947, 1948, 1949, 1950:

DEPARTMENT OF DEFENSE UTILIZATION OF NEW OBLIGATIONAL AUTHORITY FOR THE MILITARY FUNCTIONS OF THE DEPARTMENT OF DEFENSE, FISCAL 1947, 1948, 1949, 1950 (COVERS PERIOD FROM JULY 1, 1946, THROUGH JUNE 30, 1950)

In the four fiscal years since World War II the Congress provided new obligational authority for the military functions of the Department of Defense of $49,330,000,000. Of this amount $11,672,000,000 was authorized in fiscal 1947, $9,812,000,000 in fiscal 1948, $13,955,000,000 in fiscal 1949, and $13,891,000,000 in fiscal 1950, the year just ended. Of this total authorization, $48,439,000,000 was used in the four fiscal years since the war and approximately $891,000,000 is being used in the current 1951 fiscal year.

Of the total amount authorized, $19,850,000,000 has been used to pay, feed, clothe and transport the peacetime military ground, naval and air forces of 1,500,000 men. This represents 40 percent of the total military bill during this period.

Approximately $12,800,000,000 has been required to operate and maintain aircraft, ships, other tactical equipment and military

installations used by these forces. This represents 26 percent of the authority made available during the period and includes a large proportion of the total civilian personnel required by the military departments to support and maintain the Nation's Military Establishment. Civilian personnel on June 30 totaled 743,000 and was approximately 140,000 lower than the total employed at the end of the previous year.

Allocated directly to the Nation's civilian components—Army and Air National Guards, and Army, Navy, Marine and Air Reserves—was approximately $1,860,000,000, or 4 percent of the total. The number of men in drill pay status in civilian component programs increased from virtually more at the end of the war to over 830,000 as of June 30, 1950.

These three programs, covering military personnel costs of the active forces and their operation and maintenance, and the pay and maintenance costs of the Reserve forces, utilized over $34,500,000,000 and constituted 71 percent of the total authority provided in the 4 years since the end of World War II.

Research and development on new weapons and new techniques of warfare required about $2,250,000,000, or 5 percent, of the total during the period, and is currently being conducted at a $600,000,000 level. Industrial mobilization and war readiness programs required a little less than $400,000,000 or 1 percent of the total.

Military public works construction in continental United States and overseas areas totaled approximately $500,000,000. Retired pay of former military personnel required the use of over $780,000,000; service-wide administration and finance activities $880,000,000; and other interservice projects, largely of a classified nature, required approximately $500,000,000.

Over $8,500,000,000 was utilized in the procurement of major items of material such as ships, aircraft, tanks, weapons, ammunition, and other combat and combat-support material. This was less than equipment actually used since substantial quantities of World War II matériel were withdrawn from stock during the period. New construction of prototype ships and conversion of existing ships utilized almost $810,000,000 of the authority provided. Major procurement of antiaircraft guns, fire control and other electronic equipment, tanks, gun carriages, tactical vehicles, aircraft ground handling equipment, and antisubmarine warfare equipment required $1,460,000,000.

Major procurement of aircraft involved the use of about $6,260,000,000, or 13 percent, of the total authorization provided. This permitted the procurement of 10,238 aircraft—4,943 Air Force, 3,837 Navy, and 1,458 Army (mostly liaison planes). Since there is a lag time between the initiation of procurement and the delivery of the completed aircraft of from 1 to 3 years depending upon the type, we are now receiving in substantial quantities aircraft procured under the $2,800,000,000 program for fiscal 1949 which was authorized in May 1948.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, the people of America are demanding to know what has been done with the billions of dollars approved for national defense since World War II.

They are demanding to know how we were caught so lamentably unprepared and so unequipped in Korea.

The confidence of the country has been badly shattered.

The people are demanding, and they have a right to demand, competent administration in the field of national defense here in Washington.

Mr. Chairman, it has been stated publicly that at the end of World War II we had on hand some $19,300,000,000 worth of weapons and equipment—some $13,000,000,000 worth here in America, and some $6,300,000,000 worth in the hands of our occupation troops. I cannot vouch for the accuracy of these figures, but whether they are accurate or not, we did have, certainly, an enormous supply of weapons and equipment on hand at that time.

Since the end of World War II, according to the figures prepared for me, we have spent for national defense purposes, in the fiscal years 1946 to 1950, inclusive, the huge sum of $96,400,000,000.

I include in that figure, Mr. Chairman, five items—the military, atomic energy, stockpiling, the NACA, and Mutual Defense Aid.

This bill carries another $16,700,000,000, of which $16,260,000,000 is for defense purposes. I again include the items just specified. Taken in connection with the omnibus bill approved by the House today the total appropriated to date for national defense for the fiscal year 1951 amounts to $32,600,000,000 for the items specified, according to my figures, or some $36,000,000,000 according to the distinguished chairman of the subcommittee, the gentleman from Texas, [Mr. MAHON], who has just spoken.

In other words, Mr. Chairman, in the period of 6 years we have appropriated for national defense over $129,000,000,000, not counting another $15,000,000,000 for such items as GARIOA, the Voice of America, ECA, Aid to Spain, Greece, Turkey, Palestine, China, and Korea, point 4 assistance, and other items which might fairly be included in the defense picture.

If the latter figure is included, we arrive at a total for the 6 fiscal years in question of $144,000,000,000, not including such further funds as may be requested during the present fiscal year.

Generally speaking, we know the Congress has made available every dollar which has been requested by the President. In fact they have done far more. On two occasions, we have seen between seven and eight hundred millions of dollars specifically appropriated for the purpose of building up a fighting air force impounded by the President and therefore not put to the use for which the Congress appropriated that money.

Funds made available for Air Force research and development have also been impounded.

As of June 30, last, there were over $1,718,000,000 of unobligated balances, made available by the Congress, which could have been obligated during the fiscal year 1950.

In the statement which the gentleman from Texas [Mr. MAHON] has referred to, and which is also referred to in the committee report, you will note that only 17 percent of the $50,000,000,000 appropriated in the four fiscal years 1947–50, were used for arms and equipment.

How have these enormous funds been expended, Mr. Chairman? Insofar as consistent with national security, the Congress and the people of this country are entitled to an answer.

And how are future appropriations to be spent, Mr. Chairman. For in all human probability, we will be called upon to make further tremendous appropriations in view of existing conditions.

It is vital, in my opinion, that the Congress should know, that the Congress should follow not only the making of appropriations but the actual expenditure of the money after it is made available.

In the past it has been difficult enough, from the testimony presented by representatives of the military departments, to form any accurate estimate of expenditure in advance.

In the bill under consideration there are items which were supported by representatives of the Military Establishments which, in my judgment, were entirely inadequate as to justification, and unsupported by fundamental information.

It is even more difficult to ascertain how appropriations have been spent once they have been made available; to obtain assurance that for every dollar appropriated we obtain 100 cents value.

Prior to World War I we were lamentably unprepared.

Prior to World War II we were lamentably unprepared.

I shall not forget the summer of 1940 when those of us who were here knew, from confidential figures which could not be made public, that this country had little or nothing to fight with in the war into which we were moving step by step every day.

You will recall that the situation was so bad that General Marshall subsequently, in an official report, stated that aside from planning we were in worse shape in 1940 than we were in 1917.

It must not happen again.

America today is in great danger. It is in danger by reason of the international situation overseas. It is in danger by reason of the economic situation here at home.

Only a few days ago the British Minister of Defense, corroborated by Winston Churchill, stated in the House of Commons that in British opinion, the Russian Government has no less than 175 divisions, one-third mechanized, under arms today, 80 of them available for use in Europe; and, in addition, some 40,000 tanks and 19,000 planes.

Our whole national policy is dependent, in the last analysis, upon our military power. Our whole military power is dependent, in the last analysis, not only upon appropriations but on expenditure.

I urge, Mr. Chairman, that the House, through the Subcommittee on Appropriations for the Defense Agencies or the appropriate subcommittee of the Armed Services Committee, or some special over-all committee, undertake immediately, with the aid of an expert staff having access to the national defense departments, to follow the expenditure

of funds made available for national defense in the greatest possible detail consistent with national security.

There is no time to be lost.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I have felt that every Member of Congress realizes that the supreme question before mankind is whether the present generation will again in the very near future have to go through the baptism of fire or whether there is still a glimmering hope for world-wide peace.

We here in this House pass upon many questions of great importance, but none of these questions are comparable in their consequences to the one stated above, for the destiny of mankind; the survival of freedom upon earth and the continued progress and blessings of the Christian religion.

For nearly 5 years a world-wide struggle has been going on in the minds of men everywhere. The opposing factors in this struggle are, in the main, represented on the one side by the present Communist leaders that are installed in the Kremlin, and who have established in Russia a ruthless dictatorship that neither believes in the dignity or freedom of the individual and the rights of the people themselves to form and carry out their own governments, nor do they believe in the principles and faith of any religion except the religion of power and might.

On the other hand, there is a philosophy of life represented principally by the United States of America and 57 other governments of the world that fundamentally believe in the dignity and right to freedom of the individual, and who conceived the idea and belief that they themselves should rule and set up the kind of government they preferred in each nation, and who basically ground their faith in the religion of the great Jehovah that holds the destiny of the human family in the hollow of His hand.

In this modern age, being somewhat familiar with the great progress of the human family toward freedom and happiness, it is hard for the ordinary man to conceive that at this late date there would be a great power loosened on earth which would seek to destroy all of those blessings that flow from liberty and freedom, and which seeks to install upon the face of the earth a world-wide dictatorship that would absolutely crush all freedom of the individual; which counts as worthless the right of every single man, and which believes that all power should be reposed in a ruthless dictatorship, and while the people have generally been unable to grasp this horrible conception, it is nevertheless the fact.

For the past hundred years, the Communist Party, going at different times under different names, has been building up toward a world-wide conquest of all peoples of the earth, and it is the avowed purpose of Stalin and the men in the Kremlin who represent the hard core of communism, to revolutionize the entire world; to rob mankind of liberty and religion and to substitute the merciless dictates of their own will and to convert the rest of the human family into slaves.

As horrible as this statement is, and fraught as it is, with the destruction of everything that this country and its people hold dear, it is the truth, and the sooner all of us realize this fact the better off we will be, and we will be more able to unite ourselves and unite the other peoples of the world that oppose these communistic concepts, to crush the onrush of communism and save for the world, liberty, freedom, and religion.

The people of the United States have been reluctant to believe that such a giant of destruction exists; they have been slow to realize that there is an enemy of God and mankind stalking over the earth.

Prompted by the pure sentiments emanating from a true concept of the brotherhood of man and the fatherhood of God, the American people generally, and many other Christian nations, have not been able to conceive that there was upon earth a group of men who were wholly evil, whose every word and act were spawned in the bed of falsehood and selfishness, and, the general love and respect which all good men everywhere have for their fellow man have largely, up to this hour, made it almost impossible for the people who believe in liberty and freedom, to grasp the true facts of the present situation. It is hard for them to realize that a powerful and ruthless nation, who 10 years ago had domination over only 170,000,000 people, by false propaganda, has now been enabled to acquire complete domination and control over 800,000,000 people.

It is now beginning to be crystal clear to men everywhere who will take the time to study the facts and events which have occurred in the past 5 years, that the diabolical purpose of the men in the Kremlin—the ruling authorities of the communistic movement on the face of the earth—are determined, if they can, to subject, conquer, and destroy the free Government of the United States, their principal opponent, and the Governments of England, France, Spain, Korea, Turkey, Greece, and many, many other independent nations.

To state that the human family is at the crossroads of its destiny, that the Christian religion, the liberty and freedom of the individual, are on trial for their very existence, is not an overstatement of the bald facts of the case.

Marx, Lenin, Stalin, and many other leaders of the Communist forces have made speeches and written books. The record has been made, and in these speeches and books, the arch enemies of mankind have set forth the purposes and designs in detail. They have openly advocated world-wide revolution. They still advocate the overturning by force and unconstitutional means, all the free governments of the world, including, especially, the Government of the United States. In their speeches and books, these Communist leaders and others have frequently said that they would use false propaganda, or any other foul means, to accomplish their evil purposes. They strive to bring about poverty and misery and unrest in all of the other nations of the world that are not under their power. They have been resorting to, and are continuing to resort to, methods of infiltration, whereby they can plant their fanatics in among the people of all other nations, and in our own good country. They have had them here in America and they have succeeded in inflicting upon our Government and our people, everlasting damage.

While the American people and many other peoples of other nations have been devoted to peace, these foreign spies and some American traitors have stolen from the American people many of the secrets of our modern implements of war, including the formula and know-how of the atom bomb and the hydrogen bomb; and by this method of creating poverty, discouragement and unrest, hopelessness and misery, among the peoples of many smaller, unfortunate nations and by their false propaganda of promises which they never intend to fulfill, they have succeeded in the cold war, and by these evil methods, of dropping the iron curtain over a dozen small nations of the earth, and by open and armed revolution, they have well nigh conquered the great Chinese Nation.

In addition to this, for two long years after the United Nations had established the free government of Korea, the Communist leaders have so connived and built up such resistance in northern Korea, opposing the established authorities in that nation, until they felt that they were strong enough to take that nation by open warfare, and under the promptings and guidance of the Communist leaders in Moscow, they have resorted to open warfare and aggression in Korea in order to tear down and destroy the free Republic of Korea.

This even goes beyond their past methods of infiltration and civil revolution whereby they have overturned a dozen nations, and their diabolical purpose of conquering the world has come out into the open and they are now committed to open warfare and aggression to further their designs on the human family.

