Carl H. Hudson.
John E. Hudson, [redacted].
Robert C. Hunt.
Lorus D. Jewkes.
Edward L. Johnson.
Rodney W. Johnson.
William E. Johnson, Jr.
James A. Jolley.
Carlton A. Judice.
Robert S. Keller.
Preston J. Knight, Jr.
Charles A. Kray.
Benjamin S. Lancaster.
Fred M. Lang, Jr.
William J. Latzko.
James M. Leahy, [redacted].
Robert L. Leighton, Jr.
John L. Lillibridge.
John R. Longenecker.
Edwin K. Lucas.
James E. Marck.
Royce L. McClure.
Claude L. McIntyre.
James E. McNiff.
Thomas F. Meagher.
Philip H. Mecom, Jr.
Edward H. Metzger, Jr.
Walter C. Moorman.
Kevin J. Murphy.
Henry C. Newell.
Donald L. Niehaus.
Leo W. Nielsen, [redacted].
Emanuel Nobile, Jr.
Robert P. O'Beirne.
Charles D. Parker, Jr.
Frank M. Pender, [redacted].
Alvin A. Poag, Jr., [redacted].
Norman G. Pohler.
Albert G. Ponte.
John F. Porter, Jr.
Richard J. Potter.
Charles D. Pratt, Jr.
Loren E. Radford.
James A. Ralph.
George Regas.
Rodney R. Rehfeld.
Richard T. Replinger, [redacted].
Robert W. Rettger.
William A. Ritchey.
Charles R. Roberts, [redacted].
Walter R. Roemer.
Aubrey L. Romine.
Al S. Rosin.
Richard W. Ruehe, [redacted].
Gordon C. Russell.
Homer E. Schott, Jr.
Lionel Z. Schubert.
Donald G. Schuerman.
Sherman M. Seltzer.
Richard P. Shyvers, [redacted].
John W. Simmons.
William P. Smyth.
Robert E. Soden, [redacted].
Wallace H. Spauling, Jr.
Daniel C. Stamer.
Charles D. Stampley, [redacted].
Robert G. Steinhoff.
John A. Stevenson.
James W. Stewart, [redacted].
Hans W. Strohm.
Berlyn K. Sutton.
Bobby R. Sykes.
Hugh P. Tomlinson.
Ralph S. Treadwell, [redacted].
Harry E. Ulmer.
Edmund L. Upp, [redacted].
Joseph W. Urbanek, [redacted].
Paul D. Van Gelder.
Spencer B. Vay, [redacted].
Charles G. F. Wahle, [redacted].
Charles Waldon.
James W. Ward.
Solomon Weinberg.
Rex G. Welty, Jr., [redacted].
Landon P. Whitelaw.
Howard D. Wilson.
Wallace L. Wilson.
Marion T. Wood.
Francis J. Woods.
Leigh S. Woodward.
John F. Wortman.
Bruce C. Young, Jr., [redacted]
Fletcher R. Young, Jr.
Harold D. Yow.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Clarence E. Apple, [redacted].
Erwin F. Bauer, [redacted].
Phillip C. Bowser.
John A. Bryan.
Charles W. Cadrecha.
James J. Cassidy.
George W. Curran.
James H. Davis, [redacted].
John P. Dobbins.
William H. Drisko, [redacted].
John W. Ekey, [redacted].
Charles G. Ferguson, [redacted].
William E. Franklin, [redacted].
Cecil R. French.
William W. Gilleland.
George B. Harvey, Jr.
James B. Hatch.
Harry C. Henkhaus, Jr.
Fred S. Jones, [redacted]
Frank S. Klein.
Robert A. Lettas, [redacted]
Henry J. Nachtsheim, Jr., [redacted]
Frederick T. O'Neill.
Donald J. Opitz.
Russell Perry, [redacted]
William M. Perry, [redacted].
William D. Walker.
George W. Weider, [redacted].

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

William L. Brown.
James F. Exley.
Harry S. Hover, Jr.
James C. Rives, [redacted].

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES, WITHOUT SPECIFICATION OF BRANCH, ARM, OR SERVICE

First Lt. George Raymond Krough, [redacted] Medical Service Corps, United States Army.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Louis Russell Delmonico, [redacted] and other officers for promotion in the Regular Army of the United States under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on January 25, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning on page 909 with the name of Louis Russell Delmonico and ending on page 911 with the name of Frances Mary Yonlack, [redacted].

IN THE UNITED STATES AIR FORCE

The nominations of Henry Eugene Abbott, Jr., and others, for promotion in the United States Air Force, which were confirmed today, were received by the Senate on January 25, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Henry Eugene Abbott, Jr., on page 911, and ending with the name of Mary L. Boman, AJ10, on page 919.

IN THE NAVY

Admiral William H. P. Blandy, United States Navy, when retired, to be placed on the retired list of the Navy with the rank of admiral.

IN THE NAVY AND MARINE CORPS

The nominations of Dale E. Barck and others for promotion in the Navy and in the Marine Corps, which were confirmed today, were received by the Senate on January 23, 1950, and appear in full in the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Dale E. Barck, which appears on page 767, and ending with the name of William R. Lemmon, which appears on page 768.

SENATE

MONDAY, FEBRUARY 6, 1950

(Legislative day of Wednesday, January 4, 1950)

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

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

Almighty and everliving God, as we bow in this quiet moment dedicated to the unseen and the eternal, confirm our abiding faith, we beseech Thee, in those deep and holy foundations which the fathers laid, lest in foolish futility we attempt to build on sand instead of rock. May we match great days with spacious thinking. Through the lips that speak in this forum of freedom, above all differences may there be heard by a listening world the solemn summons to men of good will, of all colors and all nations, to a new commonwealth of all peoples in which power shall be administered as a sacred trust dedicated to the common good. In the Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 3, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

LEAVE OF ABSENCE

On request of Mr. HOEY, and by unanimous consent, Mr. GRAHAM was excused from attendance upon the sessions of the Senate this week, because of official business.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Donnell	Hayden
Anderson	Douglas	Hendrickson
Brewster	Downey	Hill
Bricker	Dworshak	Hoey
Bridges	Ecton	Holland
Butler	Ellender	Humphrey
Byrd	Ferguson	Hunt
Cain	Flanders	Ives
Capehart	Frear	Jenner
Chapman	Fulbright	Johnson, Colo.
Chavez	George	Johnson, Tex.
Connally	Gillette	Johnston, S. C.
Cordon	Green	Kefauver
Darby	Gurney	Kem

Kilgore	Martin	Sparkman
Knowland	Maybank	Stennis
Leahy	Millikin	Taft
Lehman	Mundt	Taylor
Lodge	Murray	Thomas, Okla.
Lucas	Myers	Thomas, Utah
McCarran	Neely	Tobey
McCarthy	O'Conor	Tydings
McClellan	O'Mahoney	Watkins
McFarland	Robertson	Wherry
McKellar	Russell	Williams
McMahon	Schoeppel	Withers
Magnuson	Smith, Maine	Young
Malone	Smith, N. J.	

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Mississippi [Mr. EASTLAND] is absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on official business.

Mr. WHERRY. I announce that the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] is detained on official business.

The Senator from Wisconsin [Mr. WILEY] is detained because of a temporary illness.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, a subcommittee of the Committee on Banking and Currency was authorized to hold a hearing during the session of the Senate today.

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Foreign Relations was authorized to meet during the sessions of the Senate this week.

ORDER OF BUSINESS

The PRESIDING OFFICER. The pending business before the Senate is Senate bill 2440, to authorize certain construction at military and naval installations, and for other purposes.

Mr. LUCAS. Mr. President, last Friday before the Senate took a recess we were debating Senate bill 2440. From conversation since that time with the distinguished Senator from Maryland [Mr. TYDINGS], chairman of the Armed Services Committee, and other Senators, it is now apparent that it will be impossible to make proper disposition of this measure before late in the afternoon. Under those circumstances, it is more or less agreed that we shall proceed to the consideration of Senate bill 75, as heretofore announced by the Senator from Illinois, and that following the disposition of Senate bill 75 we shall then return to Senate bill 2440.

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

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

Mr. LUCAS. I yield.

Mr. TYDINGS. I wish to thank the majority leader, and also to express my appreciation for the cooperation of the minority leader in trying to bring Senate bill 2440 before the Senate at an early date. I concur in the majority leader's statement that in view of the many items in the bill and the discussion on Friday it is doubtful whether we could dispose of it in the next 2 or 3 hours. Therefore I think his suggestion is timely, and I hope Senators will all agree to go along with the program he suggests.

Before taking my seat I wish to thank the Senators from Arizona [Mr. HAYDEN and Mr. MCFARLAND], as well as the Senators from California [Mr. DOWNEY and Mr. KNOWLAND], who were kind enough, notwithstanding the unanimous-consent agreement to proceed with Senate bill 75 today, to agree to a postponement of their bill. It was not practical to give proper legislative approval to the military bill. Nonetheless, I want them to know that I appreciate their cooperation.

COLORADO RIVER DAM AT BRIDGE CANYON

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 75.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. WHERRY. Mr. President, reserving the right to object, I understand that that is the bill to which the distinguished Senator from Maryland has just referred, and that there is complete agreement among all members of the Armed Services Committee, so there will be no objection on my part.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with amendments.

TRANSACTION OF ROUTINE BUSINESS

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

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

AMENDMENT OF SECURITIES EXCHANGE ACT OF 1934—COMMUNICATION FROM THE PRESIDENT (H. DOC. NO. 464)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was read and referred to the Committee on Banking and Currency, as follows:

THE WHITE HOUSE,
Washington, February 6, 1950.

Hon. ALBEN W. BARKLEY,
President of the Senate of the United States.

DEAR MR. VICE PRESIDENT: The Securities and Exchange Commission has recommended to the Congress an amendment to the Securities Exchange Act of 1934 which would extend to investors in certain unregistered securities the protections now enjoyed by investors in securities which are registered by their issuers with that Commission.

I believe that the reports on this subject made by the Commission on June 20, 1946 (H. Doc. No. 672, 79th Cong.), and on January 9, 1950, clearly demonstrate a need for the proposed legislation. The value of the protections afforded investors in registered securities has been thoroughly proved since 1934. There is no good reason why these protections should continue to be denied to investors in other companies which do not list their securities on the exchanges.

I hope that the Congress will give favorable consideration to the legislation which has been recommended by the Securities and Exchange Commission.

Sincerely yours,

HARRY S. TRUMAN.

PROTESTS AGAINST COMPULSORY HEALTH INSURANCE LEGISLATION

Mr. O'CONOR. Mr. President, two leading societies in the field of dentistry—the Maryland State Dental Association and the Southern Maryland Dental Society—have gone on record in resolutions opposing enactment of legislation containing the principles of compulsory health insurance.

Along this same line there has come to me a joint resolution adopted by the House of Delegates of the Maryland Legislature and a resolution from the Baltimore Association of Accident and Health Underwriters which expresses the opposition of the members of the association to any form of compulsory disability benefits, medical care, and hospital care programs, under Federal control.

I send the resolutions to the desk and ask unanimous consent that they be appropriately referred and printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on

Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

Whereas the American dental and medical professions have established the world's highest standard of dental and medical care, thereby helping the United States to become the healthiest major nation in the world; and

Whereas the experience of all countries where government has assumed control of dental and medical services has shown that there has been a progressive deterioration of health care to the detriment of the people; and

Whereas this problem was adjudged so serious by the people of Maryland that the State legislature, in its last session, instituted Joint Resolution No. 11, to memorialize the Congress of the United States not to federalize the practice of medicine; and

Whereas the great advances which have been made in the profession of dentistry under the stimulus of private practice would be impeded by enactment of a Federal system of compulsory health insurance: Now, therefore, be it

Resolved, That the Southern Maryland Dental Society does hereby memorialize the Congress of the United States not to enact any legislation containing the principle of compulsory health insurance; and

That a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative now in the Congress of the United States, and to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States.

RUSSELL P. KILCER, D. D. S.,
President.
HAROLD H. CONNER, D. D. S.,
Secretary.

Silver Spring, Md., dated this 5th day of December 1949.

Whereas the American dental and medical professions have established the world's highest standard of dental and medical care, thereby helping the United States to become the healthiest major nation in the world; and

Whereas the experience of all countries where government has assumed control of dental and medical services has shown that there has been a progressive deterioration of health care to the detriment of the people; and

Whereas this problem was adjudged so serious by the people of Maryland that the State legislature, in its last session, instituted Joint Resolution No. 11 to memorialize the Congress of the United States not to federalize the practice of medicine; and

Whereas the great advances which have been made in the profession of dentistry under the stimulus of private practice would be impeded by enactment of a Federal system of compulsory health insurance: Now, therefore, be it

Resolved, That the Maryland State Dental Association does hereby memorialize the Congress of the United States not to enact any legislation containing the principle of compulsory health insurance; and

That a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative now in the Congress from this State and to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States.

B. S. WELLS, D. D. S., *President.*
E. L. PESSAGNO, Jr., D. D. S.,
Secretary.

Baltimore, Md., dated this 6th day of December 1949.

Joint Resolution 11

Joint resolution memorializing the Congress of the United States not to federalize the practice of medicine

Whereas the American people now enjoy the highest level of health, the finest standards of scientific care and the best quality of medical institutions thus far achieved by any major country in the world; and

Whereas the great accomplishments of American medicine are the results of a free profession working under a free system unhampered by Government control; and

Whereas the experience of all countries where government has assumed control of medical care has been progressive deterioration of the standards of that care to the serious detriment of the sick and the needy: Now, therefore, be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be and is hereby memorialized not to enact legislation that has been proposed the effect of which will be to bring the practice of medicine in this country under Federal direction and control; and be it further

Resolved, That the Senators and Representatives from Maryland in the Congress of the United States be and they are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation; and be it further

Resolved, That copies of these resolutions be transmitted by the secretary of state of Maryland, under the great seal of this State, to the President of the United States, to the presiding officer of each branch of the Congress, and to the Members thereof from this State.

RESOLUTION PASSED BY THE BALTIMORE ASSOCIATION OF ACCIDENT AND HEALTH UNDERWRITERS AT THEIR MONTHLY MEETING, DECEMBER 13, 1949

Whereas under the American voluntary enterprise system there has been developed the highest standards of health and medical care of any world nation; and

Whereas medical and hospital facilities have been made available to the people of the United States on a budget basis through voluntary income replacement, medical-care, surgical-care, and hospital-care insurance; and

Whereas there is nothing which Government can do for the American family in the realm of insurance protection which voluntary commercial carriers cannot do better and at less cost; and

Whereas compulsory disability income, medical-care and hospital-care insurance, oftentimes grouped together under the term "compulsory health insurance," would destroy the existing plans of voluntary commercial insurance carriers, which plans render the best service for the least cost: Now, therefore, be it

Resolved, That the Baltimore Association of Accident and Health Underwriters does hereby go on record in opposition to any form of compulsory disability benefits, medical-care and hospital-care programs or any allied system of political medicine or political health care designed for Federal bureaucratic control.

That a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative in Congress, and that such individuals be and are hereby respectively requested to use every effort at their command to prevent the enactment of such legislation.

T. KENNETH MERSEREAU,
President.
F. C. CHANEY II,
Secretary.

Dated this 15th day of December 1949.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

BILLS INTRODUCED

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

By Mr. WATKINS:

S. 2989. A bill to provide an accelerated program for surveying and mapping of the United States, its Territories and possessions, and for other purposes; to the Committee on Interior and Insular Affairs.

Mr. TYDINGS. At the request of the Department of Defense, I introduce for appropriate reference two bills.

The VICE PRESIDENT. The bills will be received and appropriately referred.

By Mr. TYDINGS (by request):

S. 2990. A bill for the relief of Amy Louisa Shier; and

S. 2991. A bill for the relief of the Chicago, Rock Island & Pacific Railroad Co.; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2992. A bill exempting admissions to activities of elementary and secondary schools from the tax on admissions; to the Committee on Finance.

S. 2993. A bill to amend the Railroad Retirement Act of 1937, as amended, to restore to certain persons who were in a furlough status with respect to carriers on August 29, 1935, their eligibility for annuities under such act; to the Committee on Labor and Public Welfare.

By Mr. JENNER:

S. 2994. A bill for the relief of Jacob F. Hutt; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2995. A bill to provide for a preliminary examination and survey for the construction of a breakwater for Hull, Mass., and for other purposes; to the Committee on Public Works.

By Mr. MAGNUSON:

S. 2996. A bill to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON (for himself and Mr. BRIDGES):

S. 2997. A bill to authorize an annual appropriation to aid the Arctic Institute of North America in its scientific research activities in North American Arctic areas; to the Committee on Labor and Public Welfare.

(Mr. McCARTHY introduced Senate bill 2998, to remedy the existing waste in Government purchases of surplus food commodities; to provide adequate diets for those who are in need; to assist in maintaining fair prices and incomes to farmers by providing adequate outlets for agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources; and for other purposes; which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. JOHNSON of Colorado (by request):

S. 2999. A bill to amend the act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes, ap-

proved May 27, 1935 (49 Stat. 292, 15 U. S. C. 189a, 192, 192a), as amended; to the Committee on Interstate and Foreign Commerce.

DISPOSAL OF CERTAIN SURPLUS FOODS

Mr. McCARTHY. Mr. President, I introduce a bill entitled "A bill to remedy existing waste in Government purchases of surplus food commodities." Very simply stated, Mr. President, this bill embodies a plan for the disposal of all foods which are in surplus supply under the farm price-support program, having in mind especially, of course, surplus potatoes, surplus butter, surplus eggs, and the other edible surplus products.

The bill provides that instead of permitting those products to go to waste, they shall be made available to families in the lower-income groups, the amount to be made available to each family to depend upon the size of the family. By such means, for example, instead of having eggs spoil in the limestone caves of Kentucky, and subsequently be dumped into the ocean, they will be used by the families who need them.

There being no objection the bill (S. 2998) to remedy the existing waste in Government purchases of surplus food commodities; to provide adequate diets for those who are in need; to assist in maintaining fair prices and incomes to farmers by providing adequate outlets for agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources; and for other purposes, introduced by Mr. McCARTHY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

PRINTING OF REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF AMERICAN REVOLUTION

Mr. HAYDEN submitted the following resolution (S. Res. 225), which was referred to the Committee on Rules and Administration:

Resolved, That the fifty-second annual report of the National Society of the Daughters of the American Revolution for the year ending April 1, 1949, be printed as a Senate document.

PRINTING OF PAMPHLET ENTITLED "EMPLOYMENT AND UNEMPLOYMENT"

Mr. O'MAHONEY submitted the following resolution (S. Res. 226), which was referred to the Committee on Rules and Administration:

Resolved, That the committee print entitled "Employment and Unemployment," prepared for the use of the Joint Committee on the Economic Report, be printed as a Senate document.

CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the amendment in the nature of a substitute to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF DISPLACED PERSONS ACT—AMENDMENTS

Mr. KNOWLAND. Mr. President, I submit amendments intended to be proposed by me to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, which is on the Senate Calendar. The amendments deal exclusively with the situation of the so-called white Russians or non-Communist Russians who were on the island of Samar and were forced to evacuate from Shanghai.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table.

PRINTING OF PAMPHLET ENTITLED "THE FEDERAL BUDGET IN BRIEF" (S. DOC. NO. 131)

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed as a Senate document, with illustrations, a pamphlet entitled "The Federal Budget in Brief," fiscal year ending June 30, 1951, transmitted to the Congress by the President of the United States on January 3, 1950.

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

GOVERNMENT FINANCING AND SPENDING—ADDRESS BY SENATOR BYRD

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address delivered by him before the National Industrial Conference Board in New York, January 26, 1950, which appears in the Appendix.]

ADDRESS BY SENATOR BENTON BEFORE CONNECTICUT EDITORIAL ASSOCIATION

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address delivered by Senator BENTON before the Connecticut Editorial Association at Waterbury, Conn., on February 4, 1950, which appears in the Appendix.]

MINNESOTA WELCOMES THE PRESIDENT—SPEECH BY SENATOR HUMPHREY AT TRUMAN DAY CELEBRATION, ST. PAUL, MINN.

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a speech delivered by him at the Truman Day celebration at the Lowry Hotel, St. Paul, Minn., on November 3, 1949, which appears in the Appendix.]

FEDERAL EMPLOYEES IN POLITICS—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Employees in Politics," published in the Washington Post of February 1, 1950, which appears in the Appendix.]

PRICE SURVEY COMPARISON

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a study by the Bureau of Education on Fair Trade, of New York, on the subject of fair trade laws, which appears in the Appendix.]

THE COAL SITUATION AND 1952 POLITICS—EDITORIAL FROM THE OMAHA EVENING WORLD-TELEGRAM

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "Into 1952 Politics," published in the Omaha Evening World-Herald of February 1, 1950, which appears in the Appendix.]

RELATIONS BETWEEN COAL OPERATORS AND COAL MINERS—LETTER FROM THE UNITED MINE WORKERS OF AMERICA

[Mr. NEELY asked and obtained leave to have printed in the RECORD a letter from the negotiating representatives of the United Mine Workers of America, by John L. Lewis, to the President of the United States, regarding conditions in the coal mines, which appears in the Appendix.]

TRIBUTE TO HARRY HOPKINS BY WINSTON CHURCHILL

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a tribute to Harry Hopkins by Winston Churchill, published in the New York Times of January 26, 1950, which appears in the Appendix.]

PROPOSED FAIR EMPLOYMENT PRACTICES LEGISLATION—EDITORIAL FROM THE NEW YORK JOURNAL-AMERICAN

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an editorial regarding Fair Employment Practices Commission legislation, which appears in the Appendix.]

POLICY STATEMENT BY NEW YORK YOUNG REPUBLICAN CLUB

[Mr. IVES asked and obtained leave to have printed in the RECORD the sections on labor, health, old-age pensions, education, and housing, from a policy statement by the New York Young Republican Club, which appear in the Appendix.]

EDITORIAL COMMENT ON THE HISS CASE

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD four editorials on the subject of the suggested resignation of the Secretary of State; namely, an editorial entitled "Acheson Should Resign," from the Indianapolis (Ind.) Star, January 27, 1950; an editorial entitled "They Must Be Impeached," from the Tulsa (Okla.) Tribune, January 28, 1950; an editorial entitled "A Dramatic Scene From the 'Inside' at Yalta," from the Wheeling (W. Va.) Intelligencer, January 27, 1950; and an editorial entitled "How Naive You Can Be" from the Indianapolis (Ind.) Star, January 29, 1950, which appear in the Appendix.]

WELCOME TO WHITE COUNTY—ARTICLE FROM THE WHITE COUNTY DEMOCRAT

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article entitled "Welcome to White County," published in the White County Democrat, of Monticello, Ind., September 8, 1949, which appears in the Appendix.]

VALUE OF HIGH DAMS—EDITORIAL FROM THE PARIS (TENN.) POST-INTELLIGENCER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Value of High Dams," published in the Paris (Tenn.) Post-Intelligencer of January 18, 1950, which appears in the Appendix.]

TRIBUTE TO LT. COL. ALBERT L. VREELAND

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an announcement of a presentation of the Army's commendation to Lt. Col. Albert L. Vreeland, of the Organized Reserve Corps, which appears in the Appendix.]

COOPERATIVE NATIONAL HEALTH PROGRAM OF THE MEDICAL SOCIETY OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. President, the great issue of how adequate

medical care can be made available to all Americans is still before us. It has long been my conviction, and that of many other Senators, that the final answer to that question depends not simply on the action of the Federal Government but also—indeed, primarily—on the action of the States, the local communities, and the voluntary and professional groups of the Nation. I am also convinced that the only wise Federal legislation in this field will be that which seeks to stimulate, not to replace, the creative and inventive capacities of the people.

It is, therefore, a particular pleasure to me to note that the Medical Society of New Jersey, which, incidentally, is the oldest State medical society in the United States, issued on January 30 a cooperative national health program recommending 12 specific, positive lines of action in the field of health. By announcing this program I feel that the Medical Society of New Jersey has made a distinct contribution to the consideration of this vexing problem and has shown that it is willing to assume its share of responsibility in devising an over-all solution.

I call attention to the fact that the New Jersey program is based primarily on the extension and improvement of voluntary nonprofit prepayment plans. It is my belief that this rapidly growing and evolving voluntary system is a major national asset in our attack on the health problem, an asset which must be extended and perfected and not frustrated or replaced by a Federal compulsory system.

Without endorsing in detail each of the recommendations of the New Jersey plan, I wish to express my hearty approval of its general approach. It affords concrete evidence of the constructive interest which the medical profession is taking in the economic problems of national health. I commend it to the careful attention of the Senate.

Mr. President, in behalf of my colleague from New Jersey [Mr. HENDRICKSON] and myself, I ask unanimous consent that the text of the New Jersey Medical Society's announcement be printed in the RECORD as a part of my remarks.

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

PROPOSALS OF THE MEDICAL SOCIETY OF NEW JERSEY FOR A NATIONAL HEALTH AND MEDICAL CARE PROGRAM

A 12-point cooperative health program, in which National and State governments may participate without endangering individual initiative, personal freedom, or scientific progress was set forth on January 30, 1950, by the Medical Society of New Jersey.

The program was revealed by Dr. James F. Norton, of Jersey City, president of the State Medical Society and vice president of the American Medical Association. In introducing the Medical Society's proposals, Dr. Norton said:

"We believe this positive cooperative health plan constitutes a standard to which all men of good will can repair. We propose to seek endorsement and active support of this program from every private and public organization in the community.

"We are convinced that people working together can solve their social problems, acting through the many volunteer organizations that already have accomplished so much in making life safer, healthier, and happier for everyone.

"Government—local, State, and National—has a part to play, but it should seek to promote and supplement the efforts of free citizens, not to supplant or supersede those efforts. We have tried in this statement to define the proper role of government and to show how voluntary agencies, including the medical profession, can exert the leadership that the public expects of us."

Text of the society's statement follows:

"The Medical Society of New Jersey favors, and always has favored, a constructive approach to the solution of the national health problem, particularly as it applies to the citizens of New Jersey. The solution of medical and health problems should be undertaken in a realistic, scientific spirit Moreover, since the health of the people transcends all political considerations, it must be considered on a nonpartisan basis.

"In view of the fact that the Congress of the United States and the State legislatures are considering various extensions of the health program, the Medical Society believes that the following statement, presented as a definite and comprehensive program of action, will be helpful at this time.

"The Medical Society of New Jersey believes there are large areas in which government may beneficially cooperate with the citizens, individually or acting through voluntary associations, in furthering a health program—in the interest of all the people, and without jeopardy to individual liberty. It is generally recognized that voluntary cooperative effort should have priority at all times. Government should seek to promote and supplement the efforts of free citizens—not to supplant or supersede voluntary action—whenever voluntary cooperative effort can meet the need.

"Any constructive approach to solution of the health problem must take into account the several classifications of those who require medical care, namely:

"1. Those not employed, but able to sustain the full cost of providing for hospital and medical care.

"2. Those who are employed.

"3. The medically indigent, whose income does not suffice to meet the costs of catastrophic illnesses.

"4. The totally indigent, who are on public assistance rolls.

"5. The chronically ill.

"Any adequate program to meet health needs should include medical and hospital care. Insofar as possible, such care should be so inclusive that everyone may budget in advance against the financial burden of sudden illness. In addition, the program should assure every community of basic health protection through well-organized professional public-health departments.

"No matter what program is devised, it should be experimental, flexible, and evolutionary in character. It should be sufficiently concrete as to be readily understood and practically adaptable everywhere.

"The Medical Society of New Jersey, therefore, offers the following proposals for a cooperative health program, in which National and State Governments may participate, without endangering individual initiative, personal freedom, or scientific progress. The sequence in which this program is set forth does not necessarily indicate the relative importance of its parts.

"1. Voluntary nonprofit organizations should be used as the best means of budgeting hospital and medical service for the individual and his family.

"(a) The Blue Cross movement, providing for hospital care on a nonprofit, minimum cost basis, is recognized as the outstanding development in this direction. First established in New Jersey less than 20 years ago, Blue Cross has extended to nearly every part of the United States. There are now 96 Blue Cross organizations with a combined enrollment of more than 35,000,000 people. In New Jersey, approximately one-third of the population now enjoys this protection.

"(b) the Blue Shield movement, launched within the past decade, has made possible the prepayment of medical care on a budget basis, which in some areas means that the doctor's bill for eligible care is covered in full for 80 percent of subscribers and their dependents, of whom there are now more than 12,000,000 persons enrolled throughout the United States. Blue Shield in New Jersey has enrolled 350,000 people in only 7 years.

"2. For persons not employed, but able to meet the cost of enrollment in such voluntary nonprofit organizations, we propose that the premiums be made eligible for deduction for income-tax purposes, regardless of the financial status of the subscriber or the amount of the premium paid.

"Such deduction is equitable, inasmuch as employers who pay or contribute to the enrollment cost for their employees are already permitted to deduct these costs for income-tax purposes, in cases where the latter enters into the computation of Federal-income tax.

"3. For employed groups, it is encouraging to note the growing practice of the employer contributing toward the cost of health and welfare programs for his employees and dependents. As mentioned, such payments are usually tax deductible as part of the cost of production, and are being increasingly recognized as a legitimate part of that cost.

"4. As an immediate encouragement toward employer contribution toward the enrollment cost of hospital and medical protection, Government, at every level from municipal to national, should promote the program of such protection for its own employees, by assuming either a part or all of the cost of enrollment in voluntary prepayment plans.

"5. As rapidly as possible, consistent with actuarial experience and sound administration, the services eligible under such voluntary nonprofit organizations should be extended to cover all nonchronic ailments on an inclusive basis. An encouraging step in this direction is the decision of the Blue Shield plan in New Jersey to provide complete coverage (within the $5,000 annual income limitation) for maternity services, including delivery and pre- and post-partum care, in the hospital, the home, or the physician's office.

"6. After sufficient enrollment is attained, we recommend that consideration be given the practicability of providing medical-care protection on an inclusive basis to subscribers in voluntary, nonprofit plans, regardless of the financial status of the subscriber, and with no salary limitation for over-all inclusive service.

"7. We propose that immediate study be given the possibility of providing voluntary, nonprofit protection for those who are medically indigent though not on public assistance rolls, through the use of State and local funds for the purchase of such protection. As a rule of thumb to determine medical indigency, the criterion might be the question whether one's taxable income is such as to exempt him from payment of Federal income taxes.

"8. For the medical and hospital care of persons on public-assistance rolls, we recommend the providing of service through State-county-municipal funds, with such Federal aid as may be found necessary or may be provided from time to time, perhaps utilizing on a cost basis the voluntary nonprofit organizations for the actual provision of the required services.

"9. There is no actuarially sound basis yet established for treating the chronically ill as an insured group. We suggest, therefore, that study be given to providing care for needy

persons suffering from chronic illness, on a cost basis at State level, again with the possibility of utilizing the facilities of voluntary nonprofit organizations.

"10. The need for better local public health service in most areas of the United States has long been recognized, but progress in providing it has been discouragingly slow. We recommend that every State government—particularly our own in New Jersey—adopt such legislation as may be needed to permit consolidation of local health jurisdictions into districts having sufficient size and resources to support at least a minimum staff and facilities for complete modern basic public health protection.

"11. There are numerous areas in certain States where the private practice of medicine is economically or professionally impractical, because the areas will not sustain a sufficient number of capable physicians on a fee-for-service basis, or because hospital facilities are inadequate or lacking. Progress is being made under the Hill-Burton Hospital Survey and Construction Act toward meeting the deficit of hospital accommodations. We suggest exploring the possibility of the United States Public Health Service providing competent physicians to such areas when requested by State or local agencies.

"12. Such a cooperative health program as is here envisaged may require a considerable increase in the number of physicians, health officers, nurses, and other medical personnel. Ideally, every qualified person desiring to enter the field of medicine and public health should be able to do so. We support a program of Government subsidy, where needed, to assist qualified individuals in obtaining professional training and to expand professional training facilities where it is found possible to expand existing schools or to establish new ones. In this connection we renew our plea for early action looking toward establishment of a medical school in New Jersey. We believe that any governmental subsidy that may be provided for these purposes should be granted unconditionally to approved institutions.

"The Medical Society of New Jersey submits that through such voluntary cooperative action, the problem of attaining an adequate national health program can and will be solved. This suggested program is not intended as a nebulous proposal for the indefinite future, but might well be inaugurated within the present year."

INJUSTICE IN TRIAL AND IMPRISONMENT OF CARDINAL MINDSZENTY

Mr. O'CONOR. Mr. President, just 1 year ago today, freedom-loving people of the world were shocked by revelations of the trial in Hungary at that time of the honored and beloved Josef Cardinal Mindszenty, primate of that country. As the sequel to that trial on trumped-up charges, Cardinal Mindszenty was sentenced to life imprisonment. In the intervening year, according to reliable reports, he has suffered untold indignities, humiliations, and mental torture.

Every well-informed American, if questioned on the subject, would declare his or her abhorrence of communism. Nevertheless there is not the deep-seated detestation of Communist aims and practices that such aims and practices deserve. Why? Simply because, sheltered as Americans are, so far from any real effects of war or attack of any kind, and blessed by divine providence as we have been more than have other peoples of the world, with material benefits and conveniences, our people simply find it impossible to envisage what it would mean to be subject to Communist domination.

Lest we ignore, by reason of our dangerous oversupply of material benefits, the very real danger to the personal freedoms and even the lives of every individual American inherent in communism, I think it appropriate to recall that just 1 year ago today the whole world was aroused over this evidence of Communist savagery and terrorism.

The Cardinal Mindszenty trial was an absolute travesty of justice, as has been clearly shown by the record. The charges, as a high representative of the Department of State declared at the time, were "patently false." The special tribunal which had been set up for the trial was composed entirely of judges whose hopes for advancement rested solely upon their subservience to the Communist regime. Furthermore, the sentence of life imprisonment which quickly followed had been determined, the record again has shown, at a meeting of influential Communist leaders before the trial began. The official publication from the Communist regime, which has since come into my possession, printed before the trial began, clearly indicates that the fate of the cardinal was sealed in advance of the mock trial.

The treatment of Cardinal Mindszenty, before the alleged trial and subsequently, was denounced by Protestant clergy and other leaders of the various religious groups working in Europe. As was the case in the arrest of other religious leaders of different faiths throughout Communist-dominated countries, it was then asserted, and the record has proven, that all these acts were consistent with the policy of the government in question to dominate and control not only religious but every phase of living among their citizens.

The world is prone to forget even the rankest injustices when they do not touch immediately home. The indignation and disgust which our own people here in America felt and gave voice to at that time have subsided. Yet the Communist hordes which admittedly have as their final objective the extermination of religion and the imposition of such indignities upon the people of our own country are rolling ever onward. If stopped in Europe, they redouble their efforts and their achievements in Asia.

Unless our people can keep in mind symbolic events such as the arrest and imprisonment of Cardinal Mindszenty, communism never will be stopped, because the deep-seated determination to go all out to halt its spread will not be found in the hearts of our countrymen.

America may be too prosperous for its own good at the present time. As long as our citizens can overlook the wrongs being suffered by other peoples in other parts of the world, so long will we be in danger of facing ultimately the same indignities and injustices ourselves.

Cardinal Mindszenty in prison is as much a challenge to the security and the freedoms of freemen everywhere as was Cardinal Mindszenty on trial. The people of America would do well to remember and to resolve anew that whatever it takes, America will willingly do and give, to stop and finally to destroy the dread fungus which has fastened upon the ideological life of the world.

COLORADO RIVER DAM AT BRIDGE CANYON

The Senate resumed the consideration of the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

Mr. McFARLAND. Mr. President, Senate bill 75 authorizes the construction of a multi-purpose project known as the Bridge Canyon project, or the central Arizona project, which includes a dam and other works on the Colorado River in northwestern Arizona and central Arizona, and a dam and works in New Mexico. The primary purposes of the proposed legislation are to provide urgently needed supplemental irrigation water for more than 725,000 acres in Arizona and New Mexico, and to furnish an installed capacity of approximately 770,100 kilowatts of hydroelectric power needed for domestic, commercial, and pumping purposes, thereby reducing a present power shortage in that area.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question at this point?

Mr. McFARLAND. I yield.

Mr. KEFAUVER. I wish to ask the Senator if the 770,100 kilowatts of hydroelectric power to which he has referred is prime power.

Mr. McFARLAND. I presume the Senator means firm power. It is not firm power to the extent to which the Senator is referring. It would be firmed by other dams.

Mr. KEFAUVER. I thought that point should be cleared up.

Mr. McFARLAND. I thank the Senator.

Mr. President, this project was approved by the Department of the Interior, and has been exhaustively studied by the committee during 15 days of testimony in the Eightieth Congress on a predecessor bill and joint resolution (S. 1175 and S. J. Res. 145), and 20 days of additional testimony in the present Congress, as well as exhaustive hearings in the House of Representatives on the same subject. In the Senate committee hearings alone, more than 100 witnesses were heard; and the printed record comprises several thousand pages of testimony, tables, charts, and diagrams. After careful consideration, the project was recommended by the committee by a vote of 9 to 3. These hearings convinced the committee not only that the project proposed to be authorized represents one of the most important reclamation programs in the entire United States, but that the economy of much of the State of Arizona is largely dependent upon its completion. Thousands of farmers live on the 725,000 acres in Arizona, practically all of which would receive irrigation water from the project. Additional thousands of families, merchants, suppliers, and workers on these

farms are directly dependent for their very existence on the continued production of these areas.

Senate bill 75 authorizes the construction of a dam and incidental works, including a generating plant, at a dam site known as Bridge Canyon, which is just above Hoover Dam and Lake Mead on the Colorado River; also a related system of conduits and canals for the transportation of water to the project area. It includes a tunnel and main canal from the reservoir above the dam at Bridge Canyon to the Salt River above Granite Reef Dam; a canal from the Salt River to the Gila River above the town of Florence, Ariz.; and canals and laterals to supply the water to the lower Gila area; a dam at what is known as the Hooker site in New Mexico; and such other dams, canals, and other works as may be necessary for the transportation of water and the effectuation of exchanges of water between the users in the lower regions of the Salt and Gila Rivers and the users on the higher elevations of such rivers which cannot be reached by the gravity flow of the Colorado River. These exchanges would permit the supply of Colorado River water to lower lands now receiving water from the Salt and Gila Rivers and their respective tributaries, thereby releasing the demands upon such latter waters in the lower areas, and making the released water available for use on the higher lands. An increased water supply would thereby be made possible for most of the lands now being irrigated in central Arizona and the lands irrigated from the Gila River in New Mexico.

The bill also provides for the construction of complete hydroelectric plants, transmission lines, and incidental works suitable for the fullest economic development and delivery of electric energy for use in the operation of the project and for sale in accordance with Federal reclamation law.

The construction of the tunnel and that portion of the main canal from the reservoir above the dam at Bridge Canyon to a point of junction with an aqueduct provided for in the bill is specifically deferred until Congress expressly determines that such construction is justified by economic conditions. The bill authorizes the construction of an aqueduct for the transportation of water from Lake Havasu, above Parker Dam, to the main canal, and incidental pumping plants required to raise the water from the lake to flow by gravity through the aqueduct. The pumping plants and the aqueduct would constitute an adequate interim means for the diversion of water, and would be appropriate supplemental and stand-by works after construction of the tunnel.

The objectives of Senate bill 75 are best understood if considered against the background of the long and toilsome battle Arizonians have waged to reclaim desert land and to convert it through the magic of irrigation to productive abundance. To preserve and maintain the rewards of this monumental struggle, we are now in mortal necessity of a supply of water wherewith to supplement such inadequate stores as nature and terrain have made available, which stores are depleted to an extremely critical point.

THE NEED OF WATER FOR CENTRAL ARIZONA

We in Arizona have a high appreciation of the value of water and its proper and conservative use. Probably no State in the Union has produced more with the amount of water available than has Arizona. There are approximately 725,000 acres of irrigated land in central Arizona, practically all of which would receive supplemental water from this project. In addition, Arizona has irrigated from the Colorado River approximately 60,000 acres of the original Yuma project lands, and certain other small areas which would not be benefited by this bill.

As pointed out in the report of the Bureau of Reclamation, the central Arizona project is "essentially a 'rescue' project designed to eliminate the threat of a serious disruption of the area's economy."

The existing agricultural development in Arizona has made it a rich agricultural empire, founded upon irrigation, playing a considerable part in the economy of the Southwest. The remains of irrigation facilities found by early settlers are evidence of an extensive prehistoric agricultural development, which was abandoned because of water shortage. Our present irrigation work started in Arizona as far back as the 1860's.

I should like to state at this time that when I served on the superior court bench in Arizona I tried water cases which involved, directly, or indirectly, practically all the water rights of the State. I heard witnesses tell the story of the pioneers coming to Arizona. They did not come equipped with modern machinery such as is available today, but employed horsepower; and with little more than their bare hands they pioneered the irrigation of the fertile valleys which are now cultivated. It is the results of the work and toil of those pioneers of the State which we are trying to save through the pending legislation.

In general, we think of our principal irrigation systems as falling within two areas traversed by the Gila and Salt Rivers and their respective tributaries.

Our present sources of water supply for central Arizona consists of gravity water from the Salt and Gila Rivers and their tributaries, and water pumped from underground. The first major dam for the storage of water to be built in Arizona was the Roosevelt Dam, on the Salt River, which dam has a storage capacity of approximately 1,637,000 acre-feet of water. Its construction was begun in 1903 and was completed about 1910 or early in 1911. Since that time, there have been constructed three other storage dams on the Salt River and two storage dams on the Verde River, a tributary of the Salt River. The resultant total capacity of all reservoirs for the Salt River is somewhat in excess of 2,000,000 acre-feet of water. Within the borders of the Salt River Valley Water Users' Association project, there are 242,000 acres of irrigated lands. Adjoining this project there are several smaller ones. Some of these lands are irrigated entirely by gravity water, some by pumped water, and some both by gravity and pumped water. The total irrigated area of these smaller projects, some of which are below the confluence of the Salt and Gila Rivers, is about 200,000 acres.

On the Gila River, we have the San Carlos project which comprises about 100,000 acres, half of which are Pima Indian Reservation lands. It is irrigated in part by pumped water and in part by water impounded at the Coolidge Dam, which has a storage capacity of 1,200,000 acre-feet of water. There are also in Pinal County, adjoining the San Carlos project more than 100,000 acres of land irrigated entirely by means of pumped water.

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

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

Mr. McFARLAND. I yield.

Mr. CHAVEZ. For the benefit of Senators who are listening to the fine argument being made by the Senator from Arizona, I think it would be proper to identify the Pima Indians who will be beneficiaries of a part of the waters impounded by the dam of the San Carlos project. The people residing in that particular area had been irrigating the lands locally for years before the white man came, and they are now making their living from the soil by means of irrigation. They are good citizens.

We remember the heroism of our Marines in the taking of a hill at Iwo Jima. A very fine photograph of the Marines in action on that occasion raising the American flag has been made the basis of a monument to them. One of the heroes of Iwo Jima was a Pima Indian from Arizona. The Pimas are the people who are to benefit by this project.

Mr. McFARLAND. I thank the Senator for his remarks, and for his helpfulness in this regard. The Pima Indians have always been a friendly people. They have always tried to assist the white man in every possible way, particularly in the early days of the settlement of my State. They are deserving of every possible consideration. Their need of water today cannot be overemphasized.

Further upstream on the Gila River, there is the Upper Gila project, in Graham and Greenlee Counties, comprising some 40,000 acres, which are dependent entirely upon the normal flow of the river and upon pumped water.

It is essential to bear in mind that although the capacity for the storage of water is commensurate to the need thereof, the supply of water required for these areas is woefully inadequate.

The need for additional water for this area arises from an overdevelopment, which has resulted from two causes:

First. In the early days of the Bureau of Reclamation, it was estimated that the annual per-acre requirement at the farms was 3 acre-feet, and the water supply was estimated accordingly. This

was based upon general farming practices at that time. The chief crops were grain and alfalfa. Grain requires a relatively small amount of water. But with the development of irrigation, it was found to be more profitable, because of highly fertile soils and the long growing seasons permitted by favorable climatic conditions, to grow specialized crops out of season to most of the Nation, and multiple crops per year. This provides fresh foods to the Nation at times they are otherwise not available. However, it requires a high duty of water, and it is now found that 4 acre-feet of water per acre at the farm is required to maintain such production.

Second. Pumping first started principally because some of the lands were waterlogged; but with the increased efficiency of pumping and lower power costs, pumping increased because it was very profitable for irrigation. The net result is that pumping has been overdeveloped, and the underground water supply is being exhausted. This overpumping from the basins underlying the central Arizona project area was estimated by the Bureau of Reclamation to be 468,400 acre-feet a year from the period 1940 to 1944, inclusive.

Even with the water developed from overpumping, much of the land, in some seasons, has been out of cultivation. The Bureau of Reclamation estimates that between 1940 and 1944 an average of 115,790 acres was out of cultivation due to water shortage. The number of acres irrigated each year depends upon the water supply. The farmer must make this determination from the amount of water in storage in the reservoirs at the beginning of the season, and, where supplemental pumped water is used, the amount he can reasonably expect to pump during the season. In some years this condition was even worse in some of the areas than it was in 1944 to 1946. For instance, according to the testimony of K. K. Henness, a farmer and county agricultural agent, of Casa Grande, Ariz., during the year 1947 there was only one-fourth enough water for the irrigation of land in the San Carlos project, and up to June of that year, at the time of the hearings on Senate bill 1175, only eighty-five one-hundredths of an acre-foot of water had been allotted to the farmers. This meant that the farmers could not adequately count on irrigating more than 25 percent of their land, which was about the percentage farmed in that area in 1947.

While the Salt River Valley water-users' project, which has the more adequate water supply, was not in as bad a condition, it likewise was very short of water. Mr. Victor I. Corbell testified in behalf of the Salt River Valley Water Users' Association in the 1947 hearings:

> The history of the project has been that the amount of water available in any given year may range from a full supply down to 2 acre-feet per acre per annum, such as has been the case in the year 1947. In only 2 years in the past 25 years has a full supply been available. Based on rainfall records, tree-ring records, and other records and data available, it can be said that the rainfall has been normal the last 25 years; therefore, the unescapable conclusion is that there is more land within the project than that for which there is an adequate supply of water.

The need for the central Arizona project is shown by paragraph 9, page 2, of the Report of the Bureau of Reclamation, which reads as follows:

> In spite of the developments now available, there is an acute water shortage in the project area. The 1940–44 average annual surface water supply was 1,676,600 acre-feet. This figure includes some reuse of surface water. To supplement the surface water supply an average of 1,163,000 acre-feet annually was pumped from the ground-water basin during the same period. This pumpage is estimated to be about 468,000 acre-feet in excess of the safe annual yield of the underlying ground-water basins. Oviously continued pumping at the present rate will lower the water table to such a point that many of the wells will become dry. The wells on the edge of the water basin could not be rehabilitated by deepening because the perimeter of the water-bearing strata will be constricted as this process continues.

I should like to invite the attention of the Senate to the fact that the surface-water supply, which is estimated by the Bureau at 1,676,600 acre-feet per annum, includes reuse water, and, according to the report, this amount is comparable to the average over longer periods of time. For example, generally all the water in the river is diverted at Granite Reef for irrigation of Salt River Valley Water Users' Association lands. There is a return flow to the river, all of which is rediverted for the Buckeye project lower down the river, and the water which returns to the river from irrigation in the Buckeye project is again rediverted for the Arlington project, and the return flow from the Arlington project is rediverted at Gillespie Dam for irrigation below that dam.

The Bureau of Reclamation in its report on the central Arizona project, page 4, estimates that in order to obtain the needed water for the project it will be necessary to divert 1,200,000 acre-feet of Colorado River water, which will deplete the main stream flow 1,077,000 acre-feet.

The balance will be returned to the river. This, together with a small development from other dams, would make up the supplemental water supply for the central Arizona project. This new water made available for diversion at the headgates of the irrigation districts each year would be sufficient to, first, replace the overdraft on the ground-water basins; second, permit the drainage of excess salts out of the areas and maintain a salt balance; third, provide supplemental water supply for practically all the 725,000 acres, which do not have an adequate supply; and fourth, increase the water supply for the city of Tucson.

Mr. President, I ask unanimous consent to place in the RECORD the tables and reports of the Bureau of Reclamation with reference to the present supply and the supply which is needed.

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

Table 5, found on page R–31 of the Bureau of Reclamation Report, shows the new surface water needed at the district head gates to be 1,082,000 acre-feet, which needs are set forth in the following table:

Water needed—Ultimate development

	Acre-feet a year
New surface water at district head gates	1,082,000
Pumpage in excess of safe annual yield	468,000
Increase in safe annual yield of ground water due to Colorado River water diverted to area	400,000
Net reduction in pumping	68,000
Outflow to maintain salt balance	376,000
Net reduction in pumping available for irrigation	444,000
Reduction in water at farm head gate, assuming a 15-percent loss for pumped water	377,000
Surface diversions required to replace 377,000 acre-feet a year, assuming losses of 30 percent for diverted water	539,000
Supplemental water required for lands now irrigated	113,000
Water required for municipal supply	12,000
Subtotal	664,000
Water available for lands formerly irrigated but now idle for lack of water	418,000

The new surface water to be developed to meet these needs is set forth in table 4, p. R–28, of the Bureau of Reclamation Report, as follows:

New surface water developed by Central Arizona project—Ultimate development

	Acre-feet a year
New water available:	
Diverted from Colorado River	1,200,000
Developed by Horseshoe Dam enlargement	42,000
Developed by Buttes Reservoir	64,000
Developed by upper Gila River developments	19,000
Channel losses conserved by Charleston Reservoir	7,000
Gross new surface water	1,332,000
Losses Granite Reef aqueduct	200,000
Losses Salt-Gila aqueduct	50,000
Total aqueduct losses	250,000
New surface water at district head gates	1,082,000

Mr. McFARLAND. Mr. President, the need for this additional water for irrigation in Arizona cannot be overemphasized; and the only remaining source is the main stream of the Colorado River; all other sources have been exhausted. As has been shown by the Bureau of Reclamation tables, Arizona is overpumping her present underground water supply to the extent that if she does not get relief, it will mean disaster. The underground water supply is dropping lower each year, and with the use and reuse of this water its salinity has become greater—to the extent that in a matter of time much of it will not be usable.

I should like to point out the fact that this is not a simple proposition of taking a part of the land out of cultivation.

That cannot be done; and without this supplemental water, the farmers would continue to farm their lands with an inadequate water supply. The water they would have available would be of high salt content, and under these conditions they could not produce anywhere near the maximum amount of crops their land is capable of producing. So, practically all the farmers of the State would in time become bankrupt and those dependent upon them would be unable to pay their portion of the bonded indebtedness for the schools and other improvements built upon the present economy.

It would mean that thousands of people would lose their homes, and this would affect the bankers and businessmen and break down the whole economy of the State of Arizona. But that is not all. It would mean that all these people, farmers and businessmen, would lose their buying power. They could not continue to purchase manufactured articles and supplies from other sections of the United States; and perhaps most significant of all, it would mean that the present sum of bank dollars paid annually in income taxes to the United States Government would dwindle to practically nothing. The mines and other industries of the State would be saddled with all the bonded indebtedness of the State and its subdivisions and the added burden of all the costs of State government including the support of the schools. Thus, the whole economy of Arizona would be seriously affected. It has been estimated that a quarter of a million people would actually have to leave the State.

There can be no question that Arizona needs this water to maintain her economy. Witnesses representing California interests acknowledge the existence of Arizona's needs, but question the extent of water necessary to meet such needs.

In addition to the need for water, there is likewise a need for hydroelectric power. There is unanimity as to the need for additional electric energy in this area. The situation is well summarized by excerpts taken from the Report of the Regional Director of the Third Region of the Bureau of Reclamation, and the Report of the Bureau of Reclamation, respectively.

Mr. President, I ask unanimous consent that the excerpts from the report be printed in the RECORD at this point as a part of my remarks.

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

There is an urgent and measurable need for additional electrical energy in Arizona, southern California, southern Utah, and southern Nevada. Studies by the Federal Power Commission, power distributing agencies, and the Bureau of Reclamation indicate that the present power load in this area, already taxing existing facilities, will double in the next 10 or 15 years. The major potential sources of electrical energy to serve these requirements are hydroelectric developments on the Colorado River and steam or Diesel developments. Steam and Diesel generating power plants consume natural gas, oil, or coal. Diminishing natural gas and oil supplies in southern California have already caused major concern. There are no sources of inexpensive coal available to the power-market area. These natural resources should be conserved by utilizing hydropower whenever practicable (p. 115, H. Doc. No. 136).

An examination of the marketing possibilities in the lower basin power-market area for energy produced by the potential power developments of the central Arizona project indicates that an ample market would exist for the output of these plants when they are completed. As previously noted, the rapidly expanding economy of the area has created a tremendous demand for electric energy. This condition, combined with the drought of recent years and the lag in the installation of new generating facilities during the war, has caused a power shortage in the area. This shortage is particularly acute in Arizona and seems likely to continue for some time. Generating equipment planned for installation in the near future will eliminate most of the deficiency, but large-scale additions to the system will be needed to continue meeting the rapidly growing load.

The two most important factors causing the rapid increase in total energy requirements have been industrial expansion and population increase. During the war the growth in these phases of the economic life was very rapid. In the postwar period the growth has continued, with the result that total energy requirements in the area are greater than during the last year of the war. The States of Nevada, California, and Arizona are among the States experiencing the greatest percentage increase in population during recent years. Both Arizona and California have recorded gains exceeding 25 percent. Postwar building construction and industrial expansion in the urban areas of southern California has been unprecedented in the market area. The metropolitan area of Los Angeles is now rated as the second largest manufacturing center in the Nation.

TABLE E-8.—*Summary of power features*

Power plants	Installed capacity in kilowatts	Gross average power head in feet	Annual firm energy at plant in million kilowatt-hours		
			Initial conditions	Average during first 50 years of operation	Ultimate conditions
Bridge Canyon	750,000	612	4,675	4,395	4,114
Horseshoe	10,000	141	40	40	40
McDowell	4,100	54	23	21	19
Buttes	6,000	144	35	35	35
Total	770,100	-----	4,773	4,491	4,208
Energy replacement at Stewart Mountain	-----	-----	25	28	31
Total	-----	-----	4,748	4,463	4,177
Energy requirements Havasu and McDowell pumping plants	-----	-----	1,154	1,393	1,633
Firm commercial energy	-----	-----	3,594	3,070	2,544

In addition to the growth in population and industry, several other fields of activity have contributed to the increased demand for electric energy. Among these are agricultural expansion and new industrial uses. Increased irrigation pumping, added farm use, and the use of electrometallurgical processes in the mineral industry have all caused an increase in the total requirements. Residential use of electricity has greatly increased in recent years not only because of the increased population but also because of the trend of increased per capita use (pp. 180–181, H. Doc. No. 136).

The demand for electric energy in Arizona, southern California, and southern Nevada is increasing at an estimated rate of 1,000,000,000 kilowatt-hours annually. The area is looking to the Colorado River for energy to meet that increasing demand, and to forestall the requirements for burning oil and natural gas reserves in meeting those demands (p. 191, H. Doc. No. 136).

Mr. McFARLAND. Witnesses testifying as to Arizona's need for additional electric energy have stated that there will be a demand in the State for all the electricity generated by the project by the time it is completed, and they introduced as evidence an application of the Arizona Power Authority for the acquisition of all such electricity.

FEASIBILITY OF THE CENTRAL ARIZONA PROJECT

It is estimated in the Bureau of Reclamation's report on this project, on factors prevalent July 1, 1947, that the project here recommended would cost $708,780,000, which cost is broken down in the table of items found on page 15 of the report.

Mr. President, I ask unanimous consent that the table be inserted in the RECORD at this point in my remarks.

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

Construction costs

Coconino Dam and Reservoir	$7,487,000
Bridge Canyon Dam and Reservoir	191,939,000
Bridge Canyon power plant	73,419,000
Havasu pumping plants	25,973,000
Granite Reef aqueduct	131,716,000
McDowell pumping plant and canal	3,346,000
McDowell Dam and Reservoir	16,326,000
McDowell power plant	1,012,000
Horseshoe Dam (enlargement) and Reservoir	7,078,000
Horseshoe power plant	2,628,000
Salt-Gila aqueduct	34,585,000
Buttes Dam and Reservoir	29,037,000
Buttes power plant	1,159,000
Charleston Dam and Reservoir	9,270,000
Tucson aqueduct	6,401,000
Safford Valley improvements	4,090,000
Hooker Dam and Reservoir	15,484,000
Irrigation distribution system	54,086,000
Drainage system for salinity control	9,973,000
Power transmission system	83,771,000
Total	708,780,000

Mr. McFARLAND. The report of the Bureau of Reclamation definitely shows that the central Arizona project is both engineeringly and financially feasible under the provisions of Senate bill 75, and that it could be reasonably expected to repay the reimbursable portions of the construction costs well within the useful life of the project. It has been found that $4.75 per acre-foot, which local interests have indicated they are willing and able to pay, would more than pay the operation and maintenance costs and replacement costs allocated to irrigation and part of the construction cost. It has also been found that a charge of 15 cents per thousand gallons for municipal water would fully repay all costs allocated to that purpose and would be equally advantageous to the municipal water users. The power rate necessary to accomplish a repayment of all reimbursable costs assigned to be repaid from power revenues would be extremely reasonable. Such low-cost power would represent a distinct advantage to power users in that area—pages 7 and 8, report.

The project represents a sound investment in that the tangible benefits of the project would exceed the total cost in the ratio of 1.63 to 1.

Furthermore, there would be innumerable intangible benefits accruing to the State of Arizona and to the Nation as a whole as a result of the central Arizona project—pages R–73 to 77, report.

AVAILABILITY OF WATER FOR THE PROJECT

When speaking of the availability of water, one must remember that there is the separate item of the physical quantities which may be available, and the distinct but related item of legal entitlement to the use of water.

I say with positive assurance that there is adequate water in the Colorado River fully to supply the central Arizona project and that Arizona is clearly entitled, as a matter of right and justice, to the exclusive use of that water. Moreover, such use will not interfere with or burden any other right of use existing in law.

The long-term—1897–1943—average annual flow of the Colorado River under virgin conditions at Lee Ferry was 16,270,000 acre-feet; at the international boundary it was 17,720,000 acre-feet.

The feasibility of any project naturally depends on the availability of water for the project. In this case, the question of availability of water involves mixed considerations of law and fact. The computation of the Bureau of Reclamation—page 151, House document No. 136—plainly shows the presence in the river of a sufficient quantity of water to supply the central Arizona project.

Mr. President, I ask unanimous consent that this computation be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. LEAHY in the chair). Is there objection?

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

	Acre-feet a year
Division between upper and lower basins and Mexico:	
Virgin flow of Colorado River at international boundary	17,720,000
Apportioned to the upper basin by art. III (a) of Colorado River compact	7,500,000
Apportioned to lower basin by art. III (a) and (b) of Colorado River compact	8,500,000
Allocated to Mexico by terms of Mexican treaty	1,500,000
Subtotal	17,500,000
Total surplus to be allocated under the terms of art. III (f) of Colorado River compact	220,000
Water available to Arizona:	
Apportioned to lower basin under art. III (a) and (b)	8,500,000
Apportioned water for California under Limitations Act	4,400,000
Nevada contract	300,000
Lower basin uses by New Mexico and Utah	130,000
Subtotal	4,830,000
Remainder	3,670,000
Water available to Arizona—Con.	
To be allocated to Arizona under art. III (f) of the compact	55,000
Available to Arizona	3,725,000
Disposition of water available to Arizona (present irrigation depletions):	
Little Colorado River Basin	59,000
Virgin River and Kanab Creek Basins	5,000
Williams River Basin	3,000
Gila River Basin	1,135,000
Colorado River Indian Reservation	15,000
Gila project	34,000
Yuma project	157,000
Subtotal	1,408,000
Losses from reservoirs on or benefiting main-stream developments of Colorado River present and future; estimated total losses 900,000 acre-feet a year, Arizona charged with proportion based on ultimate use of main-stream Colorado River water	313,000
Increased depletion by potential projects:	
Snowflake project	10,000
Hurricane project	12,000
Hassayampa project	20,000
Colorado River Indian Reservation	285,000
Gila project	566,000
Central Arizona project	1,077,000
Unassigned water	34,000
Subtotal	2,004,000
Total, all uses	3,725,000

Mr. McFARLAND. Mr. President, these figures cannot be successfully challenged or disputed. The testimony clearly establishes the fact that this quantity of water is now flowing in the river wasted and unused. Arizona would only be using her just share of the eight to ten million acre-feet now annually flowing and wasting into the ocean.

We now come to the question of Arizona's legal right to use this water. This phase of the case may be much more readily presented and grasped by a review of matters leading to our present situation.

In the year 1922, the States of the geographical area described in the testimony as the Colorado River Basin, were striving among themselves to arrive at an agreement leading to the beneficial use of the waters of the Colorado River for irrigation and the generation of electric power. The delegates from these States proposed the now renowned Colorado River compact. A controversy arose over the inclusion of the waters of the Gila River within the Colorado River system and hence with those to be apportioned by the compact, a move unalterably resisted by the Arizona delegation because the waters of the Gila had long been put to beneficial use by the citizens of our State, and because the waters of the Gila enter the Colorado at a point so southerly as to prevent the enjoyment thereof by any of the basin States other than Arizona.

In fine, Mr. President, the Gila was no part of the Colorado waters which were the proper subject of apportionment. The Arizona delegates were agreeable, however, to the provisions of article III (a) of the compact, which proposed the annual apportionment to the upper basin, and a like apportionment to the lower basin, of 7,500,000 acre-feet of water from the Colorado River if the waters of the Gila were reserved for Arizona. As a consequence, and in order to compensate Arizona for the inclusion of the Gila waters in the Colorado River system, the delegates agreed upon article III (b) of the compact, which reads as follows:

(b) In addition to the apportionment in paragraph (a), the lower basin is hereby given the right to increase its beneficial consumptive use of such waters by 1,000,000 acre-feet per annum.

This quantity of 1,000,000 acre-feet per annum corresponds to the then estimated annual flow of the Gila River at its mouth where it empties into the Colorado.

That this 1,000,000 acre-feet of water provided for in article III (b) of the Colorado River compact was intended by the framers of the compact for the use of Arizona to compensate her for the inclusion of the Gila waters in the Colorado River system is established by the testimony of witnesses who testified at the hearings, such as Ralph Meeker, who was engineer adviser for the State of Colorado, and who was present at the compact sessions and of his own personal knowledge is familiar with the background of the compact. At the hearings he quoted from statements made by Frank C. Emerson, commissioner for the State of Wyoming, and from a citation by Reuel Leslie Olson showing that this was understood by L. Ward Bannister, special representative for Colorado at the negotiations. A letter to W. S. Norviel, from the Honorable Herbert Hoover, then Secretary of Commerce, who represented the Federal Government and presided at the compact sessions, which was placed in the record of the hearings; statements of Thomas E. Campbell, former Governor of Arizona, W. S. Norviel, Arizona's commissioner at the compact sessions, and C. C. Lewis, another of the Arizona members at such sessions, which were placed in the record during the hearings on S. 1175 and S. 75, disclosed the same understanding. Many other witnesses corroborated this view in their testimony.

When Arizona's delegate signed the compact in November 1922, he did so with the clear understanding and agreement that the States of Arizona, California, and Nevada would enter a tri-State agreement which, among other things, would apportion to Arizona the exclusive beneficial use of all water of the Gila River, the equivalent of the 1,000,000 acre-feet of water apportioned in article III (b) of the compact—see pages 222, 225–226, 228–229, hearings on S. 1175. Thereafter, California would not agree to a just division of the water of the Colorado River which had been apportioned to the lower basin; so the

people of Arizona would not ratify the compact at that time.

The Colorado's uncontrolled flow proved increasingly harmful as well as wasteful of potential benefit. California's anxiety to avoid floods along neighboring California lowlands and to procure water and electric energy for her coastal communities made her especially anxious to harness and utilize the Colorado. Further interstate negotiations having proved unavailing, congressional action for the construction of Boulder Dam was inaugurated. This led to the passage of the Boulder Canyon Project Act (45 Stat. 1057, Public Law 642, 70th Cong.) on December 21, 1928.

I shall not take the time of the Senate to reiterate the long history of this fight, as I think that the act itself is plain in its terms, and that, coupled with the California Self-Limitation Statute, it clearly establishes Arizona's right to the use of this water.

I should like to call attention to the fact that the act by its own terms—section 4 (a)—was to become effective upon either of two conditions. The first of these was ratification of the Colorado River compact within 6 months by all seven of the States affected. The second was ratification of the compact by six of the interested States, including California, and the irrevocable and unconditional enactment by the legislature of the latter State of a statute in conformance with the Boulder Canyon Project Act. I now quote the exact language of section 4 (a) of that act:

shall agree irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this act that the aggregate annual consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California, including all uses under contracts made under the provisions of this act and all water necessary for the supply of any rights which may now exist, shall not exceed 4,400,000 acre-feet of the waters apportioned to the lower basin States by paragraph (a) of article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such uses always to be subject to the terms of said compact.

California promptly enacted a statute—act 1492, California Statutes, 1929, page 38—sometimes spoken of as the Self-Limitation Act, the pertinent part of which is verbatim the language just quoted from the Boulder Canyon Project Act. In view of the extremely liberal quantity of water specified as a maximum, and in view of her need for flood control, water, and electrical energy, California's willingness to adopt her Self-Limitation Act is quite understandable.

Section 4 (a) of the Boulder Canyon Project Act also unequivocally voiced the permanent intention of the Congress to define and limit California's maximum rights, and California irrevocably and unconditionally agreed to that limitation.

Having limited California to 4,400,000 acre-feet per annum of the 7,500,000 acre-feet apportioned by article III (a) of the Colorado River compact, as I have already shown, and having further limited California to half of any excess or surplus waters unapportioned by that compact, Congress further provided that—

The States of Arizona, California, and Nevada are authorized to enter into an agreement which shall provide (1) that of the 7,500,000 acre-feet annually apportioned to the lower basin by paragraph (a) of article III of the Colorado River compact, there shall be apportioned to the State of Nevada 300,000 acre-feet and to the State of Arizona 2,800,000 acre-feet for exclusive beneficial consumptive use in perpetuity, and (2) that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River compact, and (3) that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State, and (4) that the waters of the Gila River and its tributaries, except return flow after the same enters the Colorado River, shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico.

The foregoing factors plainly define the congressional purpose.

Mr. President, I wish to point out that this provision is an interpretation of the Self-Limitation Act which California enacted before the Boulder Canyon Project Act became effective. It was an interpretation that the specified amount of water was to be left available for the other States; otherwise Congress would not have placed such a provision in the measure which provided for the ratification of a compact for that amount of water.

Congress manifestly intended that of the 7,500,000 acre-feet of Colorado River water apportioned by article III (a) of the compact, Nevada is to receive 300,000 acre-feet; Arizona not less than 2,800,000 acre-feet; and California not to exceed 4,400,000 acre-feet. It is also clear that Arizona should receive, in addition, all the waters of the Gila River, both because of the previously mentioned insertion in the compact of its article III (b)—which apportions 1,000,000 acre-feet per annum to the lower basin to compensate Arizona for inclusion of the Gila in the Colorado River system—and because of the specific authorization (in sec. 4 (a) of the Boulder Canyon Project Act) of the agreement whereby Arizona is to receive all the water of the Gila and its tributaries within Arizona's boundaries.

From the mere reading of the language of the Boulder Canyon Project Act it is evident that Congress proposed to California the terms of a contract for the explicit benefit of Arizona, Nevada, and the other interested States. The contract thus proposed was as follows: Of the 7,500,000 acre-feet of Colorado River water apportioned to the lower basin by article III (a) of the compact, California should have not to exceed 4,400,000 and that California could use not more than one-half of any water in excess of or surplus to the water apportioned by the compact, which might be available in the lower basin. California, by adopting its Self-Limitation Act, unequivocally and unconditionally accepted this proposal and thereby completed a binding contract. As California may not have more than 4,400,000 acre-feet of the water apportioned by article III (a) of the compact, the remainder is for Nevada and Arizona; and Congress has in terms indicated its intent that Nevada have 300,000 acre-feet and Arizona not less than 2,800,000 acre-feet. This intent has been executed. The water involved in article III (b) of the compact not only is apportioned water, but is in effect apportioned to Arizona for the reasons shown. The Colorado River water which is available in the lower basin in excess of, or surplus to, that apportioned by articles III (a) and III (b) of the compact is to be equally divided between California and Arizona.

This contract between the State of California and the United States—for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming—just as completely settled California's rights as any compact could do. Congress, by approving in advance a compact between Arizona, California, and Nevada, definitely gave its interpretation of the California Self-Limitation Act, which is the one Arizona now relies upon; and California by adopting the act accepted and agreed to this interpretation.

Arizona, relying on the protection thus afforded her, adopted and ratified the Colorado River compact. A large number of people of Arizona believed that Congress had not required California to limit herself to a small enough quantity of the waters of the Colorado River. However, Arizona had little choice, as the rights of the States were well defined in the Boulder Canyon Project Act. She has entered into a contract with the Secretary of the Interior, which contract calls for delivery of 2,800,000 acre-feet of Colorado River main-stream water per year, plus one-half of the excess or surplus water unapportioned by the compact which may be available in the lower basin, less one twenty-fifth of such surplus water, to be used by Nevada. The contract appears at pages 240–243 of the hearings on S. 1175.

California admits that she is bound by the California Self-Limitation Act and is not entitled to more than 4,400,000 acre-feet of III (a) water and one-half of any excess or surplus water unapportioned by the compact. However, in an effort to procure more so-called surplus waters, thereby in actuality reducing the quantity of apportioned water to which Arizona is rightfully entitled. Certain witnesses representing some California interests have elected to pursue a stratagem based largely upon two patently strained and inequitable constructions of the wording of the Colorado River compact. In a general way, these false constructions may be stated as follows:

(a) The water described in article III (b) of the compact is water unapportioned by the compact.

(b) A definition of "beneficial consumptive use" which would charge Arizona with the total water reaching the Gila watershed rather than with the amount by which she depletes the waters

of the Colorado River at the mouth of the Gila.

I should like to invite attention to the fact that these two strained constructions are particularly beneficial to the State of California, because she has no tributary to the Colorado River. She has no watershed. She furnishes no measurable amount of water to the Colorado River. Therefore, some of the witnesses from California would like to place these strained interpretations upon the interstate compact. California is already getting more than the lion's share of the water.

Neither of these contentions is supported by the intentions of the framers of the compact or by those of the Congress.

As to the contention that the water embraced in article III (b) of the compact is not apportioned, and therefore falls within the class of surplus or unapportioned water, of which California may have half under the provisions of the Boulder Canyon Project Act, I think I have pointed out sufficient facts to demonstrate its utter fallacy. Congress, in effect, has indicated its intention as to the division of the waters apportioned by article III (a) of the compact, namely, California, not more than 4,400,000; Nevada, 300,000; Arizona, not less than 2,800,000; total, 7,500,000. As shown, the ultimate purpose of article III (b) was to apportion the waters of the Gila to the lower basin for use by Arizona, and Congress explicitly recognized this apportionment by express language in the Boulder Canyon Project Act. It is therefore clear to anyone who cares to see, that the waters upon which article III (a) of the compact is effective, namely, 7,500,000 acre-feet of Colorado River water and those upon which article III (b) is operative, that is, in final effect, the 1,000,000 acre-feet of the Gila which was thought to be substantially all thereof, are apportioned water. The excess or surplus waters above such apportioned water are for equal division between California and Arizona.

The record abounds with proof, both within the context of the compact and of the Boulder Canyon Project Act, as well as in collateral circumstances, thoroughly establishing Arizona's position.

There is nothing more indicative of a stubborn intention to gobble up much more than the lion's share of the water than the stand taken by certain witnesses representing some California interests upon the question of evaporation losses. That State contributes nothing to the Colorado, as I have previously pointed out, and she is far and away the greatest beneficiary thereof. Yet they would have California bear none of the loss by evaporation, and would foist that, too, upon her sister States. Arizona favors an equitable distribution of these losses in proportion to the beneficial interests.

The record of the hearings shows that Arizona's position on these three principles is supported by the disinterested witnesses from other States. I call attention to the testimony of such eminent lawyers as Judge Clifford H. Stone, director of the Colorado Water Conservation Board and commissioner for Colorado for the Upper Colorado River Basin Compact Commission; Fred E. Wilson, member of the Colorado River Basin States Committee, representing New Mexico; Jean S. Breitenstein, of the Colorado Water Conservation Board; and Judge J. A. Howell, of Utah, chairman of a special legal committee of the Colorado River Basin States Committee.

Arizona's position is also supported by the Colorado River Basin States Committee, an organization composed of official representatives of the States of Colorado, New Mexico, Utah, Wyoming, and Arizona.

I wish particularly to emphasize the concluding remarks of the Honorable Clifford H. Stone, during the hearings on S. 1175, in which, after minutely refuting the arguments of California, he used the following language:

> Then, in conclusion, the Congress, we believe, will not approve an unconscionable position in interpreting the Colorado River compact for the purpose of proposed legislation. Nor would a court give approval to any interpretation of a solemn agreement among States which would be inequitable. It cannot be assumed that the compacting States intended to apportion water between the upper and lower basins of the Colorado River by terms and conditions the interpretation of which would limit one of the States to its existing uses of water when the compact was made, with a comparatively small opportunity for future development. We submit that the States did not do so.

These are the words of Judge Stone, an eminent lawyer from the State of Colorado and an outstanding authority on water law.

It is our contention that these rights are fully established and fully settled by Congress, and that it is the duty of Congress to protect them and not to permit a State, because of her size and power to take the very lifeblood of her neighbor.

Certain witnesses representing some California interests have used these strained constructions in order to set up a claim for this water, and in order to prevent the enactment of this legislation. On the last day of the hearings on S. 1175, they had introduced a resolution calling for litigation upon this subject. It was developed by the testimony of able and recognized lawyers, including witnesses from Colorado, New Mexico, Utah, and Wyoming, who came before Congress opposing such resolution, that there does not exist at the present time a justiciable issue; that the only effect of the passage of resolutions such as Senate Joint Resolution 4 and its predecessor, Senate Joint Resolution 145, would be to delay action, until the water could all be put to use in certain areas in southern California so that they could use the additional argument that we cannot take water away from the people who are now using it.

The courts have held that there must be an existing injury of serious magnitude, or an immediately threatened injury of the same type, before there can be a justiciable controversy. Neither California nor Arizona is using the amount of water to which they are respectively entitled. It is therefore clear that there is no present injury. It is equally clear that there is no threatened injury.

There is no project under construction or authorized in any part of the Colorado River Basin which would in any way threaten to reduce or diminish the flow of the river so as to make less water available to California. The only project which has thus far been tangibly put forward is the central Arizona project. But unless and until the project is authorized, it cannot be said that such project constitutes a threat to the State of California.

A threat, not coupled with an actual, or apparent, or probable ability to effectuate such threat is in law no threat at all.

Without the authorization of the central Arizona project, Arizona has absolutely no physical means whatsoever wherewith to divert water to an extent which would in any way impinge upon rights claimed by California. The converse is true in regard to California. Without the passage of this bill authorizing the central Arizona project, there is no Arizona project which would be threatened by California's immediate or future use of the water.

So, the committee in considering both S. 75 and Senate Joint Resolution 4, in authorizing the central Arizona project bill as amended, has found that no justiciable issue exists which would merit the passage of Senate Joint Resolution 4. On the other hand, the committee has taken the position that this project should be authorized. But in fairness to the States of California and Nevada, the committee felt that those States should have an opportunity to present claims to the Supreme Court, and that in deference to the allegations that the United States is a necessary party, consent should be given to the joinder of the latter to the litigation. As a tangible expression of its views, the amendment offered by the distinguished Senator from Wyoming [Mr. O'MAHONEY] and the distinguished Senator from Colorado [Mr. MILLIKIN] was adopted by the committee. This amendment provides that if any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of the water for diversion from the main stream of the Colorado River for the central Arizona project, consent is given to the joinder of the United States of America as a party to such action or actions.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator will yield, I suggest the absence of a quorum.

Mr. McFARLAND. I ask unanimous consent that I may yield for that purpose, without jeopardizing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and

that proceedings under the call be suspended.

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

Mr. McFARLAND. Mr. President, I have previously shown that the report of the Bureau of Reclamation indicates that this project is a rescue project for the State of Arizona, and that if it is not approved and if the bill does not become law, approximately 725,000 acres of land will suffer a water shortage to the extent that there will be disaster in the State I represent here. I have shown that this project, according to the reports and the thorough investigations by the Bureau of Reclamation, is feasible and that it will pay out.

Mr. President, I invite attention to the fact that there had been raised by certain witnesses representing interests in California a strained construction of the law which is not borne out by the disinterested lawyers and witnesses who testified with reference to this project, and who maintained that no justiciable issue existed. Yet on the last day of the hearings on Senate bill 1175 there was introduced by the Senators from California and Nevada Senate Joint Resolution 145, the only effect of which would be to delay the consideration of the project while some of the interests in California proceeded to try to put the water to use in that State. No resolution of the type referred to was proposed before the pending bill and its predecessors were introduced. It was an afterthought, a scheme, or a device to defeat worthy legislation.

I have tried to point out to the Senate the reason why no justiciable issue exists at this time. The Supreme Court has held that in order to have a justiciable issue over which that Court will take jurisdiction there must be a threat that an imminent danger exists. Without the authorization of this project, Arizona has no physical means or ability to take water out of the Colorado River which would create any threat. Likewise, unless and until this project be authorized, there is no project in Arizona that would threaten any water use in another State. Therefore, the only thing that would happen would be that there would be a lawsuit for a few years, and then all of the engineering data would be out of date, and we would have to consider this matter all over again. That is what the people in the State of California would like to have happen.

I wish to point out, Mr. President, that the committee, in considering both Senate bill 75 and Senate Joint Resolution 4, authorizing the central Arizona project bill, as amended, has found that no justiciable issue exists which would merit the passage of Senate Joint Resolution 4. On the other hand, the committee has taken the position that this project should be authorized; but, in fairness to the States of California and Nevada, the committee felt that those States should have an opportunity, if they desired, to present their claims to the Supreme Court and that consent should be given to the joinder of the United States as a necessary party to the litigation.

As a tangible expression of its views, the amendment offered by the distinguished Senator from Wyoming [Mr. O'MAHONEY] and the distinguished Senator from Colorado [Mr. MILLIKIN] was adopted by the committee. This amendment provides that if any State or States within 6 months after the effective date of the act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of the water for diversion from the main stream of the Colorado River for the central Arizona project, consent is given to the joinder of the United States of America as a party to such action or actions.

The amendment further provides that no moneys shall be appropriated or expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from the main stream of the Colorado River for beneficial consumptive use in Arizona, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in this act.

Mr. President, this amendment is a compromise offered by these distinguished Senators. I have felt, and the people of my State have felt, that Congress having given its interpretation of the compact and the California Self-Limitation Act and the rights of the respective States, and particularly inasmuch as the net result of the Boulder Canyon Project Act has been to give to the State of California more than the lion's share of this water, it was the duty of Congress to give to Arizona her just share of the Colorado River water without requiring litigation. On the other hand, I recognize that our colleagues were trying to find a solution to this controversy which has existed throughout all of these years. I am convinced, and those associated with me in this struggle for Arizona's existence are convinced, that right will prevail in the Supreme Court of the United States. So, we were willing to accept these amendments.

These amendments were submitted to and approved by the Department of Justice as to form and were held sufficient to protect the rights of all the interested States. So there can be no question that their rights are thereby fully protected.

Another amendment would eliminate a dam which was contemplated at Bluff Canyon on the San Juan River in Utah, the principal functions of which were to control silt and to afford river regulation and flood control. However, more extensive and much more beneficial works at Glen Canyon in the Colorado River in Utah, would not only fully protect the Bridge Canyon works from silt but would render the facility at Bluff Canyon unnecessary. These dams are both in the upper Colorado River Basin. It was estimated from the hearings and record before the committee that the Glen Canyon works would be authorized and constructed as a part of the upper basin development at an early date, and for this reason all authorization for development in the upper basin was eliminated from this bill.

The last amendment was that suggested and submitted by the Department of the Interior for the protection of the rights and properties of the Indians, which amendment was accepted by the committee.

I wish to take this opportunity to express my appreciation to the members of the Committee on Interior and Insular Affairs, who have so patiently listened to the testimony on this bill.

The bill, as reported, protects the rights of all of the interested States. It gives to Arizona the opportunity which she has long sought—to have this matter finally settled. There have been several cases in which Arizona has attempted to go into court to have her rights adjudicated; but at every cross of the road she has been fought by California; and the Supreme Court has held that there does not exist a justiciable issue.

Members of Congress have been flooded with propaganda from California interests in regard to this project. They have tried to make our colleagues believe that this act would take water to which California is justly entitled. The amendment proposed by the distinguished Senator from Wyoming [Mr. O'MAHONEY] and the distinguished Senator from Colorado [Mr. MILLIKIN] is a full answer to that argument. In making the argument, an effort has been made to stress the great need for this water in California. Even if there were a need as claimed, such need alone would certainly not give California any right to water which belongs to and is needed by the State of Arizona. However, inasmuch as they have flooded Congress with such propaganda, I desire to point out various facts which demonstrate that the need does not in truth exist, and that the claim in this respect is not supported by the evidence.

To begin with, California herself admits that her present annual use of the Colorado River water is "something like 3,000,000 acre-feet," well within that of her limitation of 4,400,000 acre-feet. Certain witnesses from that State also admit in their testimony that they desire to place into cultivation an additional 300,000 acres of the areas known as the east and west mesas in the Imperial Valley, Calif. They do not deny that if this land were not placed into cultivation, California would have all of the water she claims she needs, present and future. I desire to make it clear that California's asserted need is for the future to permit her to grow and expand; Arizona's need is immediate, not for growth and expansion, but for the maintenance and support of the property and livelihood which our people now have and are in jeopardy of losing.

In connection with the proposed irrigation of this 300,000 acres in the east and west mesas of the Imperial Valley in California, I would like to call attention to the fact that a land classification development report and an economic repayment capacity report have been made by the Bureau of Reclamation on the lands of the east mesa, which reports

were based upon soil surveys conducted cooperatively by California's own university and the United States Department of Agriculture. These reports clearly show that the lands are not practicable of irrigation and reclamation. The Secretary of the Interior has so affirmatively declared. In this connection, he stated:

In view of land classification and repayment feasibility reports, irrigation development of public lands on the east mesa by either the Government or the district "would be inimical to the public interest."

Think of it, Mr. President, that is what the Secretary of the Interior said about those lands to irrigate which certain witnesses from California would take water from Arizona. It would not be in the public interest to irrigate them. I now continue the quotation:

The east mesa area lies within the Imperial irrigation district served by the All-American canal in southern California.

While the lands were originally withdrawn from public entry in the hope that they could be successfully developed, detailed investigations which have since been made revealed them to be not practicable of irrigation and reclamation. The detailed land investigations were made by the Department of Agriculture, the University of California, and the Bureau of Reclamation.

While reports have not been made on the west mesa, it is admittedly no better land. I wish further to call attention to the fact that practically all of these lands are owned by the Federal Government.

I also ask unanimous consent to place in the RECORD a letter to Mr. Evan T. Hewes from the Secretary of the Interior in regard to this matter.

The PRESIDENT pro tempore. Is there objection?

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

MY DEAR MR. HEWES: The Commissioner of Reclamation has brought to my attention the correspondence between your district and Regional Director Moritz, concerning assumption by the district of the care, operation, and maintenance, under the All-American canal contract of December 1, 1932, of the common section of the Coachella canal between engineer station 0 and approximately station 2603.

Particularly, your letter of December 6, 1948, suggests the necessity for clarification of the position of this Department with respect to the desire of your district to install turn-outs in the common section of the Coachella canal at such locations, with such capacities, and at such time or times as the district may determine, following transfer of the canal to the district.

The district's expressed desire for a free hand in constructing turn-outs in the common section of the Coachella canal necessarily raises the question of whether the district may have the consent of the United States, express or implied, to construct turn-outs designed to serve public lands on east mesa. In view of the conclusions reached in the land-classification and development report of April 1947, and in the repayment-feasibility report issued in March 1948, both of which you have received and which I have approved, it is evident to me that the irrigation development of public lands on east mesa, either by the United States or by Imperial irrigation district, would be inimical to the public interest, inasmuch as such lands are not "practicable of irrigation and reclamation." Accordingly, after full consideration, I am compelled to advise you I do not contemplate that any public lands on east mesa will be opened to reclamation, homestead entry, and settlement, and, therefore, I could not approve the construction of canal turn-outs designed to serve these lands. In reaching this conclusion, I am not unmindful of the provisions of article 23 of the contract of December 1, 1932, insofar as they relate to east mesa lands. I have been advised by the Solicitor of this Department concerning the legal issues raised by this article. A copy of the Solicitor's opinion is enclosed.

This decision has been made with reluctance, insofar as it may disturb the existing contractual relationship with your district, but I am sure that my responsibility under the reclamation and public-land laws permits me no choice in the premises. I assure you that I am prepared to consider a proposal from your district for a modification and equitable adjustment of the contract of December 1, 1932, in order to bring the contract into accord with the facts as we know them today, and to join with the district in submitting to the Congress appropriate recommendations to this end.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

Mr. McFARLAND. Mr. President, I would particularly call attention to the following portion of Secretary Krug's letter:

In view of the conclusions reached in the land-classification and development report of April 1947, and in the repayment-feasibility report issued in March 1948, both of which you have received and which I have approved, it is evident to me that the irrigation development of public lands on east mesa, either by the United States or by Imperial irrigation district, would be inimical to the public interest, inasmuch as such lands are not practicable of irrigation and reclamation.

So here, Mr. President, we have a situation where the United States Government owns the land, where it says that the land is not worth irrigating—that is what the Secretary of the Interior said, speaking for the United States Government—and for this reason refuses to permit its irrigation, and yet these certain witnesses come before Congress and say they need and want water to irrigate this land.

Think of it, with the economy of the whole State of Arizona at stake, they would like to take water and irrigate land which has been held by their own university not to be fit to be irrigated.

Mr. President, this clearly proves beyond any question that California does not need this water; and I wish to state further that if she succeeds in preventing Arizona from using water for the central Arizona project, it will either be used in Mexico, in addition to that amount provided for in the treaty, or be allowed to continue to waste into the ocean. I would like further to call attention to the fact that California is now wasting approximately a million acre-feet annually into the Salton Sea that could be put to beneficial use.

In conclusion, Mr. President, may I say that we have no objection to California's growing and expanding. The record, as I have just pointed out, clearly shows that she has ample water to grow and to expand, and I certainly have no objection to her doing so. On the other hand, Arizona is here fighting for her very existence. We are not asking to grow or expand. All we want the Congress of the United States to do is to help us save our present economy. If our economy collapses, as I have previously pointed out, the result will be felt all over the United States. All we ask of Congress is to give us the legislation which will permit us to use that to which we are rightfully entitled. Enact S. 75 into law, with the proposed amendments, and it will give us that opportunity.

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

Mr. McFARLAND. I shall be glad to yield in a moment.

Mr. President, at the beginning of my remarks I pointed out that there are now in existence in Arizona evidences of prehistoric development long before the white people came there, evidenced by ruins of canals and buildings. Those ruins show that the people had to abandon the cultivation of the soil in Arizona because of the lack of water. The people who started our modern irrigation came to Arizona in the 1860's. Construction of the first irrigation canal was begun in 1867.

As I previously pointed out, when I was on the bench in Arizona witnesses came before the court to testify as to the water rights of the State. They described the development of Arizona. They told of the hardy pioneers who came to the State and dug irrigation ditches. The pioneers of Arizona did not have machinery comparable to our modern machinery. They used horse power and hand power. The witnesses told of the hardships endured by the pioneers. They told of the lands being cleared, not with such machinery as we have today but by hand. With the sweat of their brows they built a great agricultural empire.

Some of the witnesses who testified at the committee hearings bore names identical with those of witnesses who came before me and testified while I was sitting as a judge in Arizona. Their fathers and grandfathers were the hardy pioneers who developed Arizona in its early days. The witnesses who appeared before the Senate committee were the sons and grandsons of those hardy pioneers. The empire built by the pioneers is the empire we are today endeavoring to save.

I see my distinguished colleague from Arizona [Mr. HAYDEN] sitting here. His father was one of the men who helped pioneer and develop the State of Arizona. We are endeavoring to save the economy which was built in Arizona by Senator HAYDEN'S father and by the fathers of the people who are now living there.

During the last war the Government of the United States needed important fibers as well as foods to help win the war. The Government appealed to the people of Arizona to plant long-staple cotton, so necessary to carry on the war. The people of the State of Arizona responded. We are endeavoring to save what we have developed and our economy.

The hardy pioneers of the early days of Arizona builded an agricultural empire; made "the desert blossom as the rose," to use a familiar Biblical expression. They made its soil produce important food products needed to sustain life and important fibers needed to help win the war.

This great agricultural empire must be safeguarded by the passage of the pending bill.

The early pioneering in the State of Arizona was not all directed to the field of agriculture. Men went into the hills, developed important mines, and brought forth precious metals, which were likewise needed to win the last World War. How would the pending legislation affect them?

We have built in Arizona an economy based upon a farm area in the central portion of the State of 725,000 acres. Suppose those farmers should become bankrupt? What would happen to the bonded indebtedness of the State, and the overhead cost of the State government and the subdivisions thereof, as well as the schools? The cost would all fall upon the mining industry and other industries of Arizona. At this time some of them are having a hard struggle to survive.

The central Arizona project, as I said in the beginning of my statement, and as has been pointed out by the Secretary of the Interior, is a rescue project, and would not put one additional acre of land into cultivation. As has been shown, at least 250,000 persons would have to leave Arizona if the bill were not enacted. Those who would remain in that agricultural area would be barely able to eke out an existence. Where are 250,000 persons to be placed? There is not room for them in California. California says there is already unemployment in that State. Is there room for them in Connecticut? Is there room for them in Maryland? They would be displaced persons just as truly as are any people in Europe.

Mr. President, the proposed legislation which is before the Senate today deals with a most serious problem. We are considering a bill which would help to save the economy of a State. Distinguished lawyers and Senators have drafted amendments which will afford protection to the various States involved, and yet present a justiciable issue which will make possible the decision of the subject in the Supreme Court of the United States.

It is true that the population of Arizona is small when compared to the population of other States. It is true that we have always been at a disadvantage when fighting against a powerful State like California. That was particularly true when the Boulder Canyon Project Act was before Congress for consideration. All we ask of the Senate is the opportunity afforded by this bill, which has been found by the committee by a vote of 9 to 3 to be the only way to settle this controversy and the only way to save the economy of a State which represents the symbol of the pioneers of the West.

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

Mr. McFARLAND. I yield for a question.

Mr. KNOWLAND. I thank the Senator from Arizona for yielding at this time. All of us recognize that this is an important piece of legislation. I am a little sorry to hear the Senator find fault with some of the California witnesses. I assure the Senator that no California witness who testified has any animosity toward the State of Arizona. The fact is that water is the lifeblood of all Western States. We have a very serious problem. I am sure that there is no one in the State of California who does not sympathize with the problems, not only of Arizona, but of all the other Western States.

In connection with a great project which calls for the authorization of $750,000,000, and which contains provisions which will call for the expenditure of another $500,000,000, or perhaps a total of $1,250,000,000, it is important that the legislation should be carefully analyzed before it is acted on by the Congress. I am sure the Senator from Arizona would want that to be done.

I invite the Senator's attention to page 6, line 3, of the pending bill, which provides, as follows:

> Before any construction work is done or contracted for, the Secretary shall first determine that costs allocated to power, municipal water supply, irrigation, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, not to exceed the useful life of the project, as may be determined by the Secretary.

I should like to ask the Senator this specific question: Insofar as this project is concerned, does that not in fact circumvent the existing reclamation laws, which provide that the irrigation features of a reclamation shall be repaid in 50 years?

Mr. McFARLAND. Mr. President, I believe the reclamation law provides for a 40-year period. There is no question that this bill extends the time for repayment for this project. But this is not the first time that that has been done. Projects have been approved which extended the period for more than 60 years. This is not a new feature. If we are to have any more projects developed in the West, that will have to be done. Every member of the committee who would like to see further development of irrigation projects knows that the easy projects have already been built. There is no question that this would extend the period of repayment. The report of the Secretary of the Interior shows that the cost can be repaid well within the life of the project.

Mr. President, I did not accuse the witnesses from California of any animosity toward us. Of course they are fighting for what they think will put a little money in their own pockets. I do not say that they are not sympathetic, but if we are to save 750,000 people in Arizona, it will take more than sympathy to do it. It will take water to do it.

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

Mr. McFARLAND. I yield.

Mr. KNOWLAND. It is quite possible, as the Senator points out, that many of what he calls the easier projects have been built. As one Senator who has supported the general theory of reclamation, both on the floor of the Senate and long before coming to the Senate, I would have no great objection to Congress extending the period from 50 to 55 or 60 years. I can see some equity in it. A good case might be made for extending it to 65 years. The only point I make is that the Senate is entitled to know that in this situation, instead of maintaining the basic law, so that we may continue to have a yardstick, as we have had in the past, within which all projects must fit themselves, we are breaking up the yardstick and throwing it away. I invite the Senator's attention to that situation. I should like to ask the Senator if that is done in this case, how with equity and fairness we could apply the yardstick in all future cases?

I should like to ask this further question: If we break up the yardstick and throw it away and do not apply it to this project or to future projects, does the Senator believe that it is equitable to continue to require projects which are now under construction or which have been built to keep within the 50-year limitation?

Mr. McFARLAND. In answer to the distinguished Senator's questions, I should like to say that we are not departing from any past procedure. As I pointed out, we have already authorized projects with longer periods than 60 years. I wish further to point out that these projects should be repaid in as few years as possible. It is best for the economy of the United States. It helps us get money for future developments. We cannot apply a strict yardstick measurement to these projects. Each one must stand on its own merits. In the past few years we have authorized projects for longer periods of time. All we ask for is what has been done in the past. We ask for the same consideration which has been given to other projects.

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

Mr. McFARLAND. Very well.

Mr. TYDINGS rose.

Mr. KNOWLAND. I know the Senator from Maryland wants to proceed on another subject. This is the opening debate on a three-quarter-billion-dollar project, which may total a billion and a quarter dollars. I believe we are entitled to have some clarification.

I invite the Senator's attention to the language on page 4 of the bill, as follows:

> *Provided further*, That construction of the tunnel and that portion of the canal hereinabove described from the reservoir above the dam at Bridge Canyon to a junction with the aqueduct hereinafter authorized shall be deferred until Congress by making appropriation expressly therefor has determined that economic conditions justify its construction.

I have been informed that the estimated cost of construction of such tun-

nel is $550,000,000. It may be $500,000,000 or $550,000,000. Perhaps it would be only $450,000,000 or $500,000,000. Regardless of what the amount may be, does the Senator——

Mr. McFARLAND. Let us use the figure $200,000,000.

Mr. KNOWLAND. For the sake of argument, let us take $200,000,000.

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

Mr. McFARLAND. I have already yielded to the Senator's colleague. I can yield to only one Senator at a time.

Mr. KNOWLAND. I should like to complete the question. Whatever the amount may be, it is X dollars greater than the $708,000,000 reported by the committee. It may be anywhere from a minimum of $200,000,000 to $550,000,000. Is it not correct to say that under the language of this bill, without coming to the Congress for further authorization, the Appropriations Committee, by making an appropriation perhaps as small as a few hundred thousand dollars, once they said it was specifically to get this work under way, would automatically authorize this large amount, which will run anywhere from $200,000,000 to $500,000,000? If that be so, does not that give to the Appropriations Committee power to almost double the amount of the authorization in the bill?

Mr. McFARLAND. In answer to the Senator's question, let me point out that under existing law if the Bureau of Reclamation files a report, it can ask for appropriations for the project without getting a special authorization. That is all that this provision of the bill does. But the Appropriations Committee must first have the report of the Bureau of Reclamation to the effect that economic conditions justify the building of the tunnel. With regard to the tunnel, I personally feel that it should be built at some time. I do not know when economic conditions will justify it. The present costs of construction are such that it would not be justified. It may well be that in the future, when employment is needed, the cost will go down so much and there will be such a demand for power in the West that everyone will wish to see this tunnel built. When that condition arises, they will have to show that the power which would be saved from not having to pump into the aqueduct would pay for the tunnel, before it can be constructed.

It is not a complicated matter; it is no more complicated than approval of a project under basic irrigation at the present time.

Mr. KNOWLAND. Mr. President, I should like to ask the Senator an additional question. During the course of his remarks, I believe he said that unless the bill authorizing this work is passed, and unless the work proceeds, disaster will come to the State of Arizona. I should like to ask the Senator how soon disaster would come to the State of Arizona, if the bill is not passed and if the work is not authorized.

Mr. McFARLAND. Mr. President, that is a very difficult question to answer, because the disaster would grow year by year. We cannot simply say that it would be in existence one year but not the preceding year or that it is not here today, but will be here tomorrow. It would be a gradual development. It might start next year or the following year, and gradually grow worse. But I hope it will be possible for us to secure the enactment of this authorization bill and I hope the litigation can be completed in time to save the economy of my State.

Today in Arizona we are borrowing on our underground water supply. I pointed that out earlier in my remarks. We might continue to do so for a few years longer; but the time will come when we must take some action as set forth in the pending bill, or we know, according to the advice of the best engineers in the West, that disaster will come. It will not come in any particular year; conditions will simply grow a little worse year after year.

Mr. KNOWLAND. Mr. President, I should like to call the Senator's attention to pages 10 and 11 of the bill, dealing with the matter of the litigation before the Supreme Court. I should like to ask him a question about the portion of the bill beginning in line 17 on page 10, reading as follows:

Provided, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from the main stream of the Colorado River for beneficial consumptive use in Arizona, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

I am not an attorney, but I should like to ask the able Senator about that provision. As I read it, construction of the project could not be commenced during the pendency of the suit. But let us assume that the suit went to the Supreme Court and the Supreme Court rendered a decision adverse to Arizona, and then the case was decided; it was no longer pending. Is it the Senator's interpretation that the Authorization Act would still be valid?

Mr. McFARLAND. Mr. President, let me say that it would be ridiculous to assume that if the Supreme Court held that no water was available for this project, the Congress of the United States would appropriate for it, notwithstanding. In fact, I shall state the matter in stronger terms than that. It is an insult to the Congress of the United States for anyone to insist in any way that under such circumstances the Congress would appropriate one dime for the construction of a project for which the Supreme Court had held no water was available.

Mr. KNOWLAND. Mr. President, that was not my question. My question was whether the Senator now takes the position that in the event the Supreme Court decided adversely to Arizona, then in fact there would be no authorization?

Mr. McFARLAND. Yes, there would be an authorization, but in effect it would be killed by the Supreme Court's decision, if it so held.

Mr. KNOWLAND. That is all I wish to ask for the moment, Mr. President.

Mr. McFARLAND. Mr. President, I have concluded my remarks at this time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1282) to authorize grants under the Federal Airport Act for minor projects at major airports, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4106) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions.

THE H-BOMB

Mr. TYDINGS. Mr. President, the attention of all the peoples on earth has been directed recently to a new instrument of destruction, popularly called the H-bomb. Its described potentialities are so great that it is difficult, even for those who serve on the Joint Committee on Atomic Energy, and for others who have had some contact with the development of the atom bomb and, more latterly, the H-bomb, really to comprehend what it all means to civilization. Rumor has it that if one of these bombs is perfected, a single one of them dropped on New York City would kill every man, woman, and child in that city. In other words, so we are told by rumor, it would be sufficient in its destructive power to wipe out everyone living in an area of 100 square miles—10 miles long and 10 miles wide. We are likewise told that our own country and Russia are launched upon the undertaking of building the new H-bomb.

Therefore, all of us must, whether we like it or not, come face to face with the grim reality that there are in the course of construction weapons so gigantic and so terrible in their destructive possibilities that not merely one city but civilization itself is in jeopardy.

When the atom bomb was fashioned, we departed from the orthodox type of warfare—warfare by means of the Army, the Navy, and the Air Force—as we had known it, and we used that bomb as a mass weapon to bring Japan to its knees. The two bombs which were dropped on Japan, at Hiroshima and Nagasaki, as I have said before, according to the official statistics, killed 135,000 men, women, and children in the fraction of a second. That bomb was very crude. It employed a new principle in warfare, to wit, atomic fission and its use to kill people.

Everyone who had been associated with the development of atomic energy knew instantly that the first bombs were what might be termed crude. The discovery was new. The inventive genius applied to it had no yardsticks, and so the first bombs were fashioned as quickly as possible to do a particular thing which they accomplished. But all of us then knew, as we were told by the scientists who appeared before the committee,

that the atomic bomb of the future would be many times greater than the atom bombs of which we had heard. Indeed, I think I may say without violating any secrecy there is practically no end to the inventive and scientific genius that can be applied to building bigger and bigger and bigger bombs for the destruction of humanity.

For a long while I have been thinking on this whole question. For a long while I have realized that armies are not the answer to the settlement of international disputes. They are a necessary transitory thing that we and other peoples adopt because there is no alternative in the existing state of international affairs except to be strong and to try to be stronger than the other man, no matter what the field of activity into which this may carry us and the world.

Now, with the coming of the H-bomb, Mr. President, many people have been seeking to apply the same formula to it as was attempted to be applied to the atom bomb, namely, control of atomic- and hydrogen-bomb activities, with proper inspection. It is an appealing idea and for a moment seems to attain the objective we all desire. But I think I can show that even were it possible—and I certainly should not disapprove of all efforts toward that result—in my judgment, it would be an illusory rather than a real attempt to control these weapons.

Let us assume that tomorrow morning the United States and Russia agreed firmly that neither country would make or possess the atom bomb or the hydrogen bomb or have the means with which to make the atom bomb or the hydrogen bomb. Let us assume that there was the proper type of inspection inherent in the agreement which would keep these two nations, and all others, from embarking upon the making of either of the two bombs. Let us then suppose that war came, and that the war happened without either nation having the bomb, but that other conventional means of destruction were employed. No sooner would the war break out than all international inspection would be wiped out in an instant. The moment inspection was wiped out each belligerent nation would immediately have to start building a plant in which to make the atom bomb, or building a plant in which to make the hydrogen bomb, for fear the other belligerent nation was doing it behind its own battle lines. All that would result from atomic or H-bomb control would be a truce between wars, with almost the certainty of the bomb's being built by either or both belligerents in any future conflict, as soon as the new war started. All that would be gained, therefore, would be a little time.

If it is logical to outlaw the atomic bomb, as I believe it is logical to do, and if it is logical to outlaw the hydrogen bomb, as I believe it is logical to do, it is then just as logical to outlaw the conventional bombing and all forms of warfare. It is impossible to outlaw any of them without opening ourselves to the risk of reinstituting them all again as soon as a new war breaks out on the face of the earth. Therefore what we need, if we want the atomic bomb and the hydrogen bomb controlled, and if we want a world in which these two instruments cannot be manufactured, is not only an agreement which encompasses these two great destructive weapons, but we must go further than that and have disarmament all the way down the line to rifles. In my judgment, rifles might conceivably be needed to maintain law and order in any country, or in any group of countries on the globe. But unless all things above the rifle are outlawed, we get back to the hydrogen bomb and the atomic bomb when war comes.

I do not think it possible to escape the conclusion, assuming the efforts to outlaw the hydrogen and atomic bombs, with proper inspection, have been successful, that if war comes, with such an agreement in existence, the parties to the war will immediately commence the construction of the proper plants in which to build the two outlawed instruments of death, because they are so completely decisive in modern warfare that we could not afford to run the chance of assuming, without inspection—and with a war going on there would be no inspection—that all the parties to the contract were living up to their agreements.

A little more than 4 years ago, namely, on January 28, 1946, anticipating the march of atomic energy, the improvement, if I may use the word, in the destructive potentialities of the atomic bomb, I offered a simple resolution in the Senate, which I intend to reoffer today. I read it, as follows:

That the President is authorized and requested to invite the governments of all nations to send representatives to a conference, which shall be charged with the single duty—

I underscore "single duty"—

of entering into an understanding and agreement to achieve world disarmament on land, on sea, and in the air by January 1, 1950, except only for such actual occupying forces, with appropriate weapons, and for such agreed period of time, as will be necessary to police the defeated and occupied nations as a result of the recent war—

That is an obvious exception—

and except only for such armed forces and for such weapons as are to be placed exclusively under the jurisdiction of the Security Council of the United Nations Organization—

It seems to me, in the present circumstances, that is an obvious exception—

and except only—

And here is the meat of the coconut—

and except only for such limited forces and limited small arms as are needed to keep law and order within each country, and directly prohibiting the manufacture, storage, and possession of all other weapons, ammunition, and munitions of war, and providing further for the international inspection force authorized and instructed to see that the terms of such world disarmament are rigidly adhered to and carried out, and thereafter maintained by all the countries of the earth.

Some will say, "That is too large an objective to be accomplished." Perhaps it will be said, "You are trying to bring utopia on the face of the earth." To that, I say there is just as much of a possibility of securing world disarmament on the terms of the resolution as there is of securing atomic and hydrogen bomb control, and that the former proposition has additional merit because, if atomic and hydrogen-bomb control were obtained, it would only be efficacious in the interim period between wars, and as soon as war came, if it lasted long enough, both bombs would likely be built and used, and we would be back where we were when we started.

Mr. President, it is my belief that the peoples of the whole world want peace. They want an end to devastating wars, and they will want it more and more as the full import of the hydrogen bomb and its successor bomb is made public. There is not a member of the Atomic Energy Committee or of the Armed Services Committee, or a man holding high office in the Pentagon, who does not know that when the hydrogen bomb is built we can build still another super-hydrogen bomb which we may call the P-bomb, the T-bomb, the X-bomb, or the Z-bomb. There is no limit, except the limitations of mechanical know-how and scientific application, to the size of the bombs which can be built to destroy mankind. If we are entering an era in which a single bomb can be built which will kill 10,000,000 people in the fraction of a second, it but proves my point, for only a couple of years ago we were talking about a bomb which could kill 100,000, 200,000, or 300,000 persons. No sooner will the hydrogen bomb be built than the great nations which are able to do so will start in on a bigger bomb which will devastate a larger territory and kill a greater number of persons.

The peoples of the earth do not want to live under the perpetual cloud and weight of this horrible fear which is so real, so close, and so avoidable.

It seems to me that our great leader, the President of the United States, has, at this moment, an opportunity to try to bring the question of world peace to the attention of all mankind, Americans, Russians, Chinese, and all others.

What great nation on earth will oppose it? I do not believe the people of Russia would oppose it. I am speaking of the masses of the people of Russia. I do not believe the masses in China would oppose it. I cannot conceive that the masses of the people in any country would oppose it. I offer it because it goes to the whole length of the problem and toward the only solution of the problem that will hold, in my judgment, reasonable hope of success.

I cannot go along with the attempts which deal only with atomic-bomb control or hydrogen-bomb control, for it is only a truce between wars. As certainly as that the sun rises and sets, the hydrogen bomb will be used in any great war, all agreements to the contrary notwithstanding. The minute the first shot is fired, the minute the first enemy town is attacked, the great nations of the earth will immediately start the manufacture of this weapon for fear that the other side of the controversy, the other nations which are opposing any powerful nation, will also start to manufacture

the hydrogen bomb behind the cloak of military secrecy, and at some point in the war, as it continues, this new weapon will be dropped upon the cities of enemy countries. We cannot escape the logic of that statement. It is as certain as is tomorrow morning's sunrise. It is as certain as is anything in human nature.

I think we must lay aside the futile attempts to outlaw these new weapons by dealing with them alone. This problem calls for sterner stuff. It calls for imagination on a wider horizon. It calls for thinking it through until we reach the point where the hydrogen bomb and the atomic bomb will really be outlawed. If we follow that logic, we shall be back to the point where we must disarm on land, on sea, and in the air.

Understand, Mr. President, I am not advocating disarmament by example. We had some of that in 1922 when the naval-disarmament conference was held in Washington. I am not advocating that this Nation shall disarm while every other nation shall remain armed. I am advocating that all nations enter into an agreement to disarm gradually over a period of years, on a schedule agreed to, under the eyes of each other, with constant world-wide inspection to see that disarmament is progressively carried out. That is the only way we can ever disarm, the only way in which we can successfully outlaw the hydrogen and atomic bombs.

Let us assume for the moment that I am wrong about it. Let us assume we can control atomic bombs and hydrogen bombs by international agreement and inspection. Let us assume that war comes, and let us assume, for the moment, at least, that neither the hydrogen bomb nor the atomic bomb is used in that new war. What will happen? We shall have a conventional bombing with TNT. Take an airplane flight over Europe, Mr. President, and look at the cities, the towns, the bridges, the railroads, the factories, the yards, and the graveyards. The only difference between the atomic bomb, the hydrogen bomb, and the conventional bomb is that the hydrogen bomb and the atomic bomb do the same thing, only more quickly. That is all.

Do we realize that in France alone nearly 300,000 homes were entirely destroyed in the course of the war and that more than 800,000 were partially destroyed? Do we realize that in France, without the atomic bomb or the hydrogen bomb, 6,000 bridges, large and small, were destroyed during the war? Do we realize that 80 percent of the machinery in the great industrial plants of France was either destroyed by bombing or removed by the enemy and melted up for munitions of war? Do we realize that France lost more than half of her merchant marine during the war? Do we realize that several thousand miles of railroad track was destroyed and that hundreds of locomotives and thousands of boxcars and freight cars were destroyed? Do we realize that 600,000 Frenchmen lost their lives in World War II either by death on the battlefield or as the result of bombing, together with thousands who were impressed into service by Germany and never returned? To kill 600,000 people at once would require four atomic bombs of the Hiroshima and Nagasaki type. Only 135,000 persons were killed in Japan with two bombs. Six hundred thousand were killed in France without such bombs.

What kind of a nice agreement and compromise it is in one's thoughts, heart, and conscience that we are ready to settle for 600,000 lives, provided it extends over a period of 4 or 5 years? We do not mind that; we will agree to that—killing 600,000 people in 4 years. But what we do not like is to have killed 150,000 persons in 4 days. We can stand it if it is stretched over a long enough period, but if it is condensed into a short period of time it becomes too horrible. Mr. President, that is silly. It was just as bad to kill those 600,000 Frenchmen in the period I have described, as it was to kill 135,000 Japanese by the use of atomic bombs.

Mr. President, if there is a desire to outlaw the hydrogen bomb and the atomic bomb, there is only one way to do it, namely, by a program of world disarmament. We cannot temporize with this problem. We cannot divide it up into segments and keep the world armed to the teeth, with millions of men marching, and if a new war breaks out hope that our agreements will stick. The war will not be 1 hour old before the belligerents on either side of a new series of hostilities will immediately begin, agreement or no agreement, the building of the atomic bomb and the building of the hydrogen bomb. They can do nothing else. No holds are barred in warfare. The only reason why anything we or another nation has is not used in a war is because its military contribution to victory is doubtful, considered from both sides. But when there is a weapon so terrific as the hydrogen bomb, if a nation has it, we may rest assured it is as certain to be used as anything in the ken of human experience is certain.

If the desire is to do away with the hydrogen bomb and the atomic bomb, we must have a period of world disarmament, with inspection before the disarmament period, inspection during it, and inspection after it. I do not believe anything else will suffice.

As I stated a moment ago, I do not know how long it would take Russia or the United States to build a hydrogen bomb, but assuming it would take 2 years, that great bomb would no sooner be built than immediately Russia or ourselves, or both, would start the building of another bomb more powerful than the hydrogen bomb, just as the hydrogen bomb now is superior to the old atomic bomb.

Men are taking the universe apart; they are breaking the universe up into elements, they are finding out how they can use those different elements to destroy vast numbers of mankind. No one knows what the final answer will be, but if civilization and humanity are to find security on this earth, they cannot find it by partial disarmament, they must find it by complete disarmament, plus inspection before, during, and after disarmament.

I should like to see our President, difficult though this matter is, fraught though it is with possibilities of failure, undertake to invite the nations of the world to sit down for the single purpose of accomplishing world disarmament, not mixed up with tariffs, currencies, immigration, or any of the other things which we may settle afterward, but with nothing in mind but disarmament, devoting ourselves exclusively to disarmament, with the problems like occupation and the like, which followed the last war, considered in conjunction therewith.

Let us suppose such a conference is called. Let the proposals for disarmament made by us and the opposition's proposals be published. Let us assume that we cannot agree. If we cannot agree, we will know why we cannot agree, whether the reason is a genuine or spurious one, whether there is any real desire for peace in the world on the part of certain peoples. Then we will know what to do in this country.

Mr. President, I do not like being in a twilight zone, playing tick-tack with the hydrogen bomb and the atomic bomb as if the matter were that simple, and as if a solution looking to the control of these two weapons would bring about the result which we desire. It would not, because even though we did control them, no sooner would a new war come than the armament plants would start manufacturing the weapons all over again.

Mr. President, in the proposed conference, with the full floodlight of world publicity upon it, where men would sit down to solve the destiny of the millions of people of this earth, if it were an open conference—and that is what I would advocate—the proposals of every nation would be known, and all mankind would be put on notice whether or not the nations assembled were acting in good faith.

Some say the Russians would never agree to the proposals we would outline. I think that is a defeatist attitude. I do not think we know what the answer will be until the Russians act upon such an invitation. But I assume that the people of Russia, very much like the people of the United States, are anxious to survive, to stay alive, to try to make an end to warfare. I assume they would rather have the resources of Russia not turned into tanks, ships, guns, and bombs but into those things attached to the home which raise the standards of living of the people of Russia. I assume they would welcome the lifting of the great weight of fear which either now hangs or eventually must hang over their heads, as it hangs over the heads of most of the other people of earth.

Mr. President, I am not willing to admit that a fair proposition submitted to the Russians touching this matter would receive their complete veto, for I believe that, by and large, it would be difficult for the representatives of any nation to resist the appeal of the President of the United States, or to turn down a proposal for real disarmament, with real inspection, if it were made in the open, and made on an honest and fair basis. It would at least arouse a great deal of discussion in every country on earth. If we go into such a conference with clean hands, with an honest proposition, we have some hope of its acceptance.

But suppose the conference should fail. We would not be any worse off than we are now. We would not have lost anything. On the other hand, we would have made a great gain, for we would have told the people of our own country and the peoples of the world that we were ready to call an end to all the waste of the natural resources and the wealth of the nations and the manpower of the nations entailed in an armaments race, and we would have made our offer in complete good faith, even though it were rejected.

If we tell the American people that is our attitude, we will see a new America. We will then know what the issue is. We will then know what is ahead of us, and we can gear our Government to face conditions.

Of course, some will say, "This should be done in the United Nations." I wish it were done there, but I do not believe the United Nations is the place for doing it, for the reason that the United Nations has too many other problems, with disputes lapping over into too many fields, questions over Palestine, China, Greece, and all the other problems which it considers from time to time.

What we want is a conference devoted to the greatest single problem before all of Christendom, namely, disarmament. It is greater than taxation, it is greater than any other problem, for until we get an atmosphere in which men can think and act and compose their differences without fear, we are inviting attack by atomic bomb, as a result of some accident, or some incident, or the unfolding of some policy which will eventually bring all of these new weapons into play.

Mr. President, I do not make these remarks today because of fear. I am not speaking because I am afraid. I am not afraid. There is presented to us a challenge to our generation, and we must meet it. I am making this address because I cannot see any logic in tackling the problem piecemeal, knowing that even if we are successful in solving a part of it piecemeal, it will not settle anything, as in the case of control of the atomic bomb and the hydrogen bomb. Both of them will be back in the picture, anyway, just as soon as the next war begins. There is no escape from that conclusion.

The situation requires bold treatment. We are not faced with a flood or a famine or a typhoon or a tidal wave. We are faced with the extinction of all human beings on the earth as the march of events and of science proceeds on its way down the roadway of the future.

If what I say is true—and who is there to doubt it?—shall we be like dumb driven cattle waiting for the butcher's knife? Or shall we take firm, aggressive action in good faith backed up by the logic of the situation, with an appeal to all mankind to come forward and act in an effort to put an end to what now causes so much fear, a fear which will darken and still further darken the atmosphere with the passing of the hours, and the passage of the days?

If the solution I propose is not the best—and I do not offer it as the panacea for all the ills of mankind—then let some one come forward with a better one, and I shall be glad to join in it. But I think all the conversation about controlling atomic energy and controlling the hydrogen bomb is merely so much sawdust. In my opinion there is not on the face of the earth a military man of any stature who will take issue with me in the statement that even though an agreement is reached for control and for inspection, if any war between the great powers begins the hydrogen bomb will be used, and the atomic bomb will be used, anyway. The minute such a war breaks out the great nations of the earth capable of doing so will commence the manufacture of such bombs because they cannot trust each other, and because if they do not have the bombs, they will be at the disadvantage of quickly losing a war which they otherwise might conduct successfully for years, if necessary.

Mr. President, I am very hopeful that we can rise to meet this emergency.

Here is the United States, without question the strongest, the most powerful nation in Christendom. Here is civilization, threatened as it never has been threatened before in all its long history. Here are people in our great cities who more and more, and more and more, will feel a fear in their hearts and breasts as they contemplate, as they must sooner or later, the possibilities inherent in hydrogen-bomb warfare. Have Senators ever considered what would happen if the hydrogen bomb were used in modern warfare, and if it should live up to its advance notices? Let us assume for a moment that the frequently published statements that it can kill 10,000,000 people are true. Very well. Let us assume that another Pearl Harbor incident occurs. If we had never had a Pearl Harbor that might be considered to be a silly assumption. But we have already had one. We were all strutting around this Chamber on the 6th of December 1941, more or less confident, in spite of the threats, that Japan would not do anything particularly. We wakened on the 7th of December and found that the American Fleet was at the bottom of Pearl Harbor, and we had to start out from scratch, start all over again and build a fleet.

Let us profit by that lesson, and assume that in this day of speed we may have another similar experience to that of Pearl Harbor. Let us assume that coming from somewhere, from X country, our listening posts to the north report that an enemy fleet of 25 or 30 or 50 or 100 planes has been noticed flying toward the United States, apparently headed for the eastern seaboard. Let us assume that word to that effect is quickly flashed to the people of our great cities along the Atlantic seaboard. I do not know what would happen in a city like New York, which is surrounded by water on three sides, and whose people have to rely on very crowded communication ways to get out of the city, and on limited transportation facilities to get over the rivers. Certainly 10,000,000 people could not get out of there, in my opinion, in a couple of days, even if complete law and order should prevail.

People would have no regard for red lights, for speed limits. The policemen themselves would want to get out of New York. The firemen would want to get out. I imagine a good many fire trucks would leave the fire stations for the environs of New York City without any fire alarm being sounded to call them to any particular destination. That place would be a shambles. Even after drills had been conducted, even though safety organizations had been set up, even though good order should be maintained, perhaps only a few hundred thousand could be evacuated in the 50 or 60 minutes which would intervene from the time the planes were first sighted until they were over New York, in the event that they were not shot down en route.

What I have stated by way of illustration with respect to one city can be multiplied by the other great cities along the Atlantic seaboard.

That is the kind of world we are starting to live in, Mr. President. It is not the kind of world I want or that you want, but it is the world of coming reality if we should have another world war.

Many of us have seen Hiroshima and Nagasaki, either in the form of pictures or by visiting those cities in Japan. There were exhibited before the Atomic Energy Committee three or four hundred slides of views of those cities after the bomb had fallen. Of course, those two cities were not constructed like American cities, of stone and steel or of durable wood. Many of the houses of Japanese construction are relatively flimsy. But when it was all over those two cities were practically level plains all the way across. They were destroyed by the crude first atomic bomb ever fashioned by man.

We are told that in destructive ability the new bomb may be 1,000 times more powerful than the atomic bombs we knew. Picture one of them over some city in Europe, or over some city in America. Picture 12 of them over 12 cities in Europe or 12 cities in America. Certainly the Russian people have just as much to gain by a plan of complete disarmament, save for such forces as are necessary to keep law and order in each country, under proper inspection, as have the people of any other country on the face of the earth.

The Russians have today 200 divisions under arms; probably three or four million men. Under such a plan as I suggest those men, or most of them, could return to their homes, help to develop the rivers, help to turn the great timber resources of Russia into materials for homes and factories, help to dam her great rivers for electric power; and all the wealth which Russia is now pouring into her military machine on land, on sea, and in the air, could be used to better the lot of the Russian people.

Likewise, in these United States, the same thing would apply. Here we are spending for our national defense, including the interest on the national debt, which is largely military, including provisions for our veterans, which is a military outlay, and including the Marshall plan, which is largely military, almost the sum of $30,000,000,000. Out of a budget of $42,000,000,000, we are spending practically $30,000,000,000 of the wealth of the American people, of their energies, of their resources, and necessarily spending it, in my opinion, by reason of wars, past, present, or future,

in the present international situation. But we ought not merely to sit down and throw away $30,000,000,000 every year and be content to say, "Oh, well, we will do it just so long as the other fellow does." He is probably saying, too, "Oh, well, we will do it so long as that fellow does."

It seems to me the time has come when both countries have everything to gain and nothing to lose by attempting to take this great burden of expense, this great weight of fear, this tremendous realistic hallucination, from the vision of men, women, and children, and put it forever away. If we do not do it, and we have another war, Mr. President, after that war is over I care not who has the preponderance of hydrogen bombs or who has the preponderance of atomic bombs; in my opinion that war, with the modern instruments which are now made or are in the making, will be so devastating that all we shall have fought for will be lost anyway. So terrific, both on the battlefield and upon our economy, will be the impact of another great world war fought with modern weapons, that those who survive—and they may not be too numerous—will ask themselves, "What did we fight for, anyway?"

We should stop and think what one bomb would do to this great Capital in which we live. A freighter might come into one of our great harbors with an atomic bomb in its hold. The freighter could be loaded with lumber. It could be loaded with furs. It could be loaded with fertilizer. To all appearances it would be legitimately approaching one of our great harbors. It could have one or two hydrogen bombs equipped with time fuzes fastened in its interior, well out of sight and unknown to us. The freighter might anchor out in the harbor. The crew would go ashore and go out into the country for a day or two. Then the bomb would explode.

Mr. President, such a plan is perfectly feasible. It is much easier to do that than it would be to make another attack similar to that at Pearl Harbor from the air. Such ships might sail into several of our harbors, each of them loaded with an atomic bomb. Are we to sit by, in the face of what no one on this floor or in the world will deny is a perfectly feasible and possible arrangement, with all that it can mean to civilization, to our country, to our children, to our children's children, and to the people of the world, and be content to nibble at a part of this problem, knowing that even if we solve only a part of it we shall get back in the end to what we tried to solve, but did not solve at all, because these instruments of destruction will be used?

If I wanted to make a war, if I thought war was coming, if I thought war was inevitable, and if I were in command of one of the other great nations which was likely to fight the war, and I had the hydrogen bomb, I would be sorely tempted to put one of the bombs in each of four or five ships and send the ships into some great ports of America, all the bombs to be exploded more or less simultaneously by time fuze, thus destroying the people who live in the ports.

I hope that as the years unfold I shall not have made a prophecy. Unless we face up to the possibilities of the situation, the things which I have described are perfectly likely to happen.

It may be that some nations will refuse to come to such a conference. If so, we shall know their attitude. We shall have the consciousness, at least, of having asked them. If they refuse, we shall know where we stand. It may be that some nations will come to the conference, and, even though the plan be a fair one to them and to ourselves, will refuse to adopt it. We shall know that. We shall know where we stand. It may be that nations will come to the conference, that some plan will be agreed to, and some kind of a real disarmament program will be started—the kind of disarmament which is worthy of the name, and not a truce kind of disarmament which is good only between wars, when it does not make any difference anyway, but is not good during war, which is the real purpose for which all of the control proposals are made.

I believe there is more than a faint hope that the great nations of the world will be attracted to the President's invitation to world disarmament, and world disarmament alone, at a conference. I believe that other nations will be attracted to it because they, no less than we, must see what the alternative is eventually. I believe that other nations will want to devote their energies and resources to the upbuilding of their own countries rather than to squander them on numerous armaments. I believe we can assume that the people of every nation, with very few exceptions as to individuals, long for peace, for relief from the tax burden, for relief from fear, and that they long for the opportunity to utilize the sweat of their brows and the toil of their hands for reclamation, water power, roads, schools, health, and all the other things which we could have so easily if we did not have to support the weight of this great burden and the fear hanging over us all.

Mr. President, when I submitted this resolution 4 years ago some men thought the proposal was not feasible. They said, "If we can just get atomic control that will be wonderful. War is bad enough. But if we can just eliminate the bomb, perhaps we can survive with the other weapons, aside from the bomb."

I believed then, and I believe now, that even if we and the Russians and others had agreed to outlaw the bomb, and the inspections had been perfect and the bomb had been outlawed, if war were to come, both we and the Russians would start immediately to build plants to make the bomb. They could not afford to do otherwise.

With that same logic—and I think it is logic—I come to the subject of the hydrogen bomb. Any agreement simply to outlaw the hydrogen bomb means an agreement to outlaw it in the time between wars, with no real effective hope that it will not be used if war comes. I believe the only way we can have any prospect of preventing world war III, and perhaps stopping the use of these weapons, is to have some measure of real world disarmament, to which all the other countries in the world agree, with adequate inspection before, during, and after.

Therefore, I am submitting another resolution, hoping that it may challenge those who have thought along different lines to feel that there may be some merit in it, and that it may be communicated to the peoples of lands who may long for a world where great weapons such as the hydrogen bomb and the atomic bomb will be outlawed under proper inspection.

I compliment my colleague the Senator from Connecticut [Mr. McMAHON] for speaking the other day with the same objective in mind. No one has a complete patent on the correct solution of this problem. All proposals are worthy of deepest thought. I know how he feels about the subject. He has been chairman of the great Joint Committee on Atomic Energy of which I have the honor to be a member. I know that he is carrying in his own mind a great deal of confidential and secret information with which it is not pleasant to live, please believe me.

If someone has a better plan, let him come forward. But let us have more prognosis and less diagnosis. There is too much of an atmosphere of sitting around and finding fault. This situation calls for strong action, and we cannot take it 250 years from now, either.

I have offered my own small contribution, not as a perfect answer to the problem, but as the best one with which I have been able to come forward. I do not say it does not have faults; I cannot guarantee that it will be effective; but I have been unable to find a better solution which appeals to me, in light of the information I have. I am not willing, however, to sit around and twiddle my thumbs until the world sets itself on fire and all of us are incinerated. It seems to me we have come to the time when we must take the initiative, must seize the banner of world civilization and go forward with it, must throw off defeatism, must possess the courage of our ancestors to meet adversity, must meet the direct challenge and, facing it boldly, must study it and tear it to pieces until we do find the solution.

Mr. President, 4 years ago, on January 28, 1946, I concluded my remarks in the Senate with these three paragraphs, which I wish to read again today.