For 4 years the United Nations has struggled with a pure purpose of trying to establish peace on earth, but on more than 30 occasions, when world-wide peace was almost within the grasp of good men everywhere, Russia, dominated as she is by her Communist dictators, has vetoed all these movements toward world-wide peace.

At the present time, in the meetings of the United Nations, where that body is still striving to establish some sort of law and order on the face of the earth so that all peoples may enjoy the blessings of peace and freedom, the present delegate from Russia to that august body, Mr. Jacob A. Malik, has demonstrated, in his efforts to propagandize the world, the determination of the Communist dictator that there shall be no peace on earth, and he has opposed every reasonable settlement of the war in Korea.

For many months there has been going on, 24 hours a day, a world-wide broadcast from Moscow, under the Communist

government, a blast of false propaganda against the United States and other liberty-loving peoples of the world. Anyone who has a short-wave radio can dial in on these broadcasts from Moscow, day or night. They are trying to picture the United States as an imperialistic, aggressor nation, and they are accusing us, who love liberty and freedom, and whose motivating power is the respect and belief of the fatherhood of God and the brotherhood of mankind—I repeat, they accuse us, of having evil designs, which they call the imperialistic aggression of the United States to conquer and subject the world.

In the recent speeches of the Russian delegate to the United Nations, which speeches are broadcast in several different languages so as to reach other nations and their people, Malik has resorted to the old propaganda stunts of telling the "big lie" and repeating the "big lie," in the hope and belief that it will be believed; and by falsely labeling the criminal acts of aggression and by falsely accusing the innocent in order to protect the guilty.

In the face of the well-known facts that the Communist leaders of Korea, under the direct sponsorship of Moscow, invaded South Korea with an armed force, and Malik is undertaking to tell the "big lie" to the world that the United States started the war in Korea, and that it was brought about by the imperialistic aggression of certain of the leaders of the American people. It is fortunate indeed that this false propaganda is being met head-on by the speeches of the delegates of the United States, England, France, and Nationalist China and 53 members of that great body.

In the dealings of the United States with the other sister nations of the world, instead of our having an imperialistic design to conquer and crush other peoples and overturn their governments, of which we are accused by the Communist leaders, this Nation has assumed in good faith the role of the good Samaritan in all of our dealings with other nations. We have extended across the seas the helping hand of mercy and we have poured out our money and substance to help reestablish a war-torn world.

Yet, Malik in one of his recent tirades and speeches, accuses the American people of undertaking to conquer and subdue Korea and its people, and stated, in substance, that we had taken over great industries, and that we were seeking to acquire the property and wealth of the Korean people.

The truth is, as everybody who knows, the Americans who have gone to Korea, are doctors, nurses, and missionaries; and when we have placed any effort toward establishing industries in that nation, it has been for the purposes of reestablishing—for instance, the electric power service to the people of the Republic of Southern Korea, because the Communist leaders in Northern Korea had, by brute force and without any regard for the welfare of the Korean people, cut off the trunk electric lines generating plants in Northern Korea that served the people of South Korea.

Up to this hour, there seems to be no diverting of the Communist leaders from their diabolical purpose of destroying all that is good in the world.

That brings us face to face with the most serious problem that has confronted our great Nation in the past century, and maybe longer.

Our people are a peaceful people, they are not warlike; they were anxious to bring their boys back home, and to reduce their Army, Navy, and Air Power personnel quickly after World War II.

The war in Korea, where we are struggling to stop Communist aggression before it sweeps over the world, has demonstrated the weakness of our Nation and the lack of military preparation for our own national defense and for the defense of those principles in which we believe, as stated above.

Just criticism has been hurled at our present leaders because we have spent so many billions of dollars and have so little in the way of military power to preserve this Nation. While this is true, and while there is urgent need for a different leadership in America, that is not the great question before the people of this country.

In the past, when our national leaders, or any dominant party, demonstrated its weakness and inability to take care of the welfare of the people of this great Nation, under our republican form of government the people have turned these leaders out and substituted more competent leaders to control this country.

But over and above that situation, while we have the present administration in power, we should at once realize that all present national leaders are in for only a definite period of time, at the will of the people, and this can be changed and remedied by our free American elections, but as long as these national leaders are in power, after having been elected by the people to their positions of responsibility, it is the duty of every good American citizen to realize that the life of our great Nation and the preservation of these principles of freedom and happiness far outweigh any question of politics, and that we should unite as a people, to immediately build up the Armed Forces of America so that we will not be swamped, overrun, and crushed by the evil giants of communism that are reaching for the throat of the American people.

Some people believe, and I am one of them, if there is still any hope of world-wide peace, it lies in having an all-powerful armed force, in these troublesome times, here in the United States.

If anything stops the wild men leading the Communist movement, it will be force and power, and the fear of force and power. The quicker the United States can amass sufficient military, naval, and air power to declare to these forces of evil that they cannot be successful if they prosecute their designs on the world any further, the quicker we will be able to maintain the peace of the world.

While we should never give up the blessed hope of peace, the stark facts that surround us in this dark hour in the pinpoint of world history, should make all thoughtful men and women realize that these two great forces of good and evil are marching steadily forward toward a head-on collision.

Our great military leaders that are supposed to be informed on world-wide events and to have some knowledge of the present and potential power of these contending forces, have some grave questions to decide. Upon the correct decision of these questions, the destiny of the world depends.

Our military leaders and statesmen will have to determine whether we shall wait until our enemies and the enemies of other free governments of the world selects the time to start open aggression and warfare, and selects the place or places to start these open conflagrations, and also selects the implements and methods of war, or whether these decisions will be ours.

It is up to the leaders of this Nation to make a comprehensive, immediate, appraisal of the present power of the enemy and the potential power of the enemy; and to make an immediate appraisal of our present and potential power and the power of the other friendly nations of the world that believe as we do, and that we hope and believe will join us in this world-wide struggle for the possession of the minds and souls of mankind.

For 5 years, since the close of World War II, the Russian war factories making guns, tanks, and planes, have never stopped. The Russian ground army and air force is being maintained at maximum strength. The satellite nations acquired by Russia have large standing armies. Here in America, these terrible and dangerous facts force us, of necessity, to call upon our great potential military might to put our war factories to producing again.

American free enterprise, free from all socialism, has been and is, able to outproduce the entire world. We have the know-how and the free spirit of free America to build up quickly the mightiest power on earth. We now have long-range bombers that can drop the atom bomb upon any spot in Russia and return to their base, but we have far too few of them. Our atomic factories are now doubling their output.

Without advocating the abandonment of the hope for peace, I tell my colleagues here in the Congress of the United States—the greatest legislative body on earth, the representatives of the peoples of a free nation and a Christian nation—that it is up to us and up to the President of the United States, and up to our military, naval, and Air Force leaders, to lose no more time in preparing this Nation to defend the sacred things in which we believe, and to determine the time, the place, and the weapons with which this struggle will be fought.

If we properly unite the power and people of the other 52 nations that have joined us in the United Nations, and that believe as we do, that the preservation of religion and liberty, and the peace of the world, if possible, is at stake, and

if we immediately throw the great potential power of our Nation into a striking force, we may still stop the forces of Communist aggression and have peace on earth. If, unfortunately, the evil powers of communism will not let us have peace on earth, then we will be able, and we must, crush the leaders of the Communist movement in Moscow, in America, and every other place on the face of the earth where they raise their ugly heads.

While we are weak in many departments of defense, we are far superior in two categories. We have a much larger atomic power and we have a far greater military potential than the enemies of mankind. Where we are weak, we must prepare to be strong, and where we are strong we must prepare to be stronger.

The acid test is before us. It will require sacrifice and burdens upon our people, but the preservation of liberty, freedom, religion, and happiness require that we shall be weak no longer and that we shall assert our strength, in order that we may preserve our peace, if possible.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I hold in my hand a very interesting bulletin. I will read from the headlines: "Bureau Official Listing Showing Future Purchases by the United States Government."

The mobilization program, with its promise of increased Government spending, has brought back to Washington the "contact men," the fixers, and has revived the 5 percenters. My attention has been called to a new petty larceny racket that I believe should and could be stopped.

The House Small Business Committee, of which I am a member, has for some time carried on a fight for an even break in Government contracts for small business. As a result of our efforts, the various Government departments and agencies have promised cooperation. The Department of Commerce, through its field service, recently started issuing a daily report of procurement information, listing bids on materials sought by the Department of Defense and the General Services Administration. The Department of Commerce has adopted a policy of not maintaining a mailing list but has made these reports available through its field offices and other outlets. In general, I believe they are doing a good job.

The same identical information is now being offered to the American businessman by a private company known as United States Bid Information, of Washington, at rates of $21 for 3 months, $35 for 6 months, or $60 for a year. This is not a 5-percent scheme, but it smells very much like a racket. The president of this private organization is Frederick Hollowell, who I am informed, was formerly Assistant Director of Information of the Department of the Interior.

My comments are intended as notice to the American businessman, that this service is available to him free and without cost. I also urge that the Department of Commerce expand its outlets and give serious consideration to the setting up of a mailing service to legitimate businesses throughout the country.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, crisis demands calm. We cannot permit doubts, bulwarked by experience, to dictate our thoughts and our votes. Neither do we dare allow our enthusiasms free rein. It is the eternal future of every man, woman, and child in this Republic which now hangs in the balance. I have considered my decisions carefully, thoughtfully. I have made my decisions only after having prayed to God that He might make me see right.

Gentlemen, the present matter under consideration, the problem to which I have given thought and devoted prayer, is the international information program of the United States.

In this supplemental appropriations bill, under the general heading of the Department of State, we are asked to provide in the neighborhood of $100,000,000 for the continuance and expansion of this service, which is popularly known as the Voice of America. It is not solely the employment of the media, radio, as its name implies, although it includes the employment of radio. It seeks to gain its ends by the use of motion pictures. It uses the foreign language press. It distributes American books, periodicals, and newspapers overseas. It operates libraries. It fosters the exchange of persons. It staffs and supplies United States information centers abroad so that citizens of foreign countries can, if they so desire, learn about this Nation of their own free will, without compulsion.

The cost? The supplemental appropriation bill's $100,000,000 plus the regular appropriation bill's $32,000,000 adds up to a total of approximately $130,000,000. The first question which comes to your mind, and mine, in view of a certain rise in taxes, is this: Is the international information program worth what it is going to cost the American people?

It is worth what it will cost if it honestly and ably tells the real truth about the United States and our objectives.

It is worth what it will cost if, in case the present crisis is extended into world war III, it can immediately go to work as one of a team with the armed services as effective and objective psychological warfare.

Our international information program, as it is now, does not meet the exacting standards I have set forth. It deserves to survive only if it meets those standards. As it is now, our international information program is a burden, not a bargain.

We do not need this program as it now is. It is possible that a sound, effective program can be organized. This the country can use and needs.

To better understand what we are endeavoring to do and what should be done, a review of United States participation in this field is necessary so that the members of this committee and the House might know what has happened before. It is necessary for us to know the prologue of the future.

Psychological warfare is the true name of the conflict in which we are now engaged in every world area, with the single exception of Korea. We are not in a propaganda war. The very word "propaganda" implies the lying, smearing tactics of a Hitler, a Mussolini, and a Stalin. It suggests the twisted minds of "Axis Sally," "Tokyo Rose," and "Seoul City Sue." Americans want none of that. Neither do we want advertising. It would be futile to "sell" America to the Kremlin-dominated lands as it would be to sell frigidaires to Eskimos. We want to deliver the truth to neutral, friend, and foe.

Psychological warfare is no new thing. When the early Israelites strove to escape the slavery of Egypt, the plagues were the plagues of God, but the words were the words of Moses. Moses told the truth. The truth was what the tyrant Pharaoh feared even above and beyond the death of his first-born.

No. Psychological warfare is not a new thing. But organized psychological warfare is a new thing.

It cannot be accurately said that organized psychological warfare was employed in World War I. Of course, Mr. George Creel did exploit President Wilson's 14 points as much as his small group could. The theory, then, was to turn psychological warfare inward upon the American people, causing them to hate the enemy. Mr. Creel had neither the personnel, the media, nor the experience to direct his weapon outward at the enemy, to make them cease firing, to stop them from taking American lives.

Organized psychological warfare, as such, actually came into being in this country when Mr. Nelson Rockefeller assumed the duties of Coordinator of Inter-American Affairs. His job—to tell the truth to the people of other American Republics. Did he succeed? I shall ask you another question: In spite of large hostile population centers of Italians, Germans, and Japanese, how many South and Central American countries entered World War II on the side of the Axis?

If Nelson Rockefeller was the father of organized psychological warfare to the other American Republics, Gen. William "Wild Bill" Donovan was the father of organized psychological warfare to the rest of the world. Before "Wild Bill" took charge of the Office of the Coordinator of Information at the Old Naval Hospital on E Street, he made a personal survey of the hotbeds of intrigue, the open festering sores of lies which it would be his duty to cleanse and heal.

On a morning in June 1942, Washington awoke to cynically comment on the birth of a new alphabetical agency and to learn that veteran radio commentator Elmer Davis was its head. That agency was the OWI, the Office of War Information. Short-wave radio told the truth to the world from WRUL in Boston to KGEI in San Francisco. OWI serviced newspapers and radio stations in neutral countries with American news. Neutral, ally, and enemy heard and read the American story which OWI told. Elmer Davis' organization joined hands with the Army, Navy, Air Force, and Ma-

rines to engage in tactical psychological warfare aimed directly at causing the battlefield surrender of enemy forces. The OWI, at the same time, carried on strategic psychological warfare, to shape mass public opinion abroad. The chief aim in both fields of approach was to save the lives of American boys. My friends in the Philippines and in Czechoslovakia have often told me since VJ-day that OWI did save innumerable lives.

How much did OWI cost? Figures in my possession bring out that, at its peak of war service—when it employed some 14,000 people—it operated on an appropriation of approximately $121,000,000.

OWI made mistakes. It had to hire in haste to do a job. It did not ask its prospective employees, "Are you a Communist?" Russia, at that time, was one of our great power allies. Russians died as Americans died—against a common foe. Russian and American alike fought Nazis at Stalingrad and at Kasserine Pass. A little more than 5 years ago, the U. S. S. R. entertained Members of this House at its Washington Embassy rather than smearing the Members of this House at United Nations meetings, as its errand boy, Malik, now does.

In its heyday, OWI made no use of its facilities for propaganda to the degree that the UN has been made a sounding board today.

How did Congress react to OWI? One hundred and eleven Members of both Houses contributed speeches, statements, commentaries and articles to swell its daily output. Most of us who had the advantage of this contact were not long in realizing that while OWI had its share of incompetents and left-wingers, it also had its share of able, courageous, hard-working, patriotic men and women. When it went out of existence on August 31, 1945, more than a few of us felt that we had been given a chance which might have been denied to us—to participate, if even in a small way, in our country's victory.

The successor to the OWI was the IIIS, the Interim International Information Service, created on September 1, 1945. This new organization was forgotten in the excitement of the day following its inception—VJ-day. The understaffed, overworked IIIS had no parent agency. It was a confused stepchild. State had not as yet accepted it. It was losing its best people daily to other agencies and to private industry. Many of those who remained with it were confused in the months which followed. Our diplomats, dealing with our victorious allies, learned of planned obstruction to our policies by communism. The IIIS personnel were quick to sense the change. Yesterday, the U. S. S. R. was an ally, a friend. Today, the U. S. S. R. was an opponent, an enemy. It is to the lasting credit of the greater portion of the IIIS personnel that their inward patriotism asserted itself immediately.

The IIIS was brought into the State Department in early 1946 under the then Assistant Secretary for Public Affairs WILLIAM BENTON. In spite of the fact that the organization was not authorized by law, the first appropriations came in a bill from the State, Justice, and Commerce Subcommittee in fiscal 1947. Something more than $27,000,000 was appropriated. Up to this time, including fiscal 1940, approximately $126,000,000 has been appropriated for the international information program.

Because we were not actually at war with the Soviet Union, although it was necessary to meet the Voice of the Kremlin wherever it was heard, the Department was confronted with towering problems. These were largely personnel problems. Industry at peace was competing for able manpower with Government at war. When an able man left, the Department had to take whatever replacement it could get. Some few die-hard Red sympathizers stayed on. These were by far outnumbered by the fumblers who did not know their business and who did not care whether they did or not. This made the loyal people, those who believed in the program, work all the harder to make up for the inefficient and the disloyal.

Duplication further contributed to the present inefficiency. The ECA has a private Voice of America. The armed services maintain an information program in the occupied areas. Former Ambassador Grew and his coworkers operate a strictly private Voice. The natural query of the foreign listener to all of these voices is: "Which one is the Voice of America?"

If our international information program has reached a new low in doing the job it is supposed to do, just what is the sense in continuing it?

The only logical answer is: It is more costly to start anew than to prune and build on what we already have.

Russia is spending millions of slave-earned dollars to combat freedom throughout the world. Our Voice has not reached Russian listeners in recent months because of the jamming tactics employed by the U. S. S. R. in the radio frequencies used by the United States and the free nations of the world to reach Russia. The same tactics are being used now by the satellite countries. No regular Russian listener was safe from the political police before this jamming occurred. Now, when only intermittent listening is possible, it may be that our audience is even somewhat increased.

To maintain this audience, Congress was asked to provide funds for anti-jamming equipment. We did so during the fiscal year just past. Due to timely and brilliant suggestions of Bureau of Standards personnel, we have been able to overcome about 20 percent of this jamming which is now about 75 percent effective. Counterjamming activities have not been engaged in by the United States. We are told that we are still on friendly diplomatic terms with Russia.

The various contributing causes have made our international information program so ineffective that the President had to come to Congress for additional funds to bolster the dissemination of truth. Congress provided the requested funds because it believed it would be more of a savings to prune and build on what we have than to start anew.

Congress must carefully consider this most recent request for funds.

Let us examine what the international information program requires now.

It wants 1,000 more employees than are presently employed by the Foreign Service—or, when it reaches full staff—to be around 11,000 employees.

If travel and living allowances are made, some 230 of these employees will receive $10,000 or more a year.

It asks for more than 1,000 employees to get between $6,500 and $8,600 per year—and to receive similar allowances.

For salaries such as these, the program should be able to secure the highest type of employee. If we are assured that professional patriotic men and women will be hired, this high-salaried list may be the promise of building the program into an efficient, smooth-working operation.

I have been told by the Deputy Chief of Staff of the Army and correspondingly high-ranking officers of the Navy and the Air Force that the international information program is needed for national security at this time. I was further informed that the program should not be abandoned because it was an absolute necessity to have it stand by for vital duty should an all-out psychological warfare campaign be required.

It is possible that the international information program—building itself up from the size of a regiment to the size of a division—could drop its excess baggage and regain its efficiency in this operation. It must do both of these things to be worth its salt to the American people.

What amounts to the deciding factor in this momentous decision—to drop or to increase—is leadership. There was one man in the old Coordinator of Information who was never too busy to make suggestions on how some obscure script writer might improve his output. There was one man in the former OWI who did not put a party ticket on promotions to positions of responsibility in a war in which people of all parties were equally concerned. He is Assistant Secretary of State Edward Barrett and he leads the international information program.

Because of the monumental size of the task, I make the following recommendations after close study of the whole operation since its inception.

First. Day-to-day liaison between the psychological warfare branch of our Government and the House of Representatives. We want to know what is going on at all times.

Second. Concentration of all governmental information services into one international information service.

Third. The psychological warfare program, operated as a civilian agency, must be evaluated in its entirety by the Chiefs of Staff at regular intervals so that its efficiency can be kept at top peak in this the greatest of all our national crises.

Fourth. We must have an examination of all top personnel receiving $10,000 per year or more by the appropriate committees of the House of Representatives.

Fifth. Nobody should be included in this program about whose loyalty there

is a single shadow of a doubt. The employees of the psychological warfare program must represent the ideology of 150,000,000 Americans. All too often in the past, we in the House have found continuing instances of people employed in such responsible positions using their positions to exploit un-American ideals. This time, we must be sure. We cannot afford to have un-American employees in the American truth program, using it to defeat itself. The personnel officers of this organization will have an awesome responsibility. On them rests the decision of whom they will employ and whom they will not employ. They will watch the people they hire. We will watch them.

Sixth. In order to make and keep this program effective, the strengthening of the existing advisory commissions and the closer relationship of those commissions with Congress is a prime necessity.

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

Mr. STEFAN. I yield to the gentleman from New York.

Mr. ROONEY. I wish to join with the gentleman in what he says; however, I am going to go further than saying that we plead with the department that they do as the gentleman suggests. It is the viewpoint of the gentleman from Nebraska and all the members of the subcommittee in charge of this phase of this appropriation bill that the department must get the kind of people they should have to run this huge investment in the Voice of America—or else.

Mr. STEFAN. I am grateful to the chairman of the subcommittee for that assurance.

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

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

Mr. VORYS. I see an item of $2,860,257 for the purchase and distribution of radio receiving sets in Communist and critical areas of the world. Can the gentleman tell us how those are going to be distributed?

Mr. STEFAN. I hesitated to vote for that item until I made some investigation. This Russian broadcast program is a long story. We are not getting into Russia with the Voice of America; we are not getting into some satellite countries with the Voice of America because the radio receiving sets are not available, and I believe through this program perhaps just a little more information about America will be received by those who want to hear us. I hope that that will be effected.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Will the gentleman in his recommendations suggest the dissemination of world peace in these international broadcasts?

Mr. STEFAN. That is the object of the entire program, of course.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have been advocating, as the gentleman knows, that a commission be appointed of Members of the House to be in daily contact with the Voice of America and to coordinate it with the gentleman's committee, the Committee on Foreign Affairs, and other committees, and to have all of the voices brought into one voice to be named "Radio Washington," as they advertise European stations, like Radio Moscow, Radio Rome, Radio Paris. In that way I think the countries abroad would know that the voice was an authoritative voice.

Mr. STEFAN. Well, we have made that suggestion, that closer liaison between the Congress and the State Department be maintained.

CAA WAR WORK

Mr. Chairman, I take this time to commend the Administrator of Civil Aeronautics, Mr. Rentzel, and his staff for prompt action in fitting the Civil Aeronautics Administration into the emergency program. Here are some of the facts to enable you to know that that agency is already nearly 50 percent devoted to defense work.

AIR DEFENSE NETWORK

The CAA's air route traffic control centers having duties that are a part of the military radar defense network are already in operation 24 hours a day. The implementation of additional centers in this country is dependent only upon the installation of additional radar equipment by the military. The CAA air-route traffic control personnel that will be required to activate this air defense work at the additional centers are now in training and can be made available for full CAA participation within 24 hours after notice is received from the military that the radar is installed and operational.

EXPEDITIOUS MOVEMENTS OF AIRCRAFT

The Civil Aeronautics Administration has taken action to expedite the movement of essential aircraft (tactical military airplanes, military cargo airplanes, civil transport airplanes operating under contract with the military, and other transport operations relating to the state of partial mobilization). The movement of flights of the above types on the central Pacific route from San Francisco to Hawaii, to Wake, and to Guam have increased approximately 500 percent since July 1, 1950. The CAA has transferred personnel from domestic INSAC stations to the OFACS station at San Francisco to handle this increased workload. At the request of the military, the CAA is assigning additional personnel to Guam to handle the increased air movements. The air operations from northwest United States to Alaska and through the Aleutian chain have increased approximately 400 percent since July 1, 1950. CAA communicators and air traffic controllers and ground support personnel, for the airports in Alaska along the above route, have been transferred to the facilities to handle the increased air movements.

OPERATION AND INSTALLATION OF AIR NAVIGATION FACILITIES

At the request of the Navy Department, the Civil Aeronautics Administration is reactivating Midway Island. The CAA Regional Administrator has been directed to carry out this reactivation and is coordinating the project with naval headquarters in Honolulu. (It is estimated that this project will require between $300,000 to $400,000 on an annual basis.)

The CAA has converted the high-powered, low-frequency omni-ranges at San Francisco and Honolulu to high-powered homers and has increased the power on the HHW facility at Wake Island so that the military crews and the crews of the military contract operations have additional navigation facility coverage in the Pacific. In addition, the military has made inquiry to determine whether the CAA can make available equipment to be used to install additional high-powered beacons at Guam, Okinawa, Tokyo, and Alaska. The CAA has advised the military that it has the necessary equipment and as soon as the military establishes the priority of these projects and allocates surface shipping, the CAA is prepared to go forward with the above four installations. (It is expected that the four installations will cost $250,000 to $350,000 for each installation.) I have been advised that the CAA is taking action to expedite the installation of facilities contained in the 1951 Establishment program that relate directly to military requirements. For example, the ILS installation at Annette Island is being expedited and the VFH communications link between Fairbanks and Nome has been given high priority. In addition, the CAA is taking appropriate action to expedite the installation of surveillance and precision radar that are in the present Establishment program. The commissioning of the remaining omni-ranges will be expedited and action is being taken to advance the date on which the military and civil transport operations will commence the use of these new facilities.

AVIATION SAFETY

The CAA is placing increased emphasis on its safety program to assist the airlines, both scheduled and nonscheduled. It has already completed a change in program emphasis by transferring 35 aviation safety agents (both maintenance and operations) from the safety program relating to private airplane and fixed base operation to the function of supervising the operation of large multiengine transports.

The military contract operation of the airlines, both scheduled and nonscheduled, for the transportation of military personnel and supplies to Japan is being given priority consideration by the Office of Aviation Safety. A substantial number of airplanes being used in the military lift are being modified and CAA engineering and maintenance personnel are cooperating with the airlines performing such modification. The CAA has detailed personnel to the Air Force-Fairfield-Suisun Base to assist in connection with this contract operation.

AIRPORTS

The CAA is providing the Air Force with information concerning military airports that were transferred to municipalities and other local governments following World War II. The CAA air-

port facility records on these specific airports are being used as the basis for military planning with regard to reactivation of certain air bases. It may be necessary for the Washington office of CAA to send special teams of personnel to the field to assist the military in connection with the reactivation of certain selected air bases.

PSYCHOLOGICAL WARFARE

Mrs. ROGERS of Massachusetts. Mr. Chairman, in 1949—many months before the tragic, world-shaking events which are now taking place in Korea—I said on the floor of this House:

> This Congress has a great stake in psychological warfare. By means of a Special Committee on Psychological Warfare, this House could go on record as seeking * * * the necessary legislative groundwork for securing a psychological warfare agency in the event of a war emergency, with the least possible waste of money and with the least possible waste of time.

To this end, I introduced House Resolution 374.

What I have to say to you now is no I-told-you-so, crying-over-spilled-milk appeal. It is an appeal for Congress to act to meet an acknowledged crisis.

This House should have a special committee on psychological warfare.