The voices of all mankind, if they could be registered, would, I believe, support the proposition of world disarmament. The millions of brave dead who lie in the scattered graves of World Wars I and II died for this ideal of real peace on earth. The mothers and fathers, the widows and orphans of those who are no more want this enduring monument as partial compensation for their great and irretrievable loss. The tens of millions who still carry the yoke of misery, fear, and want imposed by war want this new day of permanent peace to dawn quickly.

The continuance of civilization itself is in the balance.

That is no overstatement.

I also said:

The sands in the hour-glass grow less and less and less with each passing second.

That is absolutely true, Mr. President.

Then I said:

Let the United States, the impregnable fortress of freedom, the lover of peace, the hope of oppressed people the world over, take the lead in summoning all the nations

of the earth to a world disarmament conference, and bring into reality the fervent hope, the earnest prayers, and the longing of men through all the centuries for the untroubled security of a just, unbroken, and enduring peace.

One final word, Mr. President. If we have such a conference, let us pray to God that it will be successful. If it fails, we shall be no worse off than we are now.

I now send the resolution to the desk for appropriate reference.

The resolution (S. Res. 227), submitted by Mr. TYDINGS, was ordered to lie on the table, as follows:

Resolved, That the President is authorized and requested to invite the governments of all nations to send representatives to a conference, which shall be charged with the single duty of entering into an understanding and agreement to achieve world disarmament on land, on sea, and in the air by January 1, 1954, except only for such actual occupying forces, with appropriate weapons, and for such agreed period of time, as will be necessary to police the defeated and occupied nations as a result of the recent war, and except only for such armed forces and for such weapons as are to be placed exclusively under the jurisdiction of the Security Council of the United Nations Organization, and except only for such limited forces and limited small arms as are needed to keep law and order within each country, and directly prohibiting the manufacture, storage, and possession of all other weapons, ammunition, and munitions of war, and providing further for the international inspection force authorized and instructed to see that the terms of such world disarmament are rigidly adhered to and carried out, and thereafter maintained by all the countries of the earth.

Mr. MALONE obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield to permit me to ask a question of the Senator from Maryland?

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

Mr. MALONE. I yield.

Mr. TYDINGS. I am glad to have the Senator ask me a question.

Mr. MAGNUSON. I was very much impressed by what the Senator from Maryland had to say today. Like himself, I do not know whether what he proposes is the answer. He gave some figures relative to cost, over and above the cost of these terrible instruments of warfare to which he has referred. I know he will want the RECORD to be clear.

In the present budget approximately 71.6 percent is devoted to the stupid business called war.

Mr. TYDINGS. I think that is correct.

Mr. MAGNUSON. Here in the Senate we have just been talking about a project that would help many people live peacefully and happily. It is worth pointing out that that entire project could be built for the cost of one task force.

Mr. TYDINGS. I agree with the Senator. The figures are very conclusive that, as he has said, about 70 or 75 percent of all the money our Government takes from the people, in every conceivable way, must be used for war, either past, present, or to come; and as a result we have only 25 or 30 percent of our budget remaining for all the other activities in which our Government is engaged.

Mr. MAGNUSON. I should like to ask the Senator a second question. Of course, we hear a great deal about price supports for farmers in relation to taxes and budgets. The whole price-support program can be operated for the cost of one task force.

Mr. TYDINGS. That is correct. Not only that, but unless we solve this problem we shall have a world war III in which these new weapons will be used. Then we shall not be bothered very much about any other matters, because there will be very little left of anything.

Mr. MAGNUSON. Exactly.

Mr. McMAHON. Mr. President, will the Senator from Nevada yield to me, to permit me to comment on what has just been said?

Mr. MALONE. I yield.

Mr. McMAHON. The other day, when I spoke about this matter on the floor of the Senate, several Senators were kind enough to say to me that they thought it well the discussion had begun. I am sure that many of those who said that did not agree with everything I said, nor did they disagree with everything I said.

In the same vein, I should like to say to the Senator from Maryland that I am very much pleased with the address he has made to the Senate today. I know, from my conversations with him over the past 5 years, of the deep thought he has given to this problem and how strongly he realizes the necessity for some kind of peaceful solution. I also know that the Senate of the United States is a place for the discussion of this question.

I wish to congratulate the Senator from Maryland for living up to that high necessity and for fulfilling the best traditions as a Senator by making his contribution to the cause of peace.

I should like to make a further comment, with the Senator's permission: The Senator from Washington has talked about cost. Some comment was made the other day about the $50,000,000,000 which the Senator from Connecticut said might well be taken off our military budget if we were successful in our aims relative to disarmament, and might be devoted to the causes of peace.

I should like to point out that the last war is estimated to have cost a trillion dollars. The lives lost in that war are not to be translated into terms of cost, because we cannot do that. But in material terms alone, the cost of that war would mean a five-room house for every family in the entire world, and enough money left over to build a hospital in every town of over 5,000 people, and to operate the hospital for a period of 10 years. That is what a trillion dollars means in terms of material uses for the good of mankind.

So, Mr. President, when we begin to talk about various costs and sums of money, it is well to keep that in mind.

Mr. TYDINGS. Mr. President, I thank the Senator from Connecticut. I do not wish to compliment him unduly, and what I shall say is rather limited to the encomiums which I think he is entitled to receive. Since he has been chairman of the Joint Committee on Atomic Energy, I know of no more diligent chairman of any committee in the Congress, nor do I know of one who has devoted himself more unselfishly and untiringly to this problem, the greatest of all problems before us, than has the distinguished senior Senator from Connecticut, who has been prompt in his attendance at all meetings of the joint committee, has gone over the country examining the atomic plants, has conferred with Army officials and with the Atomic Energy Commission over and over again, and has carried a terrific load. I only hope the people of the United States will appreciate his unselfish devotion to the cause of peace and the protection of his own country, which I know is well appreciated by every member of the Joint Committee on Atomic Energy. I am sure every member of the joint committee well realizes the great service the Senator from Connecticut has performed in that respect.

Mr. TAYLOR. Mr. President, will the Senator from Nevada yield, to permit me to make a brief statement at this point?

Mr. MALONE. I am glad to yield.

Mr. TAYLOR. Mr. President, recently I complimented the distinguished senior Senator from Connecticut on the statesmanlike address he made. I wish now to compliment the great senior Senator from the State of Maryland. I believe that in these two addresses I have found more of statesmanship than I have found in all the other talk which has occurred in the Senate of the United States during the 5 years that I have been a Member of the Senate.

Believe me, Mr. President, I am deeply interested in the problem of bringing peace to the world. In October of 1945, shortly after the first atomic bombs had been dropped in Japan, I introduced a joint resolution calling for the creation of a world republic. I have done other things in the interest of world peace. Some persons have thought that my actions in that respect were brash; some persons thought they were stupid or idiotic. However, Mr. President, I knew what I was doing on each occasion; I felt that something should be done. Although I realized I was a new Senator and did not have the prestige of long service in the Senate, I was unwilling to wait until such time might come. What I have done in that connection has been done because I felt more than justified in running whatever risks such action might involve to my political career or to me personally, even if it resulted in bringing my political career to an end. I felt that the risk involved was more than worth while, for I was acting in the hope of trying to bring to the attention of the people of the country and of the world the terrible problem which confronts us, and them, and I was attempting to find some solution for it.

So I am very happy to see these statesmen attack this problem in a realistic manner.

To be perfectly frank about it, Mr. President, of late I have adopted a rather fatalistic attitude. I knew I had done

everything I possibly could do, and it had come to naught. I really did not see what else could be done about the matter. I am happy to see these able Senators and statesmen rising to the occasion. I merely want to assure them that I shall certainly do everything I can to back them up in the very worthy and realistic approaches they have made to the problem.

Mr. TYDINGS. I thank the Senator from Idaho for his generous remarks.

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

Mr. MALONE. I am happy to yield.

Mr. MAGNUSON. Can the Senator tell us approximately how long he intends to speak this afternoon?

AN AMERICAN DOMESTIC NATIONAL POLICY

Mr. MALONE. I may say in answer to the question of the senior Senator from Washington that I shall speak for perhaps 50 minutes.

Mr. President, on January 24 I made a short address to the Senate, outlining the lack of an international or foreign policy. At that time I said that I planned to take the floor early the following week, to speak on the subject of a domestic policy. I have been somewhat delayed. At that time I said I would discuss whether we should have a policy under which the people of the United States would be permitted to have access to their own domestic markets equal to the access that foreign countries have been given under the 1934 Trade Agreements Act. I referred to the 1934 Trade Agreements Act, as extended, under which foreign nations are now given greater access to the American markets than are American manufacturers and American labor themselves.

I advocated at that time that the flexible-import-fee principle should be substituted for the Trade Agreements Act, and that the United States signature of the proposed International Trade Organization legislation should be withheld In a short summary of the address, I called for an American foreign policy, asserting that we had not had a world policy since the end of World War II, but that the administration had made a series of unrelated, random decisions, and had projected financial programs based largely upon European propaganda, for the zigzag course and the double dealing which it has continued to follow since the end of the war.

COLD WAR AND COMMUNISM

I said that the executive department of our Government is charged by the Constitution of the United States with determining foreign policy and that Congress can accept or reject any treaty or formal arrangement presented to it; that it was high time the President and the State Department inform the Congress and the people of the Nation whether or not we are still waging a cold war with Russia, and whether or not the spread of communism is dangerous to our ultimate peace and safety.

I said further that if the President and the State Department decide that we are waging such a war, and if they decide that the spread of communism is dangerous to our ultimate peace and safety, then we should forthwith stop all assistance to the ECA nations which have made the 95 trade treaties with Russia and the iron-curtain countries. The ECA nations are helping Russia to consolidate her gains in eastern Europe and in Asia, and to arm her for world war III against us. If we are not waging such a cold war and if the spread of communism is not dangerous to us, that we should immediately restore normal trade relations with Russia, just as the European nations did immediately following World War II.

The joint resolution which I introduced at that time would prohibit financial aid to any foreign country engaging in trade with Russia, her satellite countries, or any other area dominated or controlled by Russia.

In any case we should make a decision and quit fooling the American people, and stop the double dealing which has become the common practice of the State Department since World War II.

Mr. President, I am in hearty accord with what the senior Senator from Maryland has just said, that it is time we took cognizance of these matters. It is time that we recognize now, if only belatedly, that Mr. May, who was in Canada at that time, was a British citizen, who betrayed atomic secrets to the Russians and who apparently funneled the information into Russia just as fast as we could discover new processes. It is time, Mr. President, that we realize that such a man as Klaus Fuchs, who was sent over here by England, and whose security status was apparently cleared by England, was allowed to come and pry into our secrets. The doors were opened to him, as has just been explained, by all our atomic energy experts. Klaus Fuchs, according to the newspapers, was not even checked by the FBI.

Mr. President, everyone will remember that a serious question arose as to whether we should at all times take England into our confidence and give England our atomic secrets and store atomic bombs in that country. That would have been a dangerous thing to do, with a man whom England had cleared funneling the information directly into Russia.

This morning's newspaper carries an article showing what little examination had ever been made of Fuchs. His German parents say he has always had Communist leanings.

COMMUNISM AND SOCIALISM

Mr. President, we all know there is little difference between the ultimate objectives of socialism and communism. We are supporting Socialist nations in Europe, and we are becoming Socialist ourselves. The objective of both, socialism and communism, is the perfect state, in which the individual owns nothing. The principal difference between the two lies in the method of attaining the objective. The Communist will shoot a man in order to convert him to his kind of government. The Socialist will spend a country into socialism. That is what we are doing, Mr. President. A Communist is merely an impatient Socialist.

Having summarized the high lights of my speech of January 24 on foreign policy, I may reiterate that the State Department and the executive department have the responsibility of determining foreign policy and of announcing to the Congress and to the American people objectives of that policy. They have never done it. We are simply continuing the policy of floundering, so that with England, India, Czechoslovakia, and all these other nice comrades of ours, recognizing Communist China, we then float into a policy thoroughly confusing to the American people. The American people do not know what the State Department wants to do. Some of us believe a deal was made last fall at a conference involving England, Canada, and the United States to confuse the issue during the debate on the extension of the 1934 Trade Agreements Act. This conference succeeded in confusing the issue as far as the American people were concerned. And the State Department and the Executive have never yet declared openly whether communism is a threat to our ultimate peace and safety, or whether we are still in a cold war. On January 24, I submitted a list of 95 trade treaties made by the ECA nations with certain other countries subsequent to World War II, which treaties are now in full force and effect. The trade treaties enable the ECA countries to ship the Russians everything she needs to wage a third world war and to consolidate Communist gains in eastern Europe and in Communist China.

WE SHOULD NOT ARM RUSSIA

Many persons believe that these trade treaties are dangerous to our ultimate safety. Russia cannot manufacture and process materials in amounts large enough to keep her people satisfied and consolidate her gains in eastern Europe and Communist China, and those subjugated people may become dissatisfied and will start pushing off the yoke of communism. Not helping Russia to consolidate her gains is the only alternative, Mr. President, which many informed persons can see to a shooting war toward which we are moving with frightening rapidity.

Mr. President, I said, in a sort of preview for today's address, that the fate of the jobs and the investments of the American people had been placed in the hands of an industrially inexperienced State Department. Through the Trade Agreements Act the Congress of the United States put into the hands of the Secretary of State the fate of practically every workingman's job and every investment in the United States of America. The Congress of the United States must take full responsibility for the results when it yields its constitutional responsibility to the executive department of the Government.

The list which I referred to earlier is found on page 818 of the CONGRESSIONAL RECORD of January 24, 1950, with three or four treaties printed in some detail, including a treaty between Belgium and Rumania, on page 824 of the RECORD.

This treaty lists many things which we were and will be unable to get in time of war, including tin products, copper and copper alloys, cobalt, aluminum, rolling-mill cylinders, rolling-mill equipment, electrical equipment, machinery and apparatus, Diesel locomotives, electrotechnical equipment, particularly industrial electric equipment and apparatus, telephone equipment, household electric equipment and practically everything necessary to go right on and consolidate gains in those areas to prepare for world war III.

OUR DOMESTIC POLICY

Mr. President, I now intend to discuss our domestic policy. On September 13, 1949, I offered a substitute for the 1934 Trade Agreements Act as extended. I suggested a flexible import-fee principle, so we could hold our standard of living while helping and assisting foreign nations to raise their own standards. Since we have extended the 1934 Trade Agreements Act, many industries have been further injured, and merely a start has been made in the effect this act will have on America.

I want the RECORD to show that I have submitted, in the form of a suggestion, to the Republican Party for a declaration of policy a plan for the promotion of world trade through the principle of fair and reasonable competition, assuring that foreign goods produced by under-paid foreign labor shall not be admitted to this country on terms which remove the floor under our wages and investments, and reduce the living standards of the American workingman, the American farmer, and the productivity of American industry.

On January 19, in a letter addressed to the Senator from Ohio [Mr. TAFT], I said:

It is my deep conviction that the Republican Party, through the Policy Committee of both your Republican Senate Policy Committee and the Policy Committee appointed by the national chairman from the National Republican Committee, should come out "flat-footed" on a platform of substituting the flexible import-fee principle for the 1934 Trade Agreements Act, as extended, and for the defeat of the International Trade Organization, as the spearhead plank in our national (domestic) policy.

ENDORSEMENTS OF THE FLEXIBLE IMPORT-FEE PRINCIPLE

At that time, Mr. President, I submitted to the Senator from Ohio a resolution adopted by the Nevada State Executive Committee of the Republican Party, an official resolution adopted on November 15, 1949, offering the flexible import-fee principle as a substitute for the 1934 Trade Agreements Act, as amended, calling for the defeat of the International Trade Organization legislation, and for definite conditions governing further gift-loans to Europe. The resolution is as follows:

Whereas the selective free trade policy adopted by the State Department, based upon the Trade Agreements Act, is removing the floor from under wages and investments—causing unemployment and loss of taxable property; and

Whereas the proposed International Trade Organization, consisting of 58 nations, each with one vote, to which it is suggested that this Nation assign all of its right to adjust tariffs and import fees for the protection of the working men and investments in the United States of America, would complete the job of wrecking our economy; and

Whereas the policy of making up the trade-balance deficits of the European nations (16 ECA nations) in cash each year without definite conditions for its utilization is simply reestablishing the century old feuds and rivalries among such nations: Therefore be it

Resolved, That the Republican State Executive Committee of Nevada hereby adopts and recommends to the National Republican Committee for adoption an American domestic and foreign policy:

1. A domestic (national) policy.

A. The flexible import fee principle, based upon fair and reasonable competition, administered by a reorganized experienced tariff commission, to be known as the Foreign Trade Authority, in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investments, to be substituted for the 1934 Trade Agreements Act as extended.

Under the flexible import fee principle a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own—they cannot in good conscience ask for more.

2. A foreign (international) policy—as a condition of further aid to Europe.

A. Integrity of private investments.

B. A United States of Europe—including Germany without trade barriers of any kind.

C. Free convertibility of the European currencies in the terms of the dollar.

D. Equal access to the trade of the nations of the world—subject only to the action of such individual nations; be it further

Resolved, That the so-called bipartisan policy, including the support of the administration's three-part free-trade program has destroyed our traditional floor-under-wages policy and has contributed materially to the defeat of the Republican Party; and

That the haphazard lowering of the import fees and tariffs, without regard to the differential of the cost of production due largely to the difference in living standards of this country and the foreign competitive nations, has severely injured the mining, petroleum, agricultural, textiles, pottery, lumber, precision instruments, and many other industries, thereby causing unusual unemployment and loss of taxable property; and

That we are, by our own actions, removing the floor under wages and investments in this Nation and in effect transferring American jobs to foreign soil.

This is a resolution passed officially by the Nevada State Executive Committee of the Republican Party on November 15, 1949.

On December 2, 1949, at the thirtieth annual meeting of the Nevada State Farm Bureau at Ely, Nevada, Resolution No. 17 was passed, dealing with domestic and foreign policy, which resolution reads as follows:

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, as lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. Foreign policy:

(a) Protection of private investments in foreign countries.

(b) Free convertibility of European currencies in terms of dollars.

(c) Consolidation of the European nations into a United States of Europe, and the erasing of all present trade barriers.

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. National policy:

(a) Set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized, experienced tariff commission in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investment. Under a flexible import-fee principle, a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own—other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world: Be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this Nation and of foreign competitive nations has a demoralizing effect on our agricultural markets as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

Mr. President, on January 17, 1950, the Pioche Union, Local No. 407, of the CIO, passed a similar resolution, signed by Thomas L. Hutchings, president. In that resolution this local resolved, as disclosed in their telegram to me:

DEAR SIR: By unanimous vote Pioche Union, Local No. 407, CIO, disapprove part 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee as outlined in your talk at Pioche, Nev., on December 15, 1949.

Yours truly,

THOMAS L. HUTCHINGS,
President, Local No. 407.

Mr. President, that union local represents southern Nevada in mining. They belong to the mine, mill, and smelter workers, a well-known union in the United States.

Mr. President, on January 18, 1950, the White Pine County Central Labor Council, located at East Ely, Nev., passed a resolution, as disclosed in a telegram addressed to the junior Senator from Nevada, as follows:

We call your attention to the following resolution adopted by the White Pine County Central Labor Council. Whereas the selective free-trade policy is removing the floor from under American wages and investments, causing unemployment and loss of taxable property, and whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this country and foreign competitive nations, has severely injured the nonferrous mining industry.

This is another mining industry in Nevada, Mr. President.

Therefore be it resolved, that a telegram be sent to each of our national Senators ask-

ing them to do what they can toward correcting this deplorable situation.

DOUG HAWKIN,
President, White Pine County Central Labor Council.

On September 16, 1949, Local Lodge No. 705, International Association of Machinists, of Sparks, Nev., sent me a telegram. This International Association of Machinists represents a section of a great national union. This particular section happens to be located on the Southern Pacific Railroad, at Sparks, Nev. In a letter addressed to the junior Senator from Nevada they state:

SIR: The legislative committee of local lodge No. 705, International Association of Machinists, Sparks, Nev., reported favorably on the matter of the flexible import fee. Whereupon the membership unanimously instructed the legislative committee to inform you that local lodge No. 705, International Association of Machinists, Sparks, Nev., has gone on record in favor of the flexible import fee.

The legislative committee wishes to commend the Senator for his hard work and initiative.

Yours truly,

SATIRIOS SOUKAROS,
Chairman, Legislative Committee.
GEORGE H. SHELTON,
JOHN L. ROBERTSON,
Legislative Committee.

Mr. President, on January 12, 1950, the Property Owners' Associations, Inc., of Clark County, Nev., telegraphed their junior Senator as follows:

Urge you to support a flexible import- and export-tariff bill for protection of our domestic industries and curtailment of foreign spending.

Mr. President, recently I made an address at Portland, Oreg., before the Multnomah Chapter, which is the larger and controlling section of the Oregon Republican Club, at its annual meeting. Following my address the senior Senator from Oregon [Mr. CORDON] received the following telegram, dated the 31st of January:

The executive committee, Multnomah Chapter Oregon Republican Club meeting, after speech by Senator GEORGE W. MALONE, heartily endorses flexible import-fee principle as a substitute for 1934 Trade Agreements Act as amended and recommends the defeat of the International Trade Organization.

ROBERT H. GRAYSON,
President.

AMERICAN JOBS ARE AT STAKE

Mr. President, the workingmen of this country are the first to suffer through free trade if this trade is based on unfair, low-cost labor competition. In my humble opinion, no Senator or Representative can vote for free trade of this kind and conscientiously vote against free immigration, because there is no practical difference between the importation of low-cost laborers and importation of the products of low-cost labor from countries where labor receives anywhere from 40 to 50 cents a day, as do the laborers in the Far East and Africa, or when they receive 40 cents up to $2, or $2.50, or a maximum perhaps of $3, as they do in Europe, and perhaps $2.50 or $2.25 in the South American countries.

There is no difference between free immigration and dishonest free trade, particularly when our machinery and our know-how are freely available to them.

I hear it said that we do not fear competition because of our great know-how and our inventive genius, especially in the line of machinery. I point out to the Senate that through acts passed by the Congress, we are making available the machinery and the know-how of America to people anywhere in the world, and not only making them available, but paying the freight and the cost. That is also the way the material is being sent, with the help of the 95 trade treaties, to Russia, to the iron-curtain countries, and to China. I want to point out to the President of this body that even if we were not giving it away, this machinery would be available anywhere on earth, and so would our know-how be freely available anywhere.

Mr. President, I have been in the engineering business 30 years, the last 15 years mainly devoted to industrial engineering. Engineers like me have been coming out of the colleges of this country for 50 years so fast that there are not enough positions for them, so that many of them have even gone into other lines of activity. Therefore there are many men who have the know-how and the necessary information, who are foremen and workmen in industrial plants.

Mr. President, I was in South Africa in the latter part of 1948. I talked to General Smuts while I was there. I also talked to many of South Africa's financial leaders. We spoke of manganese and chromite and other minerals which are rather scarce in this country, although they could be produced on the basis of our standard of living, if unfair free trade did not interfere. One can fly in an airplane over the veins of ore in South Africa and follow the outcropping for several miles. In conversation with General Smuts I said to him, "If I were 20 years younger, and not in the United States Senate, I would come here, get some people on the telephone in the United States of America who want these minerals, and if you would give me a lease with a term long enough so I could get out the money I invested on a reasonable amortization basis, and pay for my machinery, and make some money on my investments, we could get more minerals out of this section of South Africa than anyone would know what to do with.

Mr. President, what kind of machinery would I install there? I would be able to install the identical kind of machinery in South Africa for mining maganese and chromite ore that I could use in California and Nevada where I have worked with engineers for 30 years.

Why are we told that the technical advice, know-how and machinery are not available to other peoples? They are available to every nation in the world that will turn honest and respect the integrity of private investment. The Republican Party in Nevada, through its executive committee, and the Farm Bureau in Nevada has asked, in official resolutions adopted by them, that we place conditions on further loans abroad, I should call them gifts rather, for that is what the so-called loans to Europe are. What do we ask for? We ask for integrity of private investments. We ask for a United States of Europe. With more than half the area of the United States, and 16 Nations, Europe has nearly twice the population of the United States. Each one of those nations or states has a complete government, each one with jealously guarded sovereignty.

WE PICK UP THE CHECKS

Mr. President, I believe I have said before on the Senate floor, and I know I have said so in other places, that I have no objection to those countries in Europe each having a sovereign government, so long as they pay for their government. But when they get on our pay roll—and, Mr. President, they are in our budget now, just the same as is the Department of the Interior—so long as they are on our pay roll, it behooves this body to study and determine just what the money we pay out is used for.

I have no objection to the King of England drawing a salary of a million and a half dollars a year. A statement to that effect was contained in a newspaper report published not long ago. There is no use going into what every ruler of every state in Europe draws, but if a ruler draws a million and a half dollars a year, so long as the nation can pay that amount, and we do not have to pick up the check, in other words, make up the deficit each year, I am perfectly willing for them to pay such a sum to their ruler. But when we start picking up the check of a nation which is paying its sovereign one and a half million dollars each year, then I have considerable curiosity as to just what they are doing with our money elsewhere.

CONGRESS ABDICATED ITS DUTIES

Mr. President, I believe the Senate of the United States has been very derelict in describing to the country what has happened. The Constitution of the United States of America gives to the Congress of the United States authority over the economy of this country. The Constitution gives Congress the authority to fix import fees, tariffs, and excise taxes—that means control over the economy of the country. I point out that for 75 years we have had protection in some form or another. We have had what we call a tariff, a fixed tariff, which did not work quite as well, perhaps, as the flexible import fee we are now suggesting. We learn as we go along. But fixed or not, it was at the approximate differential of cost of production and the living standards between this Nation and the nation or nations in which the competition is located.

Traditionally, Mr. President, the Republican Party has been for protection of the workingman's job and his wages, and the investments made by the people of the United States in this country. Traditionally, the Democratic Party has been a free-trade party. It is only necessary to look up the record to verify that.

In 1914 we had the Underwood tariff bill. Then came the war in Europe, and free trade made no difference, because we could sell everything we wanted to

sell. The same was true in 1939, when the last war in Europe began. We got into the first war in 1917. Many of those who are now Members of the Senate and whom we ordinarily see on the Senate floor, took part in that war. Many Senators also took part in the last war, World War No. 2. From 1917 until the armistice of November 11, 1918, everything anyone could produce could be sold abroad. Therefore, a tariff or import fee was not necessary. But within 2 or 3 years after the end of the war, I think it was in 1922, it became necessary to call a special session of Congress to reestablish the tariffs and the import fees in order to protect the American jobs and American industry.

STATE DEPARTMENT NOT A FIT CUSTODIAN

Mr. President, the same battle is coming on again. After the depth of the depression, in 1934, in all the exuberance and enthusiasm of a new administration, the Congress passed the 1934 Trade Agreements Act. What was that 1934 Trade Agreements Act? Through that act, which has been extended several times and is still in force, having been extended the last time in September 1949, the Congress of the United States abdicated—I was going to say "abrogated," but I will use the expression "abdicated," for it is a better word—its authority over the national economy of this country, its constitutional authority, if you please, and gave this authority to an industrially inexperienced State Department, which has no interest in the industry of the United States, as I shall show in a few minutes. The State Department has its eyes fixed 3,000 or 10,000 miles away from the American shores, trying to make agreements of various kinds, and entering into treaties which have nothing to do with the economy of this country. Therefore, the State Department is willing to trade the living standards of our country to gain its ends, whatever they are, and which, moreover, it has never made clear.

Mr. President, the Constitution of the United States gave into the hands of the executive department the authority to fix foreign policy. Congress by its own action, by the action of the Senate right here, tied together the national economy and the foreign policy of this country. The Senate abrogated the authority which the Constitution gave it to regulate the national economy. What is the result? The result is that the State Department has tied these two policies together, through the three-part free-trade program of the administration, and tied it tightly, Mr. President. The first two parts are already in operation. I shall describe them in a minute.

The ITO, the International Trade Organization, is on the President's "must" program. What did the Senate of the United States do right here on this floor? It abrogated its authority over the national economy, and made errand boys of its Members.

What can we do here now? All we can do is to accept or reject, or rearrange the myriad of appropriations sent up here for what is called domestic and foreign policy but which is really tied together. We appropriate $5,500,000,000 each year to make up the trade-balance deficits to Europe. The World Bank, the Export-Import Bank, and other trick financial institutions established by Congress over a period of 15 to 18 years have arranged things so that many million dollars can be sent to foreign countries without the necessity of coming back to Congress except for more appropriations. All we can do is to accept or reject the appropriation bills. We have passed the act. So perhaps instead of $5,500,000,000, $6,000,000,000, or $7,000,000,000 is going to foreign countries annually through these various institutions, most of it into the ECA nations.

THE THREE-PART SYSTEM

The first part of the three-part program which ties together the national economy and the foreign policy was the Trade Agreements Act, passed in 1934, and extended from that time until now. The original act placed in the hands of the President, so in effect in the hands of the State Department, the right to raise or lower, to the extent of 50 percent, the tariffs and import fees which were in effect at that time. In extending the act in 1945 for 3 years Congress increased by another 50 percent the amount by which tariff and import fees could be lowered, making a total of 75 percent of the tariff and import fees as in force under the Tariff Act of 1930.

What does this mean? That is virtually free trade. Whenever we ignore the differentials of cost due to the difference in standards of living there is only one possible result. Either the people of this country will lower their standard of living to meet this situation or they will become unemployed.

THE MARSHALL PLAN

The second part of the three-part free-trade system is the Marshall plan, or ECA, as it is now called, providing $5,500,000,000 in cash to make up the trade-balance deficits of each of the European nations. Our chief export is cash, industrial machinery, and other things for which we pay cash out of the taxpayer's pocketbook.

Those are the two parts. The Marshall plan, or the ECA, provides five and a half to six billion dollars each year to make up the trade-balance deficits until such time as the State Department can, through the 1934 Trade Agreements Act, divide the markets of this country with the other nations of the world, to the point where our standard of living is reduced to theirs. At that point, the Marshall plan would no longer be necessary.

It was thought that the desired result could be accomplished by 1952. It is now found that it is impossible to accomplish the result by then. A distinguished Senator recently suggested that we appropriate $50,000,000,000 more in a lump sum and have it over with for 4 or 5 years. I think that makes just as much sense as what we are now doing. The ECA appropriations were to be continued until 1952. At that time we were supposed to be clear. We would then divide our markets with the other nations of the world.

CAN WE RAISE LIVING STANDARDS?

It is said that we are going to raise the standards of other nations up to ours. Let us see what it sounds like. There are 2,250,000,000 people in the world. We hope we have about 160,000,000 of them, as the estimates would seem to show. When we start doing what is proposed, it is just like dividing what wealth we have with the rest of the 2,250,000,000 people in the world. It is just as though I were to use this glass of water in an attempt to raise the level of water in the city reservoir by dumping it into it. I would have no water left in the glass, but the level of water in the reservoir would not be appreciably raised.

THE ITO

What is the third part? The third part of the free-trade program is the International Trade Organization. It is on the "must" list of the President's legislation for this year. What is it? It is an act, or a treaty, or whatever we wish to call it. Probably it would have been brought before us as a treaty if its proponents thought they could get a two-thirds vote to pass it. They realize a two-thirds vote could not be obtained. So it will be a legislative act, to be passed by a majority. If we pass it, we cannot get out of the ITO for 3 years. Then 6 months' notice is necessary to leave the organization. By that time we shall be like a man who has gone through a corn sheller or a threshing machine. We shall not be in any shape to get out. What we are doing is making permanent what we have attempted to do with the other two acts: leveling our standard of living with that of the rest of the world.

What is the International Trade Organization? While I am about it I shall describe it. The International Trade Organization will be composed of 58 nations. That is the number of nations expected to join. There are 52 now who have signed, and one has ratified. In averaging the standard of living no foreign nation can do anything but win, and we can do nothing but lose. They will all join the organization. There will be at least 58 nations with 58 votes. There will be 57 foreign votes to our 1 vote. We shall have one vote. Siam will have one vote. Siam is a little nation which lives mostly along canals, in rice fields, and in congested towns. These people live on sampans. I was there in 1948. I went down the canals to see how the people lived. The canal serves as their sewer and the source of their drinking-water supply. They bathe in the canal, wash their clothes in it, and use the water for their cooking. They weigh about 110 pounds each, wringing wet, and have no energy. A regiment of American marines could probably take the whole nation in 24 hours. Certainly they would have no trouble taking it in a week. But Siam has the same vote as the United States of America in this organization.

What would this organization do? It is given certain authority in the Habana charter, which contains 155 or 156 pages written in all kinds of double-talk. The substance of it is simply that to the

organization is assigned the authority to suggest the tariffs and the export fees for its member nations. That is only half of it. It is almost unbelievable. The more legislation I see coming to this floor the more I am convinced that Hitler had something when he said that the more preposterous anything is, the sillier it is, if one will only say it often enough and positively enough, many persons will believe it.

Mr. President, it has become the habit of the administration to turn out tons of propaganda every day. The newspapers print it, because very little has been said about the subject. We cannot blame the reporters for taking it, because that is about all they get.

This is a great thing we are going to do. We are going to enable everyone to live as people live at the Mayflower, the Willard, or the Shoreham. Within 6, 7, or 8 months everyone will be living alike. That is a great thing. All of us would like to see it. The administration has formed the habit during the past 18 years of taking anywhere from 3 to 18 months to propagandize its proposals. Mr. President, I know what I am talking about. I have been coming here since 1927, although I have been a Member of the Senate only since 1947. For approximately 25 years I have watched this process operate. This propaganda has been going out from 3 to 18 months in advance, to sell the people, who have had very few other sources of information, a bill of goods on any particular thing the administration wishes to pass, before it is allowed to come to the Congress. Then it is brought to the floor of the Senate and House. That is what happened with the ITO charter.

The great International Trade Organization goes one step further than any other legislation I can think of. Congress abrogated its authority over tariffs and gave it only to the State Department. This proposal moves the authority from the State Department to 57 foreign nations, each with one vote. That moves the authority a long distance away from home.

Why was that done? The reason is very evident. It was done on the theory that if the people are temporarily sold on a proposal of this kind a Senator will not have the guts to stand up and debate and vote against it. One day a couple of newspaper men said to me, "We agree with most of the things you say." But in a few minutes they asked, "When do you come up for reelection?" I said, "In 1952." They held out their hands and said, "It is nice to have known you."

Mr. President, I suppose I shall run for reelection in 1952, and I suppose I shall want very much to be reelected. But not at the sacrifice of the standard of living of the working men of America. I do not want a seat in the Senate that badly.

Mr. President, let me give a few citations dealing with the surrender of the tariff-making power to the ITO:

THE AUTHORITY OF THE ITO

Each member shall, upon the request of any other member or members—

Mr. President, I am reading from article 17, entitled "Reduction of Tariffs and Elimination of Preferences" which is to be found on page 46 of the Habana Charter for an International Trade Organization, dated March 24, 1948. Copies of it have been very scarce since that time. Talk about this charter has been going on for 3 or 4 years, but only recently has the charter gone to the committee. At least, this is the first time the President of the United States has said the Charter of the International Trade Organization must be ratified by the Senate. He must think the country is sold on it. If necessary, I shall mail him a little of the written or printed comment about the reaction of the labor organizations to it, or perhaps he will read about these matters in the CONGRESSIONAL RECORD. If so, that will be helpful.

I read now from article 17, entitled "Reduction of Tariffs and Elimination of Preferences":

1. Each member shall, upon the request of any other member or members, and subject to procedural arrangements established by the organization, enter into and carry out with such other member or members negotiations directed to the substantial reduction of the general levels of tariffs and other charges on imports and exports.

It is to be noted that the provision is "shall"; the charter does not use the word "may" at that point.

That is the first paragraph of article 17.

In paragraph 2, a portion of subparagraph (a) reads as follows:

Members shall be free not to grant concessions on particular products and, in the granting of a concession, they may reduce the duty, bind it at its then existing level, or undertake not to raise it above a specified higher level.

That is also contrary to some of the other provisions of the proposed treaty; but it provides that foreign nations which, as we know, have been in the habit not only of raising their tariffs but of using quotas, embargoes, specifications, and manipulations of currencies and every other known device and contrivance to keep our goods from European markets, now may resort to the methods specified in the treaty. Apparently Mr. Hoffman and Mr. Acheson think the United States and its people are sufficiently "sold" on that deal. I shall come to that point in a few minutes, and shall present newspaper articles with respect to what Mr. Hoffman and Mr. Acheson have said regarding this matter since 1948, when the matter of this gift to foreign nations first came before the Congress, and when they said, in effect, "Just see what it will do for the American businessman. It will establish markets for his goods all over the world."

But, Mr. President, what do they say now? They frankly say that foreign nations must stop buying our goods, and that we must buy foreign goods. They know, at last, what any marketing specialist would know before he graduated from college, namely, that production is not the problem, but the market is the problem, whether locomotives, automobiles, or any other products are involved. So suddenly we find there is overproduction in Europe, not only of various commodities such as steel, but of lemons, for instance, in Italy; and let me say that lemons are now coming into California, as is well known to the junior Senator from California [Mr. KNOWLAND], and they are also coming into the great State of Florida. Not long ago I was at Miami, Fla., to address the National Cattlemen's Association. The citrus fruit growers of Florida are crying their eyes out because of the importation of citrus fruits into the United States. There is no tariff protection against such importations; there is no tariff to take care of the difference between the cost of production of citrus fruits in the United States and the cost of production of citrus fruits in foreign countries. Regardless of the differences in labor costs and other costs, foreign citrus fruits are being imported into the United States without tariff protection of any kind for our citrus industry.

I read further from the International Trade Organization's charter, subparagraph (b) of paragraph 2 of article 17 reads as follows:

(b) No member shall be required to grant unilateral concessions, or to grant concessions to other members without receiving adequate concessions in return.

Mr. President, let us see who is to be the judge of these matters. What are the adequate concessions we are to receive? Are we receiving any? Not so that you could notice it, Mr. President. And we still are the judges under the 1934 Trade Agreements Act. But the International Trade Organization as an organization will be the judge in the future of adequate concessions, and we have been bad judges ourselves.

I read now subparagraph (d) of paragraph 2 of article 17:

(d) The binding against increase of low duties or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties or the elimination of tariff preferences.

That is also contrary to subparagraph (b), which I just read. Not increasing a duty is a concession, according to the ITO.

Mr. President, the ITO would outlaw import and excise taxes on petroleum and copper. This is the paragraph of the charter for the International Trade Organization, to be found in article 18, paragraph 2 thereof:

2. The products of any member country imported into any other member country shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products.

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

Mr. MALONE. I yield.

Mr. McCARTHY. I should like to say to the Senator that I hope he does not construe the small number of Senators now on the floor of the Senate as an indication of a lack of interest on the part of other Senators in what the Senator from Nevada is discussing. As he knows, this afternoon many of us have jobs which cannot be postponed. I myself would like very much to remain here and hear the Senator from Nevada discuss the subject he is presenting, on which I think he is more of an authority than is any other Member of the Senate. I assure the Senator that I shall read his remarks tomorrow in the CONGRESSIONAL RECORD with a great deal of interest, and I am sorry to be compelled to leave the floor at this time.

Mr. MALONE. I thank the Senator for his remarks. I realize that the Republican caucus is in session, drawing up a program. So I understand the absence of Senators.

I read further from article 18 of the International Trade Organization's charter:

5. No member shall establish or maintain any internal quantitative regulation relating to the mixture, processing, or use of products in specified amounts or proportions which requires, directly or indirectly, that any specified amount or proportion of any product which is the subject of the regulation must be supplied from domestic sources.

Mr. President, I now call attention to an article appearing in the Journal of Commerce of January 27, 1950. The article refers to the request of the administration for an extension of the rubber policy bill for 10 years, I believe. It reads as follows:

FEDERAL AGENCIES STUDY TRUMAN RUBBER POLICY BILL

WASHINGTON, January 25.—A final draft bill, covering all the administration's recommendations for a new synthetic rubber law, is circulating through Federal agencies preparatory to formal introduction in Congress.

Introduction will come, it was reported, by the time a seven-man House Armed Services subcommittee sits down, probably about February 6, to conduct hearings on the President's request for authority to continue Government production of GR–S, the tire synthetic, for 10 years and Government controls requiring industry to use the material.

EXPLAIN NEW PROPOSALS

Four members of the President's committee which drew up his rubber recommendations last night appeared at a special session of the Washington Rubber Group—an American Chemical Society affiliate composed of Government and industry rubber men to shed further light on the administration's proposals.

With some 200 members and guests attending, questions from the floor and official responses revealed on both sides an acknowledgment that the proposals are at times contradictory.

The administration, though not hopeful of quick disposal of a substantial number of the Government-owned plants, does believe it can sell at least one plant to a "nondominant" company or group of companies in the rubber products industry.

The President's recommendations would require that the first disposal of a copolymer plant (GR-S) to a big tire firm be accompanied by simultaneous sale to a smaller firm or group of small firms to avoid concentration of the industry by its leaders.

Industry representatives contended that the request for continued usage controls for 10 years would impede development of improved tire synthetics by private interests. They said the proposals provide no assurance that a new tire rubber would be granted parity with Government rubber in filling required usage.

It is time some of these things were brought out about certain administration proposals.

Mr. President, I simply point out that even before we start, the President's recommendation would be nullified by passage of the ITO proposal.

I also point to an article published in the Journal of Commerce, January 23, 1950, headed "Habana charter for ITO called aid to cartels." It is dated Akron, Ohio, January 22. The first paragraph reads as follows:

Provisions of the ITO's Habana charter relating to intergovernmental commodity agreements would encourage the formation of cartels, restrict rather than expand trade, and lessen competitive enterprise, John L. Collyer, president of the B. F. Goodrich Co., said here today.

I ask unanimous consent to place the remainder of the article in the RECORD at this point in my remarks.

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

"The rubber industry has had more opportunity than any other American industry," Collyer said, "to observe first hand the stultifying effects of commodity agreements formed by groups of foreign governments in the crude rubber field. Under these cartels, production was restricted, prices raised, and normal expansion of rubber consumption retarded. For the United States to ratify the International Trade Organization charter would countenance formation of similar commodity agreements and would not be in the best interests of our competitive economy or of the American people."

Collyer did not criticize the stated objectives of the Habana charter, which he said include increased production, consumption, and exchange of goods to contribute to a balanced and expanding world economy, the reduction of tariffs and other trade barriers on a mutually advantageous reciprocal basis, and the elimination of discretionary treatment in international commerce.

"However," he said, "the reciprocal trade agreements in effect today were designed to accomplish the objectives of the Habana charter and are currently a part of our foreign policy. Since these agreements have failed to prevent independent contrary action by other signatory countries, we see no reason to believe that a new charter will be any more effective than present agreements.

"It is strongly recommended that every effort be made to insure that existing agreements be observed by all participating nations before undertaking to design even more comprehensive international agreements," Collyer said.

Mr. MALONE. Now, article 57. I do not want to spend too much time on the ITO, because I really intend to discuss it at some length when it comes to the floor of the Senate, if the Senate is really serious about considering the recommendation. Article 57 is headed "Objectives of intergovernmental commodity agreements." From article 57, I read:

The members recognize that intergovernmental commodity agreements are appropriate for the achievement of the following objectives:

* * * * *

(b) To provide, during the period which may be necessary, a framework for the consideration and development of measures which have as their purpose economic adjustments designed to promote the expansion of consumption or a shift of resources and manpower out of overexpanded industries into new and productive occupations, including as far as possible in appropriate cases.

All it says there is that this organization shall have the authority to suggest quotas to the nations of the world; that is, to the member nations. If we are getting too much rubber, the ITO can assign some of it to the Far East or to Africa or to some other place, wherever convenient, and wherever it would help another nation, regardless of our security. We now know that if we had not been able to manufacture synthetic rubber during World War II we would have lost the war. At this time, if we should discontinue the manufacture of synthetic rubber, or allow allocations to be made in such manner as is suggested, we could be put right back where we started from when we established a synthetic-rubber program to assure our security.

Under article 60, section 2, it is provided:

The members, including members not parties to a particular commodity agreement, shall give favorable consideration to any recommendation made under the agreement for expanding consumption of the commodity in question.

In other words, Mr. President, although a nation may not be a party to the commodity agreement, it must give "favorable consideration" to accepting it anyway.

Article 61, paragraph 2:

2. Subject to the provisions of paragraph 5, a commodity control agreement is an intergovernmental agreement which involves:

(a) the regulation of production or the quantitative control of exports or imports of a primary commodity and which has the purpose or might have the effect of reducing, or preventing an increase in, the production of, or trade in, that commodity; or

(b) the regulation of prices.

Mr. President, I think that is enough for the present. It will prove to have been merely a start, if the subject ever comes to the Senate floor. But I have some other material I desire to insert in the RECORD. I merely wanted to show that the International Trade Organization will represent almost complete foreign control of the national economy of the United States of America, much greater control than we allocated to the State Department, which could only fix tariffs and import fees, which alone is important control over the economy.

But, Mr. President, the ITO takes over the allocation. I call attention to the term "fixed prices."

1934 TRADE AGREEMENTS; THE ESCAPE CLAUSE

I now call attention to the CONGRESSIONAL RECORD of June 14, 1948, where, I said, the junior Senator from Colorado [Mr. MILLIKIN] having yielded to me:

The escape clause as worded is no answer.

These are the escape clauses included in the 1934 Trade Agreements Act, as extended. I continued:

Simply because other countries are allowed, under the agreement as pointed out by the able Senator from Colorado [Mr. MILLIKIN], that all other countries could take a compensatory escape under the multilateral agreement if the United States were to invoke the escape clause.

I am reading from my statement which I made at that day, appearing at page 8055 of the CONGRESSIONAL RECORD for June 14, but paraphrasing the junior Senator from Colorado [Mr. MILLIKIN].

Therefore, there is no escape without overcoming the condemnation and the greater penalty, and being worse off than we were before the agreement was made.

I point out at this time that the 1934 Trade Agreements Act is often referred to as a "Reciprocal Trade Act." I may say the phrase "reciprocal trade" does not occur in the 1934 Trade Agreements Act. It is not reciprocal; it was never intended to be reciprocal, and it does not operate in that way.

One other thing, at this point, Mr. President. We have never made a trade agreement under the act. They are called trade agreements, but they are not trade agreements. A trade agreement is a contract for the interchange of commodities. What we agree to is a general agreement to lower tariffs and import fees. The United States trade agreements are tariff-reduction agreements. And, even as is not often the case, if we had a corresponding reduction in a tariff from the country with which we are negotiating such trade agreement, through the most-favored-nation clause every concession we give that one country is automatically extended to every other country in the world.

MOST-FAVORED-NATION CLAUSE OPERATES TO OUR DISADVANTAGE

Therefore, the 57 countries, or 56 remaining countries in the United Nations, let us say, excluding all others, would not give anything, but they would have the advantage of taking advantage of the same reduction accorded by us to the original contracting nation. There have been very many advantages taken of this principle. I shall not go into them, but for instance a trade agreement affecting tungsten is made with some country; we agree to lower our tariff on tungsten from 50 cents a pound to 38 cents a pound. We do not get very much tungsten from the original country, but we do from Burma, China, and Mexico, which are major producers of tungsten. Those latter nations, without giving any concessions, get the benefit of our concession and send us all the tungsten we need. The effect of this, as I could go on to show in the case of other commodities, is to close every mine in the United States of America. The trade agreement concessions to the original contracting country would not have been dangerous, in many cases. The engineers in this country took no notice of it, knowing that the original country did not produce much tungsten; but they overlooked the multilateral clause that, the moment the agreement was made, the concession became available to every other country in the world, which meant the major tungsten producers. The effect of it, as I have said, is to close every tungsten mine in America.

I read further from my remarks in the CONGRESSIONAL RECORD, June 14:

Since the compensatory escape by other nations—the exact nature of which the United States could not foresee—makes the adverse repercussions of the escape clause totally disproportionate. In other words, since we have already agreed that if we invoke the escape clause that the 22 other nation participants may each separately avail itself of a compensatory escape clause on items of their own choosing. It is clear that the State Department has agreed to something which they would not dare to invoke.

The State Department has simply made a bad deal and we are stuck with it.

Mr. President, we would be stuck for the 3 years unless we resort to quotas and to many other things, just as so many other nations throughout the world do. It would be impossible for a free economy to operate. As we all know, in most of the nations, including England, there is bulk buying and bulk selling, and the cost of production and the price have no relation to each other.

As we all know, the colored boys in Africa are still slaves. I took occasion to travel the full length of the Nile to the Sudan, where they are planting peanuts, but not very successfully. The governor was with me. I went to the lake country, and to Johannesburg, and came back through the Belgian Congo, the Gold Coast, and the Ivory Coast. The wages paid are anywhere from 45 to 75 cents a day, but the wage earners work like slaves. The highest paid laborer receives not much over one-fifth of what we pay for the same work with the same machinery and the same know-how. The foreign producer takes what the traffic will bear in this country. The American people frequently do not even get the advantage of the low-cost production.

Mr. President, I point out that the flexible import fee would take care of that situation. I shall not go into this further, except to say that my suggestion provides for the Tariff Commission to be converted into a foreign-trade authority so that it would more nearly represent what it would actually do, namely, exercise authority in that field, to fix import fees and tariffs up or down, on its own motion, or on the request of Congress, or an industrialist, or a foreign country, on a basis of fair and reasonable competition.

How is that to be determined? Some persons say that we cannot find out the true costs. It would do very little good if we did find the costs, because, in many cases, they have no relation to the sale price. It can be compared to a railroad commission fixing freight rates. I served on the Railroad Commission of Nevada for 8½ years. Perhaps 100 factors—possibly 7 or 8 principal factors—are taken into consideration in fixing freight rates and are given various weights by the commission in accordance with the facts of the case. So, the Tariff Commission would have, among other things, to consider whether there was a fair and reasonable competitive basis and to see that competition was kept on that fair and reasonable basis in connection with American products.

What does that mean? It means that a textile manufacturer in New England, a miner in Oregon, or a crockery manufacturer in Ohio would have the same access to American markets as would a competitive country, regardless of wages or anything else. That is covered by the flexible import fee bill which I introduced in 1948 and again in 1949, and which I debated at some length, offering it as a substitute for the Trade Agreement Act in September of last year. It would take into account, as two of the factors to be considered, the declared customs value of goods imported into this country, and the offered-for-sale price.

In connection with the bulk buying and selling and the subsidizing of industry, one country was able to underbid our own manufacturers in the production of certain electrical equipment for Seattle, Wash. They bid $500,000, and the lowest bid in this country was approximately $750,000.

Engineers are convinced that a great deal of the difference lies in wages and working conditions, but to a large degree the lowness of the bid was due to subsidies. Who subsidizes England, Mr. President? I leave that to the imagination of Senators when we vote on the five and one-half billion dollar proposition within a month or so. Our firms are paying $18 or $20 a day to skilled labor and English firms are paying approximately $3 or $4 a day, food production is subsidized there, and then we are asked for another appropriation. Uncle Sam picks up the final check.

I quote from a statement I made in an address on June 14, 1948:

We would not dare, under these agreements, to invoke the escape clause, even though it did injure an American industry.

The reason I agree with the distinguished Senator from Colorado—and again I say he deserves the congratulations of this body because he has worked out a formula which will bring the whole question into focus next year, or a year from this time, when the other two important questions come before the Senate for consideration.

This was on June 14, 1948—

Mr. President, the advocates of the Marshall plan did not say that the International Trade Organization and the so-called reciprocal trade arrangement were necessary for the Marshall-Bevin plan's success. They have since said that reciprocal trade agreements are necessary to the success of the Marshall plan.

So I say, just as my distinguished colleague from New Jersey [Mr. SMITH] said, with whom I agree, that so long as we are considering another appropriation for ERP a year from now, and so long as the International Trade Organization will come before this body officially next year, a 1-year extension of the act is highly proper, so that all three of these subjects mentioned by the Senator from Colorado [Mr. MILLIKIN] and the Senator from New Jersey [Mr. SMITH] should be considered together.

Mr. President, it will be remembered that we did extend the act 1 year, with

the understanding that the three would be considered together. We extended the Trade Agreements Act for 3 years, but no mention was made of the other factors at all.

Mr. President, to end the discussion on whether the escape clause of the 1934 Trade Agreements Act could possibly operate in a fair manner, I said, on page 8056 of the RECORD:

The selective free-trade method of dividing the production of this country with the nations of the world through the Trade Agreements Act, known by the catchword "reciprocal trade," is the second step in the economic one-world plan. Through the Trade Agreements Act industries selected by the State Department are frankly traded to one or more nations for a fancied advantage in furnishing them a market for their goods to secure money—dollar exchange—presumably to buy our processed and manufactured products.

Third. The International Trade Organization—ITO—through which 57 nations, each with one vote, will meet each year and frankly allocate the production and markets of the world between such nations, presumably finally on population and cost of production, without regard to the differential of production cost due to the difference in the standards-of-living basis, thereby completing the job of the international redistribution of the wealth of this Nation.

This organization is to be the final leveler of the wage living standards of the world.

International conferences and world wars are incidents, and even time is unimportant in the plan of the internationally minded "one economic world" group.

The one-economic-world group prematurely launched the one-political-world idea in the 1940 presidential campaign. The emphasis has now shifted back to economics through the three definite policies; and when the one-economic-world goal is reached, the one political world is expected to follow in the natural course of events.

Mr. President, I now wish to refer to a dispatch to the New York Times dated the 21st of January. I described to a manufacturers' association what I thought about the three-part, free-trade system, and I ask unanimous consent to have printed in the RECORD, the New York Times dispatch.

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

MALONE URGES END OF TRADE PACT ACT—SENATOR CALLS FOR ADOPTION OF IMPORT FEE PLAN INSTEAD IN LACE ASSOCIATION TALK

Pointing out that the lace industry is now facing the same low wage competition from Europe which forced many plants out of business in 1938 to 1940, Senator GEORGE W. MALONE, Republican, of Nevada, yesterday called for adoption of the flexible-import-fee principle to replace the Trade Agreements Act.

Senator MALONE spoke at the annual meeting of the American Lace Manufacturers Association in the Commodore Hotel. The principle which he advocates and which has been engendered in a bill before Congress would stipulate that any rise in living standards abroad would be recognized through a corresponding lowering of tariffs. When wage standards abroad approximate ours, he said, the common objective of free trade would be the immediate and automatic result.

The Senator said that he has appeared before the national policy committee of the Republican Party and urged that the import fee principle be included in the 1950 and 1952 platform of the Republican Party. There is every evidence, he added, that such a plan would be approved.

In another phase of foreign policy, Senator MALONE revealed that he will introduce a resolution on January 30 calling for cessation of assistance of any kind to any foreign nation that was trading with or furnishing goods to Communist-controlled areas.

Along with the resolution, Senator MALONE said he would submit for the CONGRESSIONAL RECORD, 95 trade treaties that had been made by 16 ECA nations subsequent to World War II with Russia and iron-curtain countries. These resulted in shipments of everything from locomotives, freight cars, tool steel, ball bearings, electrical equipment, heavy farm machinery, and road equipment.

Harold G. Truman, of the New England Lace Mills, Pawtucket, R. I., was reelected president of the association. Also reelected were George E. Taylor, Washington, R. I., treasurer; Richard Bloch, New York, secretary; and Edward F. Walker, Providence, executive director. Gordon Bucknam, of Alton, R. I., was elected vice president. Elected as new directors were Harold G. Bechtel, Bridgeport; Horace Chettle, Washington, R. I., and John T. Godfrey, Washington, R. I.

In his report to the association, Mr. Truman predicted good business for American lace mills in the next 4 or 5 months. "I believe that about August 1, as fall market activities get under way," he said, "we can look for increased business. Present indications are that it is reasonable to expect garments for holiday selling will continue to be embellished profusely with lace."

"Prices of laces should remain firm," he added, "because of healthy demand and current stiffening of prices of French laces, which are the chief competition of the American product. Because of shortage of nylon fabrics, current demand for nylon lace shows a falling-off at the moment. This situation will be improved by fall," he predicted.

Mr. MALONE. Mr. President, I ask unanimous consent to have appear in the RECORD at this point an article from the Washington Times-Herald of January 15, 1950, by Walter Trohan, under the headline "Labor-industry group fights to uphold living standards. Meeting here Tuesday to map attack on administration's trade program."

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

LABOR-INDUSTRY GROUP FIGHTS TO UPHOLD LIVING STANDARDS—MEETING HERE TUESDAY TO MAP ATTACK ON ADMINISTRATION'S TRADE PROGRAM

(By Walter Trohan)

Labor, agriculture, and industry are uniting to defend American economy against the mounting threat of cheap foreign goods under Democratic trade programs.

Representatives of more than 16 AFL unions and management representatives of interested industries are meeting here Tuesday to form a permanent organization to defend standards of living of American workers.

Farm groups and industry organizations have passed resolutions warning that trade policies are injuring America's domestic and foreign markets and calling for substitution of flexible tariffs. Senate spearhead of the crusade is Senator MALONE (Republican) of Nevada.

BEGUILED INTO SUPPORT

"For the first time in 18 years, workers, farmers, and industrialists are joining to fight the consequences of the Democratic administration's unsound trade and aid programs," MALONE said. "Labor, agriculture, and industry are beginning to realize that they were beguiled into support of programs that menace our high wage standards and our markets.

"Labor was induced to support the reciprocal trade program in return for being allowed to write labor legislation. Farm support was enlisted through payment of huge subsidies. Industry was influenced by the vast purchases of various aid programs.

"Now the chickens are coming home to roost. America faces importing unemployment with all resulting economic chaos. American living standards will be lowered, foreign nations will divide up world markets, and this country will be flooded with products of cheap foreign labor if we do not act at once."

MALONE said danger can be averted by ending reciprocal trade agreements, curbing foreign aid, and by refusal to enter the International Trade Organization, together with the positive action of substituting flexible import duties to protect every man's job and every investment dollar.

WOULD HAVE ONE VOTE

Under the ITO program the United States would have 1 vote among 59 nations. The ITO agreement would commit the United States for 3 years to a program which MALONE declared will bring economic ruin.

The plan would place the United States on an equality with Siam in a global political and economic federation. At the end of the year when nations would divide up world markets the United States would have but one vote to protest against decisions which would be injurious to American labor, agriculture, and industries.

"Congress has, over a period of years, delegated to bureaus and commissions, over which they have little or no control, the authority to dry up or retard any industry in this country on the theory that the product might be imported at a lower cost from one or more of the low-wage Asiatic and European countries," MALONE said.

"Our domestic and world markets are now being lost and dissipated through the substitution of subsidies by Executive order and reciprocal trade treaties in place of utilization of the 1930 flexible tariff by law; by our sufferance of empire preferential rates established by empire-minded nations in the areas we are committed to defend; by giving money and goods to low wage living standard competitive trade nations, and a complete lack of American constructed international air and merchant marine bases to promote the balance of trade and promote peace.

"URGES CUT IN AID

"We must strike at the jugular vein. We must refuse to join ITO; we must stop the reciprocal-trade program and we must slash foreign aid and substitute flexible tariffs. This will kill the threat to American jobs and to American dollars."

Last month the Nevada farm bureau passed a resolution calling for enactment of this program. The Nevada Republican State Executive Committee adopted the program. Various farm, industry, and labor groups joined the drive.

Labor took the first step in organizing to protect American jobs. More than 100 representatives of labor and management will attend the Tuesday meeting called by O. R. Strackbein, executive secretary of the AFL Wage Earners Protective Conference.

Mr. MALONE. Mr. President, I desire to read now from an article in the New York Times of January 31, 1950. The headline is:

Recovery rests on United States prosperity, ERP council report will stress—Annual data to Hoffman to reveal dollar gap will persist—Tariff relief asked as way to narrow export-import loss.

Mr. President, I read a portion of this dispatch in the New York Times:

The forecasts for Europe's trade in the next 2 years made in the report that will be given to the Economic Cooperation Administrator are based upon the assumption that the United States business activity will remain at least as high as in the second and third quarters of 1949. It points out that even small set-backs in the United States economy would have disproportionately large consequences for western Europe, whose reserves are not great enough to sustain much strain.

EUROPE'S TROUBLES NOT SOLVED

I do not have the exact statistics here, but I call attention to the fact that our national income dropped about $15,000,000,000 in the last half of 1949, and that is causing the various dislocations in Europe which are referred to. People in foreign countries believe that by next fall, September or October 1950, there will be the greatest economic debacle in Europe up to date. In other words, all the contributions of UNRRA, the special loan of $3,750,000,000 to England, the World Bank loans, the Export-Import Bank loans, together with $5,500,000 a year, $15,000,000,000 to $17,000,000,000 for a 5-year period, through the Marshall plan, for the ECA, will have all gone by the board. I am not sure that perhaps the $50,000,000,000 suggestion by the distinguished Senator from Connecticut might not have some connection with the debacle that is expected in Europe.

The people of Europe have discovered that production is not their problem, and it never has been their problem. I have statistics, and I think I shall put the statistics in the RECORD before I conclude this address, to show that the countries of Europe have more than 100 percent recovered. Some have said there was a recovery of 107 percent in England. The lowest I have noted was 99 percent of the industrial index of 1937–38, before Congress passed the Marshall-plan legislation.

What are we trying to do? We are trying to increase production so that those living in foreign countries can raise their standards of living. What will happen to our standards of living when we import all the materials and products of foreigners which they are unable to use themselves? That is the basis of the three-part, free-trade system, which will level us with the rest of the countries.

I read further from the New York Times article:

The report analyzes the measure of recovery attained and what remains to be done to solve the dollar problem. Here again the report insists that this is not a task for western Europe alone. It contends that the close integration of the European economies will be a source of strength in the long run but that it cannot in itself contribute decisively to the immediate dollar problem, which is described as a joint problem of Europe and the United States.

THE MYTHICAL DOLLAR SHORTAGE

Mr. President, I should like to say one further thing at this point. There is no dollar trouble in Europe. There is no dollar shortage that has not been experienced by every man in the United States and every nation in the world—the trouble which results from trying to buy more than productivity will justify. The dollar shortage they are experiencing is from overpricing the pound, overpricing the franc, overpricing the guilder in the Netherlands, overpricing the currency of practically all the 16 Marshall plan nations, anywhere from 10 to 90 percent.

Let me give one illustration, and the same is true of others. The pound was valued at $4.03 before the great devaluation debacle, but no few people in foreign trade were paying more than $2.66 for the pound, to be spent anywhere in the world. In Hong Kong there was a central exchange, as there was one in Europe. One could take a silver dollar or a paper dollar and go to Hong Kong and buy $6.10 in Hong Kong money, take $15 in Hong Kong money and buy a British pound and spend it anywhere in the world, and it cost $2.66. We have been holding up the artificially high value of a $4.03 pound and even now of a $2.80 pound with our dollar aid.

If, as the executive committee of the Republican Party of Nevada asked in a resolution, if, as the State Farm Bureau of Nevada asked in an official resolution passed by it, if, as the labor organizations in Nevada, including a section of the CIO, asked in a resolution they passed, other nations would let their money go on the market with free convertibility in terms of the dollar, there would be no dollar shortage. But they manipulate the market, and profit at the expense of their neighbors, and ultimately have Uncle Sam pick up the check for the difference.

Mr. President, I owned a business for 30 years, and I assert that any business can be successful if someone will pick up the check for the deficit at the end of a month or the end of a year. It is not hard to be successful under those circumstances.

Mr. President, I would just as soon have a pound in my pocket as the amount of money one can get on the gray money markets of New York, or Chicago, or San Francisco, but I certainly would not want to be caught with many of them in my pocket at $2.80, because I can get them anywhere in the world for $2.40, and they can be spent almost anywhere in the world. In some markets pounds can be obtained for as low as $2.

One may compare the dollar shortage to a person going to a grocery store with a dollar and saying that he wants 40 pounds of sugar. The storekeeper looks at the customer a little strangely, and finally he is on the street without the sugar. One dollar will just not buy that much sugar. So one can go around complaining about the shortage. That illustrates the kind of a dollar shortage there is.

We now hear it said that the dollar shortage is our responsibility and that when other nations overvalue their currencies and talk about a dollar shortage, we must pick up the check, as we did after World War II and World War I. But foreign nations do not have enough patience, as our Nation must have, to buy what can be produced by a nation's productive capacity. That is all that can be spent month after month, until one winds up talking to his banker, and that is not very pleasant. I have had that happen to me.

OUR DEFICIT AND OUR DEBT

I understand the administration admits that we are going to have a five-and-a-half-billion-dollar deficit by next year. Last year it was about a billion and a half dollars. I predict it is going to be about eight billion or even more this year. Bonds will be sold for whatever the deficit amounts to. Then money will be printed. That money will go out throughout the United States. The result will be that the purchasing value of the dollar will be decreased. Eventually there will be another round of strikes for more money, because the workers cannot pay their grocery bills with the amount of money they are receiving. So there will be inflation. Finally we will reach the point other nations have reached, when there is no one else to pick up the checks. More bonds will be issued and our debt will be increased.

I read further from the New York Times article:

The report contends that there is no single solution to the dollar problem, that a two-way balance of trade will be unnecessary because of the expected earnings of dollars on invisible account and from the nondollar world. Yet the report concludes that western Europe's dollar deficit cannot be eliminated unless this region's exports to the United States amount to 75 percent of its imports from the United States in value.

Mr. President, let us see what that means: I prepared a table which is, I believe, now in the CONGRESSIONAL RECORD, placed there during my September 13 address before the Senate. In that table I showed, in billions of dollars, the exportable surplus produced in this country over a period of about 30 or 35 years. Then I showed what is actually exported. I gave the percentages, and they ran from 6 to 11 percent.

Then there was another table placed in the RECORD which showed the billions of dollars we gave the various nations throughout the world as of that year. Then that amount was subtracted from the exportable surplus, and we arrived at another percentage. Mr. President, that last percentage came right back to the 50-year average of 5½ percent, and, I think one year it was 6 percent, out of all those years. In other words, our regular exports, excluding those paid for with our own money, has been a fairly steady percentage of our production of exportable goods. In other words, we are furnishing six or seven billion dollars through all our financial institutions, including the $5,500,000,000 we toss to European countries every year, in addition to our legitimate trade. The legitimate trade, that amount and kinds of goods provided by imports which they cannot conveniently produce for themselves. No nation and no individual ever buys goods from another nation or another individual which they can conveniently produce for themselves.

If these goods cannot be produced domestically then nations buy the goods where they can buy them the cheapest, and of the quality they want. We are finding that out now when other nations are not trading with us. So, in addition to that legitimate trade, the difference must be made up how? By allowing imports such as lemons, which we produce in California and in Florida, and shoes from Czechoslovakia and textiles from the ECA nations, and lumber and timber and various other products to take away the jobs of men in America, and putting our workers on relief and unemployment insurance.

When this body first took the tariff off of copper I said on the Senate floor that if we extended the free trade provision to copper, the international price of copper would drop below the cost of production, and every copper mine in the United States would close. The price did drop, and the mines closed.

And we are only starting. We find propaganda printed in a paper like the New York Times. It goes all over the country.

Western Europe's dollar deficit, $8,500,000,000 in 1947, is now estimated to be slightly less than $4,500,000,000, and is expected to be $2,225,000,000 at the end of the Marshall plan.

In an introductory chapter, the report is summarized under these headings:

PRODUCTION

Western European farm production is estimated at 95 to 100 percent of the prewar output.

The objective was 115 percent, Mr. President.

We have the unique experience of seeing France export wheat when we ship wheat to France, and we try to increase the shipment of wheat to France while France is already exporting wheat.

Industrial production 6 months ago was put at 15 percent above the prewar level or above the highest recorded prewar level. There are now no critical bottlenecks, no commodity shortages that can disrupt the industrial effort.

Where are we headed, Mr. President?

As I said, when they increased their production capacity 15 percent over prewar level, we suddenly found, that is, the so-called specialists in our State Department found, that production was not the problem. It was necessary to sell the production to somebody. The European countries cannot sell it to each other for two reasons. One reason is that traditionally the countries of Europe have quotas and barriers against each other. We are simply piling these hundred-year-old walls higher and higher by financing each one of the countries.

The next reason is that they are trying to go faster than they naturally can go in the effort to develop a market in their own country as we do in this. Then they find there is only one place in the world where 10 cents' worth of chewing gum can be sold and the 10 cents received for it. That is in the United States of America. Nowhere else can hard money be received for such a product, unless we have previously given the money with which to buy it.

Mr. President, I attended the United Nations conference in San Francisco, not as a representative, but with credentials from the Senate Military Affairs Committee. I had been its special consultant throughout the war. At that moment there was only one thing in sight. I was interested particularly in South America and in Asia, because I think our trade future is not in old Europe, whose people are mostly processors. Our trade future is in South America and in Asia. I was in San Francisco for 3 months. I had representatives of most of the Asiatic countries and the countries of South America as my guests at breakfast or lunch or dinner. After the perfunctory greetings, the first question asked me was, "How much are we going to sell in America?" On my return east I stopped at Denver, and a reporter there asked me, "What do you think of this great conference in San Francisco?" In a short sentence I told the reporter, "There were 49 nations represented there. Forty-eight of them had market baskets on each arm, and America was the only nation that had anything to put into the baskets." And without paying for the goods, too. And now the idea is to divide the markets of the United States.

GREAT HARM IN THE INTERNATIONAL TRADE ORGANIZATION

It has required 3 or 4 years to sell the American people on this great International Trade Organization, and on the idea that we must open our markets, that we must have an international economic trade organization, and transfer our markets to it. That is a Tinker-to-Evers-to-Chance play. First, the constitutional authority of this body was transferred to the State Department, by action of Congress. Now we are transferring it to an International Trade Organization, consisting of at least 51 votes against 1 of ours, and probably 57 to 1, with the smallest nation on earth having the same vote we have. We are assigning to that organization authority over the economy of the United States.

What does it mean? It simply means that that organization can fix our tariffs and import fees, and make it difficult for us if we do not abide by its rulings. We shall be tied to the organization for 3 years. We cannot get out for 3 years. After that time it will require 6 months to get out.

That is only half of it. As I said earlier this afternoon, the International Trade Organization can suggest quotas. I have read from the International Trade Organization Charter itself. If we are raising too many lemons in California, or producing too great a quantity of minerals in Michigan, or too many shoes or textiles in New England, or too much wheat in the Middle West, such production can be assigned to some other nation. It is a very simple thing. The small nations of Europe represented in the International Trade Organization all know a year or two ahead what the world needs. So they will be assigned quotas. The only way some of them could ever invest in a business would be for the Congress of the United States to give them that business. The chances are that they have never operated a business of their own, and do not know anything about the consequences of not making both ends meet.

As to the dollar shortage, if no solution can be found for the dollar problem, the whole economic structure of western Europe will collapse, says the report. I have already said that this is a January 31, 1950, dispatch to the New York Times. I have already said that in my opinion the greatest economic debacle will take place in western Europe this fall. It will make everything up to now look like chicken feed. As the distinguished Senator from Connecticut [Mr. MCMAHON] said, we may need $50,000,000,000 to save the nations of Europe this time; and I suppose there will be Senators who will advocate that.

We have the spectacle of Mr. Churchill and several leading newspapers in England saying that if we keep our hands off for a little while the nations of Europe will get together in the United States of Europe. It is said that they will unite, just as we did in the 6 or 7 years following the Revolutionary War because there was no one to pick up our check. When we could not make a go of it with States operating separately, with tariff walls between the States, we sat down and looked at our cards and made the union work.

We cannot possibly pay the expenses of all the 16 Marshall plan or ECA nations from now on. We shall soon find out that we cannot do it by dividing our markets. Our situation is just like that of an individual in a community. Of course we are the most prosperous nation in the world. I have heard the slogan, "We cannot be prosperous in a starving world." The position of the junior Senator from Nevada is that someone had better remain prosperous in a starving world if we are to continue to help anyone, or to continue to help ourselves.

If no solution can be found to the dollar problem, the whole economic structure of western Europe will collapse, says the report. I continue to read from the dispatch:

The experience of the last 2 years has shown that the solution is at least as difficult as it was believed in 1947. The report calls for action extending far beyond the fields of the responsibility of the Marshall plan countries.

That is where the $50,000,000,000 suggestion came from. It was no idle thing.

I have watched Congress operate for the past 18 years. We get used to these appropriations. The first time a billion dollars was mentioned it scared the country to death. But after it had been mentioned four or five times the people got used to the sound of it. We mentioned $17,000,000,000. That is the cost of the Marshall plan for 5 years. Now we can talk about $50,000,000,000 and there is very little excitement.

Mr. President, at one time I said on the floor of the Senate "The junior Senator from Nevada does not know how much $41,000,000,000 is." That is the amount we have paid out to foreign countries or have committed to them since World

War I. But I shall estimate it. It is $5,000,000,000 more than the combined assessed valuation of 11 Western States, including the great State of California, so ably represented by my friend the junior Senator from California [Mr. KNOWLAND]; Oregon and Washington; and the 14 Southern States, including Texas. That is how much it is.

We hear it said that the process has only started. So when $50,000,000,000 is mentioned we are getting used to it. Someone will bring it up again in a few months. When we come back in 1951 we shall have a bill in Congress. It is just like putting a bridle on a mustang in the corral in Nevada. Perhaps he has never had a hand laid on him. First we get a rope on him and let him drag the rope around. That does not hurt him very much. Then we snub him up to a post and rub the bit over his nose a couple of times. Then we let him run loose. The next day we do it again, and on the third day we have the bit in his mouth. He does not know the difference. That did not hurt very much. In a couple of days we are riding him. That is how we do it on the Senate floor. Mr. President, we are punch drunk. The people of the United States are punch drunk with proposed appropriations of $50,000,000,000 in one chunk. That is about what it is going to take, according to this dispatch.

> The experience of 1949 showed how vulnerable the western European dollar deficit was to even a small shock from the outside. But on the favorable assumptions about the course of the world economy and of United States business activity, the report contends that the Marshall plan countries can continue their recovery if they receive, in the year 1950–51, 75 percent of the dollar aid that they received in 1949–50 and if they receive in the year 1951–52 50 percent of that amount.

Mr. President, where do they think the markets are that will take up what they sell to us? Where do they think we are getting the money to buy their products? We are getting the money now by holding the source of our income intact. What is the source of our income? It is the markets which the United States has built up for hundreds of years. It is just like a man's own income. He may have an income of $5,000, $2,000, or $10,000. That is his earning power. The Red Cross may assess him $50 or $200 a year. He may growl about it, but he has the money and he pays it. But let him divide his income 57 different ways, and he does not have the money. Neither will we have the money. Income comes from markets. That is the way we make our money. That is the source of it.

Because of these developments and the imports into this country, our income fell off $15,000,000,000 in the last half of last year. That is the income which we used in part to lend to foreign countries. So when we divide it with them, where is the money coming from to continue to buy their exports and to continue the gift loans if we divide the markets?

This means that a serious problem will exist after 1952. The report contends that this problem can be "generally manageable," if the assumptions made above about the world economy and United States business activity are fulfilled, and if "appropriate policies are vigorously pressed" by the Marshall plan countries and by the United States and other non-European countries.

We have the spectacle of our director of the Marshall plan, Mr. Hoffman, who is a very capable man and one of the ablest men in this country in managing a business, such as the Studebaker business, being notably unsuccessful in getting cooperation from the 16 Marshall plan countries in forming a United States of Europe, or in a free interchange of their currency and the dollar. England and France have always stopped at that free interchange, because once that is done every nation in Europe will have to assume its regular place in the firmament of nations, and it could no longer take advantage of its neighbors by overvaluing its currency. Sixteen or eighteen nations could trade with each other and build up the strongest economy which it is possible to build in Europe. Spain should be in it. Germany should be in it. When they build the strongest economy and reach the standard of living represented by the limit of what they can produce, that is all that can be done, unless we keep them in our budget from now on, just as they have been since World War II. As I said before, they are in our budget, just as much as the Department of the Interior.

OIL IMPORTS

Mr. President, I wish to cover another element of this subject. I wish to read a paragraph from a letter dated December 19, 1949, addressed to the East African Government at Nairobi by the British Secretary of State. The third paragraph of this letter is very interesting to me, because it indicates that they were going to stop all importation of dollar oil. They were going to import oil only from sterling countries. I now read a part of the letter:

> 3. United States Government has now been informed of proposals for substituting this surplus production by British companies for dollar oil imported into the sterling area by United Kingdom companies.

Note this, Mr. President:

> The Americans have, as expected, not gone beyond expressing regret at proposals and steps have now been taken to put scheme into effect in United Kingdom and to obtain cooperation of Dominion governments.

Mr. President, I call especial attention to the statement that—

> The Americans have, as expected, not gone beyond expressing regret at proposals and steps have now been taken to put scheme into effect in United Kingdom and to obtain cooperation of Dominion governments.

Mr. President, it will be remembered that last year the Argentine oil market was taken over by the sterling bloc, through a bilateral trade agreement, not by means of multilateral trade agreements, such as we have made. Incidentally, let me say that the ECA nations have now made 95 bilateral trade agreements with Russia and with the other iron-curtain countries. That is all known to us, but we have not made serious objection; and Britain has also tied up Argentina concerning the sale of various kinds of machinery and other goods to Argentina. Of course, only recently there was an attempt by a British firm to sell generators and other electrical equipment to the city of Seattle. If the British firm had been successful in selling that equipment to Seattle, thereafter the repairs and maintenance of such equipment woud have been done with equipment coming from Britain, not equipment produced by American labor.

All these activities simply result in removing American goods from circulation. Many persons in our country express profound surprise that such treatment should be received at the hands of one of our allies.

Mr. President, this matter is of such importance that I shall read again the statement to which I have previously referred, as found in a letter by the British Secretary of State:

> The Americans have, as expected, not gone beyond expressing regret at proposals and steps have now been taken to put scheme into effect in United Kingdom and to obtain cooperation of Dominion Governments.

That is exactly what appears in the letter of the British Secretary of State; and exactly what is stated there is what occurred in the United States, so far as our Secretary of State was concerned. He expressed regret, but did nothing more.

I now ask unanimous consent to have the entire letter dated December 19, 1949, addressed to the East African Government at Nairobi, by the British Secretary of State, printed in full at this point in the RECORD.

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

DECEMBER 19, 1949.

LETTER ADDRESSED TO THE EAST AFRICAN GOVERNMENT AT NAIROBI BY THE BRITISH SECRETARY OF STATE

OIL SUPPLIES

Following the meeting of ministers in Washington in September, a special group of officials was formed in Washington to consider oil problems. In this group United Kingdom representatives explained in detail how the dollar drain in oil arises and made it plain that in the immediate future United Kingdom would be obliged to adopt a policy of substitution in sterling for dollar oil to reduce the drain. In this it is hoped to secure the cooperation of sterling commonwealth countries.

2. Until recently cost of dollar oil which British companies had to buy in order to meet the gap between their supply and demand represented a dollar outgoing over and above the dollar expenditure incurred in producing their own oil. These "deficit" purchases, apart from specialty oils, have now ended and in the coming year it is expected that British companies' availability of fuel oil and possibly of other products will exceed their normal trade requirements. In the immediate future the surpluses are not expected to be substantial except in the case of fuel oil (which does not (repeat not) include gas oil or diesel oil).

3. United States Government have now been informed of proposals for substituting this surplus production by British companies

for dollar oil imported into the sterling area by United Kingdom companies. The Americans have, as expected, not gone beyond expressing regret at proposals and steps have now been taken to put the scheme into effect in the United Kingdom and to obtain cooperation of Dominion governments. It is now desired to arrange full substitution of sterling fuel oil for dollar oil at present imported into east Africa for inland consumption. It is not (repeat not) intended to substitute sterling oil for fuel oil imports destined for use in ships' bunkers.

4. By "substitution" is meant replacement of dollar oil imports by equivalent imports from British controlled sources. It is not intended to interfere with United States companies' internal distribution business. For this purpose "dollar oil" means the oil which United States controlled companies obtain from Standard (New Jersey), Standard Vacuum, Socony, Standard (California), Tex Oil Corp., and Caltex, or any of their associates such as Bahroin Petroleum Co. In this category there is not included oil which any of these American companies purchase and ship from British controlled companies' sources, such as the Abadas and Curacao refineries.

5. United States controlled companies would be left to decide whether they would make good the reduction in their imports of dollar oil by purchases from nondollar sources. Assurance has been given by British companies that they are in principle willing to sell their surplus fuel oil to American companies, but these arrangements can be left to commercial negotiations between British and American companies. Should an American distributing company decide to curtail its trade, British companies or, indeed, other American companies should have little difficulty in taking over the additional business. Anything more than minor curtailment of this kind appears unlikely judging by the attitude of the head offices of United States companies in the general discussions Ministry of Fuel and Power have had with them.

6. British companies are not expected to have any appreciable surpluses in the near future of products other than fuel oil. In the case of fuel oil, there will be more than enough available from British controlled companies' production in 1950 to take the place of all dollar imports of fuel oil for inland consumption in the Commonwealth. Failure to dispose of this fuel-oil output may well result in a reduction in British companies' output of other products. On this account and because of the important dollar saving that can be achieved United States controlled companies importing into the United Kingdom have been informed of intention to introduce fuel-oil substitution in respect of all their imports from dollar sources as from the 1st of January 1950. I hope that the East African Governments will be able to operate fuel-oil substitution from the same date, though some postponement may have to be accepted, e. g., to enable the companies to adjust their shipping programs.

7. United States companies with whom Ministry of Fuel and Power have discussed arrangements for substitution in the United Kingdom may be warning their subsidiaries in East Africa that similar arrangements may be applied to their imports.

8. I must leave it to the Colonial Governments to decide how substitution can best be administered. Should there be difficulty in controlling the source of fuel-oil imports by a system of cargo licensing, etc., it should be possible to insure sterling origin on imports by ad hoc arrangements agreed with the companies on whom will rest the onus of proof.

9. Any fuel-oil imports by United States companies which are already being bought by them from British controlled companies will, of course, rank as sterling oil, but oil supplied from Bahrein although invoiced in sterling ranks as dollar oil for the purposes of substitution, since Bahrein is fundamentally a dollar source.

10. Please inform me as soon as possible of the action being taken.

Mr. MALONE. Mr. President, I hold in my hand a dispatch published in the Journal of Commerce of January 20, 1950. The headline reads: "Oil price cut called answer to British curb. Some United States aides prefer private competition to official pressure."

I ask unanimous consent to have the entire article printed in the RECORD at this point.

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

OIL PRICE CUT CALLED ANSWER TO BRITISH CURB—SOME UNITED STATES AIDES PREFER PRIVATE COMPETITION TO OFFICIAL PRESSURE

WASHINGTON, January 19.—Some Government officials would like to see American oil producers abroad get over their apparent timidity toward a possible "price war" with the British as a means of forcing some relaxation of Britain's current discrimination against dollar oil.

These officials believe outright and substantial price reductions by American producers overseas—or perhaps just the threat of them—would make the British much more willing to offer concessions.

NOT YET OFFICIAL POLICY

This attitude does not yet represent an official United States policy and reportedly has not been broached by our representatives in the on-again, off-again discussions with British oil experts that were begun here in September. The discussions currently are in recess, pending the return from London of the leaders of the British delegation.

The attitude does, however, represent by reaction of some financial and oil experts here to demands by American producers that our Government brings greater pressure to bear on Britain.

Many of the companies operating abroad have indicated they are willing to cover to an exclusive sterling basis, operating subject to British taxation, if that will enable them to retain at least a part of the market now being shut off.

Our Government is pressing this viewpoint on the British but with less force than some producers would like.

ECA SEEKS CLARIFICATION

In the meantime, the Economic Cooperation Administration evidently believes it has gone as far as it should at present by making it known that the agency will approve Marshall aid for no additional British refinery construction or expansion projects until Britain's discriminatory policy is "clarified."

This implied ultimatum might be made considerably stronger, it is believed, should American producers indicate a willingness to reduce prices, despite the profit losses that would entail, as a means of strengthening their competitive position against the British.

To be effective, this price cut might have to be as high as 10 to 15 percent. At the same time, it is pointed out, American producers should move further into nonsterling markets by indicating a willingness to accept 20 or 30 percent of payment in local currencies.

AGGRESSIVE PROGRAM NEEDED

An aggressive program of this sort, its advocates assert, would make the British less eager to grab off markets in sterling and other soft-currency areas if the profits to be received would not be large enough to offset the dollar cost (royalties, equipment, etc.) that would have to be incurred by British companies to produce the additional oil.

It is conceded, however, that an all-out price war could well result in no gain at all if Britain fails to react to American reductions as anticipated.

From the ECA viewpoint, price cuts would be beneficial in reducing dollar expenditures for European oil purchases and in building Europe's over-all power potential.

This viewpoint may be expressed before Congress shortly in hearings planned but not yet scheduled by the House Small Business Subcommittee on Oil Imports.

Mr. MALONE. Mr. President, I now hold in my hand a dispatch appearing in the Journal of Commerce of December 28, 1949. The headline reads: "Oilmen report United Kingdom seeking to freeze them out of Japan."

I ask unanimous consent to have the article printed at this point in the RECORD.

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

OILMEN REPORT UNITED KINGDOM SEEKING TO FREEZE THEM OUT OF JAPAN

If the British have their way, American oil companies may be frozen out not only from the sterling area but even from Japan, oil executives stated here yesterday.

Recently the British Government suggested that Japan should use part of the £10,000,000 sterling balances it has built up from sales to the British by purchasing crude oil for its refineries.

SCAP HELD AGREEING

The Supreme Command of Allied Powers (SCAP) in Tokyo is understood to have agreed to the proposal but to have suggested that American producers be allowed to participate in supplying such crude oil if they were willing to be paid in sterling.

Several American companies are reported to be ready to accept sterling.

However, cable advices from Tokyo received by oil companies here yesterday stated that the British Trade Mission has now notified SCAP that American companies may not offer to sell their own crude to Japan for sterling unless the crude is purchased from sterling sources (British companies) and the sterling is then used to purchase Japanese goods for export to the sterling area.

WOULD FREEZE OUT UNITED STATES

This would freeze American oil producers out of the Japanese market to all practical purposes, leaving them only the alternative of acting as distributors of British oil.

American companies here take the position that they should be allowed to supply any crude they desire to Japan as long as they are willing to accept payment in either sterling or Japanese yen and to use such payment for purchases of goods in Japan for export to dollar areas.

They point out that the sterling balances built up by Japan came primarily from sale of textiles to the British which were manufactured from cotton supplied from this country.

DAILY VOLUME ESTIMATED

The volume of crude oil shipments to Japan involved in this controversy was estimated in oil circles here to total approximately 44,000 barrels per day.

This action follows shortly on the heels of Britain's recent decision to bar shipments of fuel oil from dollar sources to the sterling area starting January 1, and to restrict by one-third gasoline shipments by American companies to the United Kingdom.

Similar actions have already been taken by India, Australia, and the British Crown Col-

ony of Kenya. In these cases, too, American companies are to be allowed to sell only oil purchased from British supply sources.

Mr. MALONE. Mr. President, I hold in my hand an article appearing in the Journal of Commerce of December 20, 1949, under the title "Petroleum Comments," by W. M. Jablonski, petroleum editor. I ask unanimous consent to have the article printed at this point in the RECORD.

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

PETROLEUM COMMENTS

(By W. M. Jablonski)

FIRM STAND NEEDED

This Nation's foreign oil position is rapidly going from bad to worse.

The latest in the chain of events whereby American-owned oil is being cut off from market after market by British sterling oil deals has come in the United Kingdom itself in the past few days.

The British Ministry of Fuel and Power notified marketing subsidiaries of American companies that it was canceling their fuel-oil import quotas from dollar sources and cutting their gasoline quotas by one-third for 1950.

The companies were told that some 75,000 barrels daily of oil will become available in 1950 from sterling sources—British refineries in Latin America and the Middle East—to replace dollar oil sales in the sterling area. The supply may increase by an additional 50,000 barrels daily if the Haifa refinery is reopened.

This is only the beginning. Increasing quantities of both crude oil and refined products will be available from British sources in the Middle East and Latin America as their current expansion program—with the aid of ECA dollars—is pushed ahead. By 1951 to 1952, companies were informed, an additional 250,000 barrels daily may be available.

The next step may well be to require all refineries in the sterling area, American as well as British, to purchase crude from British sources.

The issue raised is not Britain's action in cutting down dollar payments for oil. No responsible oil executive argues that England is unjustified in conserving dollars.

What American oil companies want, however, is equal sterling treatment with British companies—that is, the right to sell for sterling and to use such sterling.

At present, American companies are discriminated against, the British Treasury prohibits purchase of American-produced oil for sterling—even for nonconvertible sterling—and also restricts use of sterling by American companies. It does so even in nonsterling areas by preventing transfer of sterling from the account of a foreign country to an American company.

The issue is a basic one. These currency restrictions leave American oil companies no fighting chance to adjust to a sterling basis where necessary in order to save their established markets against expanding British oil output in the next few years. This, coupled with such barter-type agreements as made by the British to supply oil to Argentina and Sweden, leaves little hope for maintaining important American markets overseas.

Actually, so-called British sterling oil in South America has almost as large a dollar cost component—for royalties, taxes, equipment, etc.—as dollar oil produced in the same area by Americans. British dollar costs are lower in the Middle East, but still substantial.

When British oil is sold for sterling, thus, it also constitutes a dollar drain on the British Treasury. It might be questioned, therefore, whether the British are entirely justified in using dollar aid from the United States to build up oil production which they sell for sterling to the exclusion of similar American-produced oil.

The United States Government recently sent a so-called White Paper to London requesting that American oil companies be given equitable treatment. It said that if American companies are permitted to trade in sterling they should be allowed to use the sterling in the same manner as British companies.

It is understood that this Government did not ask the British to guarantee convertibility of any part of such sterling income into dollars. Presumably it felt that any such deals to cover minimum dollar costs and a small profit as sought by some companies would have to be worked out by individual negotiations.

No official answer has been received yet from London. However, it is understood that Britain has indicated that it intends to stand firm, if possible, on its present restrictions.

The time has come for our Government to put the issue squarely to London.

It is not merely a question of the unfairness of British discrimination against American companies, nor of the loss of private American investments abroad. These are serious enough considerations.

The question is much more grave. American oil concessions in the Middle East and Latin America are an integral part of our foreign policy and defense. They cannot be maintained without market outlets. Royalties from their production provide the chief sources of revenue for the countries concerned. Sharp cutbacks would be bound to result in political and economic unrest and could have serious repercussions on this Nation's prestige and influence in those key, strategic areas.

Nor can a situation be long maintained where revenues dwindle sharply from American concessions in one Arab state while they rise from British concessions in an adjoining state. The King of Arabia is already said to be restive at the reduced outlets facing his oil while the Shah of Iran's are increasing steadily.

Nor would it be to the American—nor British—interest to see the situation reach the point where these vast oil resources might come under the control of a hostile power.

And finally, the American oil industry is the keystone of the President's Point 4 program, representing by far the largest source of private capital for investment in backward foreign areas.

British reluctance to have sterling balances pile up in the hands of American companies and their preference to have foreign countries use sterling for purchases from the British rather than American oil companies is understandable.

In view of the grave issues at stake, however, this Government must insist on some compromise. While we are aiding Britain through ECA funds to restore her economy, we cannot afford to have our vital national interests scuttled in the process.

Mr. MALONE. Mr. President, a further article appeared in the Journal of Commerce under the headline "Britain offered compromise plan on United States oil. Standard of New Jersey would transfer operations in exchange arrangement."

The article appeared in the New York Journal of Commerce of February 2, 1950, and I ask unanimous consent that it be printed at this point in the RECORD.

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

BRITAIN OFFERED COMPROMISE PLAN ON UNITED STATES OIL—STANDARD OF NEW JERSEY WOULD TRANSFER OPERATIONS IN EXCHANGE ARRANGEMENT

(By W. M. Jablonski)

A proposed compromise plan for maintaining American oil sales in the sterling area and in other markets where United States companies are being frozen out as a result of recent British action has been put before the United Kingdom Government by Standard Oil Co. (New Jersey).

The plan was presented to London in a formal memorandum dated January 25, the Journal of Commerce learned yesterday.

TO FORM BRITISH ENTITY

In it, Jersey Standard offers to transfer its oil supply and distribution operations in the affected area to a new British entity or corporation.

The New Jersey unit, it is proposed, would sell in sterling and have the right to use sterling in the same manner as any other British corporation—and be subject to British taxation. In turn, Britain would be asked to convert into dollars 50 percent of the sales proceeds of this British entity after taxes.

Involved in the plan would be an estimated $80,000,000 of Jersey Standard's gross trade in 1950.

MARKETS COVERED

The proposal covers trade only in those markets where the company is unable to continue in business unless it can sell for sterling.

This applies not only to the sterling area but to other markets such as Argentina, Japan, Finland, etc., which are being lost as a result of British sterling trade pacts combined with British Treasury regulations which prohibit sterling payments for oil produced by American companies.

DOLLAR-SAVINGS MEASURE

This proposal, the third offered by this company during the long-drawn-out negotiations between American oil firms and the Labor government, was presented by Jersey as an alternative dollar-saving measure to the British Government's recent drastic action.

Last month, London adopted a policy of substituting in the sterling area all oil produced by American companies with oil produced by British companies as rapidly as the latter becomes available. The immediate effect of the new policy was a ban on all fuel-oil imports from American companies starting January 1, and a one-third reduction on gasoline imports.

Jersey maintained that its new plan would save the United Kingdom nearly as many dollars as the ban against American oil when taking into account the dollars that would have to be spent by the British Treasury to produce and acquire so-called sterling oil for substitution purposes.

NO REACTION YET

No indication of the British Government's reaction has been received yet. Since the proposal was only presented last week, it is doubtful that London has had sufficient time to study it carefully.

The plan would, of course, require the approval of the United States Government which has been informed of the proposal.

In its formal memorandum to London, Jersey Standard described the proposal as entirely its own and not necessarily reflecting the position of any other American oil companies.

Its plan differs somewhat from the various proposals made by Socony-Vacuum Oil Co. and California-Texas Oil Co. (owned by

Standard of California and the Texas Co.) for putting their operations on a sterling basis similar to British companies in order to eliminate England's dollar drain. None, however, have been accepted yet by the Labor government.

PRICE PROPOSALS

Under Jersey's plan the proposed British entity that would be set up, subject to British taxation, would purchase its oil from various Jersey producing affiliates in the Middle East and Latin America at a price below the going market, distribute and resell the oil to the final destination at the full price.

Involved would be oil supplies from three sources: Arabia, Iraq, and Venezuela.

In the case of Arabia and Iraq, where Jersey owns only a part interest in the local producing companies, the new plan is understood to provide for sale of oil to the proposed British entity at the established take-off price, that is, at the price at which Jersey and other partners in the local enterprises purchase the oil for their own use. This is usually substantially below the market price.

In the case of Iraq the take-off price is reported to be cost plus a gold shilling per ton.

VENEZUELA CASE

The problem is more complex in the case of Venezuela where the local government has 50–50 profit-sharing arrangements with oil producers and does not confine its income simply to royalties on production as is done in the Middle East.

For this reason, Jersey is understood to have informed London that it could not sell Venezuelan oil to the proposed British entity at much below market prices. The company is reported to have suggested purchases from Venezuela at the going market price minus 1 percent commission.

However, it pointed out that British companies in Venezuela similarly have to pay 50 percent of their profits to the local government in dollars and have similar operating and other dollar expenses, even though their oil is classified as sterling oil.

Mr. MALONE. Mr. President, in reference to the article to which I have just referred, I wish to point out that the dispatch indicates that our oil companies are willing to become resident companies of the sterling bloc countries, in order to get some kind of an entrée into the markets which we said the Marshall plan and the ECA were opening for United States industries.

Mr. President, the New York Journal of Commerce for February 2, 1950, also carries an article under the following heading: "Socony follows other firms in cutting 1950 oil imports."

I ask unanimous consent that that dispatch may be made a part of the RECORD at this point, for the reason that it shows how foreign oil can cut down the production of oil in the United States.

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

SOCONY FOLLOWS OTHER FIRMS IN CUTTING 1950 OIL IMPORTS

Socony-Vacuum Oil Co. yesterday announced it will cut its foreign oil imports by 5,000 barrels a day from its previous estimate that 1950 imports would average 74,000 barrels a day.

FOLLOWS PROTESTS

The company's action follows announced import cuts by several other leading oil companies, including the Texas Co., Standard of New Jersey, and Gulf Oil, prompted by increasing protests from independent oil producers here.

B. Brewster Jennings, Socony president, sent the following telegram to Congressman WRIGHT PATMAN (Democrat, Texas), chairman of the House Committee on Small Business, Washington, D. C.

SOCONY TELEGRAM

"The sources of supply for our scheduled petroleum imports of approximately 28,000 barrels a day are about equally divided between a long-term purchase contract and our foreign producing operations. The contract was made during the winter of 1947–48 when the United States was short of crude and when we were unable to purchase from domestic sources sufficient crude to meet the needs of our customers. Our increase in imports during 1949 and in scheduled imports for 1950 was due almost entirely to this contract. We already have exercised the option granted under the contract of reducing the stipulated quantity from 40,000 to 36,000 barrels a day, the maximum reduction permitted, amounting to 10 percent, which reduction was reflected in the data submitted to your oil subcommittee.

"In addition to the foregoing action we will reduce our takings from our controlled foreign sources of supply, thereby permitting a reduction in our imports of 5,000 barrels a day below the figures given your oil subcommittee, commencing at the earliest day consistent with the required revision of our tanker schedules. This figure is equivalent to about 13 percent of our scheduled imports from controlled sources of supply."

Mr. MALONE. Mr. President, in reference to the article to which I have just referred, I wish to say that I saw, I believe, every oil well in the Middle East, all the way from Abadan, where the British have been conducting operations since 1890, and where there are large cavities in a type of disintegrated granite filled with oil, down to Kuwait and the gulf below it, and through the area where the American companies are operating in southern Arabia. I spent some time with ibn-Saud, the King of Arabia, and I flew over the full length of the proposed thousand-mile pipe line to Palestine. I say to the Senate that the oil in that area has only begun to be blocked out. When I was there, it was estimated that 50,000,000,000 barrels of it were available. There will be one hundred billion barrels, or perhaps more, available there, before operations conclude, because there are very few dry holes in that country. That oil can be transported to the United States, so I am advised, at a price of around $1.75 or $1.85 a barrel. The future results of such a situation would indeed be disastrous to our oil and coal industries, and already the importation of such oil is resulting in the closing of many of the oil wells and coal fields in the United States which furnish fuel, often for consumption at a considerable distance from the places where they are located, for use in providing steam power, for use in furnaces, and for use in other ways. As of today, the importation of that Middle East oil is closing large numbers of our oil wells in the United States. The Texas wells are cut back; the Pennsylvania wells are cut back; California production is cut back. Middle East oil took the Hawaiian market away from the California oil wells last year. I hear the distinguished senior Senator from Texas complaining furiously about the cut back in oil production in Texas, all due to the importation of Middle East oil. But that importation has only begun. Perhaps John L. Lewis is a great deal smarter than many persons believe him to be or give him credit for being, when he does not want an overproduction of coal, and wants, perhaps, a 3-day week, or even a no-day week at certain periods. So long as oil comes freely into this country from the Middle East and from Venezuela, there will never be a complete reopening of the coal mines and the oil fields in the United States in the way they have been operated in the past. Yet only a start has been made so far with the importation of oil from the Middle East.

Mr. President, a moment ago I mentioned the senior Senator from Texas [Mr. CONNALLY]. I hold in my hand a dispatch from the Journal of Commerce of February 1, 1950, under the headline: "CONNALLY calls ban on United States oil 'act of hostility.'"

Mr. President, I shall read no more of the article than that. I ask unanimous consent to have all of it printed at this point in the RECORD.

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

CONNALLY CALLS BAN ON UNITED STATES OIL "ACT OF HOSTILITY"—ASSAILS BRITISH MOVE TO EXTEND EMBARGO TO ENTIRE STERLING AREA

WASHINGTON, January 31.—Senator CONNALLY, Democrat, Texas, today accused the British Government of an act of hostility to United States economy in planning to extend an embargo on dollar oil imports to the entire sterling area.

Mr. CONNALLY, chairman of the Senate Foreign Relations Committee, said such an action is most remarkable, when the United States has made, and is making, stupendous gifts to Britain to build her economy.

Other Government officials accused the British of aiming at long-term commercial advantages at the expense of the American oil industry. The National Petroleum Council made public a letter from the British Colonial Secretary to the East African Government at Nairboi disclosing the British plans.

STATE DEPARTMENT AROUSED

One section of the British letter, saying the embargo was being extended because the United States had not protested vigorously against the proposals, aroused resentment among State Department officials.

A State Department official told a reporter this is a bad blunder which misrepresents our position on the oil question and it is bound to stir up trouble. He added that this is not a correct interpretation of the American view.

The State Department said that when the British oil restrictions first were mentioned in December the Department had expressed concern at the British action. It said talks were begun to see if some changes could be made to prevent hurting American companies.

Copies of the British letter were in the hands of Chairman CONNALLY, Democrat, Texas, of the Senate Foreign Relations Committee and other Congress Members.

JERSEY STANDARD MEMO

In an analysis of the situation provided Mr. CONNALLY and other Texas Congress Members, Standard Oil Co., of New Jersey, said that under the British action the foreign

business of American oil companies might be liquidated in a relatively short period of time.

The Jersey Standard memorandum went on to say:

ENCOURAGED BY BRITISH

"The British (principally Anglo-Iranian Oil Co.) and the British-Dutch (Shell group) oil companies are continually expanding their capacity to produce and refine oil in amounts substantially in excess of the volume they could reasonably expect to sell on a competitive basis. Nevertheless, the entire volumes produced by those companies are not short of market outlets—at the expense of volumes which the American oil companies could reasonably expect to sell on a competitive basis—by discriminatory trade and exchange control practices of the British Government."

This expansion is encouraged by the British Government, the Jersey Standard memorandum continued, even though the facilities duplicate those owned by American oil companies.

Standard contended that this expansion is a waste of British and American economic resources since Marshall-plan aid is involved.

A report adopted by the National Petroleum Council charged that the British policies were actually designed to obtain long-term commercial advantages for the British and British-Dutch oil companies at the expense of the American industry.

The council said it was asking the United States Government to take steps to allow American oil companies to compete without the obstacles of British controls.

BRITISH LETTER

A key section of the British letter said:

"United States Government have now been informed of substance of proposals for substituting surplus production by British companies for dollar oil imported into the sterling area by United Kingdom companies.

"The Americans have, as expected, not gone beyond expressing regret at proposals, and steps have now been taken to put scheme into effect in United Kingdom and to obtain cooperation of Dominion governments."

It was this section which stirred resentment among State Department officials. The British letter went on to say:

"It is now desired to arrange full substitution for sterling fuel oil for dollar oil at present imported into east Africa for inland consumption."

NOT FOR SHIP'S BUNKERS

"It is not intended to substitute sterling oil for fuel oil imports destined for use in ships' bunkers."

The letter explained that "substitution" means replacing dollar oil imports by equivalent imports from British-controlled sources. It continued:

"For this purpose dollar oil means the oil which United States-controlled companies obtained from Standard (New Jersey), Standard Vacuum, Socony, Standard (California), Tex Oil Corp., and Caltex (or any of their associates such as Bahrein Petroleum Co.).

"In this category there is not included oil which any of these American companies purchase and ship from British-controlled companies' sources, such as the Abadan and Curacao refineries.

"United States-controlled companies would be left to decide whether they would make good the reduction in their imports of dollar oil by purchases from nondollar sources.

"Assurance has been given by British companies that they are in principle willing to sell their surplus fuel oil to American companies, but these arrangements can be left to commercial negotiations.

"Should an American distributing company decide to curtail its trade, British companies or, indeed, other American companies should have little difficulty in taking over the additional business."

The letter said there will be more than enough fuel oil available from British-controlled companies in 1950 to take the place of all dollar imports of fuel oil for inland consumption in the Commonwealth.

"Because of the important dollar saving that can be achieved, United States-controlled companies importing into the United Kingdom have been informed of intention to introduce fuel-oil substitution in respect of all their imports from dollar sources as from January 1, 1950," the letter said.

Mr. MALONE. Mr. President, I now ask unanimous consent to have printed at this point in the RECORD an article appearing in the Wall Street Journal of February 1, 1950, under the headline "House group to quiz United States officials on British dollar oil embargo."

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

HOUSE GROUP TO QUIZ UNITED STATES OFFICIALS ON BRITISH DOLLAR OIL EMBARGO—TO SEEK VIEWS OF STATE DEPARTMENT, ECA CHIEFS ON PLAN TO EXTEND IMPORT BAN TO COMMONWEALTH

WASHINGTON—State Department and Economic Cooperation Administration officials will be called before a House committee to give their views on Britain's plan to extend its embargo on dollar oil imports to the entire British Commonwealth.

On January 1, Britain put into effect a ban on imports of oil produced by United States companies. The ban now affects Britain and its colonies, but not the rest of the Commonwealth.

Representative KEOGH, chairman of the House Small Business Subcommittee on Oil Imports, disclosed yesterday his group will open hearings February 7 on the British ban. Top officials of the State Department and the ECA will be the lead-off witness, he said.

He made the disclosure as British officials arrived here to resume talks, interrupted 3 weeks ago, on the British oil import ban. Since the talks were broken off, the two chief British delegates, Victor S. Butler, Under Secretary of the Ministry of Fuel and Power, and Sir Leslie Rowan, Economic Affairs Minister, have gone to London for instructions and have returned here. They have reportedly brought little in the way of a short-term compromise settlement but have some proposals for a long-term accord.

CONNALLY ASSAILS BRITISH PLAN

Representative KEOGH said his committee had refrained from questioning State Department officials previously because it did not wish to jeopardize their negotiations on oil imports with the British. But now, he asserted, the committee wants to know what the State Department intends to do "to relieve the position in which American companies find themselves in British markets."

The ECA officials will be asked if the British ban on dollar oil imports has changed the ECA's attitude toward financing expansion of foreign refinery capacity.

Yesterday Senator CONNALLY (Democrat), of Texas, accused Britain of "an act of hostility" to the United States economy by planning to extend its embargo on dollar oil imports.

Senator CONNALLY, chairman of the Senate Foreign Relations Committee, said such an action "is most remarkable when the United States has made and is making stupendous gifts to Britain to build her economy."

The National Petroleum Council made public a letter from the British Colonial Secretary to the East African Government at Nairobi disclosing the British plans.

A council report contended that the British policies, if continued, could compel the American oil industry to surrender the international oil trade to the British.

STATE DEPARTMENT RESENTFUL

One section of the British letter, saying the embargo was being extended because the United States had not protested vigorously against the proposals, aroused resentment among State Department officials.

A State Department official told a reporter: "This is a bad blunder which misrepresents our position on the oil question, and it is bound to stir up trouble." He added that this is "not a correct interpretation of the American view."

The State Department said that when the British oil restrictions first were mentioned in December the Department had "expressed concern" at the British action. It said talks were begun to see if some changes could be made to prevent hurting American companies.

JERSEY STANDARD MAY BE HIT

The American oil company that stands to be hardest hit by the British plan to shut out dollar oil from the Commonwealth is Standard Oil Co. of New Jersey.

This company has informed United States Government officials that "the foreign business of American oil companies might be liquidated in a relatively short period of time. The British (principally Anglo-Iranian Oil Co., Ltd.) and the British-Dutch Shell group of oil companies are continually expanding their capacity to produce and refine oil in amounts substantially in excess of the volumes they could reasonably expect to sell on a competitive basis."

The expansion of British-owned petroleum production facilities is encouraged by the British Government, the Jersey Standard statement continued, even though the facilities duplicate those owned by American oil companies.

LONDON.—The British Colonial Office neither confirmed nor denied the authenticity of the letter in the hands of the National Petroleum Council.

The office stated yesterday it had not received any copies of correspondence which may have passed into the hands of the NPC, and therefore could not make any comment on the subject.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a dispatch from the Journal of Commerce of October 11, 1949, showing a large group of commodities which, according to the headline of the article, are "affected in new agreement."

The first sentence of the article reads as follows:

A partial list of tariff concessions made by the United States in negotiations at Annecy, France, and released yesterday by the State Department, is published below.

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

(The foregoing omitted from the RECORD.)

Mr. MALONE. Mr. President, I now ask unanimous consent to have printed in the RECORD at this point another dispatch by Ray Cromley, staff correspondent of the Wall Street Journal of October 31, 1949, which shows certain of the tariff cuts by our country. I shall furnish this particular dispatch to the Official Reporter a little later.

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

TRADE TROUBLE—EXPORTERS FACE PROSPECT OF TOUGHER SLEDDING IN FOREIGN SELLING EFFORTS—BARTER DEALS GROW, TARIFF WALLS RISE IN SOME SPOTS, IMPORT CURBS TIGHTENED—STRANGE IRONY OF ANNECY

(By Ray Cromley)

WASHINGTON.—The men who are trying to open more foreign markets for United States businessmen are fighting a losing battle. Every time State Department experts hack through one trade wall, they find a maze of others.

In the next 3 to 6 months, American exporters will find it harder than ever to sell their goods in the world's lush but tightly-chaperoned markets.

Says one official: "They'll bump up against more red tape, more restrictions against American goods, and even higher tariffs on imports from the United States."

Right now, 77 of the world's 85 principal trading countries tell their merchants how much trading they can do with other nations. They do this by two methods: The governments require import licenses, which means their businessmen must get official permission to bring goods into their own country. Or the governments control foreign exchange. This means a foreigner who wants to buy goods in the United States must ask his government to change his currency—say, French francs—into dollars.

TIGHTENING THE STRINGS

European, Latin American, and Asiatic governments are busy tightening these controls and adding new ones.

"They're still running short of dollars." explains one trade expert. "The shorter they get, the tighter they make restrictions on goods from America."

Officials here expect a new dollar pinch in foreign countries next spring if United States aid declines.

Many new barriers to United States exporters announced this year by foreign nations are just now going into effect. The $400,000,000- to $600,000,000-a-year cut-back in purchases with dollars announced by England and British dominions several months ago, for example, will really be felt here late this year or early in 1950. And only last week Prime Minister Attlee announced further cuts.

Of the new foreign restrictions on trade, United States experts fear most the barter-type agreements. These have sprung up like mushrooms in the past half year.

BARTER BUSINESS

These barter-trade arrangements are usually between two countries. Each nation pledges preferred treatment to some goods the other wants to sell. Each promises to take a certain amount of the other's commodities or manufactures. Both guarantee to issue export licenses and the foreign currency necessary for the trade. Goods from other countries, such as the United States, are admitted only if one treaty member doesn't supply as much of a particular item as the other member country wants.

United States Embassy officials at New Delhi, India, report one typical agreement. In August, Austria and India signed a 1-year pact. Under it, Austria is to export to India $18,000,000 worth of merchandise and import an equivalent value of Indian goods in exchange. Austria's major exports to India are to consist of steel, paper, textiles, chemicals, machinery, and apparatus in return for Indian deliveries of cotton, wool, hemp, hides, furs, teas, and spices.

"That's a much more effective barrier to United States exports than tariffs ever were," says one United States analyst. He explains that an American exporter would have little chance to sell similar wares to these countries while this swapping agreement is in effect. An Austrian, for instance, who wanted to buy cotton from the United States might be told he'd have to buy from India.

FORTY-TWO DEALS IN 6 MONTHS

There were more than 42 such barter treaties among nations announced during the 6 months ended October 1.

These mounting trade barriers are very frustrating to foreign policy makers in the State Department. Ever since the end of World War II they've been negotiating, pleading, offering United States aid, and cutting United States tariffs in a drive toward "free world trade."

Their dreamed-of ideal would be a world in which businesses in all countries bought and sold goods among each other just as, for example, a Texan and a New Yorker trade with each other. There would be no trade barriers at national boundaries and no difficulty changing one country's money for another.

Though the experts know this type of trading world is not feasible any time soon, they keep trying to work toward it. They promoted the International Monetary Fund, which was supposed to make different currencies interchangeable. They backed the International Trade Organization, which was supposed to eliminate trading barriers. And they've negotiated mutual tariff cuts among important trading nations.

ONE FORWARD, TWO BACKWARD

"But," one State Department trade official says, "for every step of this sort we take forward we slip two backward."

The sad story of what's happened in the free-trade drive by the United States this year can be told by the following course of events:

For 5 months earlier this year, United States tariff men wrestled with bureaucrats from 10 other nations in a conference at Annecy, France. They strove to persuade these other countries to cut their import duties and lower other trade barriers in return for sizable cuts in United States tariffs on imports.

During this 5-month period while Americans were busy talking lower tariffs with these 10 nations, the powers-that-be in at least 35 lands announced they were erecting higher walls to keep out things the United States produces and sells.

The list may not yet be complete. Officials here aren't always officially informed of such actions by other nations. Frequently they learn of new restrictions only through studying foreign pronouncements or reading embassy reports. Usually restrictions don't mention United States articles directly. For example, a country may ban imports of all left-hand-drive cars. Since the United States is the largest maker and exporter of left-hand-drive autos, such a ban would hit chiefly this country while not mentioning the United States.

THIRTY-FIVE NATIONS

The 35 countries acted thus:

Thirty-two of them announced new barter deals that discriminate against imports from United States producers.

Spokesmen for six nations said their countries would tighten restrictions on the amount of American goods that would be allowed to cross their borders.

Five increased tariff levels.

Several said they would put on new import-discouraging taxes. They didn't make clear just what form these penalties would take.

All this happened while the Annecy talks were going on. Afterward, the negotiators spent 2 months getting the Annecy agreements ready for diplomats to sign early in October. And during this 2-month period, the following happened:

India informally stopped granting any more permits for imports which cost dollars. The Indian Government then issued new regulations cutting imports.

IRISH AND ARABIANS

The Irish set limits on how much woolen piece goods could be brought into their country.

The Saudi Arabians began requiring official permission for wheat and flour imports. Brazilians did the same for sugar, rice, and oats.

The Colombians and the Ceylonese made it harder for their buyers to get licenses to import goods.

The Indonesians increased an import surtax on tobacco by 200 percent and on cigars and cigarettes by 350 percent.

The Peruvians made the importing of penicillin a government monopoly so their businessmen couldn't buy directly from foreign suppliers.

The Austrians and Swiss, the Peruvians and the Argentines, the Finns and the Argentines, and the Hungarians and Yugoslavs signed two-way barter-type agreements.

It will still take 2 to 8 months more to put the Annecy trade concessions into effect. In those months ahead, says one expert here, foreign officials throughout the world will announce dozens of new restrictions on how Americans can trade abroad.

IRONY OF ANNECY

And, ironically, it turns out that even the labor with the 10 nations—Nicaragua, Sweden, Italy, Finland, Denmark, Uruguay, Dominican Republic, Haiti, Liberia, and Greece—at Annecy brought very meager benefits to this country. There were slight cuts (and, actually some increases) in tariffs on United States goods. In return, United States negotiators gave very liberal reductions in United States import duties.

An analysis of the Annecy concessions shows the 10 countries cut their tariffs on only a small fraction of all they import from the United States.

The Danes cut duties on 1 percent of their United States imports; Uruguayans on 3 percent; the Dominicans on 4 percent; the Haitians on 2 percent.

The Nicaraguans cut on 3 percent of imports from this country, but said they may increase duties on more than 9 percent of the commodities brought in from the United States.

The Swedes reduced on 8 percent of United States imports but indicated they might boost levies on a range of goods later.

The Finns raised most of their duties over the current rates on United States goods. Many increases were hidden in a shift from duties that charge so much an item or so much a pound to duties that charge a percentage of the value of goods.

Italy used a neat device to raise her duties. Most of the Italian concessions were made from a set of tariffs which the Italians told the United States delegates they were planning to put into effect. So Italy agreed to cut these proposed tariff rates drastically, but the final effect was to increase her existing real tariff rates greatly.

Not enough data is available here to figure what reductions Greece and Liberia made. Each country, however, cut only a few tariffs. Greece raised a number of her 1949 duties.

On the other hand, the United States slashed its levies, frequently as much as 50 percent, on most dutiable imports from these same 10 countries.

An analysis shows that for the Danes, the United States cut levies on 89 percent of the dutiable goods they sell here; for the Dominicans, on 75 percent; for the Finns, on 98 percent.

For the Greeks, tariffs were lowered on 98 percent of the goods they sell here which are charged a duty; for the Haitians, on 87 percent; for the Italians, on 71 percent; for the

Nicaraguans, on 99 percent; for the Swedes, on 93 percent; for the Uruguayans, on 99.2 percent. The United States charges no duties on 99.9 percent of its imports from Liberia.

Mr. MALONE. On February 2, 1950, an article appeared in the Journal of Commerce under the headline, "Acheson slams British curbs on United States oil firms," which is what was referred to in paragraph 3 of the letter from the British Secretary of State, one of the other nations, simply saying that a perfunctory objection had been made. I ask unanimous consent to have the dispatch included in the RECORD at this point.

There being no objection, the dispatch was ordered to be placed in the RECORD, as follows:

ACHESON SLAMS BRITISH CURBS ON UNITED STATES OIL FIRMS

WASHINGTON, February 1.—Secretary of State Acheson said today the British Government decided on restricting American oil companies in Britain without adequate consultation with the companies concerned.

Acheson told a news conference the United States views the British action with serious concern. He added that the State Department plans to press discussions looking to a solution of the problem.

BRITISH PLANS DISCLOSED

The United States National Petroleum Council made public yesterday a letter written by the British Colonial Secretary disclosing plans to extend an embargo on dollar oil imports throughout the British Commonwealth and the sterling area.

Acheson said in a statement:

"It is our view that measures can be adopted which will meet the necessity of the United Kingdom and sterling area to save dollars on oil accounts and at the same time protect the legitimate interests of the countries and companies concerned."

He said his department was aware some time ago of the letter written by the British Colonial Office to the East African Government concurring oil restrictions.

This letter, he said, "does not accurately reflect the serious concern with which the United States Government viewed and continues to view the British action of reducing dollar oil imports into the sterling area and the manner in which the action was put into effect."

The British letter got into the hands of the National Petroleum Council, an American group which advises the Interior Department on oil and gas questions.

The letter said in part that "the Americans have, as expected, not gone beyond expressing regret at proposals and steps have now been taken to put the scheme into effect in the United Kingdom and to obtain cooperation of the dominion governments."

Acheson said the State Department told the British last December that their hasty action did not give American oil companies time to find out if they could help Britain save dollars by adjustment in their operations.

The State Department, he said, intends to press forward with discussions looking to such a solution.

The United States believes, Acheson said, that if American oil companies cannot adjust their operations to help Britain save the amount of dollars she wants that restrictions "should only take place gradually and in a manner that would enable the United States companies to adjust with minimum hardship to the new situation."

CURB ON IMPORTS

The British oil restrictions, which curbed the right of American oil companies to import fuel oil and gasoline which they must buy with dollars, were announced last December 21. They were to go into effect January 1, but Acheson noted that the British had agreed to postpone the effective date to February 15.

After receiving a copy of the British letter, released by the Petroleum Council, Senator CONNALLY, Democrat, of Texas, said he planned to ask the State Department to investigate.

He said he viewed the British plans as an act of hostility to American economy.

In London today, the British Colonial Office said it is certainly not engaged in trying to control the market of the world. A spokesman said: "The Colonial Office is not framing oil policies. We are not in the oil business."

Mr. MALONE. Mr. President, I have before me a table entitled "Some Examples of Reductions of Duties Under the 1934 Trade Agreements Act," showing the section and the date of such reduction, and the completely modified tariff at this time. I ask unanimous consent to have the table, with the supporting data, printed in the RECORD at this point in my remarks.

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

Some examples of reductions of duties under the 1934 Trade Agreements Act

Paragraph of Tariff Act of 1930	Article	1930 rate	Modified rate	Modified rate
302 (a)	Manganese ore (including ferruginous manganese ore) or concentrates, containing in excess of 10 percent of metallic manganese.	1 cent per pound on the metallic manganese content.	½ cent per pound on metal contained (1936).	¼ cent per pound on the metallic manganese content (1948).
302 (b)	Molybdenum ore or concentrates	35 cents per pound on the metallic molybdenum content.		17½ cents per pound on the metallic molybdenum content (1943).
302 (c)	Tungsten ore or concentrates	50 cents per pound on the metallic tungsten content.		38 cents per pound on the metallic tungsten content (1948).
302 (g)	Tungsten metal, tungsten carbide, and mixtures or combinations containing tungsten metal or tungsten carbide, all the foregoing in lumps, grains, or powder.	60 cents per pound on the tungsten content and 50 percent ad valorem.		42 cents per pound on the tungsten content and 25 percent ad valorem (1948).
228 (a)	Prism binoculars, frames and mountings therefor, and parts of any of the foregoing; all the foregoing, finished or unfinished.	60 percent ad valorem	45 percent ad valorem (1936)	30 percent ad valorem (1948).
228 (b)	Photographic lenses, finished or unfinished, not specifically provided for.	45 percent ad valorem	30 percent ad valorem (1939)	25 percent ad valorem (1948).
	Opera or field glasses (not prism binoculars), frames and mountings therefor, and parts of such glasses, frames, or mountings; all the foregoing, finished or unfinished, not specifically provided for.	do	35 percent ad valorem (1936)	20 percent ad valorem (1948).
236	Watch crystals or watch glasses, finished or unfinished: Round	60 percent ad valorem	30 percent ad valorem (1936)	15 percent ad valorem (1948).
353	Electrical cooking stoves and ranges	35 percent ad valorem	17½ percent ad valorem (1939).	10 percent ad valorem (1948).
375	Metallic magnesium	40 cents per pound		20 cents per pound (1948).
376	Antimony, as regulus or metal	2 cents per pound		1 cent per pound (1948).
389	Nickel and alloys (except those provided for in par. 302 or 380) in which nickel is the component material of chief value: In pigs or ingots, shots, cubes, grains, cathodes, or similar forms.	3 cents per pound	2½ cents per pound (1939)	1¼ cents per pound (1948).
391	Lead-bearing ores, flue dust, and mattes of all kinds. Effective 30 days after the termination of the emergency proclaimed on May 27, 1941, the rate for lead-bearing ores, flue dust, and mattes of all kinds shall be—	1½ cents per pound on lead content.		¾ cent per pound on lead content (1943).
412	Spring clothespins	20 cents per gross	15 cents per gross (1935)	10 cents per gross (1943).
603	All other tobacco, manufactured or unmanufactured, not specifically provided for.	55 cents per pound	35 cents per pound (1939)	17½ cents per pound (1948).
701	Beef and veal, fresh, chilled, or frozen	6 cents per pound		3 cents per pound (1948).
702	Sheep and lambs	$3 per head		$1.50 per head (1943).
713	Eggs of poultry, in the shell: Eggs of chickens	10 cents per dozen	5 cents per dozen (1939)	3½ cents per dozen (1948).
719	Fish, pickled or salted: Salmon	25 percent ad valorem	20 percent ad valorem (1936); 12½ percent ad valorem (1939).	10 percent ad valorem (1948).
729	Wheat	42 cents per bushel of 60 pounds.	Note quota	21 cents per bushel of 60 pounds (1948).
734	Apples: Green or ripe	25 cents per bushel of 50 pounds.	15 cents per bushel of 50 pounds (1936).	12½ cents per bushel of 50 pounds (1948).
743	Lemons	2½ cents per pound		1¼ cents per pound (1949).
771	White or Irish potatoes: Other than such certified seed potatoes	75 cents per 100 pounds	Note quota	37½ cents per 100 pounds for a quota quantity to be determined annually.
802	Whisky	$5 per proof gallon	$2.50 per proof gallon (1939)	$1.50 per proof gallon (1948).
919	Shirts of cotton, not knit or crocheted	45 percent ad valorem		25 percent ad valorem (1948).
920	Lace window curtains, nets, nettings, pillow shams, and bed sets, and all other fabrics and articles, by whatever name known, plain or jacquard-figured, finished or unfinished, wholly or partly manufactured, for any use whatsoever, made on the Nottingham lace-curtain machine, wholly or in chief value of cotton or other vegetable fiber.	60 percent ad valorem	50 percent ad valorem (1939)	40 percent ad valorem (1948).

Some examples of reductions of duties under the 1934 Trade Agreements Act—Continued

Paragraph of Tariff Act of 1930	Article	1930 rate	Modified rate	Modified rate
1205	Woven fabrics in the piece (exceeding 30 inches in width), wholly or in chief value of silk, not specifically provided for: jacquard-figured, with fibers wholly of silk; bleached, printed, dyed, or colored; valued at more than $5.50 per pound.	65 percent ad valorem	No data (1936)	25 percent ad valorem (1948).
1519 (a)	Dressed furs and dressed fur skins (except silver or black fox): Beaver, caracul and Persian lamb, chinchilla, ermine, fisher, fitch, fox, kolinsky, leopard, lynx, marten, mink, nutria, ocelot, otter, pony, raccoon, sable, wolf. All the foregoing:			
	If not dyed	25 percent ad valorem	12½ to 15 percent ad valorem (1939–41).	7½ percent ad valorem (1948).
	If dyed	30 percent ad valorem	20 percent ad valorem (1939).	10 percent ad valorem (1948).
1733	Crude petroleum	On free list	½ cent per gallon (IRC) 1932.	¼ cent per gallon.[1]
1658	Copper ore; regulus copper, and copper in plates, bars, ingots, or pigs, not manufactured or specially provided for.	do.[2]	4 cents per pound (IRC 1932).	2 cents per pound.[3]

[1] Trade agreement with Venezuela (1939), and with Mexico (1943).
[2] Bound, Geneva, 1948; binding not made effective on Jan. 1, 1948, pursuant to art. 27 of the Geneva agreement, but became effective on Mar. 16, 1949.
[3] Tax on copper scrap suspended from Mar. 14, 1942, to June 30, 1949, inclusive (Public Law 497, 77th Cong., and Public Laws 384 and 613, 80th Cong.). Tax on all products listed (including scrap) suspended from Apr. 30, 1947, to June 30, 1950, inclusive (Public Law 42, 80th Cong., and Public Law 33, 81st Cong.) The reduced tax will have no application with respect to imports, however, so long as the import excise taxes remain suspended.

NOTE.—In the trade agreement with Venezuela, the excise tax on imports of crude petroleum, topped crude, fuel oil, and gas oil, imposed in June 1932, was reduced from 21 to 10.5 cents a barrel, subject, however, to an annual tariff quota, for the 4 commodities combined, equal for each year to 5 percent of the quantity of crude processed in domestic refineries during the preceding calendar year. There was no limitation on the quantity that could enter by paying the statutory rate of tax. In the trade agreement with Mexico, the quantity limitation on imports at the reduced rate was discontinued.

Sources: Publications of the U. S. Tariff Commission.

Imports and exports of petroleum products—selected years

[Average daily figures in barrels]

Year	Imports			Exports, total	Net imports, total
	Crude petroleum	Products	Total		
1937	75,000	82,000	157,000	473,000	−316,000
1938	73,000	76,000	149,000	531,000	−382,000
1939	91,000	71,000	162,000	517,000	−455,000
1947[1]	267,000	170,000	437,000	451,000	−14,000
1948	353,000	160,000	513,000	369,000	144,000
Preliminary 1949	426,000	214,000	640,000	329,000	311,000
Estimated first quarter, 1950	467,000	300,000	767,000	267,000	500,000

[1] Denotes time of tariff cuts.
Source: Department of Commerce.