On August 17, 1950, the Department of State announced the establishment of a national psychological strategy board under the chairmanship of the Assistant Secretary of State for Public Affairs. The Department of Defense, the Joint Chiefs of Staff, and the Central Intelligence Agency have been requested by designate representatives to sit on the board. The National Security Resources Board and the Economic Cooperation Administration have been invited to provide liaison representatives.

Thus, all the major agencies concerned with defense and foreign policy have recognized the imperative need for a potent psychological warfare program. This House should be no less concerned.

During World War II, this House had no staff, no committee which was directly concerned with psychological warfare. The then Committees on Military Affairs and Naval Affairs, the Appropriations Subcommittee which dealt with the OWI, and the Committee on Foreign Affairs were not kept informed on a day-to-day basis. The personnel serving those committees did not pretend to have the highly specialized background necessary to understand what was being done in psychological warfare.

As the result, there were times when too much money was provided for impractical psychological warfare and too little for the absolute essentials of this vital program.

Let us profit by the mistakes of the past.

We do not need to repeat those mistakes.

We can match the Psychological Strategy Board of the Administrative Agencies with a special committee of the House of Representatives. This Special Committee on Psychological Warfare could put a brake upon failures and hasten world-wide achievements.

The House of Representatives should act, with the greatest expediency, on House Resolution 374.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I, too, am for a Voice of America. I think the Voice of America, which goes to Europe and Asia and South America, ought also to go to the United States. I think they ought to have the same story—the American story. It is the most romantic and most entrancing story in the world, to tell the story of America. But I defy you, ladies and gentlemen, to find anything American in most of these programs.

I have opposed this thing because I feel very strongly that the $33,000,000 we are presently spending is largely being wasted. This program is not as ambitious in its revelation here as it is in the committee room, but the figure of $200,000,000 per year is the objective of many of the people behind this program.

About a year ago they admitted in our committee about 2 percent of this material—this noise that goes out over the air and over the world—was getting through. This year, without any change of equipment, because the equipment we authorized, so far as I can find out, they do not claim has been put into use—they now claim that some 25 percent of it gets through.

I am going to include in my remarks a statement furnished me by a Member from the right side of the aisle, as to its effectiveness in Germany.

It is with great misgivings, and the members of the committee will tell you, that I have opposed it. I do not flatter myself that you have read the hearings. But this story that has been going out has not been carrying the story of the kind of America that you and I know and like. It is my firm conviction that our State Department cannot export what it does not have in stock, and that is an American viewpoint. We have just seen the best American I know of in the personnel of the State Department sent away as Ambassador to Greece. I refer to Mr. John Peurifoy, of South Carolina.

For the life of me I cannot understand why our State Department should turn itself into an international busybody trying to arrange and handle all of the affairs all over the world, in every corner of the world. We are rapidly getting to that point, and we will reap the same reward, as I mentioned in the hearings, that the ardent clubwoman in any of our little towns reaps when she takes it upon herself to conduct everything in the life of her small community, cultural and otherwise. The result is not very gratifying to the clubwoman and certainly it is hard on the town.

At a time when our people are so woefully short of matériel to stop the attacks of the Communist aggressor in Korea, I cannot see that providing 11,000 men and women for this perfectly inane program will do any good unless it is Americanized and unless it begins to speak with the vibrant Voice of America and unless somewhere along the line somebody remembers that the greatest story that we can tell the world is the story of the American Republic. Somebody must remember that we are a republic. You yourselves very seldom hear that. In the hearings, and I do not flatter myself that you have read them, a man in the European section of our foreign policy admitted to me last spring that they were looking for a new word for democracy because its meaning has become so clouded. Someone in the press picked it up and put it out. I received letters from all over the country on that. Some people of course distorted it. But it is an alarming thing that the best thing we have to sell, the most precious gem in all our armory is the story of the American Republic and our own people do not even know it. This Marxist idea has permeated the country. I made the statement in committee and I make it here again, that for every ideological foot that this Voice program has gained, the Communists have gained a first down in America. It has gone through our schools, our colleges, and our pulpit in a great many cases, and we need a real vibrant Voice of America for America and the world.

The letter I referred to previously is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 16, 1950.

Hon. CLIFF CLEVENGER,
House Office Building,
Washington, D. C.

DEAR COLLEAGUE: Since you are a member of the subcommittee which I understand is now considering a $64,000,000 appropriation for the Voice of America, I feel that you would be interested in reading the enclosed statement on the value of the Voice. It was sent to me by the Governor of the State of Utah, Mr. J. Bracken Lee, and he tells me it comes from someone in whom he has confidence.

With kindest regards to you.

Cordially,

REVA BECK BOSONE,
Member of Congress.

The Korean situation is not good and the likelihood of its erupting into a major conflagration cannot be discounted. But mistakes are being made and will continue to be.

I noticed in the paper that a House group has approved $64,000,000 in additional funds to try blasting the Voice of America through the iron curtain. Personally, as a private citizen, I think it is a waste of money, elephantine waste. For each high-powered transmitter we put on the air the Reds put on a jammer; it is a cinch that if one cannot hear the voice in Germany they certainly cannot hear it in Russia. While in Germany during the last 3 years it was difficult, if not impossible, to hear the United States when Russian jammers were on, and I can readily imagine what it would be like right in Russia. Talking to a few refugees while in Germany, I learned that most Russian villages have a communal radio system. Every house has a speaker and is fed from the town supervisor's set; in this way only those programs sanctioned by the Government can be heard. The Russians do not have enough money to buy sets, especially when shoes come to about $100 per pair. I agree that we should get the truth over to those people, but it cannot be done with more radio transmitters; even the strongest signals will be blanked out by local jamming

equipment. To my way of thinking, someone has an empire started. Incidentally, if you have a radio with the short wave (international broadcast band) provision you can actually hear the jamming going on here at home and we are many miles away. Even though the programs are beamed there is a real difficulty getting the station clearly here.

You have known me ever since I was knee high to a grasshopper and during that time I have studied radio unremittingly. I know that I am not wrong in feeling that the $64,000,000 is a waste of money. For 20 years, of which over 15 have been spent in the Army doing communications and electronic work, I have yet to see any transmitter from a distance outdo a jammer close to a receiver. I believe that present facilities are inadequate because the Russians themselves have made them so. The only approach to the problem (and it is not 100 percent effective) is placing our transmissions so close to those emanating from Russia that were they to jam them they would jam their own because jammers must necessarily be broad.

I feel very strongly about the above and it is one of the main reasons that I am writing to you. It galls me to think that my tax money is going for something which could be better utilized elsewhere. While in Germany I operated my own amateur radio station and talked with the world, including Russia. I am enclosing a verification card from Moscow of one radio operator. Conversations with Russians were limited to the weather, the type of sets being used and were very brief, for all radio facilities are controlled through a central radio club. While operating my radio station I listened for the Voice of America and made exhaustive tests with my own rhombic antenna (the best that one can have). That $64,000,000 could stand a clipping. I am sure that broadcasts to other countries may warrant part of it, but not the whole amount. In 1948 when I made a trip to the Middle East, including Eritrea, I heard a couple of our stations coming through in fine style and I hope that they are continuing to get through.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, an Associated Press dispatch which appears in the morning papers reports that a private physician has been employed by the Surgeon General's office of the Army to examine X-rays of men processed through the induction center at Milwaukee. According to the dispatch, this doctor receives a $5 fee for each X-ray he examines; and it is stated that he has examined 4,500 X-rays so far this month, for which he has received or will receive $22,500, something more than $1,000 a day for his services.

This is an outrageous raid upon the Public Treasury. The officials responsible for it are either guilty of malfeasance in office or unbelievable stupidity. It is frightening to contemplate what the total cost of such a program will be if it is being carried on at all induction centers throughout the land.

Mr. Chairman, are the Armed Forces so destitute of medical officers that they cannot provide doctors to examine X-rays taken at the Milwaukee induction center or at any other induction center where this irresponsible policy is being pursued? What happened to the thousands of young men who received medical education at Government expense during World War II? Is no one in that group available? Cannot Reserve officers who are capable of checking X-rays be called to duty? Is it not possible that local chapters of the American Medical Association will as a patriotic gesture furnish volunteers to examine these X-rays?

These are but a few of the questions the Secretary of Defense should be called upon to answer. He should be directed to appear before the appropriate committee and to bring with him his subordinates who are responsible for instituting this monstrous program. A full investigation should be made immediately.

The American taxpayers will not stand for such treatment, Mr. Chairman. They are already saddled with a gigantic debt exceeding $250,000,000,000. Government spending under the Truman administration continues to exceed income. The very least we in Congress can do as guardians of the Treasury is to demand that ordinary common sense be practiced in the operations of the various agencies of the Government.

At the appropriate time, Mr. Chairman, I shall ask permission to append at the close of my remarks an article which appeared in the Washington Daily News this afternoon, and which supports the facts pointed out in my statement:

WISCONSIN DOCTOR TOPS, SO FAR—ARLINGTON HOSPITAL MAKES $560 DAILY ON DRAFT TESTS

Arlington Hospital has earned an average of $560 a day X-raying and blood-testing local area selectees, the News learned today.

From July 19, when physical exams began, to August 23, the hospital has grossed $14,686. Some 2,098 men have been examined. A Pentagon spokesman yesterday said the situation is much the same throughout the country.

FOUR HUNDRED AND FIFTY DOLLARS IN OMAHA

The United Press reported in Omaha, Nebr., for example, one doctor was making $450 a day for X-raying alone.

And a Milwaukee doctor has been earning $1,125 a working day, average, since August 1, for a total of $22,500.

A Quartermaster Corps spokesman explained that after World War II most of the Army's X-ray equipment was sold as surplus. Thus, he said, the only recourse when examinations were needed for inductees was to rely on private facilities.

He said his department is most unhappy about the arrangement. Since the Korean operation began, he said, there has been a desperate attempt to acquire needed equipment so the Army could do its own examinations. He added that some of the firms approached for the equipment are the ones to which the Army sold its appartus as surplus.

But the Pentagon spokesman explained the system this way:

It is not that we have sold all our X-ray machines and blood-testing equipment as surplus. What we don't have is personnel.

Even if we had the personnel, it would not be feasible or economical to assign radiologists and technicians to a city as far from military establishments as Omaha.

HOW ABOUT HERE?

For the Washington area, with many military establishments, Arlington Hospital, nevertheless, is both supplying the equipment and doing the examinations.

The price ceilings, as set up by the Army are:

For the X-ray picture: $3.

For the interpretation: $2.

Testing of blood for syphilis and other things cost $2 per man.

A high ranking officer in the Washington military district called the procedure "a waste and a disgrace."

He said there will be a lot of buck-passing now as to who is responsible but that won't pay the bills.

Mr. TABER. Mr. Chairman, I yield the remainder of the time to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I listened, as I am sure every Member of the House did, with a great deal of interest and appreciation, to the statement that was made by the gentleman from Texas [Mr. MAHON]. It was an extended review, and, if I interpreted it correctly, it was intended as more or less of an administration statement of our present defense position.

Having served with the gentleman from Texas [Mr. MAHON] for many years on the Appropriations Subcommittee, which dealt with the War Department and which included both the Army and the Air Force during World War II, and even before our participation in it, I have a great deal of respect for him, for his integrity, his ability and his sincerity. I am sure that his remarks made this afternoon were made with his characteristic sincerity and studiousness.

I would not quarrel with him in his general observation that our defense appropriations have represented a calculated risk. I think, with him, that there should be a balance between the potential dangers of the country and our economic situation and our financial strength.

But I want the record to show, and I think it ought to show at this time, that the thing which concerns the American people today, and the thing which makes them distrustful of our national leadership is the fact that under the leadership we have had in the past few years there has been no matching of our foreign policy with our military strength; that there has not been a proper calculation or coordination between the positions taken by the State Department and measures taken by the Department of Defense.

I have in mind that a few years ago plain-speaking General Hodge came back from Korea to report on the occupation. Soon it became common talk in military circles and other circles around Capitol Hill that we were not in a position to hold South Korea; that if we wanted to hold Korea we should have more men and equipment there; that we should make up our minds and act accordingly.

And I remember when General Wedemeyer came back from his special mission to China and told us that the $125,000,000 we might be appropriating was merely a token gesture; that, if we wanted to hold China, we had to do more than that. Yet, when we were given competent advice and suggestions about a firm stand, when we might have put strength in Asia, when we might have done what we now talk about doing, we did not do it. We abandoned China except in name; we pulled our principal forces out of South Korea. We left there only a small military mission and

the men of good intentions—the State Department's optimists, the ECA staff who were to keep up the appearance of helping Korea—to, in the words of Adviser Owen Lattimore, "let Korea fall, but not look as if we pushed her."

So we announced to the world that we were withdrawing our military; we started taking them out in January 1949, and by July said the withdrawal had been completed. But we left the military mission there, we left the ECA boys and girls there, we left the American flag there; and when the North Koreans came down and overran the South Korean front lines, the President suddenly reversed our publicly announced policies and ordered General MacArthur to throw troops into Korea, into an action for which they were not ready, and into a style of warfare for which they had neither training nor equipment.

I do not need to recount here today the heartbreaking events that have followed, even though our young soldiers have fought with a heroism worthy of a better fate.

Oh, yes; I know the President directed General MacArthur to carry out the call of the United Nations; but you know, and the world knows, that the UN Security Council acted on the motion of the United States delegate in a special Sunday session. I am not raising any question here about that part of the President's action, but I do want to suggest that in reversing our policy the President put an unexpected demand upon the troops MacArthur had at his command. And no less a world reporter than Henry J. Taylor has said in a public broadcast that the President's directive scrapped the Defense Department's own plan for defense, which would have been to move our people completely out of South Korea, then issue an ultimatum to the North Koreans to retire from the south or face an immediate and large-scale air bombardment of their strategic centers.

That plans and policies were suddenly reversed and the Defense Establishment stood up is hardly a matter of question, for on page 15 of the hearings on this pending supplemental appropriation bill I find a revealing colloquy between the gentleman from California [Mr. SHEPPARD] and Secretary of Defense Johnson.

The gentleman from California [Mr. SHEPPARD], himself former chairman of the Appropriations Subcommittee for the Navy, said to the Secretary:

I am under the impression from the information I have obtained from various sources that considerable difficulty was involved in the Korean situation because it was publicly announced that we were finished in that particular area and we had no further intention of injecting ourselves in that picture, at least so far as the military were concerned, and until recently, and that was the decision upon which you gentlemen were basing your operational conclusions. Is that a mere assumption on my part?

Secretary Johnson answered:

That is correct both as to the Military Establishment and as to General MacArthur. He has been unfairly critized with reference to his responsibility in Korea.

Then Mr. SHEPPARD asked:

That was a decision of the higher echelon and not at the moment a part of the military conclusions as such?

Secretary Johnson said:

Correct, sir.

In other words, a higher echelon than the Department of Defense, either the State Department or the Commander in Chief suddenly reversed the policy announced in the speech which the Secretary of State, Mr. Acheson, made at the National Press Club on the 12th of January of this year.

You all remember the Secretary said that we were drawing a defense line, and he drew a line from the Kuriles down through Japan, Okinawa, and the Philippines, and said that beyond that perimeter no one could guarantee the area against attack. That was notice to the Defense Department; that was notice to the Russians; it was notice to the North Koreans.

So, for myself I do not blame the Defense Department for not having the trained ground troops and heavy equipment up there in Korea when the attack came.

Three days after the Acheson speech, General MacArthur notified the President that the North Koreans were getting ready and that an invasion might come in March or April. And yet a month later, February 15, Secretary Johnson, in a statement reported by the Washington Post, was permitted to say:

The defenses of the United States as of today are, in the opinion of the Joint Chiefs of Staff, myself, and the President, sufficient unto the needs of the hour.

On March 10, less than a month later, a report was sent to Washington also by intelligence that the invasion would come in the month of June. Again on the 31st of March when a reporter asked President Truman, vacationing at Key West, whether he agreed with General Eisenhower's views that some of our defenses had been cut below safety limits, Mr. Truman shot back: "Not in the slightest." That appeared in the Baltimore Sun and other papers March 31, 1950.

On May 25 it was again reported to Washington by our intelligence in Tokyo that the North Koreans had increased their strength from 6 to 13 divisions.

But no change in policy was made. In fact, on June 2 the Chief Executive told his weekly news conference that the world was closer now to permanent peace than at any time during the last 5 years.

You all read that statement. It got banners in papers across the country on June 2, 1950, just a little more than 2 weeks before the attack came, when the President was spending a week end out in Missouri.

No, I do not blame the Defense Department for not having heavy tanks on hand or ample air tactical support for ground operations, or troops trained for the tough terrain of Korea. Our people had been led to believe we were in excellent shape, notwithstanding the fact we had withdrawn our forces from Korea. Secretary Johnson did say that if the enemy struck at 4 o'clock we were ready to reply at 5 o'clock but announced state policies had taken the defense of Korea out of his responsibilities. But that does not bring back a single boy who has been sacrificed in Korea and the question that the American people are asking of the administration today is why it did not match up military preparedness with its foreign policy.

What kind of leadership is it when the President suddenly reverses the whole picture and throws upon the Defense Department the task of trying to keep the North Koreans behind the thirty-eighth parallel? Does anyone know what happens when we get back there? Is it any wonder that the people have lost confidence in that kind of administration of affairs?

The record of Congress is pretty clear on this whole defense proposition. Some $2,000,000,000 more was appropriated on national defense activities in its various phases in the immediately past fiscal year of 1950, ending June 30, 1950, than was spent. I include in that total the unspent portions of activities for which funds were given on the plea that they were essential to the national defense. To those who want exact figures, I refer you to the table supplied by the Treasury to the gentleman from New York [Mr. TABER]. I placed it in the RECORD of July 25, page 10994.

The gentleman from Texas has referred to the action of the House last year in appropriating additional funds for the Air Force, on his motion, as I recall, yet the President froze $735,000,000 worth of those funds. And the effect of that freezing is told in a letter by the Comptroller of the Air Force which I also placed in the RECORD of July 25.

And back in 1948 I recall when the able and lamented Secretary Forrestal came to members of the Appropriations Committee and told us of the necessity for building up and expanding the aircraft procurement program. On very short notice, the gentleman from New York [Mr. TABER], then chairman of the committee, brought to the House a bill to expedite the procurement of planes. In fact we added to the requests by an amendment which the gentleman from New York offered; we added the sum of $822,000,000, if my memory is correct, and established both as a matter of policy and as a matter of program the creation of a 70-group air force. But you will remember that most of that money was frozen and this year we had only 48 groups with plans for 58.

Going back a little bit further I see the clerk of the Committee on the Armed Services sitting before me, Mr. Lambert. I am sure he will remember that back in 1946 or 1947 we learned that funds appropriated by the Congress for research and development in the Air Force had been frozen and impounded by the President to the tune of $135,000,000, if my memory serves me correctly. We were told that the President had directed that those research funds should not be spent, and the Budget Bureau requested that they be transferred over to pay of the Army rather than ask for new funds directly for that purpose.

Members of the old subcommittee will recall that about that time we had before us General LeMay, who was head of the Strategic Air Force during the last days of the war with Japan, and then in charge of research and development.

I recall asking General LeMay what that freezing of funds meant and he said it meant the loss of about a year and a half in the research and development program of the Air Force. We asked him whether or not it would be possible for him to bring the program up to date if we restored the money. He said the time had gone by in that fiscal year, that there was certain preliminary work that had to be done; it would not do any good if he got the money, he could not pick it up at that time, the program was simply set back that much.

I do not see anyone shaking his head to dispute that testimony.

No, Mr. Chairman, the responsibility that the administration carries in this crisis will not be answered by the paper which the gentleman from Texas read so ably today.

Mr. GARY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the time left in general debate is only a few minutes. I am anxious that the gentleman from California [Mr. SHEPPARD], vice chairman of the subcommittee, who has a long record of public service in national defense matters, and the gentleman from Florida [Mr. SIKES], also a deep student in this field, and who worked very closely with me on this bill on our side have some time. I understand the gentleman from New York [Mr. TABER] is going to take some time under the 5-minute rule. These gentlemen who worked so hard and have such a fine grasp of the situation should by all means be heard by the House before consideration is concluded.

Our subcommittee was enlarged temporarily for the purpose of giving consideration to the military portion of the pending bill. The Members who actually served and who drafted the military portions of the bill are as follows: On the majority side, Mr. CANNON and myself, Mr. SHEPPARD, Mr. SIKES, Mr. RABAUT, and Mr. NORRELL; on the minority side, Mr. ENGEL of Michigan, Mr. PLUMLEY, Mr. WIGGLESWORTH, and Mr. TABER.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. GOSSETT].

THREATENED RAILROAD STRIKE

Mr. GOSSETT. Mr. Chairman, about an hour ago the President issued an order taking over the railroads on tomorrow.

The big railroad labor organizations' threat to call a strike at this time, their forcing the Government to take over the railroads, make them allies of Joe Stalin. In time of war or national emergency patriots or good citizens would offer to work 48 hours for 40 hours' pay, rather than strike to get 48 hours' pay for 40 hours' work. Intelligent, honest Americans are now asking themselves, "Have we become so morally bankrupt as to permit the economic strangulation and destruction of the Republic by organized greed or economic piracy?"

Industrial abuses, the hoarding of labor by industry, slowdowns, strikes, the 40-hour week, profiteering, featherbedding, and so forth, added unnecessarily $100,000,000,000 to the cost of World War II. These same practices, to a lesser degree, have caused unreasonable inflation since World War II. Now the chiselers, the cheaters, the grafters, and the modern hijackers are getting ready to take advantage of the present emergency.

Frankly, I am more afraid of the "reds" and the "pinks" within our borders than I am of the "reds" and the "pinks" in other lands. I am more afraid of Communist allies within this country than of Communist allies abroad. It seems preposterous that big labor bosses would sabotage this Nation, but apparently they are able and willing to do that very thing, all for selfish, shortsighted personal gain. Theirs is the philosophy of "eat, drink, and be merry, for tomorrow ye may die."

Mr. Chairman, we can recapture excess profits to a large degree, but we cannot recapture lost production or wasted manpower. We cannot regain freedom after we have become slaves.

Strikes in major industries or strikes that cripple the country's war effort should not be tolerated.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF CIVIL DEFENSE

For all expenses necessary for civil defense planning, pursuant to the provisions of the act of August 11, 1950 (Public Law 686), including personal services and printing and binding, $30,000.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: On page 3, line 11, strike out "$30,000" and insert "$290,000."

Mr. TEAGUE. Mr. Chairman, on June 29, Mr. Paul J. Larson, Director of the Civilian Mobilization Office of the National Security Resources Board, appeared before the District Committee and insisted that a bill providing for civilian defense in the District of Columbia be passed. The District Committee passed this bill and I understand it is now pending in the Senate.

I was shocked to learn yesterday that the Appropriations Committee had reduced the amount requested for civilian defense in the District of Columbia from $290,000 to $30,000. My amendment would restore the total $290,000.

Mr. Chairman, I have today contacted the office of Mr. Stuart Symington. Mr. Symington was out of town, but I was assured that that office was very much interested in this legislation. I called General Clay in New York City, and General Clay said that in the State of New York they were spending money on a warning system and on medical supplies and later they will begin to build public buildings to be used as shelters, and he asked that two points be emphasized. The first one he emphasized was that the problem of civilian defense is up to each local community; that it should be made known that the Federal Government is not going to provide for civilian defense all over the country and that it will be left up to the community. The next point he asked to emphasize was the fact that every community in this country feels that the District of Columbia is the nerve center of this country, and if it did nothing concerning civil defense, the country was going to do likewise. I have talked to some members of the Appropriations Committee and the answer concerning this cut has been that there was no plan or no program. If you have copies of the hearings you will find from page 69 to page 94 what the Commissioners plan to do concerning civilian defense; the methods they intend to use, the travel that will be necessary, the communication service that will be necessary, the supplies and equipment and material that will be necessary, printing and reproduction. It seems to me that everything that anybody would want to know so far as civilian defense is concerned is in those hearings.

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

Mr. TEAGUE. I yield to the gentleman from New Jersey, who was the first to speak out against this cut.

Mr. CANFIELD. I, too, know of the concern of Mr. Symington and Mr. Larson. Does the gentleman know, perchance, if either was called before the committee to testify on this extremely important item for civilian defense in the District of Columbia?

Mr. TEAGUE. Mr. Symington was not called before the committee.

Mr. Chairman, I hope the committee will see fit to restore this money.

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

Mr. TEAGUE. I yield to the gentleman from Massachusetts who has shown much interest in civil defense.

Mr. KENNEDY. Of course, it is going to cost more than $30,000 to organize blood blanks and instruct personnel on what to do in the case of an atomic attack, and organize everyone in the District so that they would know their job and know what to do, and instruct them how to build shelters. It is going to cost more than $30,000. I think that the gentleman's suggestion is right and that we should appropriate the original amount of money asked for, and we should keep close supervision as to how the money is spent in organizing civilian defense in the District of Columbia. That would be a good example to the country as a whole.

Mr. TEAGUE. It will cost more than $290,000.

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

Mr. TEAGUE. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman believe that this question of civilian defense is one that is all too much overlooked by all cities and by the District of Columbia? Where the Congress has jurisdiction, we should not ourselves be guilty of belittling it as this would if all we allowed was $30,000.

Mr. TEAGUE. There is a quote in the paper this morning attributed to the gentleman from Kentucky [Mr. BATES], that he had made no study of civilian defense and that he did not think the taxpayers ought to be asked to pay for it until we need it. From what is happening in the world today, I think we need it.

Mr. JAVITS. I certainly agree with the gentleman.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the time on this paragraph and all amendments thereto be limited to 25 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, it is agreed by our military leadership that when world war III comes, the United States is going to be hit, and because of that feeling the National Security Resources Board, under Mr. Symington, is now preparing advices for the civilian defense of States and cities against atomic bomb attacks and poison gas attacks. Under date of October 5, 1949, a directive went out from that office signed by Dr. John R. Steelman, acting chairman, telling the States and cities in effect, "This is your baby, and all the Federal Government can do is to act as a counselor, and adviser." Hanson Baldwin, military expert of the New York Times, asks the question, "When are we going to start on civilian defense?" I, too, was consternated yesterday when I learned that our House Committee on Appropriations had cut the request of the Commissioners of the District of Columbia from $290,000 to a measly $30,000. This morning I discussed that situation with National Commander George Craig, of the American Legion, and he was aghast. He could not understand why our committee had taken that action.

Mr. Chairman, there was no trouble last fall when we in the House appropriated $3,000,000 for a gala party here in the District of Columbia to be called the Freedom Fair—$3,000,000. What happened to that fair? It became bogged down in futility and disrepute, and the plans have been canceled. And now the Bureau of the Budget has impounded $1,500,000 and I maintain that we could well spend $290,000 of that for civilian defense here in the Nation's Capital.