Domestic crude production

	Average daily
1937	3,505,000
1938	3,472,000
1939	3,466,000
1947	5,088,000
1948	5,509,000
1949 (preliminary)	5,044,000
1950 (anticipated first quarter)	5,133,000

Imports of tungsten ore and concentrate—selected years—Imports for consumption, in short tons

1938	162,744
1939	1,485,157
1947	6,018,005
1948[1]	7,548,101
January–November 1949	6,158,802

[1] Denotes time of tariff cut.
Source: Bureau of Mines.

United States production

1938	3,044
1939	4,287
1947	3,094
1948	4,210
1948, estimated	3,000

United States imports of copper for selected years, 1938–49

[In short tons]

Years	Metal		Regulus	Ore and concentrate
	Refined	Unrefined		
1938	176,798	1,802	2,519	69,732
1939	245,130	16,264	2,828	68,329
1947[1]	167,378	149,482	5,223	85,858
1948	155,836	249,124	3,657	89,300
11 months, 1949	124,007	258,217	2,077	104,052

[1] Denotes time of tariff cuts.
Source: Bureau of Mines.

Domestic production (mine production, United States)

(Recovered metal, in short tons)

1938	557,763
1939	728,320
1947	847,563
1948	834,814
1949 (11 months)	741,400

United States imports of lead for selected years, 1938–49

(In short tons)

	Lead ore
1938	45,370
1939	30,842
1947[1]	50,751
1948	64,170
1949 (estimated)	100,000

[1] Denotes time of tariff cuts.
Source: Bureau of Mines.

Domestic production from domestic ores

	Lead ore
1938	331,964
1939	420,967
1947	381,109
1948	390,476
1949 (preliminary)	404,032

United States imports of magnesium metal for selected years, 1938–49

(In short tons)

1938	Less than ½ ton
1939	Less than ½ ton
1947	201
1948[1]	678
1949 (estimated)	300

[1] Denotes period when tariffs were cut.

Domestic production

1938	3,217
1939	3,350
1947	12,344
1948	10,003
1949 (estimated)	11,600

Imports of spring clothespins—selected years

	Gross
1938	17,750
1939	7,047
1947[1]	876,299
1948	1,064,688
January–November 1949	707,463

[1] Indicates time of tariff cut.
Source—Tariff Commission.

Domestic production

	Gross
1937	1,151,624
1939	1,335,114
1947	2,748,124
1948	3,237,267
1949	3,087,843

United States imports of eggs (in the shell)

Years:

	Dozens
1937, 1938, 1939: Average 1937–39 (including small amount of duck eggs)	360,000
1947[1]	559,000
1948	1,403,000
1949[1] (11 months)	3,207,000

[1] Denotes time of tariff cuts.
Source: Department of Commerce.

Domestic production

	Dozens
1937, 1398, 1939 average	3,160,000,000
1947	4,604,000,000
1948	4,597,000,000
1949 (11 months)	4,311,000,000

The following three tables (on antimony, nickel, and molybdenum) are not significant:

Imports of antimony metal or regulus—selected years

[In short tons]

Year:

1938	821
1939	1,045
1947	5,879
1948[1]	3,176
1949 (estimated)	2,320

[1] Denotes time of tariff cut.
Source: Bureau of Mines.
Domestic production: From antimonial lead and secondary antimony only.

Imports of nickel—selected years

[Metallic nickel content in pounds]

Year:

1938	52,400,000
1939[1]	116,400,000
1947	161,435,000
1948[1]	193,760,000
January–November 1949	163,855,000

[1] Denotes time of tariff cuts.
Source: Bureau of Mines.
Domestic production: Only a byproduct from copper production.

Imports of molybdenum—Selected years

	Pounds
1938	25
1939	26,347
1947[1]	None
1948	none
January–November 1949	48,148

[1] Denotes time of tariff cuts.
Source: Bureau of Mines.

Domestic production

	Pounds
1938	33,297,000
1939	30,324,000
1947	27,047,000
1948	26,705,600
1949 (9 months)	17,119,400

Mr. MALONE. Mr. President, the indices of industrial production, 1946 to 1949, of the 12 Marshall-plan countries, have been the subject of some debate. These indices are taken from the Statistical Bulletin of United Nations. I ask unanimous consent to have them inserted in the RECORD.

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

Twelve Marshall-plan countries—Indexes of industrial production, 1946–49

[Source: Statistical Bulletin of the United Nations]

Country	Base year of index	1946	1947	1948	Highest, 1949	Latest, 1949
Austria	1937	(1)	51	78	106	106 August.
Belgium	1937	74	86	93	98	87 August.
Denmark	1937	101	116	129	150	150 November.
France	1937	73	87	102	120	110 October.
Germany (bizone)	1936	34	40	60	91	91 August.
Greece	1939	53	67	73	93	93 October.
French Morocco	1938	153	171	192	253	253 August.
Ireland [2]	1937	109	113	130	140	138 August.
Italy	1938	(1)	93	98	116	108 September.
Netherlands	1937	75	95	114	133	133 October.
Norway	1937	100	115	125	142	139 October.
Sweden	1937	137	139	144	148	146 September.
United Kingdom	1937	90	98	109	121	121 October.

[1] Not available.
[2] Indices for Ireland are compiled quarterly instead of monthly.

Mr. MALONE. Mr. President, concluding my remarks on domestic policy—I shall continue on another subject—I want to say that apparently the only cure for the administration's free-trade policy, and the only way it can be stopped, is simply to substitute a flexible import fee for the Trade Agreements Act, and prevent the enactment of the International Trade Organization legislation. It is not a thing that can easily be amended, because it is simply like a football player running in the wrong direction. He can be tackled and diverted, but unless stopped he is still going to the goal post. We have simply to stop, turn around, reverse the action, and go the other way. So, Mr. President, we may give, through the flexible import fee and tariff action, into the hands of a nonpartisan group such as I have suggested, the right and authority and latitude in that field to fix tariffs and import fees, considering such factors as the offered-for-sale price, the declared customs value, and many other factors which may be available, and at the same time fixing the tariffs and import fees so that it will no longer be to the advantage of foreign nations, particularly the empire-minded nations of England, France, the Netherlands, and Belgium, to hold down slave labor and slave wages in the Far East and in Africa, then to sell to us at what the traffic will bear, and to live off the difference. Let them come here a few times and hit a tariff import fee, gaged to make up that difference, and have the United States customer pay it into the United States Treasury. I think even the colonial nations who have operated as colonial powers for from 100 to 300 years will then know that they may as well go home and charge us a fair price, receive a better price, and pay their labor more, to raise their own standard of living and to increase the income of their own people.

Then, Mr. President, as the world raises its living standards, with our help, while we hold our economy on a level, our flexible import fees would go down, and when they had reached approximately our standard of living, then free trade, which is the objective of every one of us in the United States, would be reached automatically.

There is a difference between what I suggest and the way the State Department is now proceeding under the three-part, free-trade system. It is the difference between a man's jumping off the roof to the ground to join his friends, or putting a ladder up to let him come up where you are. Mr. President, I submit, if these dangerous policies continue, the now widespread unemployment will become even worse, and our living standards will tumble.

It is already lower than it was, but we take the difference out of the till, just as we are taking the money out of the till to send to foreign nations; so no wonder we cannot get out of the red. We are going further into debt even now, at what is called the height of prosperity. If we cannot get along now, the system had better be reexamined, and then, as I say, Mr. President, an incentive will be afforded to the other nations to raise the standards of living in their satellite countries as well as in their own. They have no incentive for raising them now.

WE SUPPORT LOW LIVING STANDARDS

Mr. President, just one other thing for the RECORD at this moment, which I think gets close to the heart of this. In China we buy rice at $1 a bushel, let us assume. It is about $1 a bushel. A bushel of wheat is of about the same food value. A bushel of rice is produced by a man getting 20 cents, perhaps, or 25 cents a day. With a bushel of rice selling at $1 it takes the rice grower 4 days' work to buy a bushel of rice. Two-dollar wheat in this country, for a $10-a-day man, buys 5 bushels of it with a day's work; so what is the answer? Each day's work of a man in this country is worth 20 days in China. We think we are a great people when we can hold the price of rice down, but we had better figure on paying more for the rice and for the work involved in producing it, and there will not be that differential. But so long as there is free trade colonial nations can press it down, and it is to their advantage to do so in Hong Kong, and in the Malay States, and other areas.

I was in Singapore and Indochina, Mr. President, and it will be a miracle if Indochina is not in the possession of the Chinese Communists in from 60 to 90 days. All they have to do is to move in.

We have the spectacle of the United States and England recognizing a French ruler, and we see Russia recognizing Communist rulers. When I was there, Mr. President, I could hear shooting going on. Someone is killed every once in a while there. Three of our own people have been killed within the past few months. Many people live in the middle of Saigon. Outside of that small, hard core persons are shot. That is the way Indochina is being run today, and we are furnishing the money to keep the people under the colonial yoke. Russia is promising them relief from the yoke. It takes only one guess to know which country will win.

Mr. President, I expect to continue after I yield briefly to the junior Senator from Massachusetts, who wishes to address the Senate on another subject.

CLOSING OF THE WALTHAM WATCH CO.

Mr. LODGE. Mr. President, I should like to make a brief statement concerning a tragic emergency which has taken place in Massachusetts, and I ask unanimous consent that the Senator from Nevada [Mr. MALONE] shall not lose the floor while I address the Senate on this subject.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Without objection, it is so ordered.

Mr. LODGE. Mr. President, on last Saturday, the doors of the Waltham Watch Co., in Massachusetts, were closed, throwing out of work all that company's employees. The decision was made without notice, without giving anyone an opportunity to prepare for it, and it prompted the sending to the President of the United States of a telegram by Mr. Walter W. Cenerazzo, national president of the American Watch Workers' Union. It is that telegram which I desire to read into the RECORD. It is addressed to the President of the United States, and reads as follows:

Mr. President, 2,358 Americans yesterday, with less than 3 hours' notice, lost their jobs working for the world's oldest precision watch-making firm, the 100-year-old Waltham Watch Co. Their jobs were lost because the Reconstruction Finance Corporation, a part of your administration, refused to allot the company an additional $1,500,000 in working capital out of a pledged $6,000,000 loan promised to the company last spring. Four million dollars only has been lent to Waltham Watch Co. by the Reconstruction Finance Corporation, which took as collateral all of the company's assets, including building, real estate, machinery equipment, accounts receivable, finished inventory, and work in process. But this $4,000,000 was disbursed by the company by paying the bank $3,250,000 in full payment for all loans of the bank, $600,000 to pay to the debtors and the cost of reorganization, and the remaining $150,000 was all the company received out of this loan for a working capital. Federal Judge George C. Sweeney and his three appointed court trustees, Daniel J. Lyne, C. Keefe Hurley, and Judge Jacob Kaplan, did an outstanding job in the reorganization of this company. They took the water out of

the stocks and bonds, supplied competent engineering advice to the company, and obtained competent, efficient, productive management to guide the company. Waltham Watch Co. today is in far better financial condition and led by as good a management as possibly could be obtained in the fields of production, merchandising, and accounting. Waltham Watch Co. has less money today than it did when a petition was filed for reorganization in the Federal court on December 28, 1948.

Waltham Watch Co. has adequate management and a sales organization was really making headway. In the month of January 1950 alone more watches were sold by the Waltham Watch Co. than in any January in the previous 4 years, in spite of the fact that all watch sales have slowed down tremendously by all companies. Mr. President, unless you act immediately, a company essential to the national defense of the United States will die. It is unfair to the stockholders who have invested their money to let this company die. It is unfair to 2,358 human beings who depend on Waltham Watch Co. for their livelihood to let this company die. It is unfair to the American people to allow this company, only one of three left in the United States capable of making precision instruments in time of w..r in the timing mechanism field, to die. If this company is allowed to die, and it will die unless you act immediately, the 1,231 persons who were left on the company pay roll when it closed yesterday will go on unemployment compensation and the relief roll. The cost of this relief will far exceed a million and a half dollars to the Federal, State, and city governments. And none of this money can ever be recouped once it is paid out in unemployment compensation or relief. Out of these 2,358 persons there are many hundreds in the age brackets of 45 to 65 who will be unable to obtain employment elsewhere. They are too young to obtain social-security benefits and many of them are frugal persons who have purchased their own homes and have small equities in them. They will be unable to obtain relief while they own whatever equity they possess in these homes. The cost of hardship through unemployment to these families in human misery cannot be measured. Mr. President, the Waltham Watch Co. is one of three companies making jeweled watches in the United States. The other two, the Elgin National Watch Co. and the Hamilton Watch Co., have in the past year both curtailed their production schedules. Hamilton Watch Co. has 400 less employees than it had a year ago. The Elgin National Watch Co. has reduced its working hours 10 percent and, in addition, is closing one of its three plants, the one in Aurora, Ill. The economic factors which caused this retrenchment are the Swiss watch imports which have flooded this country during the past 10 years, during 5 of which these three companies produced no watches for civilian use—a timing mechanism for all of the armed forces of the Allies. The Defense Supply Corporation spent no money to build plants to produce timing mechanisms. Elgin, Hamilton, and Waltham produce them all. While these companies were at war helping the United States, an average of 10,000,000 watches per year came into the United States at one-third to one-fourth of what they could be produced for in the United States. None of these watches were for military use. Over 100,000,000 watch movements have come into the United States during the last 10 years.

The tariff revenue for the United States Treasury must have been well in excess of $250,000,000 obtained by the entry of goods into the United States that were detrimental to the well-being of the Waltham Watch Co. and its employees. The Government of the United States, under your Democratic administration, should be willing to lend, and I emphasize lend, an additional million and a half dollars to the Waltham Watch Co. for working capital. The Reconstruction Finance Corporation can easily do this by using the going-concern value of the company instead of the liquidation value which it used to turn down the loan. The Democratic administration which you head, Mr. President, has been responsible for refusing to curtail these Swiss watch imports. The Democratic administration which you head, Mr. President, refused the additional million and a half dollars necessary to give Waltham Watch its new lease on life. The Democratic administration professes to be for human welfare. Its campaigns are based on human rights. It advocates minimum wages, paid holidays, paid vacations, pension plans, group insurance for sickness and accident, and yet at the same time the Democratic administration which you head, Mr. President, advocates the entry and permits the entry of foreign goods into the United States manufactured under conditions which we would not permit in the United States to the detriment of American workmen. When these imports cause manufacturers to drown, employees lose their jobs, and not one contract, regardless of what its contents are, is of any value to the employees. Mr. President, there is only one person in the world who has the authority and the opportunity to save the Waltham Watch Co. That person is you. There is time for you to act. The Federal court is not going to act on whether or not to accept the petition of the company for reorganization until after 4 p. m. on Monday, February 16. If the RFC reconsiders its action and grants the company the necessary million and a half dollars to continue operation there will be no need for the company to have its petition heard. I urge you, Mr. President, as the head of the Democratic administration, to call in the board of directors of the Reconstruction Finance Corporation and request them to loan Waltham Watch Co. this necessary working capital. Mr. President, you have the time to act. Won't you please, in behalf of 2,358 men and women, all good Americans who seek the opportunity to work, instruct or urge the Reconstruction Finance Corporation to grant Waltham Watch Co. the necessary working capital. If this is done you will have contributed much to the well-being of the New England community. If you do not act you will have dealt a death blow to one of America's oldest corporations and the job opportunities of 2,358 Americans. Each of our members when they go to church tomorrow morning will say their prayers that you will pay heed to this request. I trust their prayers will be answered. Thanking you for your consideration of this request, I remain,

Respectfully yours,

WALTER W. CENERAZZO,
National President of the American Watch Workers' Union.

That, Mr. President, is the telegram which Mr. Cenerazzo sent to the President of the United States.

I express the hope that action will still be possible to enable this company, which was not only a large employer of labor, but which was such an essential part of the national defense of America, to continue operations.

I thank the Senator from Nevada for yielding to me in order that I might place the telegram in the RECORD.

Mr. MARTIN. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. MARTIN. Mr. President, when the loan in connection with the Waltham Watch Co. was first considered by the Reconstruction Finance Corporation, the Hamilton Watch Co., a Pennsylvania corporation, asked if I would urge the granting of the loan, because it was felt that while the Waltham Watch Co. was a competitor, it was for the good of the United States that the Waltham Watch Co. continue in business, because there are only three great American watch manufacturing concerns, the Waltham Watch Co., the Hamilton Watch Co., and the Elgin Watch Co.

In case of an emergency, and in case of war, the men working in these factories are the men who must do the work in the manufacture of precision instruments. Workers cannot be developed for the precision instrument factories short of a couple of years of training, according to those in charge of the Hamilton Watch Co.

I hope that the President of the United States, in his wisdom, for the good of the men who work in these factories, and also for the good of the national defense, may instruct the directors of the RFC to assemble and grant the loan asked for.

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

Mr. MALONE. I yield to the distinguished junior Senator from Massachusetts.

Mr. LODGE. I wish to thank the Senator from Pennsylvania for his observations. They will be noted and read with interest and approbation in Massachusetts. I am glad to have the Senator support my appeal that the President act while there is yet time.

DOMESTIC POLICY

Mr. MALONE. Mr. President, I wish to add a couple of statements to my address on domestic policy which I have been making.

In comment, and closing my address on domestic policy, I wish to say that I have just witnessed, for the second time in my life, an appeal from a distinguished United States Senator to the Government of the United States to save an industry. I know of many other like incidents. When I was special consultant on strategic materials to the Senate Committee on Military Affairs, a request was made of me by the distinguished senior Senator from Colorado [Mr. JOHNSON], then the acting chairman of the Subcommittee on Strategic and Critical Minerals of the Senate Committee on Military Affairs. The Senator from Utah [Mr. THOMAS] was the chairman, but the Senator from Colorado [Mr. JOHNSON] was the acting chairman. He asked me to go to one of the departments here to appear before a committee that was set up to hear complaints about the closing of some industries on account of the 1934 Trade Agreements Act. He said, "Will you go there, and if I cannot get there by the time they meet, ask them to remain in session until I arrive? I want to talk about the tungsten industry."

Mr. President, I had the mortifying experience of seeing a great Senator, a Member of this body—and I was merely his special consultant—stand before that body of men, none of whom would I have hired in my engineering business, because in my judgment they knew so little about the subjects they were con-

sidering, but they sat there like the Supreme Court, and the Senator from Colorado [Mr. JOHNSON], great man that he is, with his hat in his hand, looked up and begged them not to shut down the tungsten industry of the United States.

Word came afterward that they had nothing to do with it; that they were only hearing the facts; that they passed the evidence on to somebody else, whom they could not disclose, even if they knew, who passed on the subject. Of course, one glance at the committee itself would have satisfied anyone that if they did have the authority to pass judgment, they were not competent to do so. But they closed down the industry. They paid no attention to it.

Mr. President, I witnessed another incident involving another great Senator from Massachusetts, the grandfather of the present junior Senator, one of the great Senators of this body in the long ago past. Somehow we have witnessed the senior Senator from Colorado [Mr. JOHNSON] and the junior Senator from Massachusetts [Mr. LODGE], both of whom voted at different times for the 1934 trade agreements, taking their hats in their hands, figuratively, today, and begging the President of the United States, or begging a committee, not to close an industry which is vital to their States.

Mr. President, I stated a little earlier that the Senate of the United States, together with the House of Representatives, passed an act abdicating their authority over the national economy, an authority given to them by the Constitution of the United States, shirking their responsibility, and turning it over to an industrially inexperienced State Department which has no interest in industry in this country. At least, all of their actions indicate that they have no interest in it, and do not understand it. The Congress of the United States passed the act, and one by one great Senators go up with their hats in their hands saying, "Will you please save an industry?"

Mr. President, it is enough to make one break down and cry to see such things done, when this body today has no control over the economy of this country, which the Constitution delegated to Congress, which kept it until 1934, when it abdicated—I was going to say "abrogated," as I said earlier in my address, but abdicate is a better word—because somebody told them there was log-rolling in this body. Somebody told them they were not competent to fix tariffs, under which they had brought the standards of living of this country from the days of the axe and hoe, which were used when the people landed on this continent, up to the present height of industrial development. It was said Congress was no longer competent.

I wish to remark that the idea of flexible tariffs is not a new idea. In 1923 it was mentioned, but not clarified. In 1933 it was clarified, and it was provided that the Tariff Commission could raise or lower tariffs 50 percent, on the basis of what I have been discussing, on the basis of a comparison of standards of living.

The occasion was taken, in the great depression of the 1930's, to say that the Congress had failed in its duty, so that the State Department must take the matter over, because there would be no log rolling there. Of course, there has been no log rolling, at least with us. There must have been plenty some place else, but there have been horse-trading methods, just as Secretaries of State have often said, shotgun methods, with no thought whatever of the difference between the standards of living in our Nation and those in competitive countries.

Mr. President, the adoption of fixed tariffs is not the most successful way of proceeding. Of course, there was log-rolling in this body, but under what was proposed in 1930 there could have been no logrolling, and there could be none under the flexible system now being proposed, because the matter would be put in the hands of a nonpartisan Tariff Commission. Let them fix an import fee or tariff to represent the difference, in general, of living standards, unless there is manipulation and everyone in this Chamber knows there has been manipulation of the currencies, embargoes, quotas, and specifications to prevent our selling in Europe, while the European countries made a one-way street into our markets.

Mr. President, the junior Senator from Nevada wants to go on record. He has seen this situation coming for 15 years. I insisted on coming before this body and addressing it, because in my opinion we are headed for the greatest economic debacle this country has ever seen, if the present tendency is followed.

Mr. President, the present drift has gone to such a point that more industries will come to the RFC, more industries will write the President of the United States, or send tear-jerking letters or telegrams, like that read by the distinguished Senator from Massachusetts, because every industry in the United States is threatened as I have said on the Senate floor more than once in the past 3 years, by the passage of the 1934 Trade Agreements Act—humorously called the Reciprocal Trade Agreements Act. Those words do not occur in the act, and there is no reciprocal trade, and no reciprocal trade agreements have been made. I should be glad to debate that with any Senator who desires to debate it, at any time.

Now, what we are coming to is that every industry in the United States must come to the RFC or to the President of the United States to save itself. What will we then have in this country? We will have the same kind of socialist government which now exists in England. Some may like such a form of government. I do not like it. England may have such a government if its people want to support it. But when we are supporting them, and they are paying one and a half million dollars to their King, who once a year reads to Parliament a message written by someone else, and who visits the United States when there is a little difficulty about securing a loan here—when we are supporting them, then I say I do not like such a government. Every country among the ECA nations is doing the same. We do not want such a form of government here.

Mr. President, why cannot venture capital be secured today? Venture capital cannot be secured because the tax structure is such that people will not invest venture capital in business, and today every business in the United States is a venture, a greater venture than it has ever been. What happens if one invests venture capital in a business? If the one who makes the investment makes any money, it belongs to Uncle Sam; if the investor loses, the loss is his.

COLORADO RIVER DAM AT BRIDGE CANYON

The Senate resumed the consideration of the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

Mr. MALONE. Mr. President, I now desire to discuss briefly a matter on which I feel very strongly and which I think is thoroughly misunderstood in the United States of America, and little help has been given toward making it understood. I refer to Senate bill 75, introduced by the junior Senator from Arizona [Mr. MCFARLAND] for himself and the senior Senator from Arizona [Mr. HAYDEN].

I have known the senior Senator from Arizona from 1927 when he first came to this body. We have had many pleasant relationships and discussions of mutual help. We do not always agree on everything, but everything between us is up and up and on the square. I have not known the junior Senator from Arizona [Mr. MCFARLAND] as long as I have known the senior Senator from Arizona, but I have just as high a regard for him.

Mr. President, I am for the proposed project in Arizona. I am for such a project when the Secretary of the Interior has found it to be feasible, and after the Bureau of Reclamation has made its full investigation.

I listened very carefully to the junior Senator from Arizona today. He did not clarify the subject. He impressed the Senate with the fact that the project is a very important one to Arizona. I know it is. As a matter of fact, my son-in-law and my daughter live in Arizona. I visit them every once in a while when I can be absent from the Senate floor in vacation time. I am very fond of the people of Arizona.

I say again without equivocation, that when the precedent respecting reclamation has been set for 50 years—and it has lasted that long—and when that precedent is followed, I am for the project.

In the short time of 30 years that I have been in the engineering business I have seen land in reclamation areas of the Rocky Mountains which could have been purchased for only $20 an acre and which has increased in value until now it cannot be bought for less than $300 an acre. I know not what we will have to pay for new land 20 or 30 years from now. I am not asking the cost of the project. We will leave that to someone

else. But, Mr. President, I want to say one thing to lay a foundation.

Of course, in the Eastern States, in the humid areas, the idea is to get the water off the land. There is too much water. Control of the water is needed. Drainage is provided. For such purposes money is appropriated. We know that millions upon millions of dollars have been appropriated by Congress during the past 50 years to get the Mississippi River water off the land and back into its channel and into tributary rivers, so that crops can be raised on the flooded land.

The opposite is true where the present Presiding Officer, the Senator from Arizona [Mr. HAYDEN] and I live. We try to get the water out of the streams and onto the land. That is our problem. That is the problem of the Senators from Arizona now, and with respect to it I am in complete sympathy with them. But I wish to say for the benefit of the record what I have said probably a hundred times in the past 30 years, and for which I take no credit.

I was raised in an arid region, and still live there. The development of any State where the rainfall is less than required to raise a crop is limited by the State's water supply. That is why water litigation in the West has come to the Supreme Court so often. That is the reason why precedents have been set. A precedent was set in the spring of 1927 when I appeared before the Senate Committee on Reclamation and Irrigation, which is now the Committee on Interior and Insular Affairs. The distinguished senior Senator from Arizona was a member of that committee. Former Senator Ashurst, who has not been a Member of the Senate for some time, was a member of that committee. Senators Pittman and Oddie, two great Senators from the State of Nevada, were members of that committee. I stood at the end of the committee table and had my say. The committee was kind enough to invite me to appear before it, as State engineer of Nevada and as a Colorado River commissioner. We wanted amendments placed in the bill then pending. We finally secured adoption of the amendments. Without going into detail on that point, suffice it to say that the committee finally accepted them.

At that time I had entered into the problem, having inherited it from someone else. I took over the office of State engineer of Nevada, and became secretary of the Colorado River Commission. The problem there was for Nevada to become identified with the matter. The State of Nevada had never been mentioned in a headline or in print that I know of until 1927.

What was the nature of the fight? The great fight was between California and Arizona. That is all that was heard at that time. The Governor of Arizona had been elected seven times to seven 2-year terms on the proposition of saving the water of the Colorado River for Arizona. He saved it all right. He never entered the compact. Arizona never made a proposition. Arizona never joined anything. We finally had to get six States the hard way to agree to the Colorado River compact, and divide the water between the upper and lower basins. No attempt whatever had been made previously to divide the water between the States of the lower basin and the upper basin.

Mr. President, Delph Carpenter used to be called the Silver Fox of the Rockies. He was half paralyzed at that time. He is still living in Greeley, Colo. He cannot feed himself. He cannot talk. But he was the brains of the Colorado River compact, as the present Senators from Arizona will now admit. They know it full well. I used to chide Delph Carpenter. I realized the brains he had and the little experience I had in 1927, having returned 7 or 8 years previously from World War I. I returned to my engineering business, but my experience in State affairs and in water law was very limited. Delph Carpenter was one of the greatest water lawyers who ever lived in the United States of America. He is a "dead man" today, still living. He wrote the Colorado River compact in Santa Fe, N. Mex., in 1922, at the time Herbert Hoover was the Chairman of the Commission. The members of the Commission all agreed to it. Arizona, however, pulled out. Let us not discuss the merits of that matter. Arizona has since recognized the compact. Seven States have signed the compact.

Arizona at different times has claimed that the Gila River is not a part of the compact. I shall simply quote Delph Carpenter, who wrote the compact, who says the Gila River is a part of the compact. I am not a lawyer, and I will not tell the Senate tonight that the Gila River is a part of the compact. What I shall say to the Senate is that if there is a dispute now over where the Gila River belongs, that dispute belongs in the Supreme Court of the United States, which must determine the question, as it did of the seven States, after only six had signed the Colorado River Compact. As a result Boulder Dam was built, we got the withdrawal on power, for which I take the credit. I take the credit for getting the withdrawal on power, 36 percent of the firm power at Boulder Dam for Arizona and Nevada, that is 18 percent apiece. None of the Representatives of the State of Arizona came along. Arizona would not agree to anything.

We also secured a percentage of the revenues in lieu of taxes, which would now amount to $2,500,000 for each of the two States annually, if our own people could have signed their names. They took $300,000 apiece, however, and called it square. But they say it is not chicken feed. They have collected 8 or 10 million dollars apiece out of the little bit of work the junior Senator from Nevada did at that time.

Mr. President, the Colorado River compact is clear. That is to say, the wording is clear. The meaning is certainly not clear, because California, Arizona, and perhaps some other States, so far as I know, question its meaning. I am not questioning what it means. I am assuming that we have it. My State is included among the six States in the basin which have accepted it. The compact has been signed, and that is the end of it. It is just as though an individual had made a contract. We have signed a contract. It is no longer a question of how we want to change it, unless we mutually agree. If we do not mutually agree, there is no place to go but the court. Delph Carpenter says that the Gila River is a part of the watershed, and included in the compact. I will not discuss that question further. When I come to it I will insert in the RECORD what he said.

Mr. President, to my mind, this is where the whole thing hinges: To my knowledge—I might be mistaken—the Congress of the United States has never appropriated money to divert water from an interstate stream system for the benefit of one State and away from the interstate group interested in that stream in the absence of an interstate agreement signed by all the States interested in the particular basin or an adjudication by a court of competent jurisdiction. It has never been done, to my knowledge; and I have watched this body operate since 1927, over a period of 24 or 25 years.

Mr. President, I am now a member of the committee before which I appeared in 1928 with my heart in my mouth. It was the first time I had ever appeared before a committee. I thought I knew what I was talking about. I had taken my time. I understood where the power revenues were going and where the water was going. I went there and took the fire. Now I am a member of that committee, and I am in the position of judging other people's problems. Oftentimes it makes one feel his inability to pass on another man's problem when that man rises with tears in his eyes, as the Senator from Arizona almost did this afternoon, to say, "My State is suffering. Unless we get this water, a large area in my State is going out of cultivation."

I am familiar with the area, and I think the Senator may be correct. I know of large areas in Nevada which have gone out of cultivation because the water table has gone beyond the economic lift for a pump; but I know of other areas which have never gone under cultivation because we have not had a project out of the Colorado River.

Much has been said about what is included in the Boulder Dam Project Act. Of course, it is now called the Hoover Dam. However, the act is referred to as the Boulder Dam Act. It is still known by that name. I sat in the conference as the State engineer of Nevada, advising the Nevada Senators when the deal was made for advance consent of the Congress for a three-State compact with regard to water. What did it mean? It is not unusual for the Congress, which must ratify interstate compacts, to give consent in advance and write the compact, which is what was done in that instance.

What did that compact do? It allocated 2,800,000 acre-feet of water to Arizona. It said nothing about where it was to come from, whether from the Gila River or somewhere else. It allocated 300,000 acre-feet to Nevada. It limited California to a certain amount of water. It gave consent to such a compact.

Mr. President, I am leaving tonight on official business for about a week. I

shall try to obtain a pair against the bill, unless it is properly written, but I must have my say now, because I want it to be a matter of record.

There are two reasons why the compact is not effective. The matter of 2,800,000 acre-feet of water has been sold all over the West, with no explanation as to what it means.

In the first place, the three States which have been mentioned did not agree to it. No agreement has ever been made. Therefore it is ineffective for that reason, just as though it were entirely obliterated.

I am not a lawyer. I do not know what the effect would be if it had been signed. But there are five States in the lower basin, not three. Not one of them was ever mentioned on the floor of the Senate. None of them was ever mentioned in the news dispatches. The fight is between the great overbearing State of California and the little State of Arizona. As I have said, I have had some experience with Arizona. When they got ready to go they finally signed, but it represented blood money. The agreement was never changed. Yet for 7 years the Governor of Arizona was reelected on the basis that he had saved the Colorado River for Arizona.

We never run our Government on that basis. I do not know much about that system. But the States of Nevada, Utah, and New Mexico have never come into this discussion and they do not appear in the dispatches. Five States are members of the lower basin. There are two different divisions of the river. There is the lower division, which includes three States. Those States are Arizona, Nevada, and California. The lower-basin States are New Mexico, Utah, Arizona, Nevada, and California. It is my opinion that even if the three States had agreed to this, which they never did, the project would not be legal unless the other two States of the basin were taken into consideration. We cannot change the Colorado River compact. I cannot change it. You, Mr. President, cannot change it. All we can do is to say that we want this compact to be interpreted in its entirety by a court of competent jurisdiction, and the water rights to be adjudicated by a court of competent jurisdiction, before an appropriation is made to take water which may belong to other States in the basin out of an interstate stream for the benefit of one State.

There may be a misunderstanding so far as the Gila River, or any other river, is concerned. The Muddy River ran out of Nevada into the Virgin River coming from Utah, draining parts of both States and running into the Colorado River. Now, the dam backs the water up and covers the junction of the two rivers and they both drain into Lake Mead.

The point I make is that not one of the lower-basin States—and I defy anyone to show the contrary—has any definite amount of water allocated to it. The only State with reference to which it could be said that there is any limit whatever is the State of California. Their legislation, by virtue of the Boulder Dam legislation, could be effective only if they accepted the limit. We could not appropriate any money until California accepted the limit of 4,400,000 acre-feet. I am not arguing that that is legal, or that there is not verbiage that could be questioned. The committee was informed that a question was to be raised in that connection. Whether that can be done successfully, I do not know. I do not intend to pass on that question. It is not necessary for me to do so. But what I say, Mr. President, is that there is not one iota of evidence to show that there has been an agreement between the five States or between the three States. I sat in every one of these conferences from 1927 until I resigned, late in 1935. My deputy engineer, Mr. A. M. Smith, took my place at that time. I spoke to him on the telephone and he read me a telegram which he is sending me, and which I shall read. Tom Smith has sat in every conference since then. He assures me that there has not been any semblance of an agreement between the five States of the lower basin. If there had been an agreement between the lower-basin States, we would have it before us. It must be approved by the Congress before it is effective. So we know that no such agreement was ever made.

Mr. President, for 3 years I have sat as a member of the Committee on Interior and Insular Affairs. Many times an appropriation has come before that committee. What is the first question the chairman of the committee asks? The one exception is with reference to S. 75. The chairman asks if the Governor and the State engineer of each of the States have agreed to the proposal. He asks whether there has been an interstate agreement. He asks if the legislature has ratified it, and whether there has been an adjudication of the water rights. If there has not been, nothing is done. There is no argument. I have heard the distinguished chairman of the Committee on Interior and Insular Affairs, the senior Senator from Wyoming [Mr. O'MAHONEY], ask those very questions. I will name a specific instance. There is a river which affects both Wyoming and Colorado. I think it is the North Platte. I am not sure. The record will show what it is. They wanted an appropriation made for the project or they wanted an appropriation to complete the project.

After Senate bill 75 had been reported, the Senator from Wyoming [Mr. O'MAHONEY] asked whether the State engineer and the Governor of each of the States had agreed to it. He was assured by the representatives of each State that that was so. The Senator from Wyoming asked whether an interstate agreement had been entered into. He was assured that it had been and that the legislatures of the States affected would approve it. So the Senator from Wyoming said we would consider it.

However, they have been turned down time after time, since I have become a member of the committee. I heard Boulder Dam turned down. I read the record for the period between 1922–27, when I myself got into the fight. It was turned down, not because they did not care about making an appropriation to build Boulder Dam, now Hoover Dam, but because there was no agreement between the upper basin States and the lower-basin States on the division of the water.

Mr. President, I spent 8½ years on that project, and I have watched it ever since. What would have been the effect if Boulder Dam could have been constructed by Government funds, but without an interstate compact? I will tell you what the effect would have been, Mr. President—and that is the reason that Delph Carpenter did yeoman service to his State and to the upper-basin States. If that project had been built without an interstate compact, California and Arizona could have taken practically all the water of the Colorado River, because in the lower-basin States the elevations are lower, whereas in the higher elevations citrus fruits do not grow as well as they grow in California and Arizona, and also the long growing season is not available in the upper-basin States. Therefore, only a limited amount of money can be spent to advantage on such projects in the upper-basin States, and a longer period of use is required before an adequate return can be obtained on the investment.

So I joined with Delph Carpenter, Mr. President. I admired him very much. He was so fair in everything, and such a master of the situation so far as legal ideas and interpretations and verbiage were concerned. I used to travel with him to the conferences in Santa Fe, Los Angeles, San Francisco, and Denver. I traveled with him, I helped undress him, I helped dress him, I helped feed him, because I was getting experience from him, experience that only Delph Carpenter had. I joined with him in saying that the appropriation should not be made until such time as there was an adjudication of the water rights or an interstate agreement which would protect the upper basin.

Mr. President, when we came to Washington at the beginning of 1927, Mr. Hoover, who later became President of the United States, then was Secretary of Commerce, and a great Secretary of Commerce he was. I wanted to meet him. A man by the name of Ray Baker was here in Washington at that time. He has long since died. He said he would take me to meet Mr. Hoover.

Mr. President, I was not afraid to meet Mr. Hoover. After all, I was an engineer myself, as he had been for many years. So I said I would like to meet Mr. Hoover. Mr. Baker said, "Don't be surprised if he does not talk very much to you. He is very short in his conversation; and, of course, he knows what he is talking about, and is rather impatient."

I said, "I will take a chance on that."

So Mr. Baker took me to meet Mr. Hoover, then Secretary of Commerce. The first question I asked him, after I met him was: "Mr. Hoover, how many States do we have to have ratify the seven-State compact before the Boulder Dam Project Act can be passed?"

He replied: "You have to have five, and you ought to have six."

So Mr. Hoover and I proceeded to talk, and we talked for half an hour or more. Finally, after we concluded our conversation and after Mr. Baker and I left Mr. Hoover and got outside his office Mr. Baker said he had nearly had heart failure, that he had never known Mr. Hoover to talk as long and as interestingly to anyone else as he had talked to me.

But, Mr. President, Mr. Hoover knew that the States had to ratify the compact.

Finally, ratification of the compact by six States was obtained. I lost 15 pounds in that process. As a matter of fact, Mr. President, it would not hurt me to lose that much weight now.

But the pact was ratified, and Boulder Dam was built.

A few years later Arizona came in, after the dam was completed. Arizona is now taking full advantage of the power withdrawal we got at that time and of the money paid in lieu of taxes.

Now we come to the present proposal. I say again—and I wish to go on record so emphatically that there can be no doubt about it—that I am not opposing the Arizona project, as such. I am opposing breaking that long-term precedent of the Congress of the United States. To my knowledge, Congress has never appropriated money for an important project which would take an important amount of water out of an interstate stream which might be considered as belonging to other States, in the absence of an interstate agreement or an adjudication by a court of competent jurisdiction. This is the first time I have ever heard such a proposition seriously urged in the absence of such an agreement or adjudication.

Mr. President, I should like to say at this time that I had occasion to sit with the Senate Committee on Public Works with the distinguished chairman of the committee, the senior Senator from New Mexico [Mr. CHAVEZ]. I am a member of that committee. In my opinion, it is a very important committee. It passes on authorizations for appropriations in regard to all flood-control and navigation projects and other types of development. It also deals with matters with which the Army engineers are concerned. Their criterion now is feasibility. That committee is acting on such matters today in the same way that the Committee on Interior and Insular Affairs has always considered matters relating to the Bureau of Reclamation.

On the committee we have been talking about the Rio Grande flood-control project. I shall favor it if all the technicalities can be worked out because the Army engineers say it is feasible.

Mr. President, Albuquerque, N. Mex., is built in the river bed of the Rio Grande. It is a very large city, with a population of over 200,000 people, having grown tremendously in size in the last 25 years. When I first visited Albuquerque, it was just a small town, but today it is very large and is still growing. Albuquerque simply must have this flood-control project. So we have the proposal for the Rio Grande River project.

Of course, Mr. President, when we consider the use of the water of the Rio Grande River, it is obvious that Mexico is entitled to a certain amount of water and Texas is entitled to certain amount of water. However, under the treaty it planned to turn over 1,500,000 acre-feet of water to Mexico, whereas in the past Mexico has never used at any one time more than 750,000 acre-feet. I shall not go into the details of that matter, but it is obvious that in drawing up the treaty someone got very much mixed up, with the result that Mexico was allowed a great deal more water than she ever would be entitled to.

As I just said, there never was a time when Mexico used at any one time more than 750,000 acre-feet of water, and Mexico is not using more than that amount now. Nevertheless, the treaty gives Mexico 1,500,000 acre-feet of water, and that was done without the lower-basin States and the upper-basin States knowing anything about it.

I was with Sid Osborne at that time, and we presented President Roosevelt an industrial report from the 11 western States. He was very happy to have it. Just as we were leaving, he said: "Governor, I want to tell you that I signed a treaty today giving Mexico 1,500,000 acre-feet of water."

Sid Osborne jumped about a foot. It was the first he had ever heard of it, just as it was the first that I had ever heard of it. Of course, there was no particular reason why I should have heard of it, because at that time I was in a private engineering position. But I had warned the commissions of California and Arizona and Nevada that they had better look out for the Boundary Commission down there because, as I said to them—

It is a sleeper. No one ever hears anything about it, but it has three members who live on it and may die on it, and they have the power to make the treaty. You had better watch out, or some day you will be hurt.

Mr. President, today we are short three-quarters of a million acre-feet of water. Without the treaty giving a million and a half acre-feet of water to Mexico, we probably would have plenty of water today. That is just a personal opinion on my part, and of course I want the court to pass on that question.

As the witnesses paraded to the stand at the hearing down there—and I have before me the transcript of the testimony of only two of the witnesses—such men as Mr. Hill gave their testimony. Mr. Hill's father was Louis Hill, whom all of us knew years and years ago. He was consulting engineer for the Bureau of Reclamation, along with A. J. Wiley, of Idaho. The favorable opinion of those two men was almost indispensable, so far as the Bureau of Reclamation was concerned. If those two men did not pass favorably on a proposal, it simply was not feasible, so far as the Bureau of Reclamation was concerned; that was all there was to it.

In later years young Mr. Hill has taken his father's place, and has gone a long way, and has gained a very fine and wide reputation in the Southwest for being able to pass an projects. I highly respect his engineering opinion. I would ride a long way with Mr. Hill without question.

As he got through testifying in regard to the Rio Grande proposal and regarding the necessity for the ratification of the interstate pact, and after he had expressed the opinion that the proposal would not violate any legal rights—although, as a matter of fact, one dam did violate the compact, so California and Texas were objecting, and, of course, that part of the project will not be built; only the parts which fit in with the compact will be built—but as Mr. Hill was about to leave the stand I said to him:

Mr. Hill, from your testimony, you generally say that before Congress appropriates any money for a project at a certain site on an interstate stream, you would strongly favor interstate agreement or adjudication so that you know what each State is entitled to prior to any such proposition?

Mr. HILL. Very definitely, yes, because why build something that when you get all through you don't know whether you have a right to use it or not?

The CHAIRMAN—

That was the Senator from New Mexico [Mr. CHAVEZ]—

Thank you, Mr. Hill. Is Mr. Tipton available for one more question from Senator MALONE?

I wanted to call him back, because he had finished. Mr. Tipton is a consulting engineer for many projects in the West, and for Colorado, for their intrastate commission. I said to Mr. Tipton:

It is your definite opinion alone with Mr. Hill and, so far as I know, in general, that Congress should not appropriate funds for a project for interstate streams in the absence of interstate agreements?

Mr. TIPTON. Yes; that is my very definite conclusion providing such a project would result in conflict. Colorado for 50 years was unable to get authorized in the Congress the construction of projects that it needed throughout that 50 years, because there was not an interstate agreement. Immediately there was consummated an interstate agreement there was approved the project Colorado needed all those years.

The CHAIRMAN. As a matter of fact, aren't you having trouble with Nebraska on some of these works?

Mr. TIPTON. No, sir; we now have a contract. Every single stream of Colorado has been in controversy, because we not only furnish water for Colorado but to the surrounding States. May I say with pride every stream is covered by compact or Supreme Court decision?

Mr. President, I know about this. I have been through this thing for 25 years, operating with these men. But, Mr. President, remember what he said, that for 50 years they needed the projects but could not get them in the absence of an interstate agreement. They needed some of them and did not ask for them seriously, because they did not have an agreement. He said every stream is covered by an agreement or an adjudication. Mr. Tipton further said:

Unfortunately Supreme Court decisions have not been so satisfactory as the compacts. Some of them are still working on an attempt to iron out difficulties.

Senator MALONE. Very definitely with all of you, especially in Colorado—and I have worked with many of your people on interstate streams—you are definitely in favor that Congress do nothing for appropriating money for a project for any State on interstate streams system that does not have an interstate agreement or Supreme Court decision such as you mention?

Mr. TIPTON. I would insofar as the State of Colorado is concerned.

The CHAIRMAN. Thank you, Mr. Tipton.

Mr. President, I do not want to prolong this argument, though probably I shall not be able to make any further arguments, because this will be my only chance of making a statement. First, let me say that on March 1, 1935, the engineering committee appointed by the Colorado River Conference, in Salt Lake City, rendered a preliminary report on this stream system. I was a member of that Commission—I was State engineer of the State of Nevada at that time—together with Ed Hyatt, who is still the State engineer of the State of California, and is now retiring, as I understand, and with Mr. M. G. Hinderlider, who is still State engineer of Colorado. I shall not attempt to read the short report which was made after careful study, but I want to point out to the Senate that after this engineering study, the total used by the State of Nevada was allocated at 900,000 acre-feet, not 300,000. Nothing had ever been agreed to, and a study had been made by my State engineer's office and the Colorado River Commission, of which I was secretary, which determined that that was the amount of water Nevada could beneficially use consumptively. That does not mean what is withdrawn, but what is consumptively used, and does not return to the stream system.

Mr. President, the remainder of the allocations we determined at that time are shown. We determined that Mexico should be allotted 750,000 acre-feet annually. I myself went to old Mexico in 1927 before testifying before the committee here. Being in the engineering business I have a habit of doing that, for it is hard to write about anything or express an opinion unless one has seen it. So we went over a large part of that land to see what they were doing. They had about 200,000 acres of land in cultivation, but they had never used anything like 750,000 acre-feet, mostly because the water was not in the river often enough. It used to go down to 1,500 second-feet, sometimes, and that affected the great 500,000-acre project in Imperial Valley, as well as the 200,000 acres in Mexico. Of course, the water was not there before Boulder Dam was constructed and stabilized the flow in the Imperial Valley. We said in our report:

ASSUMPTIONS

1. Consumptive use of 7,500,000 acre-feet annually in the upper basin as apportioned by the Colorado River compact.

2. Complete reservoir development in lower basin as set forth in the Debler report.

3. That Mexico will be allocated 750,000 acre-feet annually.

Without, so far as I know, consulting anyone in the lower basin, there was 750,000 acre-feet allocated to Mexico, That 750,000 acre-feet has got to come from some place, and it cannot be taken from thin air, and the atmosphere. Mr. President, I ask unanimous consent to have printed from the hearings of the Committee on Interior and Insular Affairs on Senate Resolution 75 and Senate Joint Resolution 4, March 31 to May 2, 1949, an excerpt beginning with the heading "Preliminary report of the engineering committee appointed by Colorado River Conference in Salt Lake City, Utah, March 1, 1935," on page 412, down to, but not including, the words "Carson City," on page 14 of the same document.

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

PRELIMINARY REPORT OF THE ENGINEERING COMMITTEE APPOINTED BY COLORADO RIVER CONFERENCE IN SALT LAKE CITY, UTAH, MARCH 1, 1935

A study of the water ultimately available in the lower basin of the Colorado River including all tributaries, based on the report of E. B. Debler, December 1934; analysis of commitments thereon; and an assumed distribution thereof.

ASSUMPTIONS

1. Consumptive use of 7,500,000 acre-feet annually in the upper basin as apportioned by the Colorado River compact.

2. Complete reservoir development in lower basin as set forth in the Debler report.

3. That Mexico will be allocated 750,000 acre-feet annually.

I. Ultimate usable water supply

	Acre-feet
1. Net supply for use from main stream below Boulder Dam	8,370,000
2. Net supply for use from Gila River	2,259,000
3. Net supply available for lower-basin use above Boulder Dam	240,000
4. Waste crossing international boundary and usable in Mexico	200,000
Total	11,069,000

NOTE.—Items (1) and (2) are exclusive of waste into Mexico.

II. Present commitments on lower-basin supply (including total Gila River vested rights and contracts)

	Acre-feet
1. Arizona:	
Total of Gila River	2,259,000
Vested in Colorado River below Boulder Dam	600,000
2. California contracts	5,362,000
3. Present lower-basin uses above Boulder Dam in Arizona, Nevada, New Mexico, and Utah	90,000
Total	8,311,000

III. Assumed distribution

Additional assumptions:

(a) Use in Arizona, Nevada, New Mexico, and Utah above Boulder Dam	240,000
(b) Total use by Nevada	900,000
(c) Allocation to Mexico	750,000

DISTRIBUTION

1. Arizona:		
(a) Gila River		2,259,000
(b) Rights below Boulder Dam		600,000
(c) Total above Bouder Dam		30,000
(d) Remaining water in main stream		[1]988,000
		3,877,000
2. California contracts		5,362,000
3. Nevada:		
(a) Above Boulder Dam	30,000	
(b) Balance of proposed contract	870,000	
		900,000
4. New Mexico above Boulder Dam		30,000
5. Utah above Boulder Dam		150,000
6. Republic of Mexico		750,000
Total		11,069,000

AVAILABLE TO ARIZONA FROM MAIN STREAM OF COLORADO RIVER	Acre-feet
Present uses from Colorado River below Boulder Dam	600,000
Assumed ultimate uses above Bouder Dam	30,000
Remaining water below Boulder Dam	988,000
Total	1,618,000

[1] Total available quantity for use in lower basin less allocations, contracts, and assumed distributions.

REMARKS

1. It is herein understood that water used or to be used above Boulder Dam as above listed is assumed to come from tributaries of the main stream of the Colorado River. The Nevada contract for water deliveries proposed to the Secretary of the Interior for 900,000 acre-feet includes both present and proposed uses.

2. It is assumed that the water used by New Mexico from the Gila River is included in the Gila River commitments.

3. It is also assumed that Utah will use 150,000 acre-feet of the 240,000 acre-feet of the lower-basin water to be used above Boulder Dam, as determined by the Debler report. If as indicated by Utah, that State may require a total of 300,000 acre-feet, the additional amount must be deducted from the net supply listed as available for use below Boulder Dam.

4. It is not necessarily assumed that all members of the Commission agree in all particulars to the accuracy of the Debler report, but this report is a preliminary analysis of the water supply available for use in the lower basin, based on that document.

EDWARD HYATT.
M. G. HINDERLIDER.
GEO. W. MALONE.

SALT LAKE CITY, UTAH, *March 1, 1935.*

Senator MALONE. I do not want it understood that the 900,000 acre-feet is the limit of what Nevada is claiming at this time, because I am having our State engineer come here with reports available since 1935.

I asked the State engineer to review the reports. Before I left the State engineer's office I made a report covering 8½ years' work and data secured on the Colorado River. That report has become somewhat of a standard document in Nevada, like Senate Document No. 186, my report which the Seventieth Congress, second session, has published and which became a standard document on the entire Colorado River Basin States.

At that time we made an industrial survey within a 250-mile radius around the dam. I directed the survey from the State engineer's office in Nevada. The Bureau of Mines of the States of California, Arizona, New Mexico, and Utah assisted me with the help of my own director of the Nevada State Bureau of Mines, who at that time was John Fulton, and who was also the head of the Makay School of Mines at the University of Nevada. It is an industrial survey which has stood up and which has been very helpful. The purpose of it was to show how the power and water from Hoover Dam could be utilized.

I have a wire from Mr. A. M. Smith, State engineer, that I request permission to read into the record. This wire is in response to my inquiry on the amount of water needed.

Mr. MALONE. I also wish to have included in the RECORD at this point a communication addressed to me as United States Senator from Nevada. It is a communication from Mr. A. M. ("Tom") Smith, State Engineer of Nevada. The excerpt I desire to have printed ends with the words uttered by me, "Mr. Chairman,

that completes my preliminary statement," on page 415.

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

"CARSON CITY, NEV.

"Hon. GEORGE W. MALONE,
"United States Senator From Nevada:

"Approximately 150,000 acres of land in southern Nevada irrigable from Colorado River by pumping lift not over 800 feet. Information in report of Colorado River Commission of Nevada, 1927–35, prepared from data assembled by you—meaning me—when Nevada State engineer as to areas may be a little conservative. See pages 119, 120, 121. This report does not include 60,000 acres west of Searchlight, mostly first-class land which can be irrigated by 1,500- to 2,000-feet lift from Davis Reservoir. Rapidly increasing population and future outlook will no doubt justify inclusion in areas along river that were omitted from early estimates. Bureau of Reclamation estimated cost of reclaiming 15,000 acres in Las Vegas Valley would be under $400 per acre with operation, maintenance, and amortization 40 years at $33 per year per acre. See John N. Kerr, Bureau report, dated February 1936. Any of this land seems better economical investment than Arizona land at $2,000 or more per acre for supplemental irrigation only, Nevada water duty in this area is about 5 acre-feet per acre. If Arizona project is to be ratified the entire Colorado River downstream water set-up should be revamped in order to give Nevada more water on a comparable basis."

My preliminary statement as of now is in line with my former request for the Bureau of Reclamation report, and I again request that the chairman of this committee write an official letter to the Commissioner of the Bureau of Reclamation and request the information from that Bureau on the acreage which could be irrigated in Nevada, New Mexico, and Utah under the approximately same conditions as to cost per acre and lift, as contemplated under the Arizona project.

"The population of the Hoover (Boulder) Dam area in southern Nevada has doubled at least four times in the 21 years since the Boulder Dam Project Act was passed.

"There is every reason to suppose that with the complete utilization of the more than 200,000 horsepower to which Nevada is entitled from Hoover (Boulder) and Davis Dams, and the irrigation of approximately 150,000 acres of land in that area together with the almost unlimited recreation facilities, the population could easily reach 150,000 in the foreseeable future.

"The demand for domestic irrigation and domestic purposes could run well over 1,000,000 acre-feet annually, instead of the 300,000 acre-feet formerly accepted as due the State of Nevada by California and Arizona.

"GEORGE W. MALONE."

Mr. Chairman, that completes my preliminary statement.

Mr. MALONE. Mr. President, I have here a letter from the Governor of Nevada, Hon. Vail Pittman, the attorney general of Nevada, Alan Bible, and the State engineer of Nevada, Alfred Merritt Smith. The purport of the letter is to describe the project, and in a later paragraph it says:

Nevada was allocated 300,000 acre-feet of water per year from the Colorado, but the diversion of downstream water has not been fixed by interstate compact.

That verifies what I stated a while ago with regard to there being no definite amount of water for any State. Whether that would hold in court I shall not discuss, but California must have acted by legislative approval before the construction of Boulder Dam could be begun.

I read further:

For 15 years Nevada has spent time and money in trying to effect an agreement on the terms of the tri-State compact without avail. The downstream water situation is in chaos, yet the requirements of California and Arizona are urgent and imperative and should be served without delay. A prompt determination of respective rights is necessary, and the ambiguous wording of the Boulder Canyon Project Act should be cleared up. All negotiations have been futile, and it is our opinion that a solution can be effected by lawsuit and with the aid of the Supreme Court. It is our opinion that prior to a determination of available water the high cost of the detailed studies of this project should be authorized by Congress below Lee Ferry on the Colorado. We are of the belief, based upon observation and study, that there is not enough water in the Colorado to satisfy this colossal project and at the same time serve the established existing irrigated lands and authorized projects in Arizona and California.

Furthermore, it seems to us that the computations for the project should have been based upon the present reclamation law. As set up it contemplates changes in the law which are purely speculative.

The Boulder Canyon Project Act authorized Arizona, California, and Nevada to compact upon an estimated 7,500,000 acre-feet apportioned on the basis of 300,000 acre-feet to Nevada, 2,800,000 acre-feet to Arizona, 4,400,000 to California. Arizona and California and Nevada were also given the right to increase their use 1,000,000 per annum under article III, section (b), of the compact. This has been referred to as "b" water.

The letter goes on to say:

Rapid increases in population and development in southern Nevada since 1935 show that Nevada can beneficially use 900,000 acre-feet, and can reclaim and irrigate at least 130,000 acres of new land and in addition will require at least 105,000 acre-feet for industrial, suburban and domestic uses by the year 1960.

Mr. President, that would mean 1,005,000 acre-feet.

I read further:

Reclamation of this new land can be made at one-sixth of the cost per acre calculated for supplemental irrigation only on the Arizona project.

Mr. President, I ask unanimous consent to have included in the RECORD at this point the complete letter of the three gentlemen whom I have named, the Governor, the attorney general, and the State engineer of the State of Nevada. The State engineer is also the secretary of the Colorado River Commission of Nevada.

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

MAY 12, 1949.

Hon. JOHN R. MURDOCK,
Chairman, Irrigation and Reclamation Subcommittee of the Public Lands Committee.

STATEMENT OF VAIL PITTMAN, GOVERNOR OF NEVADA; ALAN BIBLE, ATTORNEY GENERAL OF NEVADA; ALFRED MERRITT SMITH, STATE ENGINEER OF THE STATE OF NEVADA

The House Committee on Public Lands now has under consideration a bill identical to S. 75, to authorize the construction of a project to deliver 1,200,000 acre-feet of water per year into the Salt River Valley of central Arizona from the Colorado River for supplemental irrigation use. Two alternate plans have been surveyed and studied by the Bureau of Reclamation. Both plans require a dam at Bridge Canyon. The first plan calls for a gravity diversion above the dam through some 77 miles of tunnel conduit into natural watercourses. The second plan could divert water at Parker Dam by pumping through an elevation of about 1,000 feet to a canal which will convey the water to the Phoenix area. The second plan is preferred as of somewhat lower cost. Power for pumping at Parker would be 1,393,000,000 kilowatt-hours per year. The Bureau estimates a cost of $730,000,000 to the Government. The project appears incapable of repayment of capital costs.

The capital cost of supplying irrigation water to this project will be about $1,500 per acre, to which will be added operation and maintenance. No new lands are to be reclaimed. The water is to be used for supplemental irrigation of existing cultivated lands and does not provide for new population or new farms which is the principal object of the reclamation law.

The project calls for the construction of the Bridge Canyon Dam to supply power for pumping. Bridge alone seems unwise as it can store only 3,720,000 acre-feet, and if unprotected will fill up with silt in 40 years. Glen Canyon Dam above Bridge should be built at the same time for both storage and silt control as it will have 8,600,000 acre-feet capacity, but has low power head. Glen is necessary to protect the firm power output of Bridge. The Arizona project will require one-third of the power from Bridge and probably should be charged with one-third the cost of Glen, for safe continuous operation, which would place it still further in the realm of fantastic planning.

Nevada was allocated 300,000 acre-feet of water per year from the Colorado, but the diversion of downstream water has not been fixed by interstate compact. For 15 years Nevada has spent time and money in trying to effect an agreement on the terms of the tri-State compact without avail. The downstream water situation is in chaos, yet the requirements of California and Arizona are urgent and imperative and should be served without delay. A prompt determination of respective rights is necessary; and the ambiguous wording of the Boulder Canyon Project Act should be cleared up. All negotiations have been futile, and it is our opinion that a solution can be effected by lawsuit and with the aid of the Supreme Court. It is our opinion that prior to a determination of available water, the high cost of the detailed studies of this project should not have been incurred and no project should be authorized by Congress below Lee Ferry on the Colorado. We are of the belief, based upon observation and study, that there is not enough water in the Colorado to satisfy this colossal project and at the same time serve the established existing irrigated lands and authorized projects in Arizona and California.

Furthermore, it seems to us that the computations for the project should have been based upon the present reclamation law. As set up it contemplates changes in the law which are purely speculative.

The Boulder Canyon Project Act authorized Arizona, California, and Nevada to compact upon an estimated 7,500,000 acre-feet apportioned on the basis of 300,000 acre-feet to Nevada, 2,800,000 acre-feet to Arizona, 4,400,000 to California. Arizona and California and Nevada were also given the right to increase their use 1,000,000 per annum under article III, section (b) of the compact. This has been referred to as "b" water.

During the preliminary negotiations in 1935, Nevada requested 900,000 acre-feet as her share, but upon representations made by the Bureau of Reclamation that less than

300,000 acre-feet could be beneficially used Nevada did not press her claim. Rapid increases in population and development in southern Nevada since 1935 show that Nevada can beneficially use 900,000 acre-feet, and can reclaim and irrigate at least 130,000 acres of new land and in addition will require at least 105,000 acre-feet for industrial, suburban, and domestic uses by the year 1960. Reclamation of this new land can be made at one-sixth of the cost per acre calculated for supplemental irrigation only on the Arizona project.

The adamant stand of Arizona to accept no interpretation of existing documents excepting her own, and her emphatic refusal to arbitrate, negotiate, or submit to a Supreme Court analysis and adjudication and the determined fight by that State in Congress to prevent such a procedure would close the door to a satisfactory solution by preferred methods. California and Nevada, equally firm in support of their rights, have nevertheless been and are now willing to submit the matter to the courts.

With these facts in mind we urge that the bill to authorize the Arizona project be unfavorably considered by your committee and that support be given to the legislation to submit the Colorado River controversy to the Supreme Court.

Respectfully submitted.

VAIL PITTMAN,
Governor of Nevada.
ALAN BIBLE,
Attorney General for Nevada.
ALFRED MERRITT SMITH,
State Engineer for Nevada.

Mr. MALONE. Mr. President, I have another communication, signed by Alfred Merritt Smith, Nevada State engineer and secretary of the Colorado Commission of Nevada. It describes the location of the lands and their feasibility from an irrigation standpoint. I ask unanimous consent to have that communication inserted in the RECORD at this point in my remarks. It is found on page 420 of the hearings and is addressed to the junior Senator from Nevada, dated Carson City, Nev., May 11, 1949.

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

CARSON CITY, NEV., *May 11, 1949.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

Incomplete list irrigable lands as follows: Las Vegas area, 15,000 acres; Mormon Mesa and Littlefield areas, 30,000 acres, mainly in Tps. 13, S. R. 68 E., and 13 S. 69 E. and 14 S. 68 E. and 14 S. 69 E.; Davis Dam area, 50,000 acres mainly in T. 30 S., R. 65 and 66 E. and 31 S. 35 and 66 E.; and 32 S. 65 and 66 E. and 33 S. 65 and 66 E.; Meadow Valley, Wash., 7,000 acres mainly in T. 14 S. R. 66 E.; Dry Lake area, 20,000 acres mainly in Tps. 23, 24, and 25 S. R. 62 and 63 and 64 E.; Moapa Valley, 4,000 acres, scattered areas east of Lake Mead, 4,000 acres; total lands, 130,000 acres minimum water duty 6 acre-feet equals 780,000 acre-feet for irrigation to which add probable additional uses by year 1960 Las Vegas and Henderson industrial, 50,000; military installations, 5,000; Las Vegas including suburban and area to south to State line domestic uses, 50,000; grand total water, 885,000 acre-feet. Surveys would change these areas somewhat but would probably show more irrigable land. Present population of area 40,000. Population by 1960 estimated 100,000.