I realize that when the Commissioners first came before the subcommittee headed by the able and distinguished gentleman from Kentucky [Mr. BATES] they had in mind only the making of plans on paper for 1951. They asked for $30,000. But when they appeared the second time they said they were prepared to implement established plans and realizing that time was of the essence they wanted the money to go ahead and do a real job for the District of Columbia.

Now Mr. Symington tells us that casualties in the event of an atomic-bomb attack on the District of Columbia or any other target city in the United States can be cut down from 50 to 75 percent if we have an adequate civilian defense.

Recently Collier's magazine reported on a survey of the English civilian defense system, the English claiming that they can cut down casualties more than 50 percent, which they did in the last war.

While we are sitting here idly and talking about $30,000 for the civilian defense of our Capital City, the Russians, Mr. Chairman, are training thousands of people in squads in the art of civilian defense against possible atomic-bomb attacks. Like our colleague, the gentleman from Texas [Mr. TEAGUE], I, too, called the office of Mr. Symington today and I was told that they felt Mr. Larson had justified to the last dollar the request of the Commissioners in his appearance before the legislative committee of this House. They seek to begin their program to make a model here in the District of Columbia for the entire Nation. They went on to say if we today cut this request to $30,000 the States and cities of the Union will not be able to do a proper job, the job that the National Security Resources Board wants them to do, and the civilian defense throughout the United States will not only be a failure, but will be a joke.

Mr. Chairman, I hope that we approve this restoration to the full amount of $290,000 asked for by the Commissioners of the District of Columbia

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, two of the committee members who asked for time on this side, the gentleman from West Virginia [Mr. KEE] and the genteman from Virginia [Mr. SMITH], are very much concerned about this item of civilian defense.

At a meeting this morning we discussed it in some detail, and the gentleman from Texas [Mr. TEAGUE] was named by the chairman of that committee as chairman of a subcommittee to take action to see if it would not be possible to have this item of $290,000 reinstated rather than the $30,000 item that is in the bill at the present time.

It is true that a request some 2 or 3 months ago was submitted for $30,000 for this item, but since that time the situation has become a great deal more tense, and the need for a substantial sum to be used for civilian defense has increased quite a bit since that request was made 2 or 3 months ago for this $30,000.

I realize, of course, that it is a rather unsatisfactory thing to attempt to amend items of appropriation here on the floor of the House. However, I have read the testimony of Brig. Gen. Gordon R. Young before the subcommittee which handled this item. His statement was in great detail and was broken down. He said that the amount provided in this item would not enable them to buy more than perhaps three or four air-raid sirens. He goes on to state:

> I do not know yet how many we will need. In World War II we had 85. Those, unfortunately, have been disposed of, and we are going to have to buy some more. That could not be covered within this amount of money.

The justification for this $290,000 item is broken down in four parts. The first is concerned with the establishment of a Director of Civilian Defense, of planning and operation stations at an estimated cost of $86,380. The second item is the establishment of a civilian defense command net at a cost of $83,620. The third is the establishment of a civil defense warning net at a cost of $57,300, and the fourth is for civil defense operations involving service records and training at an estimated cost of $62,700. These items are further broken down in great detail in his testimony. All these items are necessary if any kind of civil defense program is to be established and set up.

At first blush it might be thought that the military which have their headquarters here would protect Washington and that we could depend upon them to take care of the civilian defense problem here, but that is not the case. The military have no idea at all of undertaking the civilian defense of Washington any more than they have of undertaking the civilian defense of Philadelphia, New York, Chicago, or any other place; it is a civil-defense item pure and simple.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. REED of New York. Has the gentleman's committee investigated the protective system used by Great Britain? She has had long experience with these raids and must have had a fine setup in civilian defense. Has your committee looked into that?

Mr. DAVIS of Georgia. I have not. I am unable to speak for the other members of my committee but personally I have very little knowledge of Great Britain's civil-defense program.

I want to mention this: It was mentioned by the gentleman from Texas [Mr. TEAGUE], that Washington should establish in its setup a program that would serve as a pattern. The city of Atlanta sent its civilian-defense director here 2 weeks ago, but he had to go back empty-handed and without information. I think this is very important and that the amendment should be adopted.

The CHAIRMAN. The gentleman from Oregon [Mr. STOCKMAN] is recognized.

Mr. STOCKMAN. Mr. Chairman, from what has been said here it would seem as if the subcommittee is not appreciative of the potential danger of attack on the city of Washington. That is not the case. We have allowed the full amount requested by the Commissioners of the District for planning and survey. Our sole purpose in going about this matter as we have is to try to approach it in an orderly way, and I think that is what we are doing

The $30,000 allowed is for planning.

The $290,000 that has been mentioned on the floor was for a plan brought up by Commissioner Young and his assistant, Colonel Hayes, which was the result of a very few weeks of hurried study on a rushed plan. I would like to quote what Colonel Hayes said to our committee when we asked him about his plan. He said:

> We are not trying to develop such a plan here because we are not sure where we are going.

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

Mr. STOCKMAN. I yield.

Mr. TEAGUE. Did he not say that they saw now where they were going? I think the gentleman should quote further testimony by Colonel Hayes. He said:

> We did not visualize at that time the setting up of civil defense headquarters this year. We see now, gentlemen, where we are going more clearly, so that we now consider it necessary to set up this civil defense headquarters this year.

The point is we are giving them the full amount they requested for planning. We are trying to get at this thing in a manner that we think we will get dollar for dollar value for what we spend. The $290,000, in the committee's judgment, was for a plan that was not well thought-out, and not adequately formulated.

Mr. Chairman, that is the whole sum and substance of the matter. The committee is not opposed in any way to this, and I have not heard anyone on the committee opposed to spending money for proper civilian defense for the District of Columbia, but as yet we have never been convinced by the testimony offered by the Commissioner and Colonel Hayes that such a plan has been properly developed. That is all the committee is waiting for and that is why we appropriated only $30,000.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. REED of New York. Does not the gentleman think it would be the part of wisdom to draw upon the experience of Great Britain with her series of bombings she went through. She must have made a great study, and from a practical point of view she must have set up a fine system over there.

Mr. STOCKMAN. I think there is no question about that. They were in a danger area, and I think we could well profit by their experience.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. England has a very fine Department of Civilian Defense; Russia has a very fine Department of Civilian Defense. We are the only country in the world that does not have a Department of Civilian Defense. I think we should take immediate action to have a Department of Civilian Defense operating under the President, also giving money, if necessary, to the various communities.

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

Mr. STOCKMAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that only three witnesses appeared before the committee? The committee should have called upon Mr. Symington and Mr. Larson who are most anxious to go ahead and implement those plans that are only on paper.

Mr. STOCKMAN. The committee was dealing in reference to this matter with Commissioner Young who in the judgment of the committee is deemed thoroughly capable of handling the matter.

Mr. CANFIELD. I believe the committee approached the assignment in a conscientious way, but we should go further because the cities and States, particularly in target areas, are looking to the Nation's Capital to set up a model pattern for them to follow. If we are going to cut this appropriation to $1 for every $10 requested, why, they are not going to go ahead. They will have the feeling that the fathers here in Washington think this is all poppycock.

Mr. STOCKMAN. The committee is willing to go further. It is a question of taking the $30,000 which we have budgeted and using it for some orderly, intelligent plans. If after the staff is set up as allowed in our bill and such a plan is developed, then I know that this committee will be glad to entertain additional requests for implementation money based on a realistic outlook and carefully developed plans.

Mr. BATES of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Kentucky.

Mr. BATES of Kentucky. Is it not a fact that we advised the Commissioners to bring all witnesses they cared to bring to present the case in justification of this item?

Mr. STOCKMAN. That is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, the District Committee, of which I am a member, had a meeting this morning. We felt considerably disturbed about their cutting this appropriation. I would like to have in the first place the understanding that the Committee is now sittting as a city council for the District of Columbia, and not voting money out of the Federal Treasury.

The bill provides that this particular item is to be paid out of District revenues by the taxpayers of the District of Columbia. It does not come out of the Federal Treasury.

Let me say that some time ago the District Commissioners appeared before the District Committee with this bill. It is our understanding it is intended that this bill shall be used as a model for civilian defense throughout the Nation. It will be set up here in Washington and other parts of the country will get their advice and schooling from the system that is to be set up here.

If civilian defense is worth while at all, it is certainly worth doing effectively and efficiently, and that is all the District Committee is asking the House to do; that is, to authorize the District Commissioners out of the money of the taxpayers of the District of Columbia to set this thing up on an efficient basis so that it will serve as a model for the whole of the United States.

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

Mr. SMITH of Virginia. I yield to the gentleman from Utah.

Mr. GRANGER. It is a fact, I may say to the gentleman, that they are beyond the paper stage. They do not need $30,000 to plan now. They want to get the money to do something.

Mr. SMITH of Virginia. Yes. The first suggestion was $30,000, as the gentleman from Utah has said, for the paper stage. Since that time the program has developed so far that they now know, and have stated to the Appropriations Committee, the purposes for which they need and expect to use this sum of $290,000.

I would suggest to the House that this thing is worth doing right or it is not worth doing at all and there is not much point in appropriating $30,000 if it is, as our District Commissioners tell us, inadequate for the purposes for which it was intended.

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

Mr. SMITH of Virginia. I yield to the gentleman from Washington.

Mr. HORAN. I think we ought to keep in mind too that even if the District government had a surplus of its own, they cannot spend it without the action of Congress. If we adjourn, why, it would be another year before we would have defense for the District.

Mr. SMITH of Virginia. I think that is a very important contribution just made by the gentleman from Washington. As he said, unless you do this today, then for approximately 6 months there is no chance that the District government can set up an adequate defense program for the Nation's Capital, which is the most vital spot and most vulnerable spot that will be attacked in the event of trouble.

Mr. BATES of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Kentucky.

Mr. BATES of Kentucky. Commissioner Young said that this will be used as a guinea pig for the whole of the United States. Does the gentleman see any reason why the money of the taxpayers of the District of Columbia should be used as a guinea pig for the entire country?

Mr. SMITH of Virginia. Maybe I should not admit this, but the District of Columbia is the guinea pig around here for a whole lot of things.

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

Mr. SMITH of Virginia. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Symington said they wanted the District of Columbia to be a model for the rest of the country. Should it not be a model?

Mr. SMITH of Virginia. I agree with the gentleman.

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

Mr. SMITH of Virginia. I yield to the gentleman from Maine.

Mr. HALE. Might it not well be that Mr. Stalin regards the Members of Congress as a bunch of guinea pigs for a Russian experiment.

Mr. SMITH of Virginia. I think that is where he would start.

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

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. TEAGUE. Is it not true that 22 States have already passed this kind of legislation? Actually New York State is far ahead of the District of Columbia in this work.

Mr. SMITH of Virginia. I am so informed.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. BATES].

Mr. BATES of Kentucky. Mr. Chairman, I rise in opposition to the gentleman's amendment.

The committee has conducted long and ardous hearings on civil defense on two occasions. The first with reference to a $30,000 request in the regular budget estimate and the present estimate now before this House. They have given thorough consideration to the present status of civil defense in Washington and to the expansion requested in the budget estimate, $290,000, which is the basis for the present committee action. The $290,000 will have allowed for a high price director, for a command radio net, for a warning net including the installation of radio receivers and sirens in various parts of the city and for various other operations including a small amount for a training program for volunteer workers. Mr. Chairman, if the civil defense program in Washington is to be a success, I am certain that the proponents of this amendment will agree with me that an adequate and well-formulated plan for such civil defense is absolutely necessary. It is the opinion of my committee and myself that no work should be done and no implementation begun until such a plan is evolved and, Mr. Chairman, in the testimony heard by our committee no such plan is in the offing. Here are the words of the Engineer Commissioner of the District of Columbia on July 17, 1950, in testifying before our committee on this plan:

> So we have, you might say, the raw material for a plan. In other words, we have the bricks, but we haven't built the plan yet. There are still gaps in it. That is the present status of it.

And in a later memorandum prepared by General Young dated August 9, 1950, in reference to the plan, he says:

> There are certain fields in which little has been done in developing any plan. They have not been coordinated above the third level, the operating level. In certain important fields the third level plans are sketchy and even nonexistent and must be started from scratch.

The justification submitted in defense of these estimates still is "that they have assembled a large part of the raw material needed to formulate a plan. It's actual formulation within any reasonable time will now require the full time services of a skilled director and a small but thoroughly competent staff."

Mr. Chairman, that is exactly what the $30,000 recommended by the bill will do. There are so many discrepancies in the testimony which we have heard that I would hesitate to call them to the attention of the House. For instance, with reference to the headquarters building, General Young says it was not ideal in asking $25,000 for such a building while Colonel Hayes says this building met our criteria. Just a lot of wholesale discrepancies. A total lack of adequate planning. One of the major anticipated items of expense in the estimates submitted to the House and as contained in the gentleman's amendment would be additional radio nets. There are already in the District of Columbia extensive radio nets in addition to the police and fire nets involving five large transmitters and over 140 units including fixed stations on four of the large bridges leading to the city of Washington. As for personnel requests there are 18 positions at an average annual salary of $4,011. No comparative figures are available from other cities; however, in May of 1943 in the last war there were only 66 people employed permanently in civil defense in the District, while in January 1945 only 16 people were so employed. Mr. Chairman, I grant that a planning staff is needed, but such a request is a little out of line with the salary scales in the District. Certainly the District was able to build up a magnificent civil defense program in the last war by the use of volunteer personnel. They certainly could do the same at the present time and save this city a little more money to expend on other worth-while projects.