ALFRED MERRITT SMITH,
Nevada State Engineer and Secretary, Colorado River Commission of Nevada.

Mr. MALONE. Mr. President, I have reached a point where I made a rather complete statement for the RECORD in 1948 and 1949, and the statement has been reprinted in the hearings on Senate bill 75 and Senate Joint Resolution 4. I wish to pick out certain excerpts from the RECORD. I do not wish to have the entire statement included in the RECORD, because it is rather lengthy, and it is available to everyone.

I read from page 421 of the hearings:

THE COLORADO RIVER BASIN—STATUS OF WATER DIVISION AND COMPACTS IN THE SEVEN STATES OF THE COLORADO RIVER BASIN

(Excerpts from the CONGRESSIONAL RECORD in the Senate of the United States. Statement of Hon. GEORGE W. MALONE, of Nevada, August 5, 1948)

[CONGRESSIONAL RECORD, vol. 94, pt. 8, p. 9826]

Statement on the current status of water division and compacts in the seven States of the Colorado River Basin, including a definition of the terms "lower and upper basins," "lower and upper divisions, Colorado River compact," and "the Boulder Dam Project Act" in support of Senate Joint Resolution No. 145, introduced to facilitate the continued development and beneficial use of the water and power of the Colorado River system.

Before I start on the quotations and inclusions which I wish to have placed in the RECORD for immediate reference, I want to say that the references which I shall make are from official documents of this body. I have quoted from Senate Document 186, which was printed in the latter part of 1948. I think it was in November or December. It is readily available, and it reviews the subject rather carefully. I read briefly from that document:

The Colorado River compact divides the water of the Colorado River system between the upper and lower basins.

I want to mention in particular some men who were in that fight from the beginning. One was in your own State, Mr. Chairman—

The chairman to whom I referred was my good friend the Senator from Colorado (Mr. MILLIKIN)—

Mr. Delph Carpenter.

I have already described Mr. Carpenter.

The next heading, Mr. President, is "Basins and divisions," from which I read as follows:

BASINS AND DIVISIONS

The first is an arbitrary division and the next is a drainage division. The lower basin then, instead of only meaning just the States of Arizona, California, and Nevada, means those parts of the States of Arizona, California, Nevada, New Mexico, and Utah within and from which waters naturally drain into the Colorado River system below Lees Ferry.

Note that difference, please—the States from which waters naturally drain into the Colorado River system below Lees Ferry—

So, there are five States interested in the division of the waters of the lower basin, instead of only three States, which further complicates this situation and, as a matter of fact, the advance consent given by the United States Senate in the Boulder Dam project for a water-division treaty could not be binding upon all of the States of the lower basin even if it had been agreed upon and ratified by the States of Arizona, California, and Nevada, since Utah and New Mexico were excluded.

I have already described the advance approval. In other words, if it had been ratified and ruled to be legal, even though the other two were omitted, we would have had something; but it has never been ratified by anyone.

The lower division was Arizona, California, and Nevada. The upper division comprised the four States of Colorado, Wyoming, New Mexico, and Utah. There is nothing in the whole project, in the interstate agreement, that has anything to do with the divisions, because the upper basin was supposed to turn down each year at Lee Ferry 7,500,000 acre-feet, or a total of 75,000,000 acre-feet every 10 years. If they do that, they fulfill the Colorado River compact. The rest is to be interpreted by a court whenever there are disagreements, as there apparently are in many instances. Whether the Gila River is included or not is simply a difference of opinion of the States themselves, but all the States have signed the compact, and we cannot make the interpretation which each State now would like to make. The matter must go to a court when there is a serious difference of opinion.

I now read excerpts from the report of the interpretation of the Colorado River compact made by Delph E. Carpenter:

Total water available in the entire basin for apportionment, out of which would come this unallocated surplus and the water for any international treaty, is estimated in the beginning on page 38 on the "Disposition of the waters of the Colorado under the Colorado River compact," by Delph E. Carpenter. The water is supplied, reading from his explanation:

"The river is supplied by its tributaries from the Green to the Gila. Without tributaries there would be no river."

That is Delph E. Carpenter speaking, the one who wrote the interstate compact, not GEORGE MALONE, the junior Senator from Nevada, although Nevada signed the compact thinking that was true. But regardless of what the Supreme Court finally says, we have signed the compact beyond any withdrawal, as have all the other six States. Delph Carpenter says:

The river supplied by its tributaries from the Green to the Gila. Without tributaries there would be no river.

Of course, anyone can understand that. I quote further:

The water supply of the river consists of all water which, of nature and undisturbed by works of man, would pass Yuma, the point below the last tributary. It is impossible to tell the exact amount of this total supply in any year, owing to interference by diversions.

Naturally, on the Little Muddy River in Nevada, some does return. When man started to add to the works of God, he took the situation as he found it, so as Delph Carpenter says:

The water supply of the river consists of all water which, of nature and undisturbed by works of man, would pass Yuma, the point below the last tributary. It is impossible to tell the exact amount of this total supply in any year, owing to interference by diversions, but it has been estimated at

from 20,000,000 to 24,000,000 acre-feet average.

That settles once and for all, if we are to believe Mr. Carpenter, where the Gila River belongs. But I am not passing on any legal question connected with the matter, and I am not arguing it. I say that when these questions arise there is only one place for them to go, namely, to a court of competent jurisdiction. I read further from Delph Carpenter's exact language:

This aggregate natural water supply may be divided into (1) that part entering the river above Lees Ferry and contributed by those streams which drain the upper basin; and (2) that part entering the stream between Lees Ferry and Yuma and contributed by streams which drain the lower basin.

That Mr. President, is the basis of the upper and lower basins. It cannot possibly be interpreted in any other way.

Now this is my own language, my testimony:

You see, he again emphasizes that basins mean drainage, and drainage above Lees Ferry is the upper basin and the lower basin means that area draining to the river below Lees Ferry. Divisions mean an arbitrary division of the four States above Lees Ferry and the three States below Lees Ferry.

It is an arbitrary division, and has nothing whatever to do with drainage areas. But in order to write the compact, there had to be these designations, or at least it was thought so. I read further from my testimony:

Any subsidiary compact of the lower basin would be, according to Mr. Carpenter, "the water available to the lower basin, water there originating and Lees Ferry delivery, is to be used in the lower basin to care for the lower-basin allocation. Eight million five hundred thousand acre-feet—

That is, seven and a half million acre-feet turned down by the upper-basin States through the compact, and one million additional water, if it is available.

Eight million five hundred thousand acre-feet, and the entire international burden—

Which must be deducted—

unless there is a deficiency for international supply, in which case the waters allocated to each basin are to be called upon to the extent of one-half of the deficiency."

As a result of allocating a million acre-feet to Mexico, in my humble opinion as an engineer dealing with this river for 25 years, and 8½ years sitting in on every conference, it is very likely that sometime the upper basin will be called upon to make up a part of the extra 750,000 acre-feet which was gratuitously awarded to Mexico without any right whatsoever.

I read further from Delph Carpenter's statement:

The States of the lower basin should enter into a subsidizing compact making (1) local allocation of the aggregate 8,500,000 acre-feet (out of the whole river supply) allocated to the lower basin by the compact; (2) provision for supplying the entire international burden, if, when, and for the amount by treaty determined; and (3) disposition of the unallocated surplus pending and subject to future allocation between the seven States.

That is, if every allocation is satisfied, and there is still additional water—as now there is no chance whatever of there ever being, unless the climate should change entirely, and there shall be more rainfall in the Intermountain States—the remaining allocation, I think, in a certain number of years, would be subject to division between the upper- and lower-basin States. But that is so far-fetched that it will never happen, in my opinion. I read further:

They should also make provision for temporary use of allocated water escaping from the upper basin, without prejudice to the rights of the upper basin.

That is, the five lower-basin States.

Mr. President, I call attention to this document which I have heretofore identified, pages 411 to about 437, which completes my statement in the testimony. I put myself in the role of a witness because I have had experience with all these matters, and I feel very strongly on this subject. Therefore I made a complete explanation. It is really a reference work, and no one has ever questioned it. I testified twice before the committee, and made statements which have never been questioned. Mostly I quoted Delph Carpenter and other authorities. If there are any questions to be advanced as to the authenticity of what I have said, I hope some Senator will propound them, because I shall not be here for the next 4 or 5 days. I asked the majority leader if he would not put off a vote on this question until I could return. My engagements were made several weeks ahead, and it is almost impossible to break them. I understood there would not be an immediate vote on any controversial bill, and I assure my colleague this is a very controversial piece of legislation.

I wish to call attention to some of the propaganda which goes out in this matter from the city of Washington. We can find experts on every subject. At one time I said that there is no one who can talk quite so convincingly on a subject as someone entirely unhampered by the facts.

We have the distinction of having a write-up under the headline, "Arizona-California water war takes new spurt." The reporter, whose name is Mr. John W. Ball, writes for the Washington Post. I know him. I am a member of the National Press Club, and have been for 25 years, and I know these press boys work hard, but all they can tell is what appears in the propaganda that goes out, and that is what this gentleman is stating. This article was published in the Washington Post of Sunday, February 5, 1950. The reporter in his article said:

Arizona, which boasts it is a man-made State, tangles with its neighbor California in the Senate tomorrow—

That is today, Mr. President. I guess they are going to tangle all right. I had hoped we could keep the proceedings out of that category. The reporter proceeds to speak of the number of millionaires who will be benefited, the historically irrigated areas, the money involved, and that water is the lifeblood of seven States. It is a great piece of literature, or would be so considered if one had never been mixed up in such matters and did not know that water was the lifeblood of those States. I find more education and less common sense in Washington today than I have ever found in any town in all my life. I find more completely inaccurate information coming out of here than from anywhere else. I say it is not the reporter's fault. The reporters have been fed this propaganda for the past 18 years, and what are they going to believe? This reporter, who no doubt had all the information he could secure, although I did not see him, says:

This issue involves the Gila River in Arizona. It is what is known as a wasting river. It is a main tributary of the Colorado. In the last 100 miles before it joins the Colorado, its bed is wide, sandy, flat, and subject to the desert heat.

Mr. President, I do not know of any river in that area which is not subject to desert heat. That, however, sounds good in print. I have slept in most of these river beds, or on the rocks on their banks, or laid out a bedroll, when the supply camp was established for the night, and in the morning picked up with my crew and proceeded on.

Between Phoenix and its juncture with the Colorado the Gila loses more than half its water to evaporation and seepage.

Of course, that statement settles that matter.

Near Phoenix, Ariz., takes about 2,300,000 acre-feet of water from the Gila. If this amount were permitted to flow on down to the Colorado, about half, or 1,200,000 acre-feet, would disappear before entering the main stream.

Now that is a great piece of information. I do not suppose engineers, such as the great engineers of the Bureau of Reclamation of the past 40 years, whom I revere and respect, some of them dead and some still living, such as I named, Louis Hill and A. J. Wiley, who slept on the ground out there when they made camp overnight, knew as much. Of course, nowadays the engineers have it a little better. There are houses provided for them. Both the men I named are dead. Their reports are available on this matter. But the Post settles the whole question in one article:

I continue to read from the article.

Arizona contends she should be charged only for 1,200,000 acre-feet of Gila River water—the amount that would empty into the Colorado from the Gila in the ordinary course of nature.

California contends that Arizona actually takes 2,300,000, and should be charged for that amount.

Now, Mr. President, we have this great quarrel between Arizona and California all over again. The Senator from Arizona [Mr. HAYDEN], who now occupies the chair, went through that quarrel. It was Arizona and California, Arizona and California. Those headlines appeared in the newspapers all over the United States. Most people believed Boulder Dam site was in California, until the junior Senator from Nevada got into that fight, and we soon settled the location of that dam site.

Lake Mead is the immense reservoir behind Hoover Dam. Under the compact, California limits itself to 4,400,000 feet of 3A water, plus not more than half the 3B water, and any other surplus.

There are large evaporation losses in Lake Mead. Arizona insists that California must deduct these losses from its apportioned water. California says the water allotted to it is a net amount.

This is another question California wants decided by the Supreme Court.

The row has been in and out of the courts for years. Arizona tried to prevent construction of Hoover Dam. At one time she ordered out the National Guard to stop work on the Parker Dam.

Mr. President, having been present at nearly all these conferences I say it is not a matter which has been in and out of the courts as the article says. Some people tried to get into court but never could make it. Arizona for years tried to get into the courts, but never got into them. I do not blame the reporter. Any neophyte who might read this article would believe it to be well documented. It is, however, an entirely misleading piece of propaganda. That is not the reporter's fault. I should like very much to talk to him, because I know he is a good reporter and he is a hard worker. Reporters who belong to the National Press Club sit here day after day listening to the debates which take place in the Senate Chamber. Some of them are sitting here now although it is 7:30 o'clock p. m. I sympathize with them.

In 1922, an agreement known as the Colorado River compact was signed by all the States in the vast Colorado Basin, except Arizona.

The States were divided into two groups. The first was known as the upper basin. It included Wyoming, Colorado, Utah, New Mexico, and Arizona, the last named with a very small interest in this section. The task of dividing the water among the States in each basin was left to those States. Only last year—a quarter of a century later—were the States in the upper basin able to reach an agreement.

The second group, or lower-basin States, included California, Nevada, and Arizona. The controversy in this group over division of the waters has continued since 1922, with mounting fervor.

Mr. President, it has not continued since 1922. It started when we signed the upper-basin compact. Then there are two sovereign States of America not even mentioned in the dispatch, in other words, lending weight to the suggestion that the Boulder Dam project divided the water between the three States; and therefore the fight is all over.

Mr. President, the distinguished Senator from Arizona has been a Member of this body since 1927, or 1926, whenever it was, and he was a Member of the House for many years before that. I respect his judgment and I would follow him as far as I would follow any other Senator. The Senator knows, as I do, that the Senate of the United States cannot divide water between the States at all. It has no authority to divide water. All it can do is to approve an interstate compact when it is laid on the desk of the Senate. The Senator has no right to say anything about it except as it has—as I described previously—often given advance consent to an interstate compact, but that interstate compact must go to the letter, and to the period, and to the comma, as put down by this body. If it deviates in one word it must be returned to the States. This one never was signed by anyone, and two States were left out.

Mr. President, I want to say a few words in closing. I am sorry it was necessary to make this long address, and keep the Senate of the United States here so late. I must leave now to keep a previous appointment. We heard here this afternoon a statement made by the junior Senator from Arizona [Mr. McFARLAND], whom I admire and for whose integrity I have the utmost regard. He made no mistake that I know of. I think he told the truth. But he stood on the Senate floor and told the Members of the Senate that the poor little State of Arizona had to have this water because it had so many people who required it. He said they were pumping water. He said if they could not obtain more water they would be obliged to move.

I agree with all that. If it is true I am sorry. But the little State of Nevada, in the matter of population, is even smaller. The little State of Nevada, I think the census to be taken this year will show, has about 160,000 people. It is the sixth largest State in area in the Union. There are more than 70,000,000 acres in the State. More than 60,000,000 acres in the State are owned by the United States Government. We are a part of the great American desert. It reaches from Utah over into the State of Nevada.

About one half of 1 percent of the land of the State of Nevada is under cultivation. The limit of the water supply of the State of Nevada is the limit of the water supply for cultivation, just as it is in Arizona.

Mr. President, I do not intend to make a tear-jerking speech this afternoon. I know that the junior Senator from Arizona probably did not mean to do so. He has fought his way, as I have fought my way in Nevada and in the West. I have been consulting engineer for many of the large projects, including the Central Valley project of California, the Los Angeles flood-control project, and many others. I went with Dr. Mead and Mr. Walters and examined the Grand Coulee, the Wenatchee, and the Columbia River, in 1930 and 1931. When I fly over some of these projects, as I shall do in the next few days, or when I go visiting, it will be a matter of great pride to me to reflect that I had at least a minor part in the development of practically all these projects. I hope I can say, a few years from now when I go to Arizona—as I often do; I visit Tucson, Phoenix, and other places—"I am proud that I could help Arizona get her share of the water out of the river." I hope we can say the same thing about Nevada. I hope the junior Senator from Arizona and the senior Senator from Arizona can say, "We helped Nevada get her share of the water," whatever that share is, whether it be 900,000 acre-feet or 1,005,000 acre-feet, whether the Governor is right or whether I am right. I hope the junior Senator from Arizona and the senior Senator from Arizona can say that they helped us get that water.

I hope we can say the same thing for Utah. I hope we can say the same thing for New Mexico and California. I am not against these projects. I am for them. All I ask is that the Congress of the United States not break the 50-year precedent under which it has refused to appropriate money, or even to report a bill out of the committee, without an interstate agreement or an adjudication. I have sat there for 3 years and heard the chairman of that committee—a Republican for the first 2 years, and a Democrat last year—turn those projects back and tell the proponents to go home and get an interstate agreement or an adjudication.

In closing, let me say that the limit of Nevada's development over the years ahead is the limit of the water supply of that State. That applies to every State in the Colorado River Basin. It applies to every one of the 11 Western States known as the arid States. It applies along a line drawn through the meridian at about the center of Kansas, to the western half of Texas, Oklahoma, Kansas, Nebraska, and the two Dakotas. There is no difference. Whenever there is a rainfall which is less than is required to mature a crop, the limit of development will be the limit of the developed water supply.

Mr. President, I am not arguing the cost of this project, whether it be $1,500 or $1,700 an acre. The President says he is going to try to see to it that everyone receives $4,000 a year. All he is going to have to do is to keep printing money. Eventually it will require a wheelbarrow load of money to buy an order of ham and eggs. Then everybody will be getting about $50,000 a year.

The estimates on this project are different now than they were when they were made. There is a cost index in the Bureau of Reclamation. I shall not attempt to say exactly what it is, but I looked it up. The cost index is based upon 1935. As inflation comes along and the price of material goes up, no recalculation is made. There is a cost index, similar to the cost-of-living index of the AP, and other authorities. So now, instead of $750,000,000, or whatever the figure is, the cost is nearer $800,000,000, according to the estimate of the Bureau of Reclamation. The process of inflation and the natural course of the spiral which we are sending up every year by our own action will help the President to make his own prediction come true. The only difficulty is that as we increase the daily pay and annual pay, we make the price of a pair of shoes jump from $6, $10, or $15, depending upon the grade of shoe one buys, to twice that amount. Then, of course, the cost of the project goes up. In the next 10 years, if we continue irresponsible appropriations for nations all over the world, without any control over what they do with them, and uncontrolled appropriations even for our own people, it may be that this project will cost $2,000,000,000, and be just as feasible as it is now, I will say to the junior Senator from Arizona. However, I will still be for the Arizona project. I will be for additional projects in California. I will be for the project in Nevada. I will be for the project in New Mexico. I will be for the project in Utah, whenever the water has been

divided by an interstate compact or adjudicated by a court of competent jurisdiction, and the engineers of the Bureau of Reclamation say it is feasible.

Mr. McFARLAND. Mr. President, in a few moments I shall make a motion to recess until 12 o'clock tomorrow. However, before doing so, I wish to express my appreciation and thanks to the junior Senator from Nevada for the kind things he has said about my colleague the senior Senator from Arizona [Mr. HAYDEN], who is now presiding, and about myself. I wish to state also that I agree with what the Senator said in regard to the late Senator Pittman, of Nevada. He was an able and distinguished Senator, and a statesman. It makes me happy to hear words of praise for him from the lips of the junior Senator from Nevada. I am also happy that Arizona recognizes Nevada's right to the amount of water which the distinguished Senator from Nevada had helped place in a compact which was agreed to in advance for the State of Nevada. I only wish that the other States would recognize Arizona's right to the amount of water which the Senator from Nevada at that time agreed to.

I wish further to express my appreciation for the very kind things which my good friend, the junior Senator from Nevada, said about Arizona. The Senator knows that I hold him in the same high esteem in which he holds the senior Senator from Arizona and the junior Senator from Arizona. The feeling of friendship is mutual.

The reclamation engineers have said that this project is feasible. I hope that the junior Senator from Nevada will stay with us and that I may be able to persuade him to vote for this project. But the hour is now 7:30, and I am afraid it is too late for me to do so at this time.

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

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

Mr. MALONE. I appreciate the remarks of the junior Senator from Arizona and his yielding to me for the purpose of making a further statement.

Mr. President, there is one more point which I had intended to discuss. In my anxiety to take as little time as I could, I overlooked it. There is a provision in the bill that if a suit is filed no money shall be appropriated or used to build diversion works as long as the suit is in court.

I should like to point out that if this project is authorized by the Congress in the absence of an interstate agreement or adjudication by a court of competent jurisdiction, construction of the dam can begin immediately. I have no objection to that. But there is no stopping point. A diversion work can be built without coming back to the Committee on Interior and Insular Affairs and without coming back to the Congress. They can continue to build that project. If the Supreme Court refuses to take jurisdiction or in the event it takes jurisdiction, and the suit is filed, the project can continue, regardless of the verdict. That is the way the bill is written.

Mr. President, nothing of that kind has ever been enacted by the Congress in the last 50 years, so far as I can determine. I may have overlooked some instance of that sort, but I do not think I have. I know it is not the sentiment or the conviction of the members of the Committee on Interior and Insular Affairs that that be done, because I have heard the distinguished Senator from Wyoming [Mr. O'MAHONEY], who now is chairman of the committee, call a halt in the middle of a hearing, and ask: "Has the Governor and has the engineer for the State agreed to this?"

Mr. President, I have put into the RECORD the part of the proceedings which shows that the Governor and the engineer, Mr. Smith, are violently opposed to this proposal, and that no agreement has ever been made in that respect.

I read now from Senate bill 75:

Be it enacted, etc., That for the purpose of controlling floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters to provide essential supplementary supply of water to irrigated lands, for municipal and domestic uses, and for the irrigation of public and other lands within the United States, and for the generation, use, and sale of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact and the water delivery contract between the United States and the State of Arizona, executed February 9, 1944, is hereby authorized to construct, operate, and maintain (1) a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, which dam shall be constructed to an elevation of not less than 1,877 feet above sea level; (2) a related system of main conduits and canals, including a tunnel and main canal from the reservoir above the dam at Bridge Canyon to the Salt River above Granite Reef Dam, a canal from the Salt River to the Gila River above the town of Florence, Ariz., and thence a canal to Picacho Reservoir, and thence a canal to the Santa Cruz River flood plain; (3) such other canals, canal improvements, laterals, pumping plants, and drainage works as may be required to effectuate the purposes of this act; (4) complete plants, transmission lines, and incidental structures suitable for the fullest economic development of electrical energy generated from water at the works constructed hereunder for use in the operation thereof and for sale in accordance with Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto); and (5) such appurtenant dams and incidental works, including interconnecting lines to effectuate coordination with other Federal projects, flood-protection works, desilting dams, or works above Bridge Canyon and a dam on the Gila River in New Mexico and such dams on the Gila River and its tributaries in Arizona as may be necessary in the opinion of the Secretary for the successful operation of the undertaking herein authorized and to effect exchanges of water to insure an adequate supplemental supply to lands presently or heretofore irrigated from the Gila River including and below Cliff Valley in New Mexico and from the tributaries of the Gila River by supplying water from the main stream of the Colorado River to lower lands now receiving water from the Gila River or its tributaries, thus releasing Gila River and tributary water for use and exchange on other lands served by the Gila River and tributaries and other exchanges of water which may be agreed upon by the users affected.

Mr. President, at this point in the bill we find the amendment which was put in the bill by the committee; it is the amendment to which the junior Senator from Nevada did not agree. It may be that, leaving out the Glen Canyon site, there was unanimous agreement by the members of the committee in regard to this provision:

Provided, That this authorization shall not include (a) any works, dam, or reservoir at the Glen Canyon site or any other site in the upper Colorado River Basin, or (b) any dam, reservoir, or works in the lower Colorado River Basin which would flood the Glen Canyon site: *Provided further,* That construction of the tunnel and that portion of the canal hereinabove described from the reservoir above the dam at Bridge Canyon to a junction with the aqueduct hereinafter authorized shall be deferred until Congress by making appropriation expressly therefor has determined that economic conditions justify its construction, and in order to provide a means of diversion of water from the Colorado River to the main canal pending the construction of said tunnel and said portion of the canal and for use thereafter as supplemental and stand-by works the Secretary is authorized to construct, maintain, and operate from appropriations authorized by this act an aqueduct from Lake Havasu to and connecting with the main canal in the vicinity of Cunningham, Wash., and pumping plants to raise water from Lake Havasu to such elevation as may be required to provide gravity flow of such water to the main canal.

Mr. McFARLAND. Mr. President, would the Senator like to have the entire bill printed at this point in the RECORD?

Mr. MALONE. No; I would not. I wish to make this point—and I read now section 2 of the bill:

SEC. 2. The Secretary shall have the authority to acquire, by purchase, exchange, condemnation, or otherwise, all lands, rights-of-way, and other property necessary for said purposes: *Provided,* That, anything herein contained to the contrary notwithstanding, the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

SEC. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood control, silt control, navigation, river regulation, recreation, fish and wildlife conservation, general salinity control, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for irrigation purposes; (2) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States by revenues derived from

sources other than the delivery of water for irrigation purposes; (3) the part of the estimated cost which can properly be allocated to power and probably be returned to the United States in net power revenues; and (4) the part of the estimated cost which can properly be allocated to municipal water supply or other miscellaneous purposes and probably be returned to the United States.

Mr. President, here is where the amendment was suggested by the several Senators to whom I have previously referred, to cover Senate Joint Resolution 145, introduced by the California and Nevada Senators jointly.

Mr. President, in the absence of an interstate agreement, we asked for an adjudication by the Supreme Court before such works were commenced. This is the provision which was included:

SEC. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through aqueducts or tunnels to be constructed pursuant to this act for beneficial consumptive use in Arizona, and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River Compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.

SEC. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from the main stream of the Colorado River for beneficial consumptive use in Arizona, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act: *Provided further*, That power sales contracts shall be made with a view to the reservation of generating capacity sufficient for the operation of all features of the project and that rates for power shall be fixed in accordance with the Federal reclamation laws; and that revenues derived from the sale of power shall be credited in accordance with the provisions of the act of May 9, 1938 (52 Stat. 291, 318).

Mr. President, I call attention to the fact that although this bill includes permission for the States to file suit, it further provides that while suit is pending in the Supreme Court, the works authorized by the bill may be constructed, if the bill is passed by the Congress and signed by the President, provided that no money shall be appropriated and no work shall be constructed for diversion purposes only, meaning that Bridge Canyon Dam can be constructed. But I call attention to the fact that if the Supreme Court of the United States refuses to take jurisdiction, or even after taking jurisdiction, no matter what the Court's decision might be, the work could proceed without further action by the Committee on Interior and Insular Affairs or by the Congress of the United States. In other words, the bill would simply authorize the work on the project to proceed at any time, although a certain amount of time would be provided to enable suit to be brought in the Court. But regardless of whatever judgment might be rendered, the work could proceed. I submit that is a dangerous precedent, and one which has never been established by the Senate during the last 50 years, so far as I have been able to ascertain.

Mr. President, I return to my premise: I am in favor of any project anywhere in the United States that will develop lands, conserve water, and furnish a place for people to live, something that will create new wealth, a project that the Bureau of Reclamation's engineers or the Army engineers say will repay the money spent, so far as the repayable parts of the project are concerned. Of course, flood control and navigation projects long since have been decided by the Congress as not being repayable. But the investments for any commercial projects, such as power projects, should be repaid with interest. I see no provision in the bill for the repayment of interest, but I am not making a point of that. However, it has been long since established that irrigation projects must repay the money, without interest, over a period of years. Then the ownership of the projects goes to the people who repaid the money, or the people where the projects are located. Now, of course, it is sought to change that. It is sought to have the money repaid to the Bureau of Reclamation, which would still own the power projects and still rent the water. Of course, I think we can stop that. But that is another argument.

My point is that it is changing a policy, and it is misleading. It is misleading to say that Senators agreed on a certain amount of water for the several States. They merely agreed they would submit it to the States. The great former Senator from Nevada, Key Pittman—I say it again—had no knowledge of how much water was needed in the State of Nevada. I have been away from the problem in Nevada for some time, but A. M. Smith, now secretary of the Colorado Commission and State engineer, is in close touch with it, and he is in close touch with me. I have a telegram which I want to place in the RECORD. It was dated only today, and is probably lying on my desk in my office at this moment. I received it by telephone a moment ago. It is stamped "2:15 p. m., February 6, 1950." It is a telegram signed by Vail Pittman, Governor of the State of Nevada; Alan Bible, attorney general; and A. M. Smith—we call him "Tom"—State engineer and secretary of the Colorado River Commission. It may be subject to correction of a word or two, but, as transcribed through a telephone conversation, it reads:

We have consistently and still oppose Senate bill 75. We urge enactment of separate legislation for construction of Bridge Canyon Dam for power purpose alone at earliest possible date.

In other words, they have no objection at all to a bill being introduced and passed, even without an agreement, if it does not provide for water allocation which has never been made by interstate agreement or through a court of competent jurisdiction. They would like to see a dam built for power purposes alone, but then the Congress would be on record as appropriating money for a power project alone, which would be another consideration which should, of course, originate in the Committee on Interior and Insular Affairs of the Senate or in the Public Lands Committee of the House.

In closing, Mr. President, I merely wish to emphasize that I have the highest regard for the junior and senior Senators from California and for the junior and senior Senators from Arizona, but I want five States to be included in this project. That is why I joined with California. I am not against Arizona. I know it has been represented in some places in the Southwest that I have joined California against Arizona. What I want to do is to disabuse the mind of anyone who thinks there are but two States in the basin. Once more, 25 years later, after I had to do it in 1927 single-handed, I am trying to show that there are five States in this basin, not two. When I came into the argument in 1927, there were headlines all over the United States, "California fights Arizona" and "Arizona fights California." There were those who thought the dam was located in Arizona and California. We soon determined its true location. It is in Arizona and Nevada. We then divided the hydroelectric power which was in controversy, and passed the bill, but we got a compact protecting the upper basin States, before we did that. I was for that, Mr. President, just as I am, at this moment, for the project in Arizona, if the Bureau officials say it is feasible, once the water is adjudicated by a court of competent jurisdiction or once an interstate agreement is arrived at.

Mr. McFARLAND. Mr. President, again I thank the junior Senator from Nevada and express regret that he could not remain here so I could convince him that the pending bill fully protects the rights of all the States. But all I can do under the circumstances is to wish for him a wonderful trip and to express the hope that he will not talk politics on his trip.

Mr. MALONE. I thank the Senator.

RECESS

Mr. McFARLAND. I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 7, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 6 (legislative day of January 4), 1950:

UNITED STATES ATTORNEYS

Matthew E. Welsh, of Indiana, to be United States attorney for the southern district of Indiana vice B. Howard Caughran, term expired. (This is to correct the nomination sent to the Senate on January 17, 1950, and confirmed on January 31, 1950.)

Ernest A. Tolin, of California, to be United States attorney for the southern district of California, vice James M. Carter, elevated.

COLLECTORS OF CUSTOMS

Craig Pottinger, of Nogales, Ariz., to be collector of customs for customs collection district No. 26, with headquarters at Nogales, Ariz. (Reappointment.)

Louis T. Rocheleau, of Woonsocket, R. I., to be collector of customs for customs collection district No. 5, with headquarters at Providence, R. I. (Reappointment.)

IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of the act of June 10, 1949 (Public Law 96, 81st Cong.):

To be colonel

Victor Z. Gomez, [redacted]

To be lieutenant colonel

Jose E. Olivares, [redacted]

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 625, Eightieth Congress, and Public Law 36, Eightieth Congress, subject to physical qualification:

To be majors

Charles S. Finch, Jr., MC, [redacted].
Marcus H. Flinter, MC, [redacted].
Everett G. King, MC, [redacted].
Edward S. Miller, MC, [redacted].

To be captains

William P. Blocker, Jr., MC, [redacted].
Edward S. Bres, Jr., MC, [redacted].
William O. Dougherty, DC, [redacted].
Aldo E. Gillotte, DC.
Richard G. Hamill, MC, [redacted].
James B. Hampton, MC, [redacted].
Mary E. Kelly, WAC, [redacted].
Leo Korchin, DC, [redacted].
David E. MacQuigg, MC, [redacted].
Dante Salera, DC, [redacted].
Lillian Singer, WAC, [redacted].

To be first lieutenants

Alexander W. Ashford, MC, [redacted].
Bruce C. Babbitt, JAGC, [redacted].
Victor D. Baughman, JAGC, [redacted].
Herbert R. Boyd, Jr., DC, [redacted].
John L. Child, JAGC, [redacted].
Charles R. Counts, JAGC, [redacted].
George C. Eblen, JAGC, [redacted].
Warren C. Evans, MC.
Joe Frisch, DC.
Donald R. Korst, MC, [redacted].
Alfred Lubart, MC, [redacted].
Bernard J. Nielander, Jr., DC, [redacted].
Alois Peczenik, MC, [redacted].
Walter S. Price, MC, [redacted].
James F. Senechal, JAGC, [redacted].
Lee S. Serfas, MC, [redacted].
Joseph L. Shomo, DC, [redacted].
William C. Vinet, Jr., JAGC, [redacted].
Richard A. Walsh, MC, [redacted].
Matthew J. Weir, MC, [redacted].

To be second lieutenants

Eleanor A. Anderson, ANC, [redacted].
Elizabeth M. Camp, ANC, [redacted].
Anastasia A. Chaponis, ANC, [redacted].
Maxine Douglas, ANC, [redacted].
Marie L. Lilly, ANC, [redacted].
Myrtle J. Lucey, WMSC, [redacted].
Jean A. Mulraney, ANC, [redacted].
Frances C. Register, ANC, [redacted].
Ruth J. Vanderburg, ANC, [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Lodwrick M. Cook, [redacted].
Wilford J. Hoff, Jr.
Holcombe H. Thomas.
William A. Wells.
John T. Wood, Jr., [redacted].

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as a distinguished military graduate, and subject to physical qualification:

Thomas J. Muldowney.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

John S. Culpepper, Jr., [redacted].
Barry M. Dietrich.
Murray H. Falk.
Herbert J. Hedrick, [redacted].
Andrew B. Kirkpatrick, Jr.
Wilburn V. Lunn, Jr., [redacted].
Terrence S. Meade, [redacted].
Luther S. Orr, Jr.
Clarence W. Pratt.
Kenneth Watson, Jr., [redacted].
Rudolph L. Yobs.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Edwin W. Allen, Jr., [redacted]
Eldon L. Ballinger, [redacted].
Jean R. Barnes, [redacted].
William C. Bowen, Jr., [redacted].
Charles E. Brannon, [redacted].
John D. Burrer, [redacted]
Herbert E. Clark, [redacted].
Louis R. M. DelGuerico, [redacted].
Lawrence B. Farnum, [redacted].
Leslie R. Forney, Jr.
William R. Frost, Jr., [redacted].
William L. Gaillard, [redacted].
Alonzo J. Golden, [redacted].
Benjamin F. Harmon, [redacted].
John L. Hofues, Jr., [redacted].
Roy C. Jones, [redacted].
William J. Joosten, [redacted].
Thomas W. Kelley, [redacted].
Harold C. Kinne, Jr., [redacted].
James M. Leer, Jr., [redacted].
William B. Lindsay, [redacted].
Samuel E. McCann, [redacted].
John D. Meredith, [redacted].
Daniel L. Miller, [redacted].
Knute R. Nelson, [redacted].
John J. O'Brien, [redacted].
Henry A. Pate, Jr., [redacted].
John F. Risk.
James H. Tate, Jr., [redacted].
Charles P. Walthour.
Marcus L. Whitfield, [redacted]

IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force under the provisions of title V of the Officer Personnel Act of 1947 and title III of the Women's Armed Services Integration Act of 1948. All officers have been examined and found physically qualified for promotion as required by law:

To be lieutenant colonels

Della Josephine Angst, [redacted].
Martha Leola Cross, [redacted].
Mary Lois Kersey, [redacted].
Kathleen McClure, [redacted].
Virginia Justin Phelps, [redacted].
Marie Louise Ray, [redacted].
Emma Jane Riley, [redacted].
Margaret Johanna Steele, [redacted].

To be majors

Pauline Estelle Abell, [redacted].
Evaline May Absalom, [redacted].
Margaret Andrews Bacchus, [redacted].
Laurie Marie Ball, [redacted].
Ruth Lucile Blind, [redacted].
Anna Lee Briggs, [redacted].
Margaret Goodman Brown, [redacted].
Charlotte Gage Butterfield, [redacted].
Lucille Caldwell, [redacted].
Virginia Christina Dietz, [redacted].
Kathryn Grace Ecke, [redacted].
Mary Elma Elrod, [redacted].
Anna Marie Frost, [redacted].
Wilma Rebecca Hague, [redacted].
Elizabeth Tunstall Hickson, [redacted].
Marjorie Ostrander Hunt, [redacted].
Rachael Ann Johnstone, [redacted].
Kathryn McConnell Ludlow, [redacted].
Dorothy Page Martin, [redacted].
Margaret Elizabeth McEnerney, [redacted].
Gladys Emma McManimie, [redacted].
Mary Elizabeth McPherson, [redacted].
Willa Mae Mizell, [redacted].
Jacquelin Mozelle Mooneyham, [redacted].
Gladys Myrabelle Nelson, [redacted].
Genevieve Kelly O'Brien, [redacted].
Helen Emeline O'Day, [redacted].
Maimie Pauline Oliver, [redacted].
Rose Ethel Panowski, [redacted].
Bernice Cecelia Philipps, [redacted].
Margaret Louise Philpot, [redacted].
Bertha Pinckes, [redacted].
Elizabeth Ray, [redacted].
Myrl Dean Stiles, [redacted].
Marion Eliza Swan, [redacted].
Mildred Elsie Thomas, [redacted].
Edith Margaret Toffaletti, [redacted].
Janna Tucker, [redacted].
Frances Works Van Pelt, [redacted].
Kathryne M. Walls, [redacted].
Margaret Mary Werlein, [redacted].

To be captains

Jean Doris Armstrong, [redacted].
Joan Elizabeth Bennett, [redacted].
Virginia Marie Blanchard, [redacted].
Carolyn Elizabeth Boatwright, [redacted].
Madelen Cassidy, [redacted].
Alberta Marie Courchene, [redacted].
Elizabeth Narcissus Cox, [redacted].
Doris Dee Diamant, [redacted].
Elsie Ovedia Ellingson, [redacted].
Harriet Marion Fivenson, [redacted].
Mary Elizabeth Flannagan, [redacted].
Virginia Spence Gary, [redacted].
Elizabeth Guild, [redacted].
Alice Hoyt Hartley, [redacted].
Verdia May Hickambottom, [redacted].
Bonnie Turnbull Martin, [redacted].
Virginia Eloise Martin, [redacted].
Ruth McCraw, [redacted].
Muriel May Moran, [redacted].
Shirley Theone O'Dell, [redacted].
Rita Elizabeth O'Donnell, [redacted].
Frances Oppenheimer, [redacted]
Viola May Peschel, [redacted]
Ruth Ramee, [redacted].
Lillian Tombacher Robinson, [redacted].
Cora Edra Sharon, [redacted].
Albina Helena Shimkus, [redacted].
Mary Ellen Shull, [redacted]

Flora Mary Smothers, [redacted]
Mary Helene Strong, [redacted]
Ruth Ellen Vorkoeper, [redacted]
Ruth Lamar Williams, [redacted]
Jean Smollen Wilson, [redacted]

NOTE.—Dates of rank will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 6, 1950

The House met at 12 o'clock noon.

Rev. S. R. Pitts, S. J., principal of St. Joseph's College High School, Philadelphia, Pa., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Recalling the inspiring words of the Declaration of Independence, we beseech Thee, O Lord, to enlighten our minds and move our wills with a deeper appreciation and respect for the truth that all men are endowed by Thee, their Creator, with certain inalienable rights, life, liberty, and the pursuit of happiness. Daily give us, O God, the mind and will to live with a firm reliance on the protection of Thy divine providence in order that we may mutually pledge to each other our lives, our fortunes, and our sacred honor. Amen.

The Journal of the proceedings of Thursday, February 2, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4080. An act to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice.

THE CHRISTOFFEL CASE

Mr. LESINSKI. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LESINSKI. Mr. Speaker, on February 2 the House passed a resolution regarding a subpena from the district court that was served on me. I appeared this morning and delivered the House resolution. The attorneys for Christoffel yielded and said they did not need the minutes of the Eighty-first Congress but insisted that the House deliver the minutes of March 1, 1947. I told the court that I would cooperate and deliver the message to the Speaker of the House, and that whatever orders were issued by the House would be complied with.

The SPEAKER. The gentleman has not quite stated a parliamentary inquiry. I assume he has made a statement for the RECORD.

Mr. LESINSKI. That is right.

EXTENSION OF REMARKS

Mr. FURCOLO (at the request of Mr. STAGGERS) was given permission to extend his remarks in the Appendix of the RECORD and insert an article.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an article on Alaska-Hawaii statehood by the gentleman from Michigan [Mr. CRAWFORD].

Mr. CHESNEY asked and was given permission to extend his remarks in the RECORD and include a speech given by Lawrence M. Kocinsky, national commander of the Polish Legion of American Veterans of the United States, at the grave of Gen. W. Krzyzanowski, at Arlington Cemetery, Va.

Mr. MAGEE asked and was given permission to extend his remarks in the RECORD and include a letter from St. Louis he received and his reply thereto.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD concerning the death of Msgr. Maurice W. Chawke and include therein an article from the Detroit News.

Mr. FUGATE asked and was given permission to extend his remarks in the RECORD and include an address by Louis Johnson, Secretary of National Defense.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Times-Herald of this morning.

Mr. BARRETT of Wyoming (at the request of Mr. D'EWART) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. EATON asked and was given permission to extend his remarks in the RECORD and include a statement by George K. Batt on our national economic situation.

DONALD RICHBERG

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, a loyal American, a profound logician, statesman, and scholar, who is unselfishly struggling to preserve for America and her citizens those God-given rights originally guaranteed to them under our Constitution made a speech in my district last Thursday evening that merits the attention of all loyal Americans, and I ask unanimous consent to insert it in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LUXURY TAXES

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, I have purchased a ticket for the Republican get-together party to be held out at the Uline Arena tonight. I notice there is a 20-cent Federal excise tax on the ticket.

I am wondering whether the Jackson Day $100-a-plate banquet will also carry the same tax? May I say also that while they have not submitted their menu to me I am assuming it will consist largely of potatoes.

BE NIFTY AND THRIFTY IN FIFTY

Mr. RICH. 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. RICH. Mr. Speaker, be nifty and thrifty in fifty. If not, we are a socialist Nation before sixty with the Fair Deal.

Two hundred and fifty-six billion debt; seven billion deficit.

I would rather be a broken record than a SOB.

The state of the Nation is good.

Acheson—Hiss and Hiss. Thanks to Un-American Committee. A red herring? Oh, my.

Social security from cradle to grave.

Coal supplies dwindling, mills close down, men have no jobs.

Fact-finding board shunned.

Taft-Hartley law could be used, but T-H will not work if H. T. will not work it.

State of the Nation is good.

Ben Franklin once said, "He who trades freedom for security will lose both."

He was right.

Debt two hundred and fifty-eight billion; deficit seven billion.

More taxes and more spending is the Fair Deal program. Why then $50,000 nontaxable salary to the President and $10,000 each to Vice President and Speaker?

It seems to me like a raw deal to country's citizens.

More taxes to pay this injustice from the hard workers.

Has a soap manufacturer the ability to understand and manufacture atomic bombs or would a scientist be better?

State of the Nation is good.

There are a lot of questions coming before us these days that we should consider very intelligently. It seems to me that the Fair Deal is on the road to ruining America. Wake up, America, before you lose your freedom, your liberty, your form of government, and your home. High time get busy.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an excerpt.

Mr. GOLDEN asked and was given permission to extend his remarks in the RECORD.

Mr. MEYER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include an article appearing in the January issue of Successful Farming.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House tomorrow for 15 minutes following any special orders heretofore entered.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CENSUS ENUMERATORS

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, yesterday I had an opportunity to catch up on some newspaper reading. Among the editorials, I found one that commented on what, to me, likewise seems to be a very timely and practical suggestion. Namely, that unemployed persons, otherwise qualified, be given the job of census enumerators.

Of course, Mr. Speaker, this would not cure unemployment but it certainly would make a sizable contribution in my district, the State of Connecticut, where there are approximately 100,000 unemployed. The same suggestion can be useful, effective, and beneficial in every State in the Union since unemployment and increased welfare expenditures are not confined to Connecticut.

The editorial to which I had reference is from the Hartford (Conn.) Courant of January 26. It follows:

CENSUS TAKING AND UNEMPLOYMENT

Robert H. Hausman, candidate for the Republican nomination for mayor of New Britain, has made an interesting suggestion to Governor Bowles. Noting the Governor's intense interest in unemployment, Mr. Hausman has sought to correlate this with the impending creation of several thousand jobs for census takers. He has suggested that the Governor take steps to see that these census-taking positions are given to men and women who are unemployed, if they are otherwise qualified.

This would not cure unemployment, but it would make a sizable contribution. In New Britain, for example, it would result in 70 jobs. In Hartford it would probably provide thrice that number. Hartford's welfare director, David H. Keppel, is at present combing the lists trying to reduce the heavy outgo for public assistance. If several hundred jobs were made available to him, he could doubtless make good use of them. And the taxpayers would profit accordingly.

From an administrative point of view this could easily be handled. The Governor would merely notify his State chairman, Mr. Bailey, to get his list of eligible appointees from each local welfare director instead of from the local Democratic town chairmen. It would merely involve substituting worthy people who need work for worthy Democrats who may or may not need the job.

Local directors of public welfare, those who have exhausted their unemployment compensation, and all others who would like to see these jobs distributed to persons who need them most, might get in touch with Governor Bowles to urge such a program. This should be of particular interest to the various leaders of organized labor, who have been especially concerned with unemployment. There are doubtless hundreds of members of the CIO and AFL who are unemployed. These members could also help to make the program effective by informing their leaders that they are ready and willing to take over as census takers until regular work comes along.

Mr. Hausman has made an excellent suggestion. Mr. Bowles' concern about unemployment is well known. And through such a program he could put himself on record as being opposed to the back-room distribution of several thousand jobs to political hangers-on, while thousands of their neighbors, needing work, are given the go-by.

DEPARTMENT OF CONSUMERS

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, city dwellers are beginning to ask some very embarrassing questions about continuing high food costs in view of Secretary Brannan's statement on Friday that the Government will have to jettison, burn, or otherwise waste 70,000,000 bushels of potatoes in connection with the 1949 potato price-support program. This is the culmination of a series of other statements on all kinds of farm commodities from wheat to dried eggs. It is especially noteworthy that this statement comes side by side with evidence of rising relief costs in the big cities. For instance, in my own New York City the public assistance case load now provides for 328,469 persons with 387,324 estimated for 1951, and the Federal Government's share of this public assistance relief budget is $44,046,625.

Agricultural policy now obviously is not just a problem for farmers. It is time we had a department of consumers in the Federal establishment and consumers legislative committees in both Houses of the Congress to deal with just such problems as that raised by Secretary Brannan in connection with potatoes. Pressure and special interest groups will then have finally brought on their appropriate countereffort in the synthesis of all groups into one—for we are all consumers. Farmers should have a particular interest in aiding consumers at this point because opposition is mounting to the whole agricultural policy in spite of the fact that some farm price support is essential to the country's economy. It is excesses that city dwellers are worrying about now as shown by the potato, dried egg, and similar programs which have piled up vast surpluses side by side with the existence of vast unsatisfied human needs in our own and other free countries.

THE DEPARTMENT OF AGRICULTURE SHOULD MAKE PROPER DISPOSAL OF PERISHABLE SURPLUS COMMODITIES

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, it appears the Department of Agriculture has finally, after many months of consideration, gotten around to a point where it will make plans to dispose of dried eggs and dried milk on hand, costing millions and millions of dollars.

I am informed the Commodity Credit Corporation has approximately 73,000,000 pounds of eggs in storage that are not earmarked for use or disposal, and approximately 170,000,000 pounds of dried milk. Putting it another way, the CCC has on hand, for which it is paying storage, 36,500 tons of dried eggs and 85,000 tons of dried milk.

It seems to me that long ago the Department of Agriculture should have arranged and made plans to dispose of these surplus food commodities in an orderly manner. They should be allocated to welfare organizations, school-lunch programs, and all other groups where such commodities are being used at the expense of the taxpayers of this country.

There is no excuse or reason why the millions of bushels of potatoes under the control of CCC should not have been allocated to people who are in need of them for food. It is inexcusable and absolutely wrong that food should be destroyed when there are thousands of people in this country who would be glad to have them for food.

Mr. Speaker, we are sending millions of dollars' worth of food to foreign countries under the Marshall plan. Is there any good reason why quantities of these items of food should not be included, and thereby relieve the taxpayers of at least a part of this burden?

I am informed that officials in the Department of Agriculture are now, after months and even years, suggesting they are not sure whether they have authority to make such disposal of this food. It is my opinion they have such authority, but if they do not, they can certainly get it. I wonder why they have not requested it. It seems to me that somebody has gone to sleep on the job.

EXTENSION OF REMARKS

Mr. COUDERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances: In one to include a letter appearing in yesterday's New York Times, and in the second an invaluable contribution on the subject of electoral reform. I am informed by the Public Printer that the latter will exceed two pages of the RECORD and is estimated to cost $410, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extensions may be made.

There was no objection.

Mr. KEE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from

the Church Federation of Greater Chicago and his reply thereto.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include extraneous matter.

WOMEN IN THE ARMED FORCES

Mr. WILLIAM L. PFEIFFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILLIAM L. PFEIFFER. Mr. Speaker, upon reading an article by George Fielding Eliot entitled "Do Women Make Good Officers?" which appeared in a recent issue of McCall's magazine, I was amazed to learn that in all of the legally established corps in which women hold permanent commissions the highest permanent commissioned rank attainable is lieutenant colonel or commander in the United States Navy, except that each of the corps is authorized a director or chief, who is entitled to hold temporary rank of colonel or captain, United States Navy, while serving in this capacity. This is as high as any women officers can now rise.

I must confess I did not know before, that this situation existed.

Today I introduced a bill which will, in effect, increase the temporary ranks to brigadier general or rear admiral—lower grade—as the case may be.

These officers are capable of acting as heads of their corps and they are entitled to rank commensurate with their responsibility.

I am profoundly grateful to be in a position to introduce legislation affecting these remarkable women serving in the armed services who are so justly deserving of this recognition. To honor the heads of these corps in such a way would in my opinion reflect the admiration and respect that the American people feel for all of the women in our armed forces.

SURPLUS COMMODITIES

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, on Friday 4 Members of the House, and I understand today 24 additional Members, all from the Republican side, have introduced bills directing the Secretary of Agriculture and the Commodity Credit Corporation to make available surplus foodstuffs to the school-lunch program and welfare agencies.

I want to point out that this measure, if considered favorably and adopted, will not cost the taxpayers of this country a cent. The savings in storage charges alone will many times offset the nominal advances for handling and transportation costs.

As for the cost of the food commodities themselves, the administration has already written off their cost. It has not only reduced the prices to a fraction of their cost for export but is financing these exports with ECA dollars.

In addition to the outright outlay of funds, they have to pay storage charges. Many of these commodities have been in storage for from 1 to 2 years. The time is not too far distant when it will be necessary to hire men to dump and dispose of what is now good food. The time to act is now.

FOREIGN SERVICE OF THE UNITED STATES

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4106) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions, 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, lines 3 and 4, strike out "there is authorized to be appropriated, and there is hereby appropriated" and insert "the Secretary of the Treasury is authorized and directed to pay."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE POTATO CRISIS

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, this potato crisis is a most peculiar crisis. It is one which the Congress of the United States could have prevented.

We will remember that the reason we have this crisis is that the Congress did not take the action it was required to take in order to prevent this huge surplus from being accumulated.

If my memory serves me correctly, Congress passed an amendment which made it impossible for the Secretary of Agriculture to pay freight charges to those points where we have school-lunch programs and welfare agencies which would have been able to put those surplus potatoes to good use.

The Secretary was authorized to pay freight charges for surplus potatoes going to alcohol and starch producers.

I think the Congress ought to reexamine its conscience and remember that it voted down the Brannan plan last year. If we would pass such a plan, we would not be accumulating these surpluses in the first place.

The SPEAKER. The time of the gentlewoman from California has expired.

EXTENSION OF REMARKS

Mr. BOLLING asked and was given permission to extend his remarks in the RECORD and include a column by Lowell Mellett.

Mr. BARING asked and was given permission to extend his remarks in the RECORD.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a statement on the RFC.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include extraneous material.

THE TAFT-HARTLEY LAW

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, the friends of the Taft-Hartley law show the nature of their mind by their constant opposition to all congressional effort to pass laws that will protect labor against the predatory traits of their masters. This nature is seen in their blind opposition to the repeal of any part of that infamous law; in their slavish opposition to the passage of a more adequate and just social-security law; in their shameful opposition to a Federal national-health program; and in their illogical opposition to put teeth in the coal-mine inspection law.

The blood of the 534 miners who in 1949 went down to the coal mines and never came back alive——

Mr. HOFFMAN of Michigan. Mr. Speaker, I demand that those words be taken down.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Speaker, the friends of the Taft-Hartley law show the nature of their mind by their constant opposition to all congressional effort to pass laws that will protect labor against the predatory traits of their masters. This nature is seen in their blind opposition to the repeal of any part of that infamous law; in their slavish opposition to the passage of a more adequate and just social-security law; in their shameful opposition to a Federal national-health program; and in their illogical opposition to put teeth in the coal-mine inspection law.

The blood of the 534 miners who in 1949 went down to the coal mines and never came back alive——

The SPEAKER. The Chair does not see anything in that except an argument for the repeal or amendment of a law.

The gentleman from Pennsylvania will proceed for the remainder of his 1 minute.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. CAVALCANTE. I will yield as soon as I finish.

The blood of the 534 miners who in 1949 went down to the coal mines and never came back alive because of the inadequate coal-mine inspection law; the blood of the man, woman, and child that died because of inadequate medical and hospital care; and the blood and suffering of those who died so that labor unions might subsist, is all heaped upon the heads of this opposition.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. CAVALCANTE] has expired.

PRIVILEGE OF THE HOUSE AND PERSONAL PRIVILEGE

Mr. HOFFMAN of Michigan. Mr. Speaker, I rise to a question of the privilege of the House and also a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, on Thursday, February 2, 1950, the gentleman from Pennsylvania [Mr. CAVALCANTE], after obtaining unanimous consent to address the House for 1 minute, addressed the House.

His remarks are found on page 1376 of the CONGRESSIONAL RECORD.

Those remarks, which, for obvious reasons, are not now quoted, but which are before the Speaker and the Members of the House, reflect upon the House as a whole; upon the integrity, in his official capacity, of more than two-thirds of the Members of the House, as well as upon the integrity of the Member from the Fourth Congressional District of Michigan.

Those remarks, by innuendo, also reflect upon the integrity of a Member of the other body.

Those remarks, when read in connection with other official records of the House and of the other body, falsely charge that more than two-thirds of the Members of the House and of the other body were guilty of improper conduct.

They also charge, Mr. Speaker, that the blood of 534 miners who were killed in accidents in the mines during the first 11 months of 1948 are upon the hands of those Members of the House and of the other body who voted in support of the Taft-Hartley Act.

It is my contention that those remarks do reflect upon the integrity of the Members of the House, and the House as a whole.

My resolution is to the effect that they be stricken from the RECORD.

The SPEAKER. If the gentleman desires to make a motion, the Chair will entertain it.

Mr. HOFFMAN of Michigan. Am I not entitled to an hour?

The SPEAKER. If it is a question of the privilege of the House, the gentleman would be.

Mr. HOFFMAN of Michigan. Is that not a question of the privilege of the House?

The SPEAKER. If the gentleman submits a resolution or a motion, the Chair will entertain it.

Mr. HOFFMAN of Michigan. I have submitted it.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas the remarks of the gentleman from Pennsylvania [Mr. CAVALCANTE], which appear on page 1376 of the CONGRESSIONAL RECORD of Thursday, February 2, 1950, captioned "The Taft-Hartley Act," and ending with the words, "Taft-Hartley law," falsely charge the House with improper conduct, reflect upon the integrity of the House, and upon the integrity of at least two-thirds of the Members thereof: Therefore be it

Resolved by the House, That said remarks, as so indicated, be, and the same hereby are, stricken from the RECORD.

The SPEAKER. The Chair is of the opinion that if the RECORD is going to be protected against language like this it ought to be done at the time the words are uttered, the words taken down, and a motion made to strike them from the RECORD; otherwise, the House might find itself in a situation like this any day when some Member who was not on the floor at the time the words were uttered would like to open up the RECORD that had already been approved several days before.

Mr. HOFFMAN of Michigan. May I be heard on the point of order before the Chair rules?

The SPEAKER. Yes; the Chair will hear the gentleman.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Were these words uttered on the floor of the House or inserted as an extension of remarks?

Mr. HOFFMAN of Michigan. They were uttered on the floor of the House.

Mr. Speaker, there are precedents to the effect that a point of order need not necessarily be made at the time the words are uttered. I was present when the words were uttered, but I did not hear them all, sitting over on this side of the aisle.

The precedents are to the effect that the remedy of having the words taken down is not an exclusive remedy; moreover, today, when the gentleman was making practically the same charge, that the blood of those miners was upon the hands of the Members of the House, I called attention to that and asked that the words be taken down, but the ruling was against me. I have nothing left now except the matter of appeal from the ruling of the Chair, which I do not care to take. I call the Speaker's attention, however, to the fact that I have made the point, now, in both ways; that is where the gentleman from Pennsylvania [Mr. CAVALCANTE] today repeated his statement to the effect that the blood of 534 miners was upon the hands of Members who supported the Taft-Hartley Act. I asked that the words be taken down. They were. The Speaker ruled that the words were not out of order. I also call the Speaker's attention to the fact that the remarks that were in the RECORD last Thursday, keeping in mind matters of common knowledge to all the Members of the House, reflect upon a Member of the other body, a Senator from Virginia.

Mr. KEATING. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Before the Chair rules, may I ask that the Chair consider the last sentence of the remarks of the gentleman from Pennsylvania, which, if not stricken, would impute insanity to the President of the United States where it states: "Men of honest minds rejoice in the sane decision of the President not to use the infamous Taft-Hartley law," in view of the fact that he has used it within the hour? I think that the Chair should take that into consideration in making the Chair's ruling.

The SPEAKER. The Chair every day hears worse things said about the President than that, right here.

The Chair will read the rule:

If a Member is called to order for words spoken in debate, the Member calling him to order shall indicate the words excepted to, and they shall be taken down in writing at the Clerk's desk and read aloud to the House; but he shall not be held to answer, nor be subject to the censure of the House therefor, if further debate or other business has intervened.

The Chair, in the interest of orderly procedure, is forced to hold that after the Journal has been read and approved and the RECORD read and approved, it would be bad practice to go back and open it up.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to cite precedents in connection with the statement I made.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Under the unanimous consent given to revise and extend my remarks and to cite precedents bearing upon the Speaker's ruling, permit me to add:

It has always been my understanding that the House had the power to protect itself from false charges which adversely reflected upon the integrity of the House.

Likewise, it has been my understanding that, when more than two-thirds of the Members of the House or, as in this case, more than two-thirds of the Members of both Houses, voted affirmatively on a question, such action was the action of the House.

It follows, therefore, that, where such action is characterized as resulting in the enactment of an, and I quote, "infamous" law—in this case, the Taft-Hartley law—and where those Members of the Congress who voted for such a law have, and again I quote, "upon their heads the blood of 534 of these, our fellow men, who went down to the collieries never to return," those charges reflect upon the integrity of the House itself.

The words of the gentleman from Pennsylvania [Mr. CAVALCANTE] if they mean anything at all, mean that those Members of this House, and of the other body as well, who advocated and who voted for the Taft-Hartley Act, were guilty of conduct which resulted in the death of 534 of their fellow men.

Not by the wildest stretch of the imagination can it be logically or truthfully charged that the Taft-Hartley Act was in any way responsible for the death of any miner who was killed in a mine.

I do not care to repeat the words of the gentleman from Pennsylvania. They will be found on page 1376 of the CONGRESSIONAL RECORD.

The gentleman today repeated a similar charge from the Well of the House. When I asked that the words be taken down, and they were taken down, the

Speaker ruled that they were not out of order. The ruling stands on the record.

If the Speaker, in the exercise of his wisdom and discretion, saw fit, as he did, to permit that untrue charge to stand, that was his prerogative.

When the words of the gentleman from Pennsylvania [Mr. CAVALCANTE] are quoted, if they are hereafter quoted, in the CIO News, or in the Communist press, and comment is made that they would not have been permitted to stand had they been out of order the responsibility will not be mine.

Nor will the responsibility rest upon me if those words are used in connection with the comment that they must have been true, otherwise the charge would not have been permitted to remain in the RECORD.

The gentleman from Pennsylvania [Mr. CAVALCANTE] also, in the statement hereinbefore referred to, uttered words which reflected upon the integrity, in his representative capacity, of a Member of the other body.

It has always been my understanding that it was a violation of the rules of orderly debate for a Member of this body to criticize a Member of the other body.

I am familiar with subdivisions 4 and 5 of House Rule 14, which provide a method for calling a Member to order by having his words taken down.

I am also familiar with the fact that there are precedents, although I do not have them at hand, which hold that the remedy of having the words taken down is not an exclusive one, that the matter may later be called up by introducing a privilege resolution claiming that the privilege of the House has been violated.

In this particular instance, I did that, and I also claimed personal privilege for the reason that the gentleman's words cast a reflection upon my integrity as a Member of the House, one who supported and voted for the Taft-Hartley Act.

On page 481, section 926 of the House Rules and Manual, Eighty-first Congress, will be found this statement:

Where a Member had uttered disorderly words on the floor without objection, the House yet decided that it was not precluded from action when the words, after being withheld for revision, appeared in the RECORD, and struck them out (V, 6979, 6981; VI, 582; VIII, 2538, 3463, 3472).

The House has also ordered stricken from the RECORD printed speeches condemned as unparliamentary for reflections on Members, committees of the House, the House itself (V, 7017, and the Senate (V, 5129)).

It is my contention, and I hope, if and when the Members read these remarks, they will have before them the remarks of the gentleman from Pennsylvania, that the words he uttered are a violation of the privilege of the House, do raise a question of the privilege of every individual Member of the House who voted for the Taft-Hartley Act. In support, I cite the following:

The following statements made by Members were held to be not in order in that they cast reflections either on the House or its membership, or its decisions. It is not in order in debate to cast reflections on either the House or its membership or its decisions whether past or present. So held when the following statements were made.

Mr. Claiborne, of Mississippi, said:

Talk not to me of vindicating your insulted dignity by the prosecution of Whitney. You have no dignity to vindicate.

Mr. Hogan, of Mississippi, said:

They have their agents here upon this floor; they have their interested stockholders here to vote upon this measure; they have their feed attorneys here to vote upon this measure and rob the people of the West of the great God-given right to navigate freely the great Mississippi River.

Where the Member pronounced opinions on decisions of the House to be damnable heresies:

I say here and now, and stand ready to make it good before the tribunal of history and the great tribunal of the American people, that the proposition pretended to be set up here of the right of the minority to stay indefinitely the right of the majority to legislate is as disgraceful, as dishonorable—

The reason why the House was not more dignified was because its Members sat here tamely, acting as the passive instruments and tools of the aspirants for the Presidency in the other body. This was the truth.