In summary, Mr. Chairman, I would like to point out, too, there is no question that an adequate plan for the civil defense program is needed for the District of Columbia and the urgency of the need is not such as to preclude a careful consideration of all the factors and the development of a realistic plan. To continue the program by means of making appropriations available would be uneconomical without such plans and it is obvious that as of the present date not even an inadequate plan has been formulated, let alone one that is adequate.

Mr. Chairman, we who serve on the District Legislative Committee and on the District of Columbia Subcommittee have a particular responsibility. That responsibility is to act as a city council—practically—for the greatest city in the world. I would, indeed, be derelict in my duty if I did not urge that this amendment be defeated and that we who serve on this city council look on the economic side of the question and not go off in a mad haste to throw away money which is not even our own on such a nebulous affair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 94, noes 66.

Mr. CANNON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Messers. TEAGUE and CANNON.

The Committee again divided; and the tellers reported that there were—ayes 99, noes 75.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REGULATORY AGENCIES

OFFICE OF ADMINISTRATOR OF RENT CONTROL

For necessary expenses for "Office of Administrator of Rent Control," $75,000.

Mr. CANNON. 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. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all who spoke on the conference report on the general appropriation bill for 1951 today, and on the supplemental appropriation bill, may have five legislative days in which to extend their remarks.

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

There was no objection.

FEES OF UNITED STATES MARSHALS

Mr. HOBBS, from the Committee on the Judiciary, submitted a conference report and statement on the bill (S. 1838), an act to amend title 28 of the United States Code relating to fees of the United States marshals, for printing in the RECORD.

AUTHORIZING CORRECTION OF CHAPTERS AND SECTION NUMBERS ON H. R. 7786

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the present consideration of a House concurrent resolution (H. Con. Res. 272), which I send to the desk.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House in the enrollment of H. R. 7786, the general appropriation bill, 1951, is authorized and directed to correct chapter and section numbers.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FILING OF CONFERENCE REPORTS ON S. 3959 AND H. R. 9038

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the bill S. 3959, and also on H. R. 9038, have until midnight tonight to file conference reports.

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

There was no objection.

Mr. DAWSON, from the committee of conference, submitted a conference report and statement on the bill (S. 3959) entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes."

Mr. DAWSON, from the committee of conference, submitted a conference report and statement on the bill (H. R. 9038) entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes."

ST. MARK'S, FLA.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of remaining Government lots in the townsite of St. Mark's, Fla., with a Senate amendment, disagree to the Senate amendment and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause] The Chair hears none and appoints the following conferees: Messrs. PETERSON, MURDOCK, and D'EWART.

BOSTON NAVAL SHIPYARD

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, today is the one hundred and fiftieth anniversary of the establishment of the Boston Naval Shipyard at Boston, Mass. This splendid occasion is a reminder to us that the security of a nation is not entirely a matter of having troops and tanks on the firing line, airplanes soaring through the skies, and ships plowing the seas. Immediately behind all these combatant activities there must be the effective functioning of yards and arsenals and airplane factories, and the loyalties and skills of many crafts built up through the years of peace. And behind these, of course, the whole industrial might and human resources of a nation. The fighting knight in his armor is more dramatic and spectacular, but where would the knight be without his armorer to forge sword and mail?

In a way I suppose this dependence of the actual fighter on the scientist and the machinist has always been recognized, though in these days of total war the picture may be more pronounced. Certainly it was a long time ago that here in this spot, in the shadow of Bunker Hill, the authorities of our Nation, then in its infancy, set up this institution for the safeguarding of the Republic. And I am happy today to call attention to and celebrate the glorious record of all that has been done at the Boston Naval Shipyard, through a century and a half of service to "the Navy and the Nation."

The most striking development, because it, in a manner of speaking, meets the eye, are the physical developments which have taken place here. The first buildings were simple wooden sheds to house Navy material which had been stored in various locations around Boston. Now you have this tremendous congeries of buildings. The first call for workers stipulated "8 or 10 able-bodied men to be employed by the month"; now there are some 8,000 continuously employed. The daily wage of a civilian employee was $1.75 a day in the early years; now it may be 10 times as much. The first power plant seems to have been the strong hearts and powerful muscles of a yoke of oxen, and the first job known to have been done here was one of engine care—that is, shoeing the feet of the team of oxen. The land here—23 acres on Moultons Point—was already historic because of its connection with the Battle of Bunker Hill; it was spacious enough to hold timber for a 74-gun ship; and its price was admittedly high—some $18,000. Now the establishment is valued at $108,000,000.

All these things are externals. Growth and size and monetary values are only important when they stand for service to mankind. And this institution, so sturdy in its growth, has a brilliant record through 150 years of always being ready for the emergencies it was built to meet.

The story begins, perhaps with that glorious vessel the *Constitution*. She was not built here, to be sure, but at Hartt's Yard, the predecessor of this shipyard, in the years immediately preceding the establishment of this institution. After cruising against French privateers at the time the shipyard here was founded, and gaining already her nickname of Old Ironsides for her exploits in the West Indies, she was brought here in 1801 and lay for 2 years dismantled. Again putting to sea, she brought victory in the war with Tripoli. Rigged once more, she set out on her career in the War of 1812. After many more years, this, the most famous ship which ever carried the American flag, was brought home once more to Boston and still remains as a crowning testimony to the valor of our ancient seaman and the skill of our ancient shipbuilders.

It would not be possible to recapitulate the full story of the famous ships that have been built here or rigged here or repaired here. The first was the *Frolic*, launched in 1813 to serve in the War of 1812. The *Hartford*, dauntless Admiral Farragut's flagship in the Civil War, was built here. So also was the *Merrimac*, which was captured by the Confederates, and sheathed in iron, which led to the great battle with the *Monitor* in Hampton Roads, and opened the era of the iron-clad and later the steel-walled battleship. Altogether, 39 ships were built in this shipyard from 1813 to 1868, and many hundreds were repaired and outfitted. Between 1869 and 1933 nine more ships were constructed, but the yard specialized in repairing and outfitting vessels.

In the period of the First World War, 1917–18, because of its proximity to the North Atlantic patrol, there was a major load of repair work, but the yard also served as an embarkation point and supply depot. Additional piers and buildings were added. An average of 50 ships arrived or departed daily. There were 50,000 employees. In the years that followed, partly because of inventions of yard employees, the standard Navy chain began to be made here, and chains are now made for the needs of the entire Navy. All the rope used by the peacetime Navy is also made here.

The yard became involved in the Second World War before the Nation as a whole when President Roosevelt, in a historic decision, offered the British 50 over-age destroyers in return for certain bases. This is regarded by historians as one of the most significant acts of the whole period. Nineteen of the destroyers were reactivated and outfitted here. At the same time a destroyer-building program was set up and notable combat vessels of that type were sent from here to serve our cause in both the Pacific and the Atlantic. More than 165 vessels of considerable size were built for the United States and our Allies, and hundreds of smaller craft. Thousands of vessels were repaired. Boston-built ships took part in every major campaign of the war.

In times of emergency the yard has been prepared to aid the welfare of civilians. The yard's disaster plan was successful in supplying electric power to Maine in 1947, and in fighting New England forest fires. The personnel of the yard has always contributed heavily to community welfare. Employees bought nearly a million and a half dollars' worth of war bonds in the last wartime drive and contributed over 55,000 pints of blood to the Red Cross blood bank.

The yard has always meant much to Boston, both economically and psychologically. We are proud of it, and we have benefited by its presence, but we believe too that the yard, and the United States Navy, have been benefited by Boston. There is, and has always been for 150 years a very happy relationship between the two.

Most important of all is the service which the yard, and citizens of Boston, has been enabled to render together to our Nation. As we look around us today, there are dark clouds of imminent war rolling on every horizon. The inestimable services which the officers and employees here in this establishment have rendered in the past may have to be repeated and enlarged in the future. The Secretary of State said the other day that this country is now facing the gravest crisis in its entire history. If this crisis ripens into broad-scale international war we know that the Navy (which not so long ago was beginning to be regarded by some too-knowing persons as more or less obsolete, an illusion which the Korean crisis has quickly dispelled) will again fill its magnificent role as a major line of defense of the United States, and that the Boston Naval Shipyard and its officers and employees will

as before, play a large and sustaining role in the service of the Navy and of the Nation.

INTER-AMERICAN CULTURAL AND TRADE CENTER

Mr. SIKES. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 511, providing for the recognition and the endorsement of the Inter-American Cultural and Trade Center.

The Clerk read the title of the joint resolution.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. SIKES. I shall be very glad to. This resolution simply provides for the recognition and the endorsement of the Inter-American Cultural and Trade Center to be established at Miami at no expense to the Federal Government. All costs are to be borne by the State of Florida and by the city of Miami.

Mr. MARTIN of Massachusetts. We have had several similar resolutions.

Mr. SIKES. That is correct.

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

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

Whereas the national security and prosperity of the United States require the development of improved relations and increased trade with the Latin-American Republics; and

Whereas international friendship and trade are founded upon the good will and mutual respect of the people of one nation for those of another, and must be based primarily upon extensive popular contact and understanding; and

Whereas the natural expansion of our trade with Latin America, without subsidy or compulsion, will sustain employment and production and improve living standards both in the United States and in Latin America, preventing the infiltration of undemocratic philosophies in Latin America while promoting mutual good will, understanding, and confidence, lasting trade connections, and solidarity among all the American Republics; and

Whereas any constructive long-range program for the development of a balanced foreign trade with Latin America must provide ample opportunity for the participation of small businesses, together with adequate merchandising facilities for their products and their representatives; and

Whereas there is a compelling need for the establishment of a trade center which will aid in carrying out these objectives and which will provide an opportunity to bring together large numbers of people from all the American Republics and give recognition to their respective cultural, scientific, and artistic achievements; and

Whereas during the past quarter century outstanding statesmen, industrialists, and internationalists have frequently urged the establishment of such a trade center; and

Whereas the city of Miami, Fla., is the most suitable location for such a trade center, because it is the natural gateway of the United States to Latin America and possesses the additional advantages of moderate climate, ample hotel and recreational facilities, and long acquaintance with the people of Latin America; and

Whereas the State of Florida and the city of Miami will donate lands and money to be used in the construction of such a trade center, and the establishment of the center at Miami has been specifically and unanimously endorsed by groups and organizations from every field of endeavor; and

Whereas a large group of leaders in government, industry, finance, and civic affairs, assisted for 7 months by carefully selected technicians, has prepared a comprehensive plan for the establishment of the Inter-American Cultural and Trade Center in Miami, to be operated in the national public interest as a permanent nonprofit self-sustaining enterprise: Therefore be it

Resolved, etc., That the Congress hereby expresses its endorsement of the establishment of the Inter-American Cultural and Trade Center in Miami as a permanent year-round nonprofit self-sustaining enterprise for the development of improved relations and increased trade with the Republics of Latin America. The President is authorized and requested, by proclamation or in such other manner as he may deem proper, to grant recognition to the Inter-American Cultural and Trade Center in Miami, calling upon officials and agencies of the Government to assist and cooperate with such center, and inviting the participation of all the nations of the Western Hemisphere therein.

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

JOHN W. MAHONEY ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1874) for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault, with Senate amendments thereto, and concur in the Senate amendments.

ANNOUNCEMENT

The SPEAKER. The Chair may say to the gentleman from New York, and take this opportunity also to say to all Members, that when Members have matters with reference to calling up House bills with Senate amendments and other matters about bills, the Chair would appreciate it very much if they would speak to him about it in advance.

JOHN W. MAHONEY ET AL.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 2, line 5, strike out "$600" and insert "$500."

Page 2, line 8, strike out "$400" and insert "$312."

Page 2, line 10, strike out "$300" and insert "$279.42."

Page 2, line 13, strike out "$1,200" and insert "$800."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HAROLD E. TRAUTWEIN

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1586) for the relief of Harold E. Trautwein, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$105.07" and insert "$106.07."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JOHN S. STEBER

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3919) for the relief of John S. Steber, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 8, after "act", insert "*Provided*, That no benefits shall accrue by reason of the enactment of this act for any period of time prior to the date of its enactment."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PATRICIA JOYCE DUNN, A MINOR

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4221) for the relief of the legal guardian of Patricia Joyce Dunn, a minor, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the amendments, as follows:

Page 1, lines 5 and 6, strike out "to the legal guardian of Patricia Joyce Dunn, a minor" and insert "to Patricia Joyce Dunn."

Page 1, line 9, strike out "the father of said minor" and insert "her father."

Amend the title so as to read: "An act for the relief of Patricia Joyce Dunn."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

UNIVERSAL CORP. ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6095) for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That jurisdiction be, and is

hereby conferred, upon the United States Court of Claims to hear, determine, and render judgment upon the claims of Universal Corp., a subcontractor, James Stewart Corp., prime contractor, and James Stewart & Co., Inc., parent company for alleged damages arising out of the performance of contracts NOy 11379 and NOy11662 with the Navy Department for the construction of naval hospital facilities at Houston, Tex., during World War II.

"SEC. 2. Any suit upon such claim brought under the provisions of this act shall be instituted within 1 year after the date of enactment of this act. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims under which such court has jurisdiction under section 1491 of title 28 of the United States Code: *Provided,* That the passage of this act shall not be construed as an inference of liability on the part of the United States: *Provided further,* That any recovery shall be limited to out-of-pocket losses."

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

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. BYRNE of New York. This bill as it passed the House conferred jurisdiction upon the District Court of the United States for the Northern District of Texas. The Senate amended the bill to change the jurisdiction from the district court to the United States Court of Claims. The gentleman from Texas [Mr. WILSON], the author of the bill, requests that I ask the House to concur in the Senate amendment.