And whoever commends himself to the affections of the rebel element there commends himself equally to the affections of their rebel brethren on this floor.

See also the following:

HINDS' PRECEDENTS OF THE HOUSE OF REPRESENTATIVES, VOLUME 3

2637. The publication by a Member of alleged false and scandalous charges against the House and its Members, which he also reiterated in debate, was held to involve a question of privilege.

The House took action as to a Member who reiterated on the floor certain published charges against the House, although other business had intervened.

Instance wherein testimony taken before a committee and relating to the conduct of a Member was not reported to the House at once.

On July 29, 1892, Mr. Charles J. Boatner, of Louisiana, as a matter of privilege, submitted the following resolution, and demanded immediate consideration thereof, to wit:

"Whereas on page 216 of a book purporting to have been written by Thomas E. Watson, of Georgia, a Member of the House of Representatives, the following charge appears:

" 'Drunken Members have reeled about the aisles, a disgrace to the Republic. Drunken speakers have debated grave issues on the floor, and in the midst of maudlin ramblings have been heard to ask: "Mr. Speaker, where was I at?" ' and

"Whereas the publication of such charges, if untrue, is a grave wrong to this body, and if true the responsibility should be placed where it belongs; and

"Whereas the said Watson has reiterated the same on the floor of the House: Therefore, be it

"*Resolved by the House,* That a committee of five Members be appointed by the Speaker to investigate and report to the House whether such charges are true, and, if untrue, whether the said Watson has violated the privileges of the House and their recommendations relative to the same. That said committee have leave to sit during the sessions of the House, to send for persons and papers, to swear witnesses, and to compel their attendance."

Mr. Thomas B. Reed, of Maine, submitted the question of order, whether, the House having failed to take action respecting the remarks of Mr. Watson at the time he reiterated the charges on the floor of the House, and having passed to other business, it was not now too late to hold him to account therefor.

Mr. Louis E. Atkinson, of Pennsylvania, made the further point of order that the pending business before the House was a conference report, which was itself a matter of the highest privilege.

The Speaker held that the resolution submitted by Mr. Boatner presented a question of privilege, and that whenever the Speaker is of opinion that a question of privilege is involved in a proposition, he must entertain it in preference to any other business.

The Speaker also held that the pending business was the amendments of the Senate to the bill H. R. 752, and that no conference report was pending. Both points of order were therefore overruled.

On August 8, 1892, Mr. Boatner submitted the report of the select committee authorized by the adoption of the resolution, and of which he had been made chairman.

This report stated that the committee summoned Mr. Watson and such witnesses as he indicated, and very soon the fact was developed that the charge as to drunken speakers referred to Mr. J. E. Cobb, of Alabama. The committee thereupon went on and examined testimony as to Mr. Cobb, no point of order being made that the testimony implicating a Member should first be reported to the House.

The committee concluded that the charge was a libel upon the membership, and recommended the adoption of the following resolution:

"*Resolved,* That the charges made by Thomas E. Watson in his book against the House of Representatives, viz, 'that drunken Members have reeled about the aisles, a disgrace to the Republic,' and 'drunken Members have debated grave issues on the floor,' etc., are not true, and constitute an unwarranted assault upon the honor and dignity of the House, and that such publication has the unqualified disapproval of the House."

This report was made in the last hours of the session and does not appear to have been acted on

SEC. 2649. A proposition to censure a Member presents a question of privilege.

Early instances wherein the Speaker passed on questions presented as of privilege instead of submitting them directly to the House.

On January 24, 1842, Mr. Thomas W. Gilmer, of Virginia, presented the following resolution:

"*Resolved,* That in presenting for the consideration of the House a petition for the dissolution of the Union the Member from Massachusetts [Mr. Adams] has justly incurred the censure of this House."

Mr. Joseph R. Underwood, of Kentucky, objected to the reception of the resolution at this time, as not within the established order of business, and consequently not now in order.

The Speaker said that he considered this a matter of privilege, and referred to a precedent that occurred in 1836, in which the gentleman from Massachusetts offered a petition from certain slaves near Fredericksburg, Va., and on which occasion a resolution was offered by a gentleman from Virginia that the gentleman be brought to the bar and censured. Under this precedent the Chair did not feel at liberty to arrest the proceeding.

SEC. 2652. A charge that a Member had been holding intercourse with the foes of the Government was investigated as a question of privilege. On July 15, 1861, Mr. John F. Potter, of Wisconsin, offered the following resolution:

"*Resolved,* That the Committe on the Judiciary be directed to inquire whether the Honorable Henry May, a Representative in Congress from the Fourth District of the State of Maryland, has not been found holding criminal intercourse and correspondence with persons in armed rebellion against the Government of the United States, and to make a report to the House as to what action

should be taken in the premises, and that said committee have power to send for persons and papers and to examine witnesses on oath or affirmation, and that said Hon. Henry May be notified of the passage of this resolution (if practicable) before action thereon by said committee."

Mr. Henry C. Burnett, of Kentucky, made the point of order that the resolution was not in order as a question of privilege.

The Speaker submitted the question to the House, and the House decided that the resolution was in order as involving a question of privilege.

By a vote of 56 yeas to 82 nays the House refused to lay the resolution on the table. It was then agreed to.

SEC. 2653. A resolution directing an inquiry into alleged treasonable conduct on the part of a Member was admitted as a question of privilege.—On December 19, 1865, Mr. John F. Farnsworth, of Illinois, as a question of privilege, submitted the following:

"Whereas it is alleged that Benjamin G. Harris, a Representative in this House from the Fifth District of the State of Maryland, was, in the month of May last, before a very respectable and intelligent court martial tried, and by said court convicted, upon charge and specifications, to wit: 'Violative of the sixth article of war,' by giving aid and comfort to the public enemy and inciting them to continue to make war against the United States, declaring his sympathy with the enemy and his opposition to the Government of the United States in its efforts to suppress the rebellion; and

"Whereas it was proved at such trial (as is alleged) that the said Harris expressed his regret that the assassination of President Lincoln came too late to be of any use to the rebels, and at the same time declared that Jefferson Davis was a great and good man, all of which acts on the part of said Harris are inconsistent with the oath which he has taken as a Member of this House; and

"Whereas the said court martial sentenced the said Harris (among other things) to be forever disqualified to hold any office of honor, trust, or profit under the United States, which sentence was approved by the President: Therefore

"*Resolved*, That the Committee of Elections be directed to inquire into the facts of the case and that they report the same to the House, together with such action as said committee shall recommend; and in making their investigations said committee to have power to send for persons and papers."

Mr. Charles A. Eldridge, of Wisconsin, raised the question of order that no question of privilege was involved.

The Speaker held that the question raised was a question of privilege, and of the very highest kind, since it involved the right of a Member to his seat.

The resolution was then agreed to, yeas 138, nays 21.

Among other precedents which tend to show that the gentleman's remarks raised a question of privilege are 2 Hinds, section 1246; 3 Hinds, section 2628.

It should be noted that the gentleman from Pennsylvania [Mr. CAVALCANTE], not satisfied with the charge he made which reflected upon the House as a whole, and the individual Members thereof, on last Thursday, today again repeated those charges. He repeated those charges after and notwithstanding the fact that the President of the United States today proceeded to invoke the provisions of the Taft-Hartley Act. A law which the gentleman characterized as infamous.

What the gentleman's charge now amounts to is that the President of the United States is proceeding under an infamous law—a law which the gentleman charges, inaccurately, was responsible for the death of 534 miners.

Of late, it has become the custom to criticize the Congress, to charge its individual Members and the Congress as a whole, with reprehensible conduct.

Unless the House itself takes steps to protect itself from unfounded charges by frowning upon such charges when made by its own Members, it should not complain if others vilify and smear it.

THE COUNTRY'S TRANSPORTATION SYSTEM

Mr. BECKWORTH. 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 Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I desire to announce to the House that beginning February 27, the Transportation Subcommittee of the House Committee on Interstate and Foreign Commerce will hold some hearings concerning transportation matters in this country. We all recognize the importance of a strong and healthful transportation system, in both war and peace.

The Committee on Interstate and Foreign Commerce has sought constantly to make worth-while contributions toward keeping our transportation system great and strong. It is hoped the hearings we shall hold, to which I have referred, will enable the Transportation Subcommittee and the House Interstate and Foreign Commerce Committee to have a clearer picture of current transportation problems, and thereby to be in a better position to help solve transportation problems.

EXTENSION OF REMARKS

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include an editorial on the Reverend James Shera Montgomery.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

MESSRS. GREED AND SELFISHNESS COME TO WASHINGTON TO LOOK UPON A DOLLAR DINNER BASKET

Mr. O'SULLIVAN. 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 Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, the Republican leaders of the Nation in solemn conclave assembled, are staging a dollar-a-basket dinner tonight to try to capture the imagination, if not the votes of the common "guys"—not Guy Gabrielson, however.

The national slogan has now been changed from a full dinner pail to a full basket for a dollar which shows that prices are not so bad after all.

This whole silly eating fiasco may be thoroughly understandable, if as some people claim, a goodly number of those attending are really going there to sober up and not to eat as a casual check of the wine, women, and song receipts of Washington and the other sin centers hereabouts would most probably disclose.

If many dollar-a-basket dinners are really consumed it will be by the good, liberal men and women whom the big fellows have brought along with them to do their coarse eating.

Leaving out of consideration for the moment their natural aversion to such cheap grub. I truly believe they actually do not have much appetite left to eat anyhow after five national trouncings in a row, and maybe that is what really drives them to drink and dollar-a-basket dinners, because they want the food to nauseate them too.

They claim that they are going to release a 2,000-word declaration of party policy—a platform, if you please—for 1950 and 1952, maybe. That appears to be a bit useless, or to my mind a very idle political gesture, because they already have five national platforms left over from the Hoover, Landon, Willkie, Dewey, and "Deweyer" national campaigns which have never been used at all and are really just as good as new right now.

In substantiation of this contention of course you remember that the Republican-controlled Eightieth Congress, when called back into extra session by President Truman in 1948, after they had been armed with a spanking new platform, right hot from the intellectual griddle, had no real appetite whatsoever for it neither at that time nor at this session of Congress.

No, old Abe Lincoln was right, you cannot even fool the people three times let alone six times.

Beside the moral expressed by Aesop in one of his fables, is as true today as it was then, "The truth itself is not believed from one who often has deceived."

If you normal Republicans really want to get some place nationally, why do not you chase the extreme right winged reactionaries out of poor old Abe Lincoln's once liberal party and quit leaving his great spirit wailing at every crossroad throughout the Nation about how the Republican Party has double-crossed him and his ideas and ideals.

Come on, get your gumption up or both you and your gumption are going down for the last time in 1950 and not in 1952. You know you have been pretty lucky after all to be privileged to come up five times and get a sixth try. A lot of people, just get to come up the usual and customary three times.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House today for 15 minutes following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

MAKING FOOD SURPLUSES AVAILABLE TO NEEDY PEOPLE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, a few moments ago the gentlewoman from California criticized the Congress for not making these foods and surpluses available to needy people. She claimed that we had refused to furnish transportation for these surplus goods.

An official of the Department of Agriculture is reported to have informed Congress that they have the authority to use funds provided under section 32 of the Agricultural Adjustment Act to pay handling and transportation charges to move the surplus food to welfare agencies. Why then has not the directive of this Congress been followed? The Agricultural Act of 1949 was signed by the President on October 1, 1949. Four months have passed and to date only potatoes have been recognized by Secretary Brannan as being in surplus supply. Is it the intention of the author of that double-edged CIO-Brannan plan to wreck our agricultural legislation and force the Congress to accept his scheme because of the accumulation of surplus food stocks?

It seems strangely inconsistent for the Secretary of Agriculture to bemoan the declining farm income of our farmers, while by hoarding food stocks he forces further cuts in the farmer's income through acreage allotments and marketing controls. Also inconsistent is his policy of making it difficult for the needy to get badly needed food while he advocates and promotes lower food prices for all, at the expense of all.

Mr. Speaker, it would help solve our Nation's problems considerably if we raised instead of lowered tariffs on farm products to stop at least some of the great flood of farm products now coming into our ports, especially such as are already in surplus supply, such as corn, wheat, potatoes, and so forth.

A LOST TRIBE OF INDIANS OF NORTH CAROLINA

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, I am today introducing a bill which in effect will recognize what might be called a lost tribe of Indians in North Carolina. The story of these Indians is both interesting and tragic.

James Alexander, who is a constituent of mine, has made a very thorough study of this problem and has written a story in reference to these Indians which I am today inserting in the RECORD.

EXTENSION OF REMARKS

Mr. FORD asked and was given permission to extend his remarks in the RECORD.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an article by Constantine Brown.

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article by Ernest L. Kolbe, chief forester of the Western Pine Association.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include a statement by Admiral Blandy.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD.

LEAVE OF ABSENCE

Mr. LODGE. Mr. Speaker, I ask unanimous consent, that the gentleman from Connecticut [Mr. PATTERSON] be granted leave of absence this week on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

BALLOT REFORM

Mr. COUDERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COUDERT. Mr. Speaker, I have just obtained consent to include in the RECORD two articles on a very important subject which I think will be very enlightening to the Members of this House if they can find time to read them tomorrow. They have to do with the Lodge-Gossett resolution concerning reform of the method of electing the President of the United States. The articles are by two very distinguished Princeton scholars, Professor Corbin and Mr. Lucius Wilmerding. They both advocate election of electors in the same mode as Members of the Congress. I introduced a resolution for such purpose as an alternative to the Lodge-Gossett resolution several months ago providing for the election of electors in the congressional districts and two at large for each State. This was the system contemplated by the framers of the Constitution, and was in effect for some years. In my opinion the Lodge-Gossett resolution, while appealing in theory, may be appalling in fact. It may be the decisive step in establishment of a one-party Government in the United States.

I intend to offer my resolution as a substitute for the Lodge resolution.

SURPLUS COMMODITIES

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I strongly urge the prompt consideration and support of the bill to make available to the school-lunch program and welfare agencies the surplus foods now owned by the Commodity Credit Corporation. Those whom we are seeking to help are our own people—deserving Americans. They particularly need our help at this time. The continuing inflationary policies of the administration have materially reduced the purchasing power of the dollar. No group has been as seriously affected as those who must look to the few dollars granted them in the form of welfare assistance. It is far better, and in keeping with the best traditions of this country to help those who really need it, than to promise a lower grocery bill to everyone.

In the newspapers over the week end, I have noted that some officials of the Department of Agriculture have promised that other food commodities, dried eggs and dried milk may be added to surplus potatoes and will be made available to welfare agencies. Here again is another example of ineffective administration in a clumsy piecemeal attempt to solve a serious set of problems.

COMMUNISM

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the morning press stated that our intelligence corps expects the Reds to attempt to seize Berlin in May. We might have anticipated that. We tucked our tails and ran in China. The statements of our State Department are such that the Kremlin may well anticipate that this great and powerful Nation will tuck its tail and run again before Red puppets elsewhere.

SURPLUS COMMODITIES

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, let us get this surplus food

proposition straightened out. My observation has been that many departments of the Government can find a law to do most anything they want when they wish to do it, and they cannot find any authority when they do not wish to do it.

In the conference on the agricultural bill, the amendment was put in there so that these surplus foods could be distributed to the needy through the welfare organizations. That is what is in the law at the present time. Technicalities of trying to get around it on the basis that we have to wait until the products are in danger of spoiling before we can get rid of them have been the order of the day.

I happen to know that our distinguished colleague from Maryland, as a result of what is happening down in Cumberland, Md., has for several weeks been trying to get some of those surplus foods for the people in that particular town. Mr. Frank Edwards on the radio has called attention to it several times. The gentleman from Maryland [Mr. BEALL] has introduced a bill [H. R. 7125] to that effect. It is hoped that hearings on this bill will be held shortly, and if the law is not clear it can be changed in conformity to the wishes of the Congress.

INTERNATIONAL INSPECTION OF ATOMIC ENERGY ACTIVITIES

Mr. HINSHAW. Mr. Speaker, in order to repeat here certain remarks which I made to the press on February 4, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, on February 4 I made the following remarks to the press:

> It should be quite clear now that Russia already has "international inspection" of atomic energy activities. Her agents and the democracies' traitors roam the United States and Britain almost at will.
>
> Therefore, the only reason Russia could have for giving us the right freely to inspect Soviet territory and the atomic energy installations there would be to avoid an atomic war and assure world peace.
>
> If that be true, then it would appear either that the Politburo may fear the internal consequences of free inspection more than it fears atomic war, or it is confident of its ultimate conquest of the rest of the world at all events. Add the fact that Marxian dogma dictates that peace can exist only in a totally Marxian world, and reach your own conclusions.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOFFMAN of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include a statement passed by the Republican conference this morning.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include extraneous material.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Andrews	Hale	O'Brien, Mich.
Bailey	Hand	Passman
Baring	Harden	Patman
Barrett, Wyo.	Heffernan	Patterson
Bland	Heller	Pfeifer,
Boggs, Del.	Herlong	Joseph L.
Bolton, Ohio	Herter	Potter
Brown, Ga.	Hobbs	Powell
Buckley, N. Y.	Howell	Reed, N. Y.
Bulwinkle	Jennings	Ribicoff
Byrne, N. Y.	Kearns	Richards
Camp	Kelly, N. Y.	Rivers
Celler	Kennedy	Sabath
Chatham	Keogh	Sadowski
Chiperfield	Kirwan	Scott, Hardie
Chudoff	Klein	Scott,
Davenport	Kunkel	Hugh D., Jr.
Davies, N. Y.	Lane	Secrest
Dawson	Larcade	Smathers
Dollinger	Lichtenwalter	Smith, Ohio
Dolliver	Lyle	Taylor
Doughton	McDonough	Teague
Durham	McGrath	Towe
Elliott	Madden	Wadsworth
Fellows	Miller, Md.	Whitaker
Furcolo	Monroney	White, Calif.
Gamble	Morgan	White, Idaho
Gary	Murphy	Whittington
Gilmer	Nelson	Wilson, Ind.
Granahan	Nixon	Withrow
Granger	Norblad	
Green	Norton	

The SPEAKER. On this roll call 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mr. MARCANTONIO asked and was given permission to address the House today for 20 minutes following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MULTER. Mr. Speaker, concerning one of the articles I received permission to insert in the RECORD today, the Government Printing Office advises me that it will exceed two pages of the RECORD and will cost $229.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PROVIDE FOR RESIDENT COMMISSIONER FROM VIRGIN ISLANDS

The Clerk called the bill (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

BENEFITS OF ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. CUNNINGHAM. Mr. Speaker, this bill has been on the Consent Calendar since June 1949. It appears to be a very meritorious bill and one that I believe should pass the House, and would pass the House if a rule were granted. However, it calls for an expenditure of about $27,000,000. The rules of the Consent Calendar Committee are that no bill that calls for more than $1,000,000 should be passed by unanimous consent. I am advised that the chairman of that committee is seeking a rule from the Committee on Rules. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

OPERATION OF A MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROTECT PUBLIC WITH RESPECT TO PRACTITIONERS

The Clerk called the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. WALTER. Mr. Speaker, if the gentleman will withhold that for a moment.

Mr. GROSS. No.

Mr. WALTER. I object, Mr. Speaker.

Mr. CUNNINGHAM. Mr. Speaker, I object to the consideration of the bill at this time.

FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department-owned military real property at Fort Logan, Colo.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PUBLIC AIRPORTS SERVING NATIONAL PARKS

The Clerk called the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FOREIGN AGRICULTURAL LABOR

The Clerk called the bill (H. R. 5557) to provide for coordination of arrangements for the employment of agricultural workers, admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARSHALL. I object, Mr. Speaker.

NATIONAL FORESTS

The Clerk called the bill (H. R. 2419) relating to the disposition of moneys received from the national forests.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. I object, Mr. Speaker.

CONSTRUCTION OF CERTAIN VETERANS' ADMINISTRATION HOSPITALS

The Clerk called the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SETTLEMENT OF CERTAIN PARTS OF ALASKA BY WAR VETERANS

The Clerk called the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GRANTS FOR MINOR PROJECTS AT MAJOR AIRPORTS

The Clerk called the bill (S. 1282) to authorize grants under the Federal Airport Act for minor projects at major airports, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., that section 8 of the Federal Airport Act is amended to read as follows:

"SEC. 8. At least 2 months prior to the close of each fiscal year, the Administrator shall submit to the Congress a request for authority to make grants, during the two fiscal years immediately following the fiscal year in which such request is submitted to the Congress, for those of the projects for the development of class 4 and larger airports included in the current revision of the national airport plan which, in his opinion, should be undertaken during that period, and for which grants have not previously been authorized as provided herein, together with an estimate of the Federal funds required to pay the United States share of the allowable project costs of such development: *Provided*, That a grant or grants of funds for the development of any class 4 or larger airports, in a total amount not in excess of $50,000 during any fiscal year, may be made without prior submission of a request for and grant of authority pursuant to this section. In determining what development to include in such a request, the Administrator shall consider, among other things, the relative aeronautical need for an urgency of all such development included in the plan and the likelihood of securing satisfactory sponsorship of projects for the accomplishment of such airport development. Any subsequent appropriation of funds pursuant to section 5 of this act shall be deemed to grant the authority requested, unless a contrary intent shall have been manifested by the Congress by law or by concurrent resolution. No grant of funds in excess of $50,000 in any one fiscal year for development of any class 4 or larger airport shall be made unless authorized as provided herein."

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.

ALASKA AIRPORTS

The Clerk called the bill (S. 2436) to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska."

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TRAINING OF VETERANS UNDER READJUSTMENT ACT

The Clerk called the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

Mr. CUNNINGHAM. Mr. Speaker, a rule has been granted on this bill. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JOE GRAHAM POST NO. 119, AMERICAN LEGION

The Clerk called the bill (H. R. 33) to authorize Joe Graham Post, No. 119, American Legion, upon certain conditions, to lease the lands conveyed to it by the act of June 15, 1933.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act providing for the sale to Joe Graham Post, No. 119, American Legion, of the lands lying within the Ship Island Military Reservation in the State of Mississippi," approved June 15, 1933 (48 Stat. 150), is hereby amended by inserting at the end thereof the following: "Such corporation is authorized to lease all or part of such lands for mineral (including oil and gas) development notwithstanding such conditions: *Provided*, That the money received under any such lease shall be used by the corporation for the maintenance of the reservation as a national recreational park."

With the following committee amendment:

Page 1, line 7, after "at the end", strike out the remainder of the bill and insert the following: "of the sentence ending with the words 'United Daughters of the Confederacy for the sole use of that organization and the erection and maintenance of a memorial to veterans of the Civil War.', the following: 'Notwithstanding such conditions such corporation is authorized to lease any part of such lands for mineral (including oil and gas) development, except those areas actually planned for development as memorial and recreational sites: *Provided*, That all that portion of land lying west of the west line of the lighthouse property shall be excluded from the leasing authority herein provided: *Provided further*, That the money received under such lease shall be used by the corporation for the maintenance and development of the reservation as a national recreational park, and for no other purpose: *And provided further*, That any leases entered into pursuant to the foregoing authority shall reserve to the United States all source materials essential to the production of fissionable material in accordance with the provisions of Executive Order No. 9908, dated December 5, 1947.'"

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.

FORT LEWIS MILITARY RESERVATION

The Clerk called the bill (H. R. 5101) to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to donate and convey, by quitclaim deed, to Pierce County, Wash., all the right, title, and interest of the United States in and to two triangular parcels of land, which are surplus to the needs of the armed forces, in the Fort Lewis Military Reservation, Wash., more particularly described as follows:

(1) All of that triangular parcel of original Fort Lewis comprising a part of section 14, township 18 north, range 3 east, Willamette meridian, and situated northeasterly of State Highway No. 5 (Mountain Road); and

(2) That triangular portion of section 19, township 19 north, range 3 east, Willamette meridian, situated northeasterly of the Military Road, being a part of original Fort Lewis.

With the following committee amendment:

At the end of the bill add the following new section:

"SEC. 2. Conveyance of land described in section 1 shall not be made until appropriate action has been taken by the State of Washington and Pierce County, Washington, to the end that such conveyance shall not jeopardize, in any way, the title of the United States in and to the remainder of the land donated by Pierce County, Washington, to 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.

LANGLEY AIR FORCE BASE, VA.

The Clerk called the bill (H. R. 5503) to authorize the Secretary of the Air Force to release and quitclaim a portion of a right-of-way easement to Langley Air Force Base, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Air Force is authorized to release and quitclaim to the Commonwealth of Virginia, subject to such conditions as are deemed advisable by him, all right, title, and interest of the United States in and to the westerly 43 feet of an easement 70 feet in width and approximately three-quarters of a mile in length, together with the road located thereon, situate in Elizabeth City County, Virginia, between the southwest prong of Back River and the Little Back River Road, said easement being that set out on sheet numbered 2 of a map entitled "Langley Air Force Base, Railway and Access Road" dated February 5, 1948, Drawing No. NAD 49, on file in the office, Chief of Engineers, Department of the Army.

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.

PROCEDURE FOR CLAIMANTS OF MINING CLAIMS

The Clerk called the bill (H. R. 6406) providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That every claimant of a mining claim in the United States who wishes to obtain the benefits conferred by the second proviso to the first section of the act of June 17, 1949 (Public Law 107, 81st Cong.), may file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian on the 1st day of July 1950, a statement of the labor performed or improvements made on any such mining claim during the year ending July 1, 1949, or such statement may be included as part of the annual notice of the performance of assessment work for the year ending at 12 o'clock meridian on the 1st day of July 1950.

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.

TERMINATING LUMP-SUM BENEFITS TO CERTAIN RESERVE OFFICERS

The Clerk called the bill (H. R. 5921) to terminate lump-sum benefits provided by law to certain Reserve officers of the Navy and Air Force.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask a question of some member of the committee. Am I right in my interpretation of this bill that it intends doing away with all lump-sum payments for those who entered into naval aviation?

Mr. KILDAY. It would repeal the provision now in the law, but suspended, under which those in naval aviation and the Air Force who hold Reserve commissions are entitled to a lump-sum payment of $500 for each year completed of active duty. No Reserve officers are now accruing this benefit at this time because it is suspended by the Selective Service Act. If the Selective Service Act is not to be extended, then of course the members of the Reserve would begin to accrue the $500 lump sum. It is the opinion that it is no longer necessary as an inducement. Many Reserve officers who were slated for relief from active duty were desirous of remaining and we feel it is the proper time to eliminate this lump-sum payment.

Mr. FORD. May I say to the gentleman from Texas I agree with the objective of this proposal. I would like to make certain, however, that those who stayed in naval aviation after the war and who have not as yet collected their lump-sum payments under the original act will be taken care of. I would not like to see any unfair discrimination.

Mr. KILDAY. It is not intended that they would be able to accumulate anything in addition. All sums accumulated before the suspension will be paid. In 1942 in naval aviation, by Executive order, the lump-sum payment was suspended, and then in 1948 it was suspended under the Selective Service Act as to both services. The maximum to be collected is $500 a year for 7 years.

Mr. FORD. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no further credit shall be allowed for any period of active service performed after June 24, 1948, in computing lump-sum payments to Air Force Reserve officers or their beneficiaries, under section 2 of the act of June 16, 1936 (49 Stat. 1524), as amended, nor to Reserve officers of the Navy or Marine Corps or to their beneficiaries, under section 12 of the act of August 4, 1942 (56 Stat. 738), as amended.

SEC. 2. This act shall not be construed so as to deprive any individual of any benefits heretofore accrued under the acts cited in section 1 of this act, including the prorating of payments thereunder for additional fractional parts of years of active service as provided for by section 13 (c) of the act of June 24, 1948 (Public Law 759, Eightieth Congress): *Provided*, That hereafter the release of an officer from active duty shall not be construed as a release from active duty upon his own request within the meaning of section 2 of the act of June 16, 1936, supra, as amended or section 12 of the act of August 4, 1942, supra, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING A CIVIL GOVERNMENT FOR GUAM

The Clerk called the bill (H. R. 4499) to provide a civil government for Guam, and for other purposes.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PROVIDING A SINGLE SUPPLY CATALOG SYSTEM

The Clerk called House Concurrent Resolution 97, to provide for a single supply catalog system.

There being no objection, the Clerk read the resolution, as follows:

Whereas the Congress believes that the development of a single supply catalog system for the National Military Establishment is of vital necessity to the national security and to the civilian economy; and

Whereas the Commission on Organization of the Executive Branch of the Government recommends that a declaration of congressional policy be made to insure the development of uniform property identification; and

Whereas the Federal Supply Task Force of that Commission, among other recommendations, stated that action by the Secretary of Defense should be taken to see that a single supply catalog system shall be speedily prepared and adopted; that, after its preparation, it must be used in all supply operations of all bureaus, technical services, and commands without modification; and that each bureau, technical service, and command must assist in the preparation of the catalog system by accepting and promptly completing catalog "assignments" by the Catalog Agency in whatever commodity classes it is made the cognizant body; and

Whereas a subcommittee of the House Armed Services Committee has carried on extensive hearings on this subject: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) The Secretary of Defense shall expedite the development and completion of the single supply catalog system, in order that there shall be published and put into use at the earliest practicable moment a single supply catalog system to be used by all departments of the National Military Establishment; and

(2) In order that these purposes may be achieved it is deemed essential that such authority be vested in qualified personnel of the National Military Establishment with respect to cataloging and related supply activities as is needed to insure the establishment of programs and priority schedules for property identification and description work, and to insure that operations in each bureau, technical service, or command are carried on in accordance with established uniform policies and approved priority schedules, and to provide the Congress and the Bureau of the Budget with periodic reports showing the progress of the program as a whole as well a the progress made by each bureau, technical service, or command with the assignments made to it; and

(3) In the single supply catalog system each property item shall have but one name and one description and one item identification number; and

(4) The single supply catalog system shall provide a classification system or systems suitable for all supply purposes; and

(5) The single supply catalog system shall identify, classify, and describe the millions of items of personal property used by all military agencies and will provide a standard reference language or terminology to be used by all persons engaged in the processes of supply (computation of requirements in relation to inventories and operating programs, procurement, storage, disposal, budgeting and accounting); and

(6) Reports and records of military agencies concerning supply operations and property management, including production, export, import, procurement, distribution, utilization, and disposal of commodities shall be made in terms of the nomenclature of the single supply catalog system; and

(7) In order to prevent duplication of functions, of responsibility, and of publication costs, each item of supply or descriptive title for an article or closely related family of articles serving the same supply need shall be assigned to a single technical service, bureau, or command for the development of complete identification data for items assigned to it and for development of the material thereon for inclusion in the supply catalog system in accordance with the uniform single supply catalog system; and

(8) The Secretary of Defense shall develop a coordinated publication plan, which will insure that identification and description data, wherever developed, shall be published in a uniform manner; but each technical service, bureau or command shall utilize pertinent uniform identification or description material for inclusion in its own operating catalogs, unit publications, or technical handbooks.

With the following committee amendment:

Page 1, strike out the whereas clauses, and all after the enacting clause down to and including line 11 on page 4, and insert:

"Whereas the Congress believes that the development of a single supply catalog system for all agencies of the Federal Government, both civilian and military, is of vital necessity to the national security and to the civilian economy; and

"Whereas the Commission on Organization of the Executive Branch of the Government recommends that a declaration of congressional policy be made to insure participation and cooperation of the military and civilian agencies in the development of uniform property identification; and

"Whereas the Federal Supply Task Force of that Commission, among other recommendations, stated that 'the interests of national defense and effective personal property management demand that a single standard Federal Commodity Catalog be developed * * *' and that action by the Secretary of Defense should be taken to insure that, after its preparation, it is used in all supply operations of all bureaus, technical services, and commands without modification and that each bureau, technical service, and command must assist in the preparation of the catalog system by accepting and promptly completing cataloging assignments made to it by competent authority; and

"Whereas a subcommittee of the House Armed Services Committee has carried on extensive hearings on this subject: Therefore be it

"Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

"(1) The Secretary of Defense and the Administrator of General Services shall, based on their respective responsibilities, expedite the development of a coordinated plan looking to the completion of the Federal Catalog System in order that there shall be published and put into use at the earliest practicable moment a single supply catalog system to be used by all departments of the National Military Establishment and by all civil agencies; and

"(2) In order that these purposes may be achieved, it is deemed essential that such authority be vested in qualified personnel of the National Military Establishment and the General Services Administration with respect to cataloging and related supply activities as is needed to insure the establishment of programs and priority schedules for property identification and description work, and to insure that cataloging operations in each bureau, technical service, command, or civilian agency are carried on in accordance with established uniform policies and approved priority schedules, and to provide the Congress and the Bureau of the Budget with periodic reports showing the progress of the program as a whole as well as the progress made by each bureau, technical service, or command with the assignments made to it; and

"(3) In the Federal Catalog System each property item shall have but one name and one description and one item identification number; and

"(4) The Federal Catalog System shall provide a classification system or systems suitable for all supply purposes; and

"(5) The Federal Catalog System shall identify, classify, and describe the millions of items of personal property used by all agencies and will provide a standard reference language or terminology to be used by all persons engaged in the process of supply (computation of requirements in relation to inventories and operating programs, procurement, distribution, storage, disposal, budgeting, and accounting); and

"(6) Reports and records of Federal agencies concerning supply operations and property management, including production, export, import, procurement, distribution, utilization, and disposal of commodities shall be made in terms of the nomenclature of the Federal Catalog System; and

"(7) In order to prevent duplication of functions, cataloging tasks will be assigned to technical services, bureaus, commands, and civilian agencies by a central cataloging authority. Effectuation of the purposes of this resolution will require that each technical service, bureau, command, and civilian agency accept and promptly complete cataloging task assignments. In discharging its responsibility under the program, each technical service, bureau, command, or civilian agency shall consult with other interested services, bureaus, commands, or agencies as it deems appropriate or as directed by central authority; and

"(8) The Secretary of Defense and the Administrator of General Services shall develop a coordinated publication plan which will insure that identification and description data, wherever developed, shall be published in a uniform manner; but each technical service, bureau, command, or civilian agency shall utilize pertinent uniform identification or description material for inclusion in its own catalogs, unit publications, or technical handbooks."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING LIMITING PARTICIPATION UNDER NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

The Clerk called the bill (H. R. 1941) to provide for limiting participation as beneficiary under the National Service Life Insurance Act of 1940, as amended, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, will some Member explain the objections which were apparently raised by the Veterans' Administration to this legislation?

As I understand it they advised that it would create some considerable difficulty so far as the administration of the provisions is concerned and that there would also be a considerable expense in administration. Can the gentleman explain that situation?

Mr. RANKIN. This bill was introduced by the gentleman from Texas [Mr. TEAGUE]. It excludes from the definition of the terms "parent," "father," and "mother," in the National Service Life Insurance Act, any parent who shall have abandoned or deserted his family for a period of 7 years and who shall remain in such desertion at the time the insurance matured.

An identical bill to this one was passed in the Eightieth Congress. There will be no additional cost. It applies only to insurance which matured prior to August 1, 1946.

Mr. BYRNES of Wisconsin. Would the gentleman explain whether the veteran himself would have an opportunity to change the beneficiaries, for instance, if he had been abandoned? That would be his right to do that, would it not? This would take care of the situation where he did not take action; is that not correct?

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mrs. ROGERS of Massachusetts. Sometimes the veteran does not realize his rights. He should be protected. I think this gives more protection to the veteran.

Mr. BYRNES of Wisconsin. In other words it is your feeling and the feeling of the committee that notwithstanding the possibility of greater administrative difficulties the rights of the veteran himself really require that this be done.

Mrs. ROGERS of Massachusetts. Of course, we should protect the veterans, also. That is the reason we passed the legislation for the veterans.

Mr. RANKIN. And it was passed out of the committee unanimously.

Mr. TEAGUE. Will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. TEAGUE. There are many cases where the veteran did not have a chance to change his insurance.

Mr. BYRNES of Wisconsin. Mr. Speaker, under the circumstances, I will withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 601 (f) of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:

"(f) The terms 'parent,' 'father,' and 'mother' include a father, mother, father through adoption, mother through adoption, persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entry into active service for a period of not less than 1 year, and a stepparent, if designated as beneficiary by the insured: *Provided,* That if either parent shall have abandoned his or her family for seven or more years, and shall have remained in abandonment as of the date on which national service life insurance matured by reason of the death of his or her child, such person shall not be considered as the 'parent,' 'father,' or 'mother' of such child and shall not be entitled to participate in such insurance."

SEC. 2. The amendment made by section 1 of this act to section 601 (f) of the National Service Life Insurance Act of 1940, as amended, shall not be construed (1) to require the discontinuance of any insurance award, for any period prior to the receipt in the Veterans' Administration of evidence of such abandonment, or (2) require duplicate payments of benefits in any case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 3 OF THE ORGANIC ACT OF PUERTO RICO

The Clerk called the bill (H. R. 5282) to amend section 3 of the Organic Act of Puerto Rico.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917, as amended, is hereby amended by inserting in the first proviso after the word "Ponce" a comma and the word "Arecibo."

With the following committee amendment:

Page 1, line 7, strike out "word 'Arecibo'" and insert "words 'Arecibo, Rio Piedras'."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO CORRECT A CLERICAL ERROR IN CIVIL-SERVICE LAW

The Clerk called the bill (H. R. 6552) to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of the third paragraph of the second clause of section 2 of the act of January 16, 1883, entitled "An act to regulate and improve the civil service of the United States," as amended, is hereby amended by striking out the words "legal voting residence" and inserting in lieu thereof the words "legal or voting residence."

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.

MINIMUM RATE OF COMPENSATION FOR WORLD WAR II VETERANS WHO HAVE ARRESTED TUBERCULOSIS

The Clerk called the bill (H. R. 6559) to amend the Veterans Regulations to provide a minimum rate of compensation for World War II veterans who have arrested tuberculosis.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I hope the gentleman will not do that. This merely puts World War II veterans on the same footing as World War veterans who have contracted tuberculosis. It is most necessary that these tuberculosis cases be provided for, not only for themselves but also to enable them to protect the public against the spread of tuberculosis. I hope the gentleman will not object to the consideration of this bill.

Mr. FORD. Was this a unanimous report from the committee?

Mr. RANKIN. Yes; it was.

Mr. FORD. I notice the Bureau of the Budget advises the enactment of this bill would not be in accord with the President's program.

Mr. RANKIN. I doubt if the President ever saw the bill, and I have some doubts whether the Bureau of the Budget ever saw it or not. But whether the Bureau of the Budget likes it or not, it is our duty to take care of these tuberculosis cases and protect the country against the spread of tuberculosis as much as possible. That is what this bill does. It merely puts these World War II tubercular men on the same footing as veterans of World War I.

Mr. FORD. I notice that for the first year the additional cost is estimated to be $475,000. Is there going to be an increased cost every year?

Mr. RANKIN. I doubt it. My opinion is that there will not be. In addition, it will probably save many times that much to the American people.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. KEATING. Could the chairman of the committee tell us what the President's program is in that regard?

Mr. RANKIN. No.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. RANKIN. I yield.

Mrs. ROGERS of Massachusetts. It is very difficult for these tubercular men to secure jobs. If an employer knows they have tuberculosis they will not employ them. Also, this will take a great many men off the relief rolls, if the legislation is passed.

Mr. RANKIN. Just the other day I saw a person whom I know who had tuberculosis. And one of his children contracted tuberculosis because of its contact with him. This bill enables those men not only to live but to protect the public against the spread of tuberculosis insofar as they are able to do so. I think it is not only legitimate and just, but I think it is absolutely necessary.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. JUDD. Were these cases of tuberculosis contracted after termination of the service?

Mr. RANKIN. No. They are service-connected cases, but they have become arrested. If they have to go out and do heavy work, the chances are it will recur. This bill has a great deal of merit insofar as it protects the people of the country from a recurrence and spread of tuberculosis.

Mr. JUDD. But the point is that the disease was contracted while they were in the service.

Mr. RANKIN. That is right.

Mr. JUDD. Even though it was peacetime service.

Mr. RANKIN. Peacetime service gives them 80 percent of the rate. That is in the law; that is already the law.

Mr. FORD. This affects only service-connected tuberculosis cases, is that correct?

Mr. RANKIN. That is right.

Mr. FORD. In the light of the gentleman's statement, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph II, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding a new subparagraph (q) thereto to read as follows:

"(q) If the disabled person is shown to have had a service-incurred disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator of Veterans' Affairs has reached a condition of complete arrest, the monthly compensation shall be not less than $60."

SEC. 2. This act shall be effective from the first day of the second calendar month following the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING CERTAIN VETERANS' BENEFITS TO HUSBANDS AND WIDOWERS OF FEMALE VETERANS

The Clerk called the bill (H. R. 6561) to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNG. Mr. Speaker, I reserve the right to object.

Mr. RANKIN. Mr. Speaker, I hope the gentleman will not object. This is very necessary if we are going to treat those women who were taken into the service on an equality with the men with whom they served.

Mr. YOUNG. Mr. Speaker, this is too far reaching, extending to widowers and husbands benefits under this law. Until we ascertain the cost, I object.

AMENDMENT OF VETERANS REGULATIONS

The Clerk called the bill (H. R. 6562) to amend the Veterans Regulations to provide additional compensation for the loss or loss of the use of a creative organ.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I do not intend to, this is an extremely meritorious bill; it is one that should be passed, and I believe every Member of the House will vote for it. It would, however, call for an expenditure the first year of about $8,500,000. The rules of the Committee of Objectors on the Consent Calendar require that any bill involving the expenditure of more than a million dollars may not be passed by unanimous consent. I am wondering if the gentleman from Mississippi, the chairman of the Committee on Veterans' Affairs, would not be able to get a rule on this measure or ask that it be called up under a suspension of the rules at the close of the call of the calendar today.

Mr. RANKIN. Let me say to the distinguished gentleman from Iowa that the million-dollar-limitation rule is, long since, extinct by reason of the failure of Congress to comply with it. I think it should not be called into operation in this instance. I believe these are meritorious cases.

Mr. CUNNINGHAM. I agree with the gentleman from Mississippi; it is an extremely meritorious bill, but my question was whether he could not secure recognition to call it up under a suspension of the rules this afternoon so as not to violate the rule of the Committee of Objectors.

Mr. RANKIN. I see the Speaker shake his head, which indicates the negative.

The SPEAKER. The Chair announced last week that there would be no suspensions recognized today.

Mr. CUNNINGHAM. Would the gentleman not be able to secure a rule from the Committee on Rules?

Mr. RANKIN. The gentleman will remember that the House virtually abolished the Committee on Rules the other day. Where would I go? This is about the only chance we have to get this bill up.

Mr. FORD. 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 Michigan?

There was no objection.

AMENDING TITLE III OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944, TO PROVIDE FOR TREBLE-DAMAGE ACTIONS

The Clerk called the bill (H. R. 6673) to amend title III of the Servicemen's Readjustment Act of 1944, as amended, by providing for treble-damage actions.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I would like to ask the Committee on Veterans' Affairs a question regarding this bill. I notice that it will provide that if a piece of property is sold to a veteran—I assume a GI of World War II—for any amount of money in excess of the value fixed for the property by an authorized appraiser of the Veterans' Administration, then the seller would be liable treble damages in a suit. I can see the purpose that the committee had in mind recommending such a bill—to prevent the sale to veterans of properties in excess of their actual value. The passage of the bill, however, would make the appraisers of the Veterans' Administration the arbiters or the sole judges of the value of the property, and if they fail to appraise it at an amount near the market value or actual value in the respective community, it would work as a detriment to the GI and make it impossible for him in many instances to secure any loan whatever.

Mr. RANKIN. I may say to the gentleman from Iowa that I introduced this bill, as he will see by looking at it, at the request of the Department of Justice. I understand that these appraisers will be local men and not be employed by the Federal Government.

Mr. CUNNINGHAM. The appraiser appraises for loan purposes rather than for sale purposes, and it might not work to the best interest of the veteran in many cases in being able to take advantage of the loan title of the GI bill of rights. I fear it will make it impossible for him to purchase a property at all in many instances.

Mr. RANKIN. He only appraises the sale value of the property.

Mr. CUNNINGHAM. No. He appraises a big part of it for loan purposes.

Mr. EVINS. Mr. Speaker, I would like to support my chairman on this bill. It is a very meritorious piece of legislation and has the unanimous approval of the Department of Justice and the Veterans' Administration.

Mr. CUNNINGHAM. Does the gentleman feel that the interest of the veteran will not be interfered with by the passage of this bill?

Mr. EVINS. No; I do not think so. On the contrary, I think the interest of the veteran will be protected.

Mr. RANKIN. Whenever the Department of Justice, the Bureau of the Budget, and the Veterans' Administration get together on anything, you need not have any fears.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation.

Mr. FORD. Mr. Speaker, reserving the right to object, what is the length of the statute of limitations?

Mr. RANKIN. I think it is 3 years. At least, that is my recollection.

Mr. FORD. I do not see anything in the bill about that.

Mr. RANKIN. The regular statute of limitations in the State would apply.

Mr. FORD. For any civil action?

Mr. RANKIN. It would not be retroactive.

Mr. FORD. Does the gentleman from Tennessee know about that?

Mr. EVINS. The statute of the State applies. There have been many cases in which real-estate operators have charged an excessive price to veterans to purchase homes. The purpose of this bill is to prevent that underhanded practice. It is left to the Department of Justice to determine whether or not the case shall be prosecuted through the office of the district attorney. There is no cost attached to this legislation.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, would this be retroactive in any way?

Mr. RANKIN. No.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title III of the Servicemen's Readjustment Act of 1944, as amended, is amended by inserting after section 503 the following new section:

"RECOVERY OF DAMAGES

"SEC. 503A. Whoever knowingly makes, effects, or participates in a sale of any property to a veteran for a consideration in excess of the reasonable value of such property as determined by proper appraisal made by an appraiser designated by the Administrator, shall, if the veteran pays for such property in whole or in part with the proceeds of a loan guaranteed by the Veterans' Administration under sections 501, 502, or 503 of this title, be liable for three times the amount of such excess consideration irrespective of whether such person has received any part thereof.

"Actions pursuant to the provisions of this section may be instituted by the veteran concerned, in any United States district court, which court may, as a part of any judgment award costs and reasonable attorneys' fees to the successful party. In the event the veteran shall fail to institute any action hereunder within 30 days after discovering he has overpaid, or having instituted an action shall fail diligently to prosecute the same, or upon request by the veteran, the Attorney General, in the name of the Government of the United States, may proceed therewith, in which event one-third of any recovery in said action shall be paid over to the veteran and two-thirds thereof shall be paid into the Treasury of the United States.

"The remedy provided in this section shall be in addition to any and all other penalties imposed by law."

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.

AMENDMENT TO TITLE III OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944, AS AMENDED

The Clerk called the bill (H. R. 6553) to provide for the promotion of carriers in the rural delivery service in recognition of longevity of service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if the chairman of the committee can advise us as to the difference in the cost estimates here? I understand the committee does not feel the cost will be as much as that set forth by the Department; is that correct? What would be the cost of this bill?

Mr. MURRAY of Tennessee. I think the Post Office Department has stated the cost of this legislation correctly. Let me say that this is a bill to clarify subsection (e) of section 2 of Public Law 428 passed by the Congress and signed by the President on October 28, 1949. In that bill Congress gave its approval to this section, which reads as follows:

Each officer or employee in the postal field service shall have credited to him for purposes of promotion to any of the meritorious or longevity higher grades of his position

established under this act or such act of July 6, 1945, as amended, all periods of service performed by him prior to July 1, 1945, for which he has not heretofore received credit for purposes of promotion.

It was clearly the intent of the Post Office and Civil Service Committee and the intent of the Congress when that legislation was passed to provide that all postal employees shall have credit for all past service as employees performed before July 1, 1945. The report on the bill included this additional cost. The Comptroller General held after this bill became law that because the rural carriers did not have any automatic annual raises prior to July 1, 1945, they should only receive credit for service from July 1, 1945, on their longevity or meritorious grades. Congress intended unquestionably to give the rural carriers credit for all their service. This does not call for an additional appropriation. We passed the bill with this understanding and included the cost of the legislation in the report on this bill at that time.

Mr. BYRNES of Wisconsin. In other words it is the position of the chairman that this bill is really a clarifying bill to correct an oversight.

Mr. MURRAY of Tennessee. Exactly.

Mr. BYRNES of Wisconsin. In reality, when Public Law 428 was before the Congress, it was intended that the purpose of this bill was included in that legislation, is that right?

Mr. MURRAY of Tennessee. Exactly so. This bill merely clarifies and spells out the express intent that Congress had in passing Public Law 428 last October.

Mr. BYRNES of Wisconsin. Would the gentleman at this time also tell us whether there is the same situation in connection with Calendar 436, H. R. 6603, which is coming up in just a few minutes? Does the same situation exist there?

Mr. MURRAY of Tennessee. That is practically the same situation. However, there is this difference. That bill refers to custodial employees and those in the mail equipment shops. In October 1933, the President, by Executive order, transferred all custodial employees from the Treasury Department to the Post Office Department. They became, by Executive order, regular employees of the Postal Service. However, Congress did not pass legislation carrying out this Executive order until October 1943. Therefore the Comptroller General held that because Congress did not make these custodial employees by law regular employees until July 1, 1943, they should receive no credit before July 1, 1943 for such service on their longevity credits.

Mr. BYRNES of Wisconsin. I notice that the department has registered somewhat of an objection to both of these bills on the basis that other employees are also involved in a similar situation to that which exists so far as rural carriers and custodial employees are concerned, and they say it would seem that any legislation should cover all employees similarly affected and not a single group or class. What other class now will still need consideration?

Mr. MURRAY of Tennessee. Consideration should be given to special delivery messengers and to some third class post office clerks. However, there is no unanimity of opinion as to how that legislation should read, and your Committee on Post Office and Civil Service thinks it best to handle these two bills separately.

Mr. BYRNES of Wisconsin. I understand that the committee is working on legislation affecting those other categories.

Mr. MURRAY of Tennessee. That is correct.

Mr. BYRNES of Wisconsin. I withdraw my reservation of objection, Mr. Speaker.

Mr. FORD. Mr. Speaker, further reserving the right to object, I would like to ask the chairman a question. Is it the intention of the committee to report out legislation taking care of some of these other groups, such as special delivery messengers, and so forth?

Mr. MURRAY of Tennessee. That is correct. We have some bills pending already to take care of other groups.

Mr. FORD. Would the gentleman say that special delivery messengers will be taken care of in this session?

Mr. MURRAY of Tennessee. I think consideration will be given to them.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. REES. Those matters are under consideration before the committee. It is a question of what the committee may do.

Mr. FORD. Surely, but committee action will be taken, will it?

Mr. REES. It will be considered. But, the gentleman cannot bind the committee as to what it may report or not report.

Mr. FORD. No, but if there is not going to be any promise of action by the committee on these other categories, there is some argument for not permitting this to go through.

Mr. REES. Well, as I see it, and I am a minority Member, the committee will promise to give consideration to those matters. After all, it is for the committee to determine what it wants.

Mr. MURRAY of Tennessee. Mr. Speaker, if the gentleman will yield, I assure the gentleman from Michigan that all these other groups will receive consideration at the hands of our committee. There will be some question about some of those groups, and we want to present satisfactory legislation to the House for consideration.

Mr. SADLAK. Mr. Speaker, if the gentleman will yield, my understanding is that there is an all-inclusive bill which has been introduced by the gentleman from California [Mr. MILLER], and we are awaiting reports from the various departments before action is taken on it.

Mr. FORD. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the first section of the act entitled "An act to provide additional compensation and other benefits for postmasters, officers, and employees in the postal field service," approved October 28, 1949, is hereby amended by adding at the end thereof the following new subsections:

"(d) In recognition of longevity of service, carriers in the Rural Delivery Service who (1) were in such service on June 30, 1945, or (2) are in grade 11 or above on or after the effective date of this subsection shall be promoted to grade 12 upon completion of 13 years of service; to grade 13 upon completion of 18 years of service; and to grade 14 upon completion of 25 years of service. The provisions of section 17 (a) of such act of July 6, 1945, as amended, relating to the promotion of carriers in the Rural Delivery Service to grades 12, 13, and 14 shall hereafter apply only to such carriers who are in grade 11 or above on the effective date of this subsection and who elect to have such provisions apply to them.

"(e) For the purposes of subsections (c) and (d), all service heretofore or hereafter rendered in the postal field service by any person entitled to the benefits of either of such subsections shall be credited."

(b) The last sentence of subsection (c) of the first section of such act of October 28, 1949, is hereby repealed.

SEC. 2. The amendments made by the first section of this act to such act of October 28, 1949, shall take effect as of November 1, 1949.

With the following committee amendments:

Page 1, line 7, strike out the word "subsections" and insert in lieu thereof the word "subsection."

(b) Page 2, strike out lines 9 to 15, both inclusive, and insert in lieu thereof the following: "to have such provisions apply to them. For the purposes of this subsection, all continuous service heretofore or hereafter rendered in the postal field service by any carrier entitled to the benefits of this subsection shall be credited."

(c) Page 2, strike out lines 16 to 18, both inclusive, and insert in lieu thereof the following:

"SEC. 2. The amendment made by the first section of this act to such act of October 28, 1949, shall take effect as of November 1, 1949, and shall apply only to carriers in the Rural Delivery Service on or after the date of enactment of this act."

The 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.

AMENDING IMMIGRATION ACT OF 1917 AND NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 4684) to amend subsection (c) of section 19 of the Immigration Act of 1917 and subsection (a) of section 338 of the Nationality Act of 1940.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, may we have this bill explained?

Mr. WALTER. Under the provisions of existing law, the Attorney General is empowered to adjust the status of aliens in this country and to stay the deportation in certain hardship cases. Under the proposed legislation, 5 years is set up as the period during which the Attorney General may, upon receiving additional information, proceed with the deportation of certain aliens whose deportation

is stayed. This gives the Attorney General five more years within which to proceed against certain types of aliens.

Mr. MARCANTONIO. I wish the gentleman would let it go over. I should like to study this bill. I am concerned with the implications in giving the Attorney General this power.

Mr. WALTER. We have given to the Attorney General the power to stay the deportation of certain aliens.

Mr. MARCANTONIO. That is right.

Mr. WALTER. It has been learned that, since their deportations have been stayed, in some cases after acquired evidence has been made available in view of which, if it had been called to the attention of the Attorney General, he would not have stayed the deportation. This merely gives him 5 years within which to proceed with deportations which ordinarily would have taken place but for the law that this seeks to amend.

Mr. MARCANTONIO. Will the gentleman let it go over?

Mr. WALTER. Yes.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

POST OFFICE DEPARTMENT

The Clerk called the bill (H. R. 6603) to provide that certain service performed in the custodial service and in the mail-equipment shops of the Post Office Department shall be credited toward promotion to the meritorious and longevity grades established for the postal field service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That service performed (1) in the custodial service of the Post Office Department on and after October 1, 1933, and before October 18, 1943, and (2) in the mail-equipment shops of the Post Office Department before July 1, 1945, shall be considered postal field service for purposes of promotion to the meritorious and longevity grades established under the act of July 6, 1945, as amended (Public Law 134, 79th Cong.), and under the act of October 28, 1949 (Public Law 428, 81st Cong.)

SEC. 2. This act shall take effect as of November 1, 1949.

With the following committee amendment:

Page 2, line 5, strike out "1949" and insert "1949, and shall apply only to persons in the postal field service on the date of enactment of this 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.

NAVAL RESERVE

The Clerk called the bill (H. R. 6077) to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Naval Reserve Act of 1938 (52 Stat. 1176), as amended (34 U. S. C. 853b), is hereby amended further by substituting a comma for the period at the end thereof and adding the following: "and the Congress hereby grants its consent to officers and enlisted members of the Naval Reserve, while not on active duty, except those entitled to receive retainer pay or retired pay under any provision of law, to accept, subject to the approval of the Secretary of the Navy or such officer as he may designate, civil employment with, and compensation therefor from, any foreign government or any concern which is controlled in whole or in part by a foreign government."

With the following committee amendment:

Page 1, line 9, strike out "entitled to receive" and insert "in receipt of any."

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.

RETIRED NONCOMMISSIONED OFFICERS

The Clerk called the bill (H. R. 1151) to amend the act establishing grades of certain retired noncommissioned officers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That chapter 310 of the laws of the Sixty-ninth Congress, Public Law 713 of March 3, 1927 (title 10, 604a U. S. C.), is hereby amended by adding two new sections at the end thereof as follows:

SEC. 2. Noncommissioned officers on the retired list of the Regular Army placed in second grade; all other sergeants (first class) retired as such and all other sergeants (first class) who were changed to staff sergeants by the act of June 4, 1920, and who continued as such or who continued as staff sergeants or who became technical sergeants until retirement in either the second grade or the third grade before July 1, 1922.

SEC. 3. The provisions of this act shall take effect on the first of the month following the date of its enactment.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That chapter 310 of the laws of the Sixty-ninth Congress, Public Law 713 of March 3, 1927 (title 10, 604a U. S. C.), is hereby amended by adding thereto the following:

"'SEC. 2. The following noncommissioned officers on the retired list of the Regular Army are placed in the second grade (now sixth pay grade under Public Law 351, Eighty-first Congress): All other sergeants (first class) retired as such and all other sergeants (first class) who were changed to staff sergeants pursuant to the act of June 4, 1920, and who continued as such or who continued as staff sergeants or who became technical sergeants until retirement in either the second grade or the third grade before July 1, 1922.'

"SEC. 2. The provisions of this act shall take effect on the first of the month following the date of its enactment."

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.

AMENDMENT OF BANKRUPTCY ACT

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 441 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 88) to amend section 60 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this is a matter which might well be handled by unanimous consent, as it does not appear that there is any opposition, or at least none has been evidenced thus far, so far as I am concerned.

It is a matter on which the gentleman from Alabama [Mr. HOBBS], the gentleman from Illinois [Mr. REED], and the gentleman from Pennsylvania [Mr. WALTER] have been working for a long time. The legislation is made necessary because of conflicting interpretations of the original Bankruptcy Act of 1898 made by the courts. The purpose is to clear up this confusion and to better insure proper and fair administration of the bankruptcy laws of the country.

Mr. Speaker, I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, there have been no requests for time on this side. The gentleman from Georgia [Mr. Cox] has made a general statement correctly explaining the situation The gentleman from Alabama [Mr. HOBBS] and the gentleman from Illinois [Mr. REED], members of the subcommittee, are very familiar with the details of the legislation and will explain it in debate on the bill which this rule makes in order.

Mr. COX. Yes, that is right. The gentleman from Illinois [Mr. REED] has given a great deal of time and attention to this as well, I might add, as the gentleman from Pennsylvania [Mr. WALTER].

Mr. MICHENER. Well, everyone on the committee, let us say.

Mr. Speaker, as I said, we have no requests for time on this side.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the bill (S. 88) to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United

States," approved July 1, 1898, as amended, be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended by the act of June 22, 1938 (52 Stat. 840, 869), is hereby amended by striking out all of subdivision (a) of said section and substituting in lieu thereof the following:

"(a) (1) A preference is a transfer, as defined in this act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the original petition initiating a proceeding under this act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class: *Provided, however,* That this section shall have no application to proceedings under chapter IX of this act.

"(2) For the purposes of subdivisions (a) and (b) of this section, and subject to the provisions of paragraph (3), a transfer shall be deemed to have been made or suffered at the time when it became so far perfected that no creditor obtaining under applicable law by legal or equitable proceedings on a simple contract a lien on such property, without a special priority (whether or not such a creditor exists), could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein, and if such transfer is not so perfected prior to the filing of the original petition initiating a proceeding under this act, it shall be deemed to have been made immediately before the filing of such original petition: *Provided, however,* That where real property is transferred for or on account of an antecedent debt, the transfer shall be deemed to have been made at the time when—became so far perfected that no bona fide purchaser from the debtor could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein.

"(3) A transfer, wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer, unless the applicable law requires the transfer to be perfected by recording, delivery, or otherwise, in order that no creditor described in paragraph (2) could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein. A transfer to secure a future loan, if such loan is actually made, or a transfer which become security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration. If any requirement specified in this paragraph (3) exists the time of the transfer shall be determined by the following rules:

"I. Where (A) the applicable law specifies a stated period of time of not more than 30 days after the transfer within which recording delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than 30 days, and compliance therewith is had within 30 days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the original petition initiating a proceeding under this act, such transfer shall be deemed to have been made or suffered immediately before the filing of such original petition."

Amend the title so as to read: "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That subdivision a of section 60 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, as amended, is amended to read as follows:

"'a. (1) A preference is a transfer, as defined in this act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the petition initiating a proceeding under this act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class.

"'(2) For the purposes of subdivisions a and b of this section, a transfer of property other than real property shall be deemed to have been made or suffered at the time when it became so far perfected that no subsequent lien upon such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee. A transfer of real property shall be deemed to have been made or suffered when it became so far perfected that no subsequent bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee. If any transfer of real property is not so perfected against a bona fide purchase, or if any transfer of other property is not so perfected against such liens by legal or equitable proceedings prior to the filing of a petition initiating a proceeding under this act, it shall be deemed to have been made immediately before the filing of the petition.

"'(3) The provisions of paragraph (2) shall apply whether or not there are or were creditors who might have obtained such liens upon the property other than real property transferred and whether or not there are or were persons who might have become bona fide purchasers of such real property.

"'(4) A lien obtainable by legal or equitable proceedings upon a simple contract within the meaning of paragraph (2) is a lien arising in ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

"'(5) A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee or a purchase could create rights superior to the rights of a transferee within the meaning of paragraph (2), if such consequences would follow only from the lien or purchase itself, or from such lien or purchase followed by any step wholly within the control of the respective lien holder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become so superior and such a purchase could not create such superior rights for the purposes of paragraph (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

"'(6) The recognition of equitable liens where available means of perfecting legal liens have not been employed is hereby declared to be contrary to the policy of this section. If a transfer is for security and if (A) applicable law requires a signed and delivered writing, or a delivery of possession, or a filing or recording, or other like overt action as a condition to its full validity against third persons other than a buyer in the ordinary course of trade claiming through or under the transferor and (B) such overt action has not been taken, and (C) such transfer results in the acquisition of only an equitable lien, then such transfer is not perfected within the meaning of paragraph (2). Notwithstanding the first sentence of paragraph (2), it shall not suffice to perfect a transfer which creates an equitable lien such as is described in the first sentence of paragraph (6), that it is made for a valuable consideration and that both parties intend to perfect it and that they take action sufficient to effect a transfer as against liens by legal or equitable proceedings on a simple contract: *Provided, however,* That where the debtor's own interest is only equitable, he can perfect a transfer thereof by any means appropriate fully to transfer an interest of that character: *And provided further,* That nothing in paragraph (6) shall be construed to be contrary to the provisions of paragraph (7).

"'(7) Any provision in this subdivision a to the contrary notwithstanding if the applicable law requires a transfer of property other than real property for or on account of a new and contemporaneous consideration to be perfected by recording, delivery, or otherwise, in order that no lien described in paragraph (2) could become superior to the rights of the transferee therein, or if the applicable law requires a transfer of real property for such a consideration to be so perfected in order that no bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee, the time of transfer shall be determined by the following rules:

"'I. Where (A) the applicable law specifies a stated period of time of not more than 21 days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than 21 days, and compliance therewith is had within 21 days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"'II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the petition initiating a proceeding under this act, such transfer shall be deemed to have been made or suffered immediately before the filing of such petition.

"'(8) If not such requirement of applicable law specified in paragraph (7) exists, a transfer wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transfer or connected

therewith, be deemed to be made or suffered at the time of the transfer. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.'

"SEC. 2. Subdivision c of section 70 of such act, as amended, is amended to read as follows:

"'c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee, as to all property of the bankrupt at the date of bankruptcy whether or not coming into possession or control of the court, shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a creditor then holding a lien thereon by legal or equitable proceedings, whether or not such a creditor actually exists.'

"SEC. 3. a. All acts or parts of acts inconsistent with any provisions of this amendatory act are hereby repealed.

"b. If any provision of this amendatory act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this amendatory act which can be given effect without the invalid provision or application, and to this end the provisions of this amendatory act are declared to be severable.

"SEC. 4. Effect of this amendatory act: a. Nothing herein contained shall have the effect to release or extinguish any penalty, forfeiture, or liability incurred under any act or acts of which this act is amendatory.

"b. The provisions of this amendatory act shall govern proceedings so far as practicable and applicable in cases pending when it takes effect; but proceedings in cases then pending to which the provisions of this amendatory act are not applicable shall be disposed of conformably to the provisions of said act approved July 1, 1898, and the acts amendatory thereof and supplementary thereto."

The committee amendment was agreed to.

Mr. KEATING. Mr. Speaker, I move to strike out the last word, for the purpose of inquiring of the chairman of the subcommittee which handled the bill, about the failure to provide for the recording of accounts receivable. I have had a great many objections to this measure from credit representatives of various companies who point out there is no way of extending credit to a company and being assured that they have not already assigned their accounts receivable unless there is some provision for recording. To leave that out does not seem to give unsecured creditors a fair break in the event of bankruptcy. I fear it may result over the years in losses to them running into many thousands of dollars. The success of American business is so dependent upon sound credit laws that every effort should be made to recognize and incorporate in our laws the best possible provisions for the protection of all creditors with equally due regard to the interests of all debtors.

I had prepared an amendment to the committee amendment to insert the provisions of a bill originally introduced by the gentleman from Alabama [Mr. HOBBS]—H. R. 2691—containing the necessity for the recording of these accounts; but I hesitate to offer that amendment because my understanding is that the committee intends to take that up as a separate problem, and as a practical matter, I know I cannot succeed in securing passage of such an amendment if the members of the committee oppose it here on the floor.. Furthermore, I do not want to interfere with the orderly processes of the committee. I would be grateful if the gentleman from Alabama [Mr. HOBBS] would give the House an expression of what is intended in that regard, and what his own position is, as chairman of this subcommittee.

Mr. HOBBS. I will be delighted to comply with the request of the distinguished colleague on the Committee on the Judiciary.

I introduced H. R. 2691, which provides due notification to the general, unsecured creditors when accounts receivable and similar secret preferences, or which may become secret preferences, have been assigned; but that bill, after 4 years of almost constant study in our committee, and after conference with the National Bankruptcy Conference, was decided to be handled, if handled at all, as a separate measure. Therefore, it was left out of the amended bill which was adopted by a small majority of the members of the National Bankruptcy Conference.

I have the highest regard for both sides of the dispute in the National Bankruptcy Conference, and for the distinguished members of that body who have given almost 12 years of continuous free work to our committee in collaboration, ever since we began consideration of the Chandler Act. I know that they are sincere and honest, and that there is a strong diversity of opinion, adequately presented and cogently argued, that substantiates the bill which I believe in with all my heart.

I believe that we ought to give this House and the Senate an opportunity to consider that on its merits, but I doubt if there is the slightest possibility of getting an act passed in either body with that inclusion.

The SPEAKER. The time of the gentleman from New York [Mr. KEATING] has expired.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOBBS. Therefore, as strongly as I am committed to my own bill, I have gone along with my friends on the subcommittee of the Committee on the Judiciary, and have agreed to sidetrack that issue for the time being.

Let me say, if the gentleman please, that we have never had the slightest political activity in our committee, as he so well knows, and that we have as wonderful a subcommittee as has ever sat under the aegis of this body. I challenge anyone to dispute that. The men who are selected and the men who have been selected to work on that subcommittee are, as nearly as we can ascertain, the best-posted men on the subject of bankruptcy that there are in the Congress on this side of the Capitol. I want to call the roll: The distinguished gentleman from Michigan, Hon. EARL C. MICHENER, ranking member of the subcommittee; has served on that committee except for the period when he was chairman of the full committee, for upwards of 20 years. The distinguished gentleman from Illinois, Hon. CHAUNCEY W. REED, and I went on the committee 16 years ago and we have served on it ever since, alternating as chairman in the latest Congresses. Without his able and diligent work, committee administrative success would be impossible. Our outstanding colleague from Ohio, Hon. WILLIAM M. MCCULLOCH, came on later and he is very much in the situation that the gentleman from New York [Mr. KEATING] and I are with regard to this very measure. I believe I am quoting him correctly when I state that he preferred the engrafting of the provisions the gentleman from New York [Mr. KEATING] plans to engraft by amendment onto this bill, but he and I both have agreed that that should not be done at this time for the reasons that have been assigned by the gentleman and by me. The late lamented gentleman from Illinois, Hon. Martin Gorski, who for 8 years was Master in Chancery of Cook County, and as such handled all the State bankruptcies in that great constituency, has just been succeeded by another distinguished Member, Hon. PETER W. RODINO, JR., of New Jersey. The gentleman from Texas, Hon. FRANK WILSON, and the gentleman from Oklahoma, Hon. DIXIE GILMER, who happens to be ill at the moment in a hospital. The late lamented Martin Gorski is gone, but there is no interruption of the flow of business or the consideration of bankruptcy work in that committee. We have not the slightest hesitancy in submitting anything to each other.

The most efficient, experienced, and accommodating clerk of our subcommittee is indispensable. She is Miss Velma Smedley.

This is a bill which has been brought from that kind of atmosphere, that kind of subcommittee, through the full committee of which the gentleman from New York [Mr. KEATING] is a distinguished member. It has been unanimously approved all the way through, and we are living up to the written pledge that we made in the Eightieth Congress that some such action would be taken in the Eighty-first; so that if we could not get together on anything else we would give relief to a business that amounts to $11,000,000,000 a year which is crippled by the limitation of credit which we need sorely to go ahead with the refinancing of automotive paper and similar business. I think, therefore, Mr. Speaker, that this is the answer at the moment; and I appreciate the gentleman's expression of willingness not to offer his amendment.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. I appreciate the remarks of the able and distinguished gentleman from Alabama. I, of course, entertain for him and for the members of this subcommittee the high regard which he has voiced. It is because of that and because of the practical situation which I realize would cause the defeat of any amendment at this point unless it did have the support of the gentleman and other members of the committee that I am inclined to refrain from offering this amendment. Most of all, I would not desire to take precipitate action here which would result in the defeat of my amendment and thereby foreclose for the foreseeable future the favorable consideration of legislation which I happen to feel is badly needed requiring the recordation of assignments of accounts receivable in order to validate them in the event of bankruptcy. I believe it would be a fair conclusion to draw from the gentleman's remarks—if not I would appreciate it if the gentleman would correct me—that this question of the recording of assignments of accounts receivable is not foreclosed by the passage of this bill. If I felt it were I would oppose the bill. It is still a continuing matter which will receive the careful attention of his subcommittee and upon which either one way or the other we may expect in the near future some kind of action. Would that be a fair conclusion to draw?

Mr. HOBBS. In all candor and honesty—and I am challenged by the gentleman's remarks—I would say that I do not think there can be a consideration immediately at this session of that particular matter for the reason that in the Eightieth Congress we gave a written report to the House and to our full committee promising to take action of this kind in the Eighty-first Congress. Now I understand that the leadership, wisely, wishes to terminate this particular session of the Congress as speedily as possible; so I would be less than candid if I answered the gentleman's question in the affirmative. I do not believe we can get action or consideration at this session but I believe that the fight for a fair recordation statute will go on.

Mr. KEATING. I appreciate deeply the gentleman's candor which is most commendable, but the answer he has given leaves me no alternative except to oppose the passage of this legislation which admittedly contains many desirable provisions but which seems to me fatally defective in failing to provide for the recordation of assignments of accounts receivable.

If this bill passes in its present form it means that each state must pass a separate recording statute to protect unsecured creditors against a trustee in bankruptcy. That seems to me a cumbersome and unnecessary result which could be obviated by the adoption in this measure of protective provisions.

I realize, however, the utter futility of any attempt at amendment here with regard to such a highly technical measure and can only record my opposition to passage.

Mr. HOBBS. This is the subcommittee's report to the House Committee on the Judiciary, which has been referred to:

REPORT OF THE SUBCOMMITTEE ON BANKRUPTCY AND REORGANIZATION OF THE COMMITTEE ON THE JUDICIARY

The Subcommittee on Bankruptcy and Reorganization begs to submit to the Committee on the Judiciary this final report for the Eightieth Congress on the three pending House bills—H. R. 2412, H. R. 5834, and H. R. 5693.

Hearings have been held and careful study given to each of these measures.

Your subcommittee is unanimously and cordially in favor of H. R. 5693, which was carefully drawn by our chairman, Hon. CHAUNCEY W. REED, so as to include only noncontroversial amendments of the Bankruptcy Act. These amendments were helpful and clarifying. This bill was reported favorably by our full committee and passed the House. We sincerely hope that Senate concurrence may be had.

Your subcommittee is in hopeless disagreement as to the advisability of reporting favorably either H. R. 2412 or H. R. 5834, each of which is highly controversial.

Your subcommittee has been informed that the Committee on the Restatement of the Law and the National Bankruptcy Conference are giving careful study to the subject matter of these bills and that during the remainder of this year they may be able to report their recommendations as to the revision of the Bankruptcy Act which would accomplish the desirable changes which the decade of experience with the Chandler Act indicates.

So it is the hope and pledge of your subcommittee that a careful restudy of the Chandler Act in the light of experience may be undertaken early in the Eighty-first Congress and that we may be able to report a workmanlike bill that may be thus produced upon which we may be able to agree unanimously.

For the present, however, our report is that no piecemeal revision or amendment other than the noncontroversial H. R. 5693 can be advocated by your subcommittee.

Respectfully submitted.

CHAUNCEY W. REED,
Chairman.

The report of the full committee is as follows:

AMENDING AN ACT ENTITLED "AN ACT TO ESTABLISH A UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES," APPROVED JULY 1, 1898, AND ACTS AMENDATORY THEREOF AND SUPPLEMENTARY THERETO

Mr. HOBBS, from the Committee on the Judiciary, submitted the following report:

The Committee on the Judiciary, to whom was referred the bill (S. 88) to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That subdivision a of section 60 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended,' is amended to read as follows:

"'a. (1) A preference is a transfer, as defined in this act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the petiton initiating a proceeding under this act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class.

"'(2) For the purposes of subdivisions a and b of this section, a transfer of property other than real property shall be deemed to have been made or suffered at the time when it became so far perfected that no subsequent lien upon such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee. A transfer of real property shall be deemed to have been made or suffered when it became so far perfected that no subsequent bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee. If any transfer of real property is not so perfected against a bona fide purchase, or if any transfer of other property is not so perfected against such liens by legal or equitable proceedings prior to the filing of a petition initiating a proceeding under this act, it shall be deemed to have been made immediately before the filing of the petition.

"'(3) The provisions of paragraph (2) shall apply whether or not there are or were creditors who might have obtained such liens upon the property other than real property transferred and whether or not there are or were persons who might have become bona fide purchasers of such real property.

"'(4) A lien obtainable by legal or equitable proceedings upon a simple contract within the meaning of paragraph (2) is a lien arising in ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

"'(5) A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee or a purchase could create rights superior to the rights of a transferee within the meaning of paragraph (2), if such consequences would follow only from the lien or purchase itself, or from such lien or purchase followed by any step wholly within the control of the respective lien holder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become so superior and such a purchase could not create such superior rights for the purposes of paragraph (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

"'(6) The recognition of equitable liens where available means of perfecting legal liens have not been employed is hereby declared to be contrary to the policy of this section. If a transfer is for security and if (A) applicable law requires a signed and delivered writing, or a delivery of possession, or a filing or recording, or other like overt action as a condition to its full validity against third persons other than a buyer in the ordinary course of trade claiming through or under the transferor and (B) such overt action has not been taken, and (C) such transfer results in the acquisition of only an equitable lien, then such transfer is not perfected within the meaning of paragraph (2). Notwithstanding the first sentence of paragraph (2), it shall not suffice to perfect a transfer which creates an equitable lien such as is described in the first sentence of paragraph (6), that it is made for a valuable consideration and that both parties intend to perfect it and that they take action sufficient to effect a transfer as against liens by legal or equitable pro-

ceedings on a simple contract: *Provided, however,* That where the debtor's own interest is only equitable, he can perfect a transfer thereof by any means appropriate fully to transfer an interest of that character: *And provided further,* That nothing in paragraph (6) shall be construed to be contrary to the provisions of paragraph (7).

"'(7) Any provision in this subdivision a to the contrary notwithstanding if the applicable law requires a transfer of property other than real property for or on account of a new and contemporaneous consideration to be perfected by recording, delivery, or otherwise, in order that no lien described in paragraph (2) could become superior to the rights of the transferee therein, or if the applicable law requires a transfer of real property for such a consideration to be so perfected in order that no bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee, the time of transfer shall be determined by the following rules:

"'I. Where (A) the applicable law specifies a stated period of time of not more than 21 days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies that no such stated period of time or where such stated period of time is more than 21 days and compliance therewith is had within 21 days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"'II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the petition initiating a proceeding under this act, such transfer shall be deemed to have been made or suffered immediately before the filing of such petition.

"'(8) If no such requirement of applicable law specified in paragraph (7) exists, a transfer wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.'

"SEC. 2. Subdivision c of section 70 of such act, as amended, is amended to read as follows:

"'c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee, as to all property of the bankrupt at the date of bankruptcy whether or not coming into possession or control of the court, shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a creditor then holding a lien thereon by legal or equitable proceedings, whether or not such a creditor actually exists.'

"SEC. 3. a. All acts or parts of acts inconsistent with any provisions of this amendatory act are hereby repealed.

"b. If any provision of this amendatory act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this amendatory act which can be given effect without the invalid provision or application, and to this end the provisions of this amendatory act are declared to be severable.

"SEC. 4. Effect of this amendatory act: a. Nothing herein contained shall have the effect to release or extinguish any penalty, forfeiture, or liability incurred under any act or acts of which this act is amendatory.

"b. The provisions of this amendatory act shall govern proceedings so far as practicable and applicable in cases pending when it takes effect; but proceedings in cases then pending to which the provisions of this amendatory act are not applicable shall be disposed of conformably to the provisions of said act approved July 1, 1898, and the acts amendatory thereof and supplementary thereto."

Amend the title to read as follows:

"A bill to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

I. INTRODUCTORY

The bill is jointly sponsored by the American Bar Association, the National Bankruptcy Conference, and the Chicago and New York City Bar Associations, and is supported by a number of other groups hereinafter in this report enumerated.

In the Eightieth Congress bills with the same general effect and containing essentially the same substantive provisions were introduced (S. 826 (which passed the Senate), H. R. 2412, and H. R. 5834), and in the Eighty-first Congress (S. 88, H. R. 272, and H. R. 2691).

Hearings on one or more of these bills were held before a subcommittee of the Judiciary Committee of the Senate in 1948; before the Subcommittee on Bankruptcy and Reorganization of the Judiciary Committee of the House of Representatives on May 7, 1948 (printed hearings, serial No. 19); and before Subcommittee No. 2 of the Committee on the Judiciary of the House of Representatives on March 14, 16, and 18, 1949 (printed hearings, serial No. 7).

Purposes of the bill

(a) With respect to section 1 of the bill, dealing with section 60a, its purpose is to clarify the provisions of that section of the Bankruptcy Act; eliminate confusions that have been created by reason of certain court decisions discussed below; and remove the resultant serious doubts that now exist among banks, factors, and other extenders of credit upon the validity of security taken in good faith and for present value. The present language of the act tends to impede and choke the flow of credit, principally to small-business men, and the object of the bill is to free its channels.

(b) Section 2 of the bill amends section 70c of the Bankruptcy Act, dealing with the general rights of a trustee in bankruptcy, and is essentially correlative to the amendment to section 60a, effected by section 1 of the bill. Under existing law, a trustee, as to all property in the possession or under the control of the bankrupt at the date of bankruptcy, is deemed vested, as of the date of bankruptcy, with all of the rights of a creditor then holding a lien by legal or equitable proceedings, and, as to all other property, with the rights of a judgment creditor then holding an unsatisfied execution.

In view of the amendment made to section 60a, as well as intrinsically, it is deemed wise to place the trustee in bankruptcy in the position of a lien creditor with respect to all of the bankrupt's property, and section 2 of the bill so amends section 70c.

II. STATEMENT

Traditionally, it is the primary office of the Bankruptcy Act to protect creditors, both secured and unsecured; to marshal the bankrupt's assets; and to distribute them among his creditors equitably and ratably, in accordance with their respective rights and interests.

It follows from these broad general principles, as well as from the basic provisions of the Bankruptcy Act itself, that—

(A) A trustee in bankruptcy occupies the position of a "universal" judgment or lien creditor, with all such a creditor's remedies (Bankruptcy Act, sec. 70); and

(B) Except as may be necessary to avoid preferences or fraudulent transfers, he takes the bankrupt's assets subject to all valid liens and encumbrances, thereon, as conferred by applicable State law (Bankruptcy Act, secs. 57 (e) and (h), sec. 67 (b), and sec. 70).

This consistent pattern would probably never have been disturbed, but for a series of decisions of the United States Supreme Court in the earlier decades of this century. In *Sexton* v. *Kessler* ((1912) 225 U. S. 90), the Supreme Court, under the language of the Bankruptcy Act prior to the 1938 amendment, recognized as valid a pledge of stocks and bonds consummated within the 4-month period, at a time when the pledgor was insolvent, because a promise to make a pledge had been made before the commencement of the 4-month period. This result was reached on the doctrine of "relation back."

Similarly, in *Carey* v. *Donohue* ((1916) 240 U. S. 430), the Supreme Court recognized as valid an unrecorded deed to real estate, on the ground that the applicable State statute did not make such a deed invalid as against judgment creditors. The Carey case, accordingly, became known as the "pocket lien" case.

Other cases, substantially to the effect of one or the other of these two, are *Bailey* v. *Baker Ice Machine Co.* ((1915) 239 U. S. 268); *Martin* v. *The Commercial Bank* ((1918) 245 U. S. 513); and *Bunch* v. *Maloney* ((1918) 246 U. S. 658).

In 1938 the Bankruptcy Act was amended to obviate the effect of these cases, which were regarded with disfavor by the great majority. But, in so doing, the authors of the amendment went further than was necessary, and it brought about results which they did not anticipate. The amendment placed the trustee in the position of an artificial potential bona fide purchaser, and, by so doing, unintentionally invalidated many types of liens acquired in good faith and for value, in normal and accepted business and financial relationships.

The matter was first brought to a focus in 1943, in the case of *Corn Exchange National Bank & Trust Company* v. *Klauder* (318 U. S. 434, 63 Sup. Ct. 679, 87 L. Ed. 884), in which the Supreme Court, because of the new language, felt constrained to strike down an assignment of accounts receivable taken by a bank long prior to the beginning of the 4-month period and for value, because it had failed to comply with the requirement of notifying the account debtors, which, under the applicable State law, was necessary in order to cut off the rights of a possible second assignee. And this, despite the fact that no second assignee was involved in the case at all.

The difficulty was emphasized by the decision of the United States district court in *In re Vardaman Shoe Company* ((1943) 52 Fed. Supp. 562), where the law of two States (Illinois and Missouri) was involved. In the Vardaman case, the court went even further than in the Klauder case. (The Vardaman decision was, unfortunately, not appealed.)

Although the Third Circuit Court of Appeals in the later case of *Matter of Rosen* ((1946) 157 Fed. (2d) 997 (cert. den. 330 U. S. 835)), expresses its disagreement with the theory of the Vardaman case, the law thus remains in conflict, and there are 8 judicial circuits out of the 10 which have not ruled on this question.

The resultant confusion has cast grave doubt upon the validity of normal business security, in all of the areas covered by trust

receipts, factors liens, oil leases, cattle loans, airplane-equipment financing, chattel mortgages, assignments of accounts receivable, conditional sales agreements for resale, etc. Indeed, a bank officer, who appeared as one of the witnesses at the subcommittee hearing, testified that the situation had come to such a pass that his institution was compelled to regard all such types of transaction as unsecured loans, and to rule on them, as to the terms which his bank was willing to enter into them, accordingly.

In 1945, the American Bar Association addressed itself to the problem, and created a special committee to consider it. The committee consulted with a number of both disinterested and interested groups, and evolved an amendment which was approved by the house of delegates of the American Bar Association at its annual convention in 1946. This amendment subsequently became S. 88 and H. R. 272.

In the meantime, the National Bankruptcy Conference also interested itself in the problem, at meetings held in 1946 and 1948, expressed support, in principle, of the bar association's amendment, but felt the necessity for several refinements in language and limitations in scope. Accordingly, the representatives of both groups met in joint sessions, resulting in final agreement upon the language of H. R. 5933. The text of this bill is the amendment substituted by the committee for the provisions of S. 88, as passed by the Senate and referred to the Committee on the Judiciary.

The committee on bankruptcy and corporate reorganizations of the Association of the Bar of the City of New York has collaborated with them and joins in support of the measure.

The objectives of section 1 of the bill are as follows:

(A) To retain unimpaired the basic object of the 1938 amendment, which eliminated the relation-back doctrine of *Sexton* v. *Kessler*, and the pocket-lieu doctrine of *Carey* v. *Donohue*, referred to above;

(B) To eliminate the evil of allowing a trustee in bankruptcy to take the position of a potential and artificial bona fide purchaser, and to restore him to the position of a lien creditor, in harmony with his functions under the Bankruptcy Act; and

(C) in effectuation of said policy, to provide that no transfer made in good faith, for a new present consideration, shall constitute a preference to the extent of such consideration actually advanced, if the provisions of applicable State law governing the perfection of such transfer are complied with, with an appropriately rigid time limitation (21 days) for such perfection if such limitation is not itself prescribed by the applicable State law.

At the hearings held on these several bills, the following groups all favored their objectives, by written statement; the oral testimony of their representatives; and (in most instances) both: American Bankers Association; California Bankers Association; Illinois Bankers Association; Massachusetts State Bankers Association; Michigan State Bankers Association; Minnesota State Bankers Association; New Jersey State Bankers Association; New York State Bankers Association; American Finance Conference; Factors Legislative Committee; New York County Lawyers Association; National Conference of Commercial Receivable Companies, Inc.; Midwest Conference of Accounts Receivable Companies; Association of Commercial Discount Companies, Inc. (of New York); Minnesota Association of Sales Finance Companies; Bank of America (Los Angeles); First National Bank of Boston; First National Bank of Chicago; Bankers Trust Company of New York; Commercial Investment Trust.

III. COMMITTEE AMENDMENT

As above stated, the measure, as originally drafted by the American Bar Association committee, has already passed the Senate as S. 88. Therefore, for the information of the House, the following analysis and comparison of it with the bill as amended is submitted.

(1) Subdivision a (1) of both bills is virtually identical, and substantially reenacts the first sentence of section 60a of the present act.

(2) Subdivision (2) of S. 88 and subdivisions (2), (3), (4), and (5) of the committee amendment have the same general objective; namely, to effectuate the purposes enumerated as (A) and (B) above. The committee amendment spells out the matter in greater detail, and in language that is regarded as more definite. In addition, subdivision (5) makes it clear that the hypothetical lien or purchase (to which the trustee succeeds) protected by the preference section must be one obtainable upon the entry of a judgment or decree, or attachment, garnishment, execution, or like process, based upon a simple contract and by steps within the control of the lien holder or purchaser, as such, with or without the aid of ministerial action by public officials. In other words, for illustration, it excludes, as it should, special priority liens or rights that may be acquired only by the agreement or concurrence of a third party or further independent judicial action.

(3) Subdivision (6) of the committee amendment does not appear in S. 88 as passed by the Senate. Its purpose is to make it certain that the amendment will not validate, in the hands of a secured creditor, equitable liens where available means of perfecting legal liens have not been employed by him. The matter is, perhaps, covered by inference in S. 88, but subdivision (6) of the committee amendment spells it out.

(4) Subdivisions (7) and (8) of the committee amendment are essentially the same as subdivision (3) of S. 88. Both would effectuate object (C) above stated. The only difference is that, where the applicable State law specifies no specific time for perfection by the recording of a secured lien, the permissible period for one claiming security to comply with a State recording provision is shortened from 30 to 21 days.

Subdivision (8) is a restatement of the second sentence in paragraph (3) of S. 88, and has been placed in a separate subsection for clarity of draftsmanship and language.

(5) Sections 2, 3, and 4 of the committee amendment are new. Section 2 is the amendment to section 70c of the act above referred to, which has been placed in the bill for the protection of trustees in bankruptcy as correlative to the amendment to section 60, and also to simplify, and to some extent expand the general expression of the rights of trustees in bankruptcy.

Sections 3 and 4 are purely formal provisions.

IV. CONCLUSIONS

As a result of the hearings held and after giving extensive consideration to the oral testimony adduced thereat, and the written statements of the responsible bodies filed in connection therewith, your committee is of the conviction that the bill constitutes a much needed amendment to the Bankruptcy Act; that it will facilitate the extension of credit upon fair and reasonable terms; and that its provisions are equitable to the interests of secured and unsecured creditors alike.

The committee, accordingly, unanimously recommends that the bill do pass.

Changes in existing law

In compliance with clause 2a of rule XIII of the House of Representatives, there is printed below in roman existing law in which no change is proposed, with new matter shown in italic, and with matter proposed to be omitted enclosed in black brackets:

"SECTION 60A OF THE BANKRUPTCY ACT (52 STAT. 840, 869)

"(a) (1) A preference is a transfer, as defined in this Act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within four months before the filing by or against him of [the petition in bankruptcy, or of] the *original* petition *initiating a proceeding* under [chapter X, XI, XII, or XIII of] this Act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class: *Provided, however, That this section shall have no application to proceedings under chapter IX of this Act.* [For the purposes of subdivisions a and b of this section, a transfer shall be deemed to have been made at the time when it became so far perfected that no bona fide purchaser from the debtor and no creditor could thereafter have acquired any rights in the property so transferred superior to the rights of the transferee therein, and, if such transfer is not so perfected prior to the filing of the petition in bankruptcy or of the original petition under chapter X, XI, XII or XIII of this Act, it shall be deemed to have been made immediately before bankruptcy.]

(2) For the purposes of subdivisions (a) and (b) of this section, and subject to the provisions of paragraph (3), a transfer shall be deemed to have been made or suffered at the time when it became so far perfected that no creditor obtaining under applicable law by legal or equitable proceedings on a simple contract a lien on such property, without a special priority (whether or not such a creditor exists), could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein, and if such transfer is not so perfected prior to the filing of the original petition initiating a proceeding under this Act, it shall be deemed to have been made immediately before the filing of such original petition: Provided, however, That where real property is transferred for or on account of an antecedent debt, the transfer shall be deemed to have been made at the time when it became so far perfected that no bona fide purchaser from the debtor could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein.

"(3) A transfer, wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer, unless the applicable law requires the transfer to be perfected by recording, delivery, or otherwise, in order that no creditor described in paragraph (2) could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein. A transfer to secure a future loan, if such loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration. If any requirement specified in this paragraph (3) exists the time of the transfer shall be determined by the following rules:

"I. Where (A) the applicable law specifies a stated period of time of not more than thirty days after the transfer within which recording delivery, or some other Act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than thirty days, and compliance therewith is had within thirty days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to

the filing of the original petition initiating a proceeding under this Act, such transfer shall be deemed to have been made or suffered immediately before the filing of such original petition.

"COMMITTEE AMENDMENT

"SECTIONS 60A AND 70C OF THE BANKRUPTCY ACT (52 STAT. 840, 869)

"SEC. 60. PREFERRED CREDITORS.—a. A preference is a transfer, as defined in this Act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the petition [in bankruptcy, or of the original petition under chapter X, XI, XII, or XIII of] *initiating a proceeding under* this Act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class. [For the purposes of subdivisions a and b of this section, a transfer shall be deemed to have been made at the time when it became so far perfected that no bona fide purchaser from the debtor and no creditor could thereafter have acquired any rights in the property so transferred superior to the rights of the transferee therein, and, if such transfer is not so perfected prior to the filing of the petition in bankruptcy or of the original petition under chapter X, XI, XII, or XIII of this Act, it shall be deemed to have been made immediately before bankruptcy.]

"(2) *For the purposes of subdivisions a and b of this section, a transfer of property other than real property shall be deemed to have been made or suffered at the time when it became so far perfected that no subsequent lien upon such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee. A transfer of real property shall be deemed to have been made or suffered when it became so far perfected that no subsequent bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee. If any transfer of real property is not so perfected against a bona fide purchase, or if any transfer of other property is not so perfected against such liens by legal or equitable proceedings prior to the filing of a petition initiating a proceeding under this Act, it shall be deemed to have been made immediately before the filing of the petition.*

"(3) *The provisions of paragraph (2) shall apply whether or not there are or were creditors who might have obtained such liens upon the property other than real property transferred and whether or not there are or were persons who might have become bona fide purchasers of such real property.*

"(4) *A lien obtainable by legal or equitable proceedings upon a simple contract within the meaning of paragraph (2) is a lien arising in ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.*

"(5) *A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee or a purchase could create rights superior to the rights of a transferee within the meaning of paragraph (2), if such consequences would follow only from the lien or purchase itself, or from such lien or purchase followed by any step wholly within the control of the respective lien holder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become so superior and such a purchase could not create such superior rights for the purposes of paragraph (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.*

"(6) *The recognition of equitable liens where available means of perfecting legal liens have not been employed is hereby declared to be contrary to the policy of this section. If a transfer is for security and if (A) applicable law requires a signed and delivered writing, or a delivery of possession, or a filing or recording, or other like overt action as a condition to its full validity against third persons other than a buyer in the ordinary course of trade claiming through or under the transferor and (B) such overt action has not been taken, and (C) such transfer results in the acquisition of only an equitable lien, then such transfer is not perfected within the meaning of paragraph (2). Notwithstanding the first sentence of paragraph (2), it shall not suffice to perfect a transfer which creates an equitable lien such as is described in the first sentence of paragraph (6), that it is made for a valuable consideration and that both parties intend to perfect it and that they take action sufficient to effect a transfer as against liens by legal or equitable proceedings on a simple contract: Provided, however, That where the debtor's own interest is only equitable, he can perfect a transfer thereof by any means appropriate fully to transfer an interest of that character: And provided further, That nothing in paragraph (6) shall be construed to be contrary to the provisions of paragraph (7).*

"(7) *Any provision in this subdivision a to the contrary notwithstanding if the applicable law requires a transfer of property other than real property for or on account of a new and contemporaneous consideration to be perfected by recording, delivery, or otherwise, in order that no lien described in paragraph (2) could become superior to the rights of the transferee therein, or if the applicable law requires a transfer of real property for such a consideration to be so perfected in order that no bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee, the time of transfer shall be determined by the following rules:*

"I. Where (A) the applicable law specifies a stated period of time of not more than twenty-one days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than twenty-one days, and compliance therewith is had within twenty-one days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the petition initiating a proceeding under this Act, such transfer shall be deemed to have been made or suffered immediately before the filing of such petition.

"(8) *If no such requirement of applicable law specified in paragraph (7) exists, a transfer wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.*

"SEC. 70c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee, as to all property [in the possession or under the control] of the bankrupt at the date of the bankruptcy [or otherwise] *whether or not* coming into [the] possession [of the bankruptcy court] *or control of the court*, shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a creditor then holding a lien thereon by legal or equitable proceedings, whether or not such a creditor actually exists [; and, as to all other property, the trustee shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a judgment creditor then holding an execution duly returned unsatisfied, whether or not such a creditor actually exists]."

Mr. HINSHAW. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, may I inquire of the distinguished gentleman from Alabama what action his committee may be taking in connection with the section relating to farm bankruptcy? As I understood it, there are some very difficult situations existing in the country, largely by virtue of catastrophes to farm orchards and products of various kinds.

Mr. HOBBS. We are keenly alive to the necessities of that situation, particularly in California. I may say to the gentleman that, of course, it is a separate and distinct matter and is the only one of the six composition settlement bills that has not become law. We are very anxious to close that up as soon as we can and write it into law. I hope that that can be done at this session.

Mr. HINSHAW. I thank the gentleman and I hope it can too. There are some very vital parts to it.

Mr. HOBBS. I realize that is true, particularly of California.

Mr. YATES. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, may I inquire of the distinguished gentleman from Alabama just what this bill proposes to do? In his remarks to the gentleman from New York [Mr. KEATING] he has stated the background of the legislation during the Eightieth Congress, but as a new Member of Congress and as one confronted with this report on the bill for the first time, I find it is rather difficult to comprehend its full implications. It presents a very technical approach to amend the Bankruptcy Act, and therefore I would appreciate a delineation by the gentleman of the purposes of the legislation.

Mr. HOBBS. It is exceedingly technical and is the result of a thoroughgoing microscopic examination of every word in the Bankruptcy Act which was passed in 1938 and now after 10 years of experience has been brought up again today. This has one object in view, to try to safeguard the rights of creditors as opposed to the overriding of those rights in too many instances by the bankrupts. We wish an honest administration of the bankruptcy law, and what this does is to delineate carefully with the advice of the very best minds in the bankruptcy world, and I mean by that the members of the

National Bankruptcy Conference, not of the subcommittee. All I am saying for the subcommittee is that we worked hard and have done it honestly with their consideration and help. But here is the point, and I think I can answer the gentleman to his entire satisfaction very quickly.

The sole object is to kill crooked preferences and to see to it that a man who has an honest account receivable, or mortgage, or any other paper that entitles him to a preference, gets it, but that the crook who has no right to preference over the regular run of creditors does not get an unfair advantage.

Mr. YATES. What will be the position of the trustee in bankruptcy as the result of the passage of this legislation?

Mr. HOBBS. The trustee in bankruptcy is removed from the position of a bona fide purchaser for value without notice and given an adjudicated lien as a judgment creditor. I think that that is a fair statement of the act.

Mr. YATES. In other words, then, the trustee in bankruptcy's position as a secured creditor will be lessened as the result of the passage of this bill, will it not?

Mr. HOBBS. Yes, but the question is: What was the intent of the law that we passed? We never intended it to go as far as the Klander case and three other cases have gone. The distinctive feature that is inveighed against, and I think rightly, is that we set up a hypothetical process, whether it was followed or not, and I do not think that we ought to follow the Klander case to the extent of saying that we suppose that something happened, although it never did, and are required to give the trustee in bankruptcy a supposititious preference. All that the trustee needs is a judgment of a court of competent jurisdiction giving him his lien as a preference to the rank and file of unsecured creditors, and that is what this bill does, instead of giving him a lien as a bona fide purchaser for value without notice.

Mr. YATES. If the gentleman will bear with me a moment, is not, however, the possibility of the evil toward which this legislation is directed still likely to continue in view of the fact, as I understand the gentleman's explanation, a recording of a chattel mortgage or of some instrument showing a secured debt within the 4-month period will be given preference over the trustee in bankruptcy's rights, might there not be a spurious recording which would compel the trustee in bankruptcy to bear the burden of proof to set that aside?

Mr. HOBBS. No, sir. This bill never rewards fraud in any particular. Here is the point. We cannot suppose that anything happened which never did, and in the act we set up that supposititious status which in many cases never arose.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. YATES. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOBBS. I think you will find, sir, that this has been carefully considered and that there is no disposition whatsoever otherwise. I perfectly agree, if this were a matter of first impression, and if we had not considered it and argued it with the bankruptcy world for 4 years, that I would like to have considered the bill that I introduced which provides for recordation. However, I think the amended House bill H. R. 5933, which we are substituting for the Senate bill by amendment, improves the Bankruptcy Act.

This is the point I want to drive home. In 17 States there has already been passed what they call a validation statute, which could not be upset by anything we might do, so that situation needs further consideration before we pass a recordation statute.

Mr. YATES. I notice in the report that a very distinguished list of associations has approved this legislation. Can the gentleman tell us whether there are any comparable persons or associations which are opposed to its passage?

Mr. HOBBS. There is only one association that is on record opposing it, as far as our information goes. That is a very distinguished and a powerful group, with some 30,000 members.

Mr. YATES. Which group is that?

Mr. HOBBS. That is the National Association of Credit Men. They are represented by one of the ablest lawyers in the field, Hon. Randolph Montgomery, who has worked with us for 12 years.

I will say to the gentleman that there are five or six other distinguished lawyers, master minds in the bankruptcy field, who agree with me, but in spite of the fact that we agree perfectly on everything else, they cannot agree with this amendment. Our committee has the highest respect for these gentlemen of the minority of the National Bankruptcy Conference and for any opinion they espouse, yet we have felt constrained to report the pending amended bill to the House unanimously asking its passage.

Mr. STEFAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I take this time to interrogate the gentleman from Alabama [Mr. HOBBS] on this bill. Has this been taken up with the Judicial Conference?

Mr. HOBBS. Does the gentleman mean the National Bankruptcy Conference?

Mr. STEFAN. Has the gentleman discussed it with the bankruptcy referees?

Mr. HOBBS. Oh yes, sir. Many of them testified before us many times.

Mr. STEFAN. Has it been discussed with the Federal courts?

Mr. HOBBS. No, sir. The gentleman means the Judicial Conference that is under the Chief Justice?

Mr. STEFAN. Yes; the Judicial Conference.

Mr. HOBBS. No, sir; although Chief Judge Orie L. Phillips of the tenth circuit, as chairman of its bankruptcy committee, I believe, was very helpful.

Mr. STEFAN. But you have discussed it with the bankruptcy referees?

Mr. HOBBS. The National Bankruptcy Conference, the bankruptcy committee of the American Bar Association, and every other one of the 40 important groups that speak on bankruptcy matters.

Mr. STEFAN. Mr. Speaker, I feel that legislation like this is necessary if it is going to strengthen the arm of our bankruptcy courts.

The gentleman will probably recall that our Committee on Appropriations for the Department of Justice and the Federal courts made the bankruptcy referees officials of the court, taking them off a commission basis and putting them on a salary basis. This year when they appeared before us, we found that the cost of referees is now more than self-liquidating.

I believe that the Members of the House would be interested to know that a report coming to us indicates that bankruptcy cases are on the increase. If this bankruptcy increase is any indication for future business it is not at all bright.

The peak of the bankruptcy cases following the First World War numbered 70,000. Today there are approximately 20,000 bankruptcy cases in the United States. The prediction is that in another year or so the number will be close to 40,000. The prediction is also made that the number of bankruptcy cases in the United States will equal the peak following the First World War about 15 years after World War II. However, the number of bankruptcy cases is increasing by leaps and bounds and any legislation to establish a uniform system of bankruptcy is very timely indeed. I am merely serving notice on the Membership of the House to watch that prediction made by our Federal referees in bankruptcy that it will not be many more years before we again reach the peak of bankruptcy cases in the United States which may number 70,000 cases, as was true following World War I. This prediction should put American business on guard against coming events.

Mr. HOBBS. Mr. Speaker, I cannot resist the temptation to say to the House that the distinguished gentleman who has just spoken was chairman of the Subcommittee on Appropriations which enabled us to put into effect the placing of referees in bankruptcy on a salary basis. The House of Representatives ought to be proud of the fact that for the first time in history we are running at a net profit to Uncle Sam of over $1,500,000 a year and that we are paying every cent which comes in in the form of bankruptcy costs or fees into the Treasury of the United States rather than into the pockets of the referees as in the past. As I said, the gentleman was the chairman of the subcommittee which gave us the pump priming to start and enabled us to start the good work. You gentlemen and the Senators voted unanimously to write into law that very salutary reform which struck from our statutes the last vestige of the old and unlamented fee system. Again, we congratulate you.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. RODINO. Mr. Speaker, I rise in support of S. 88. The bill proposes amendments to sections 60a and 70c of the Bankruptcy Act. It has been rig-

orously examined by both the House and Senate in the Eightieth and Eighty-first Congresses, and has undergone perfecting amendments to eliminate objections made by witnesses and perceived by the committee members who have considered the bill. A word as to the need for the bill:

In 1938, the Congress enacted amendments to the Bankruptcy Act designed to offset the unfortunate consequences of several earlier Supreme Court decisions enlarging unduly the degree of protection extended to preferential liens against estates in bankruptcy. In an effort to correct these consequences, the 1938 amendments had the unintended effect of operating in such a restrictive fashion that many types of liens acquired in good faith were invalidated, contrary to accepted custom and usage in business and financial circles. Recent Supreme Court decisions have brought the deficiency in the 1938 amendments to focus and, because of an even later decision of a circuit court which was not appealed and which went further than the Supreme Court decisions, a state of uncertainty exists in the courts of the land as to what the law is, and doubt attaches to the validity of many bona fide business transactions.

Others to speak on the measure will describe its technical features. I merely wish to lend my support to the bill because I am familiar with the background circumstances impelling its passage. From close study, I can assure my colleagues in the House that the amendments proposed will correct the shortcomings of the law without endangering the rights of creditors of bankrupt estates.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

A motion to reconsider was laid on the table.

PERMISSION TO REVISE AND EXTEND

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to revise and extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MICHENER. Mr. Speaker, may I supplement that by asking unanimous consent that all Members may extend their remarks immediately preceding the passage of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. YOUNG] is recognized for 10 minutes.

REPEAL OF EXCISE TAXES

Mr. YOUNG. Mr. Speaker, like many of my colleagues, I voice disappointment over some omissions on the subject of repeal of excise taxes in the recommendation made by Secretary of the Treasury Snyder to the Committee on Ways and Means.

At the outset let us get this fact straight: That if and when 3 or 5 or 10 or more of the majority members of the Committee on Ways and Means, and when scores and scores of the majority Members of this House voice their judgment that wartime excise taxes should be repealed, we are not joining with the Republican Party nor following Republican leadership. Let us get that fact straight. For example, last session, when the question of imposing the obnoxious and atrocious sales tax of 2 percent in the District of Columbia was debated and voted on, on the floor of the House of Representatives, it was votes of the majority Members of the House which were cast against that, and very few votes from the minority side were against that obnoxious tax which now oppresses all of us in the District of Columbia and all of our constituents who visit here. It is a fact that the Democratic national platform has time and again voiced disapproval of the national sales tax. There are on the Committee on Ways and Means majority members, such as the gentleman from Michigan [Mr. DINGELL] and others, who time and time again have expressed disapproval of the wartime excise taxes and expressed themselves in favor of repealing them. As a matter of fact, in January 1947, President Truman recommended to the Congress that it continue the wartime excise taxes for a period of 1 year only. That was during the Republican Eightieth Congress, and the Eightieth Congress denied the President's request. Instead, the last Republican Congress voted for legislation continuing permanently the wartime excise taxes which have proved so oppressive to our people. We are not joining the "Johnnie come lately's." Many minority Members are going along with us. We propose to eliminate some excise taxes and greatly reduce others commencing next July 1.

In particular I denounce the war-imposed 20-percent tax on movie admissions. This tax bears heavily on amusement, relaxation, and recreation costs of our people. This tax is responsible for a decline in attendance of movies. It is responsible for huge losses in a heretofore profitable business. It is responsible for the dismissal of employees in moving-picture theaters.

This particular tax is not only restrictive of business but it is an indefensible tax on the poor man's entertainment and the pleasure of children. Attending movies is the principal form of relaxation and recreation in many of our communities. I cannot believe the financial solvency of the United States will be impaired by removing this 20-percent tax paid on admissions and, as a member of the Committee on Ways and Means, I expect to vote in committee to remove these excise taxes on admissions or at least cut them in half.

I denounce them as restrictive, regressive, obnoxious, and atrocious.

During World War II excise taxes were imposed upon 40 products. Excise taxes are sales taxes. They were imposed upon transportation to bring in revenue and to discourage travel, upon communications to discourage long-distance telephoning and sending of telegrams which might delay necessary wartime communications. In addition, excise taxes were imposed upon baby oil, powder, movie admission tickets, leather goods, photographic supplies, furs, jewelry, and so forth. These taxes, now that the war is over, are unfair and discriminatory. They are restrictive of business and have been the cause of unemployment in the jewelry, entertainment, fur, and other industries. If Congress were to repeal all these taxes the net revenue falling off would approximate $2,000,000,000, but the actual loss in tax revenue to our Government would be but a fraction of this sum. Employment would be increased. Therefore, more income taxes would be paid by more individuals. Also, there would be increased corporate taxes. Corporations now pay out substantial amounts in excise taxes. Their net earnings would go up as these taxes went down. We must eliminate this wartime hang-over of burdensome excise taxes. Sometimes they are spoken of as luxury taxes. Is having a baby a luxury? Is it a luxury for children to attend a movie?

This Congress owes a duty to the American people to eliminate or greatly reduce troublesome wartime excise taxes.

Women have good reason to feel aggravated over the taxes levied on cosmetics and handbags. Businessmen have reason to complain about taxes on telegraph messages, railway travel, and telephone calls. These are troublesome taxes and the cost of collection cuts deep into the amount obtained. Such taxes are unsound from an economic standpoint.

It is unfortunate that more people are not conscious of how burdensome high taxes are, and the threat this situation raises to our national economy. Many who pay little, or no, income taxes are disinterested, because they erroneously believe they do not contribute and, therefore, are not affected. But they do contribute and their welfare is affected.

Do you drive a car? If you do, you pay a Federal tax of 1½ cents on every gallon of gasoline you buy, plus whatever State tax your State demands. In some States this runs as high as 4 or 5 cents per gallon. Not much, you say? How many miles do you drive in a year? Now figure up how many gallons of gasoline you use, and you will be surprised at how much the Federal and State governments take from you for the privilege of driving.

Do you smoke? Every time you buy a pack of cigarettes, you pay Uncle Sam 7 cents for the privilege. How many packs do you smoke yearly? Figure it out.

Every time you go to a ball game, Uncle Sam demands a 20-percent tax on each ticket. Your children have to pay the same 20-percent tax when they go to the movies.

Every time you ride a train, or intercity bus or airplane, you pay a Government tax in addition to the price of your

ticket. Every time you send a telegram or make a long-distance call, in addition to the regular charge you pay an extra 25 percent for the Government's tax.

In addition, there are sales taxes and special excise taxes in many States on some of the same items on which Congress has imposed a Federal excise tax.

Where will it end? Taxes are necessary, of course, to maintain Government, whether it be Federal, State, or city. But there is a limit to the tax burden people can stand. I favor reducing expenditures and cutting taxes.

Except for taxes imposed before the war on liquor, cigarettes, tobacco, and gasoline, all other excise taxes should be greatly cut or eliminated altogether. Having a baby, or going to the movies are not luxuries. Your Government will remain solvent if we remove taxes on movie admission tickets, baby powder, baby oil, and so forth. I voted against imposition of a 2-percent stales tax in the District of Columbia. Sales taxes such as we have in Ohio and such as these Federal excise taxes place the heaviest burden upon the poorest people. They are the opposite of income taxes. Excise taxes and sales taxes against the necessities of life burden most those who have least.

The tax on transportation costs our citizens $600,000,000 a year, yet this tax was never intended as a revenue measure. It was passed as a war measure to discourage unnecessary travel, to free the railway systems for the transportation of troops and supplies. No one objected to the transportation tax in time of war. We have been at peace since 1945 and yet this burdensome nuisance tax still exists as a hangover from the war. The Eightieth Congress should have repealed it. It failed to do so. In fact it extended it permanently.

Excise taxes, or sales taxes, are regressive. They fall hardest upon the poor. They increase in their burden with the number of children in the family. They reduce the family purchasing power. The much ballyhooed ease of administration is greatly exaggerated. Alleged low-collection costs overlook industry-compliance costs.

These are not luxury taxes. Goods of universal consumption can hardly be correctly labeled luxuries. A fur coat costing possibly $200, which the purchaser intends to wear for 5 years or longer, can hardly be considered a luxury.

Imposing a tax burden at the same rate on poor and rich alike is unjust. Poor people spend a major portion of their income on the necessities of life. The more children there are in a family the more likely it is that the total income will go for bare necessities. Persons on relief, the unemployed, young veterans, newly married or about to be married, retired employees, all would be especially burdened by a sales tax. Instead of exempting amounts considered necessary for subsistence, as the income tax does, the retail sales tax exempts amounts saved and taxes what is spent for subsistence. It is in effect a tax with no exemptions, except for the rich who are exempt on what they save.

So-called luxury taxes are misnomers now. The movies, automobiles, electricity, radios, electric-light bulbs, clocks, telegrams, long-distance telephone calls, and so forth, have long since passed out of the luxury class. Whatever has become standardized and of universal consumption by the bulk of the population is no longer a luxury. Taxes such as these are not levied with the thought that consumption of the commodities taxed will be reduced.

A 20-percent sales tax on admissions is indefensible and one that bears heavily on the amusement costs of the people. As applied to the legitimate theater, musical concerts, and the like, it places the United States in a position of taxing an industry that other nations consider a proper subject of state subsidy. As for taxing the circus and the movies—the chief form of relaxation many people in rural areas have—the tax is on the poor man's entertainment and the pleasure of children. The tax is in part responsible for the decline in theater attendance. In failing to distinguish between the low-priced suburban or country movie and the big high-priced first-run city theaters, an injustice is worked to the masses, the laboring people, the women and children. Taxing admissions to agricultural fairs is to put a tax on education of farmers.

The tax on furs has thrown many businesses into bankruptcy and has caused the dismissal of some 8,000 employees in the fur industry. This tax discriminates against one article of clothing, which certainly is no luxury, at least in the North. It has severely hurt the industry, which has suffered a greatly reduced volume of sales. An expensive coat, even though it has no fur, is tax-exempt. Serious problems of equity have developed. The clothier making nontaxed articles has been able to take a higher mark-up in tax-exempt but inferior garments.

There are those who defend the 20-percent tax on jewelry, stating that jewelry is clearly a luxury. Examination of this tax shows in a large measure that tax becomes one on wedding gifts, graduation presents, and so forth. Are clocks jewelry? They are taxed as such yet are they not in fact in the category of household furniture? If oriental rugs and expensive bric-a-brac ornaments are tax-free, how can one justify singling out clocks for taxation? To apply the tax, as the Bureau of Internal Revenue does, to ornamental buttons on women's dresses has gone far beyond the intent of Congress. The 20-percent rate on retail sales of jewelry discriminates in favor of much lower rates on jewelry's principal competitors such as dealers in radios, musical instruments, and so forth. It is indefensible discrimination against such items as fountain pens, compacts, and so forth, simply because they have a little gold or silver in them. This tax and the tax on luggage, leather goods, purses, toilet cases, and so forth, should be eliminated.

A lady wrote me the other day, "Are your pants pockets a luxury?" She purchased a leather handbag and was compelled to pay the exorbitant tax. One cannot blame this lady for being angry. Handbags are essential items for women's wear. Women are paying $48,000,000 yearly in taxes and the leather-pocketbook industry has suffered terrific losses. Seven thousand employees have been thrown out of employment. Our Government has lost the pay-roll taxes they would have paid as industrial workers.

Beardsley Ruml, author of the pay-as-you-go income-tax system now in use, urged repeal of excise taxes, which most people agree are obnoxious. Beardsley Ruml's proposal merely echoes views held by many progressive forward-looking Congressmen. Excise taxes, such as those imposed upon sales of electric bulbs, cosmetics, baby powder, transportation, and so forth, burden most those who have least.

Whether you call it tax evasion or tax avoidance, as long as income taxes have to be high as they now are it is essential that everybody pay his fair share. If loopholes in the present law permit some to evade paying the proper amount of taxes, Congress must correct this. It is also our job to see that fraud in the filing of dishonest-tax returns is summarily punished. This we can do by expanding the enforcement staff of the Bureau of Internal Revenue.

In 1947 President Truman recommended to the Congress that it continue wartime excise taxes for the period of 1 year only. The Republican Eightieth Congress denied his request. Instead it voted up legislation continuing permanently the wartime excise taxes which have proved so oppressive to our people. My predecessor as Ohio Congressman at large, who incidentally is a candidate seeking to defeat me this November, voted in favor of making these obnoxious and atrocious Federal excise taxes permanent. I condemn him for voting for the permanent extension of these indefensible taxes on the necessities of life.

Although the Republican Eightieth Congress was willing to pass a rich man's income estate and gift-tax reduction bill, the only action taken with respect to excise taxes was to make these wartime levies permanent.

The Democratic Party is committed to opposition to a general Federal sales tax; and these excises on many of the necessities of life directly conflict with our party platform.

These taxes must be repealed as of next July 1. In my opinion we can do this without complicating our problem of maintaining the fiscal solvency of the Nation. By making sure that we collect all taxes due, we will strengthen the equity and fairness of the income-tax system, in addition to repealing these onerous, unfair, and regressive excise taxes.

It is certain that the committee bill, which we hope to enact into law, will embody many of the excise tax reduction provisions in H. R. 6641, introduced by me on January 6, 1950.

My bill gives top priority to the repeal of war taxes on toilet preparations, furs, leather goods, jewelry, passenger fares, and telephone and telegraph bills. It provides for complete repeal of the excise taxes imposed against baby oil, baby powder, and toilet preparations used for the care of infants, women's handbags, electric-light bulbs, cooking and heating stoves, matches, and trailer coaches used

by many low-income families as residences.

It provides cutting in half movie admissions and other burdensome taxes and greatly reducing many others. I favor elimination of all wartime imposed excise taxes but know this is impossible of achievement during the present session.

Enactment into law of the provisions of my bill will save American taxpayers approximately $999,000,000 this year

Next year we can make further examination of excise-tax problems and provide elimination of other of these burdensome taxes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. MARTIN of Massachusetts. I am delighted to hear the statement of the gentleman from Ohio. I wish to ask him if he does not agree that we have got to act very early on these excise taxes or we will defeat the very ends we seek. At the present time, as the gentleman from Ohio I am sure well knows, factories are closing. People are not buying many of these so-called luxury items because they hesitate to purchase under present conditions. I hope the gentleman from Ohio will join with the Republicans on that committee and bring this bill out quickly. If the committee would divorce the tax revenue feature suggested by the President that feature could be considered later. I suggest this inasmuch as the President does not, as the gentleman well knows, expect to get any revenue from it this year. We ought to, therefore, act on the question of excise taxes first and bring up the revenue measure later.

Mr. YOUNG. What the gentleman says regarding a buyers' strike being in effect is probably true. My view is that even with the exercise of the utmost diligence the earliest we can reasonably expect elimination of the most obnoxious excise taxes such as taxes on transportation, baby oil, baby powder, leather goods, admissions, and so forth, is commencing next July 1.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 20 minutes.

URGENT: CALL A PSYCHIATRIST FOR UNCLE SAM

Mr. ANGELL. Mr. Speaker, I am suggesting that we immediately call a psychiatrist for Uncle Sam unless steps are taken at once to restore him to sanity.

Uncle Sam is buying great quantities of foodstuffs with your tax dollars, and is inaugurating a program to destroy them. Billions of bushels of potatoes, tons and tons of dried eggs and milk, butter, and many other foods unknown to the taxpayers. Is this not a crazy idea? I am unalterably opposed to the destruction by our Government of any edible foods needed by our people to sustain life. Millions of aged and disabled are in dire need of these food products to sustain life. Let us demand that these foods be made available to the needy, the aged, the disabled, and the handicapped.

Worst of all, Uncle Sam is now planning to dump or destroy 50,000,000 bushels of potatoes. He has spent some $100,000,000 buying up potatoes under the potato program to be taken out of the market for human food, and thereby boost the price to the consumers. Last June the Commodity Credit Corporation's price-support inventories amounted to a billion dollars plus, and by next June they are expected to be two and two-tenths billion for purchases of other commodities such as corn, cotton, flaxseed, and dairy products. Uncle Sam has no program or sane course of action as to what he will do with these immense stores of necessities of life, which he has gone out into the market and purchased with your tax dollars in order to take the products out of the market so that the housewife and other consumers will have to pay increased prices for these necessities. The taxpayer is the fall guy because his tax pays for these products to be destroyed or wasted and his money pays for the increased prices of similar products in the market which he has to buy. Furthermore, the aged and those depending on annuities or small incomes are penalized by having to pay the artificial high prices forced upon them by Uncle Sam himself with the use of their tax money.

Uncle Sam has expended overseas in the 4 years after VJ-day through June 30, 1949, through 22 programs $27,100,000,000 which averages $18,500,000 per day or $750,000 per hour, or $12,500 per minute, or $200 every time your watch has ticked since the last gun was fired. Uncle Sam is now proposing to spend in this fiscal year under the budget of the President $42,000,000,000 plus, the biggest peacetime budget in all history, some five or six billions more than will be taken in in taxes, it is estimated. The public debt is increasing by leaps and bounds, now being over $252,000,000,000.

Uncle Sam under the ECA and other foreign programs is using your tax dollars to purchase flour, lumber, and other products produced in Canada and other foreign markets. Similar products are produced in America and are now in surplus supply and are being bought up under the suport program with your tax dollars. Thus Uncle Sam is playing both ends against the middle.

I have received many wires and communications from my congressional district in Oregon stating that the flour mills will have to close down and throw out of employment thousands of laborers unless this foreign-aid program is modified so as to permit American millers to compete on an equal basis with foreign producers of similar products. I include as a part of these remarks two telegrams I received just today urging immediate action to prevent closing of the flour mills:

PORTLAND, OREG., *February 4, 1950.*

The Honorable HOMER D. ANGELL,
United States House
of Representatives,
House Office Building:

Most urgent subsidy on flour be granted to countries outside International Wheat Agreement to prevent flour mills from shutting down in Pacific Northwest and relieve surplus wheat piling up. Why cannot something be done to help immediately? Please do your utmost to relieve situation.

CROWN MILLS.

PORTLAND, OREG., *February 4, 1950.*

The Honorable HOMER D. ANGELL,
United States House
of Representatives,
House Office Building:

Reference our wire of January 25, why must we wait indefinitely for some action by the Secretary of Agriculture and his board in granting some relief to grain and milling interests of the Pacific Northwest to enable us meet Canadian and Australian competition? We have lost a large portion of our export trade already through the inactivity of our Department of Agriculture and will have our flour mills completely out of production, with the loss of jobs to several thousand millworkers, and a resulting accumulation of wheat which must move in volume before another harvest.

W. H. YOUNGER,
President, Terminal Flour Mills Co.

In the Northwest lumber trade disaster is facing the mills as their export trade is being wrecked by the ECA program. Under it American tax dollars are being supplied to purchase lumber in Canada to the extent of 95 percent of the purchases whereas only 5 percent go to American exporters. In the administration of the program the bids of the exporters are so manipulated as to put out of the running the American producers. I am just in receipt of a letter from a heavy exporter of lumber products from the Northwest, a resident of my district, in which he sets forth clearly the effects of the ECA program in wrecking the lumber business not only of the Pacific Northwest but of the Nation. I quote from this letter, as follows:

The compilation you sent recently from the ECA relative to lumber transactions was not a list of the bids and bidders. It is simply the excuse that the British make for placing the business in Canada. In order to make a fair comparison between the American and the Canadian bids, we should have the exact prices per 1,000 feet f. a. s. vessel British Columbia ports and f. a. s. vessel American ports for each individual item and species. Until we have this we have no accurate basis of comparison.

We cite below a glaring example of discrimination, in item 517, timbers:

Name of firm	Quantity quoted	Price quoted	Quantity awarded
	Feet		*Feet*
Seaboard, MacMillan & Alaska Pine	9,000,000	$47.32	9,000,000
Morrison Export Co	1,400,000	48.09	1,400,000
East Asiatic Co	1,400,000	48.23	1,400,000
Dant & Russell, Inc	14,000,000	47.15	2,200,000

All the above except Dant & Russell, Inc., are Canadian bidders. The Canadian cartel should not be entitled to 1 foot of this lumber business as it is our understanding that Congress is opposed to cartels participating in ECA business. The reason given for not awarding the total amount to Dant & Russell, Inc., was that the cost of loading in Canada was presumed to be $2 per 1,000 feet less than in the United States of America. The cost of loading is only part of the cost of freighting lumber, and freight rates to all parts of the world from British Columbian ports have always been the same as from United States North Pacific ports. This can easily be checked with the Pacific Coast European Conference, whose freight rates to all of Europe with the exception of United Kingdom ports are the same from either British Columbia or United States North Pacific ports. Canadian funds may be used for payment of freight, but in this event the money is at the current discount rate. The only reason that United Kingdom rates have

been thrown open on direct instruction from London is to further the opportunities for finagling by the British.

Not one more cent of ECA money should be given to England for the purchase of any commodity, because the funds are used in discrimination against American interests. If Congress is going to continue to permit this misuse, then American industry should be relieved of the taxation required to support ECA allocations. I am aware that this may seem a ridiculous conclusion, but I am definitely of the opinion that the whole ECA program is directly forbidden by the Constitution of the United States. The idea that American firms may be taxed to death to support socialistic Governments in Europe is beyond all reason. Congress should immediately declare an end to the emergencies under which the robbery of American taxpayers is carried on, and payment should be refused for the British lumber purchases presently authorized by the ECA.

If the ECA insists on paying for this last British order and for the previous one, which is even more indefensible, then such action should be taken against the ECA as is prescribed in the laws under which ECA exists. A further violation is that apparently not 1 foot of the British lumber order is going to be shipped by American tonnage. This certainly is contrary to the intent of Congress, and the provision for shipping 50 percent of all ECA commodities by American tonnage should in itself assure at least 50 percent of the lumber ordered coming from the United States of America.

Mr. Speaker, is it not time for the Members of Congress who represent the people and who provide Uncle Sam with the tax dollars, the machinery, and the power to wreck our own American economy as shown by the instances I have cited—is it not time for Congress to act? I most sincerely urge that the Congress without delay put into effect a commonsense forthright program, based on established American doctrines, to plug up the holes in the Treasury, cut out the enormous waste and profligate spending, reduce the budget, do away with the wartime excise taxes and bring our expenditures and receipts into balance, and help Uncle Sam to show to the world that he is mentally sound and that his affairs need not be put under the control of a spendthrift trust.

UNCLE SAM HAS BILLIONS FOR WAR AND WASTE—NOTHING FOR THE AGED

Mr. Speaker, again I want to call the attention of the House to the utterly indefensible position of this great Government in failing to provide for the aged of our Nation. We have spent $27,100,000,000 overseas since war ended in foreign programs, averaging $18,500,000 per day, $750,000 per hour, $12,500 per minute or $200 per second.

Uncle Sam has a $100,000,000 plan for buying up potatoes in order to prevent their use as human food, forcing up the price of the remaining potatoes to the consumers. The American consumer is hit twice by this program—first he pays high taxes to the Government to buy the potatoes and secondly he pays higher prices to the merchant for the potatoes he needs for his own use. The President is proposing to spend over $42,000,000,000 for 1951 fiscal year which it is estimated is over $6,000,000,000 more than he will receive. The Federal debt is now in excess of $252,000,000,000 and is increasing by leaps and bounds.

Mr. Speaker, notwithstanding these enormous expenditures, many of them sheer waste, the United States continues to refuse to provide a program that will permit the aged of America to have annuities affording a minimum for food, shelter, clothing, and medicine to keep body and soul together in their declining years. Their meager income has been split in two by reason of the inflationary period we are in with a dollar worth only 50 cents and as a result many are in dire need for the bare necessities of life.

I call to your attention Discharge Petition No. 15 to bring up for consideration the old-age security program set forth in H. R. 2135 and my companion bill, H. R. 2136, which would provide adequate annuities for the aged of America. As you know H. R. 6000 providing for the amendment of the Social Security Act was considered in the House under a gag rule and we were not permitted to make any amendments to it. If amendments had been permitted we would have offered the provisions of H. R. 2135, the