Mr. MARTIN of Massachusetts. Why the change of jurisdiction?

Mr. BYRNE of New York. I presume because it was felt that perhaps the Court of Claims could give the case better attention than the district court. That seems to be the answer.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROBERT C. WATTERS ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7454) for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gyllum, deceased, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 7, strike out "$10,000" and insert "$5,000."

Page 2, line 5, strike out "$5,000" and insert "$2,500."

Page 2, line 6, strike out "$5,000" and insert "$2,500."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.

Mr. BYRNE of New York, submitted a conference report and statement on the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.

EWA PLANTATION CO.

Mr. BYRNE of New York submitted a conference report and statement on the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation.

FREEDOM OF THE PRESS

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

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

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, the freedom of the press as contemplated in the Constitution should not be invoked to shield or hide conduct that destroys, stulifies or denies our confidence in the security and public morality of the United States and its people. The freedom guaranteed to the press is the one to factually report, disclose, and disseminate knowledge, information, and news that the publisher prudently believes will benefit the public interest or advance his political or private aims. It is fallacious, however, to contend that the freedom so guaranteed can be invoked and sustained by a publisher whose political and private aims are destructive of the public interest and the public morality of the people and sovereignty who maintain that freedom.

Our Nation is blessed that through the course of its history the preponderance of the press has advanced the amelioration of the public morality in step with the publishers' political or private aims. The Nation glories in the ethical standard of the editorial and reporting staff that has valiantly held steadfast to the principle of factually reporting, disclosing, and disseminating knowledge, information, and news even though it was contrary and derogative to the political or private aims of the publisher. Indeed, it has been the ethical standard of the editorial and reporting staff that has kept the American press from complete degeneracy into a medium of the publisher to advance his private aims with utter indifference to public interest and public morality.

It is unfortunate that in recent days certain known publishers have made demoralizing assaults upon the ethical standard of the editorial and reporting staffs of their newspapers. Reporters have been discharged after long years of service because the reporter dared to factually report knowledge, information, and news that exposed criminal conduct in matters pertaining to public justice and public morality. Editors have been threatened with dismissal for daring to editorialize on knowledge, information, and matters intended to promote public justice and public morality.

Editorial and reporting staffs have been threatened with dismissal for daring to seek the organization of the staffs into a union for collective bargaining with the publisher. The editorial and reporting staffs have been threatened with dismissal unless editorials, knowledge, information, and news is written and reported in a way that the political and private aims of the publisher are advanced even though the same is in derogation and prostitution of the public justice and public morality.

I have introduced House Resolution 827 to cope with this known abuse of the freedom of press by those publishers who invoke the freedom to advance their political and private aim to the destruction of the public security, public justice, and public morality.

I trust that the Rules Committee will take cognizance of this serious situation.

USE OF RADIO BY THE COMMUNIST PARTY

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to include with my remarks a letter.

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, in the last few weeks I have received a number of complaints from citizens to the effect that the Communist Party is buying radio time and putting on radio programs that are not in the interest of the country. To the credit of many of the radio stations of the United States, let it be said that they have refused to sell this time to the Communists.

On August 18 I directed a letter to Hon. Wayne Coy, Chairman, Federal Communications Commission, inquiring for information as to the sale of radio time to the Communist Party for use, as I considered, in connection with its subversive activities.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 18, 1950.

Hon. WAYNE COY,
Chairman, Federal Communications Commission, Washington, D. C.

DEAR MR. COY: I would appreciate it if your Commission would furnish me for my official use a record of the amount of time purchased and used by and in the name of the Communist Party over American radio stations under your jurisdiction, together with the name of such stations and the date of the broadcast thereon beween June 15 and August 15, 1950.

It is my understanding that your commission does have a record of the commercial time sold by all radio stations and to whom.

Your prompt cooperation on this matter will be deeply appreciated.

Sincerely yours,

CLARENCE J. BROWN,
Member of Congress, Seventh Ohio District.

DRIED EGGS FROM COMMUNIST CHINA

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

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

There was no objection.

Mr. SCUDDER. Mr. Speaker, the flood of dried eggs from Communist China is now beginning to engulf California. On two recent occasions I have told the House of the imports pouring into this country. Now I am informed that there was unloaded last week in Los Angeles, for use in that city, approximately 21 tons of dried egg yolk from Tientsin, China. To my knowledge this is the first shipment received in California from Communist China. As these Chinese eggs are used for manufactured products, all of these items will bear a label as to the use of imported eggs.

Why, in the name of common sense and national sanity, are we allowing eggs from a Communist-controlled land to come to our shores? It is especially foolhardy considering that while imports of dried eggs from Red China displace the domestic product, the Government continues its heavy purchasing of dried eggs for price support.

To August 16, purchases this year have amounted to 77,000,000 pounds, which is 8,000,000 pounds more than the entire purchases last year.

Mr. Speaker, I urge the Members of this House to insist now that the flow of Red eggs from Communist China be halted if our poultry industry in the United States is to survive. It should do so at once before all of our domestic poultrymen are ruined.

DISTRICT OF COLUMBIA COMMITTEE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Saturday to file a report on the bill H. R. 9362 and also on the bill H. R. 9524.

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

There was no objection.

EXTENSION OF REMARKS

Mr. JACKSON of Washington (at the request of Mr. MANSFIELD) was given permission to extend his remarks.

Mr. BRYSON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. CLEMENTE asked and was given permission to extend his remarks.

Mr. BURNSIDE (at the request of Mr. BENNETT of Florida) was given permission to extend his remarks and include extraneous matter.

Mr. KARST asked and was given permission to extend his remarks and include an article on bacteria for sale.

Mr. MARSHALL asked and was given permission to extend his remarks and include an editorial.

Mr. HOWELL (at the request of Mr. BUCHANAN) was given permission to extend his remarks and include an editorial in reference to Mrs. MARY NORTON.

Mr. TALLE asked and was given permission to include in the remarks he made in Committee today an article taken from the Daily News of this date.

Mr. MACK of Washington asked and was given permission to extend his remarks and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include a letter from a constituent.

Mr. RICH (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include excerpts.

Mr. GILMER (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. CASE of South Dakota asked and was given permission to extend his remarks and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks and to include a telegram.

Mr. WHITAKER (at the request of Mr. BROOKS) was given permission to extend his remarks and to include extraneous matter.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; and

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; and

S. 3059. An act for the relief of John H. Sebenick.

BILLS 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, bills and joint resolutions of the House of the following titles:

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12, enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Josephy Lundberg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6585. An act for the relief of Stamatie Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution extending from gross estate of a nonresident alien works of art on loan to the trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p. m.), the House adjourned until tomorrow, Saturday, August 26, 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:

1648. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of $217,000 for the legislative branch (H. Doc. No. 695); to the Committee on Appropriations and ordered to be printed.

1649. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices"; to the Committee on Post Office and Civil Service.

1650. A letter from the Attorney General, transmitting a letter relative to the case of Costas Agallos or Constantine Agallas, file No. A-7092965 CR 27020, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

1651. A letter from the Attorney General, transmitting the report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the 5-year period commencing January 1, 1945, and ending December 31, 1949; to the Committee on the Judiciary.

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. THOMPSON: Committee on Merchant Marine and Fisheries. Third interim report filed pursuant to House Resolution 44, on investigation of Panama Canal tolls (Rept. No. 2993). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee of conference. S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals; without amendment (Rept. No. 2994). Ordered to be printed.

Mr. KELLEY of Pennsylvania: Committee on Education and Labor. S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes; without amendment (Rept. No. 2995). Referred to the Committee of the Whole House on the State of the Union.

By Mr. MORGAN: Committee on Foreign Affairs. S. 2801. An act to give effect to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, and for other purposes; with amendment (Rept. No. 2996). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 9362. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; with amendment (Rept. No. 2997). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 9524. A bill to supplement the District of Columbia Teachers' Leave Act of 1949; without amendment (Rept. No. 2998). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee of conference. S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes; without amendment (Rept. No. 3001). Ordered to be printed.

Mr. DAWSON: Committee of conference. H. R. 9038. A bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; without amendment (Rept. No. 3002). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 1501. An act for the relief of Mr. and Mrs. Ray S. Berrum; without amendment (Rept. No. 2992). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee of conference. H. R. 1271. A bill for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.; without amendment (Rept. No. 2999). Ordered to be printed.

Mr. BYRNE of New York: Committee of conference. H. R. 2233. A bill for the relief of Ewa Plantation Co., a Hawaiian corporation; without amendment (Rept. No. 3000). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. HART:

H. R. 9534. A bill to amend the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LANE:

H. R. 9535. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H. R. 9536. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

H. R. 9537. A bill to authorize the Secretary of the Army to transfer to the Secretary of the Interior certain lands on which the Seattle Fish and Wildlife Service Laboratory is located; to the Committee on Armed Services.

By Mr. HART:

H. R. 9538. A bill to amend subsection (1) of section 4551 of the Revised Statutes, as amended, to exempt additional vessels from the requirements thereof; to the Committee on Merchant Marine and Fisheries.

By Mr. STAGGERS:

H. R. 9539. A bill to protect the internal security of the United States, and for other purposes; to th Committee on the Judiciary.

By Mrs. WOODHOUSE:

H. R. 9540. A bill to extend additional relief to persons in the military service of the United States who have outstanding mortgage or other obligations arising out of ownership of certain residential real property, by amending sections 532 and 590 of title 50 of the United States Code; to the Committee on Veterans' Affairs.

By Mr. McDONOUGH:

H. J. Res. 525. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. HILL:
H. J. Res. 526. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. SADLAK:
H. J. Res. 527. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. SCRIVNER:
H. J. Res. 528. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mrs. HARDEN:
H. J. Res. 529. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. O'HARA of Minnesota:
H. J. Res. 530. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. VAN ZANDT:
H. J. Res. 531. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. D'EWART:
H. J. Res. 532. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. VURSELL:
H. J. Res. 533. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. JUDD:
H. Con. Res. 253. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. ELLSWORTH:
H. Con. Res. 254. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. GWINN:
H. Con. Res. 256. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Policy.

By Mr. HALE:
H. Con. Res. 256. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. HERTER:
H. Con. Res. 257. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. NIXON:
H. Con. Res. 258. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. PATTERSON:
H. Con. Res. 259. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. STOCKMAN:
H. Con. Res. 260. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:
H. Con. Res. 261. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:
H. Con. Res. 262. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. RICHARDS:
H. Con. Res. 263. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:
H. Con. Res. 264. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. PRIEST:
H. Con. Res. 265. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. BYRNE of New York:
H. Con. Res. 266. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. RIBICOFF:
H. Con. Res. 267. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. STIGLER:
H. Con. Res. 268. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MARSHALL:
H. Con. Res. 269. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. WALSH:
H. Con. Res. 270. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. LODGE:
H. Con. Res. 271. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. BUCHANAN:
H. Res. 828. Resolution authorizing the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CASE of South Dakota:
H. R. 9541. A bill authorizing the issuance of a patent in fee to John Black Bull; to the Committee on Public Lands.

H. R. 9542. A bill authorizing the issuance of a patent in fee to Frances Nettie Turgeon-Baechler; to the Committee on Public Lands.

By Mr. D'EWART:
H. R. 9543. A bill authorizing the Secretary of the Interior to issue a patent in fee to Eugene Fisher; to the Committee on Public Lands.

H. R. 9544. A bill authorizing the Secretary of the Interior to issue a patent in fee to Richard James Brown; to the Committee on Public Lands.

By Mr. HART:
H. R. 9545. A bill for the relief of Harvey L. Cobb; to the Committee on the Judiciary.

By Mrs. KELLY of New York:
H. R. 9546. A bill for the relief of Hildegard Lechner and Ingrid Lechner; to the Committee on the Judiciary.

By Mr. MANSFIELD:
H. R. 9547. A bill for the relief of Alfred Joseph Huter; to the Committee on the Judiciary.

By Mr. McGRATH:
H. R. 9548. A bill for the relief of Aurelio Maiolatesi; to the Committee on the Judiciary.

By Mr. SHELLEY:
H. R. 9549. A bill for the relief of Mrs. Fusako Hayashi Kimoto and Shirley Mariko Kimoto; to the Committee on the Judiciary.

By Mr. TALLE:
H. R. 9550. A bill for the relief of Mrs. Johanna Hampton; to the Committee on the Judiciary.

By Mr. UNDERWOOD:
H. R. 9551. A bill for the relief of Charlie Cobb; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:
H. R. 9552. A bill for the relief of Ruth Jacobs Naccari; to the Committee on the Judiciary.

H. R. 9553. A bill for the relief of Gino Giacomi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2344. The SPEAKER presented a petition of Lt. Col. James W. Stacy, president, Department of Hawaii, Reserve Officers Association of the United States, Honolulu, T. H., relative to a pamphlet which was distributed in Hawaii on July 19, 1950, by the local Communist Party relative to world war III, which was referred to the Committee on Un-American Activities.

HOUSE OF REPRESENTATIVES

SATURDAY, AUGUST 26, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, grant that in a humble spirit and a contrite heart we may now beseech Thee for a vivid and vital experience of Thy presence during all the hours of this new day.

We thank Thee for the joy and peace which fill our souls when we have this experience; for its inspiration in our times of doubt and discouragement; for its restraining and arresting influence in our moments of temptation; for its strengthening and sustaining power when the struggle of life is difficult and our hearts are overwhelmed.

May the time come when men everywhere shall give themselves in a glad and willing obedience to the Prince of Peace.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 4071) entitled "An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes;" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr.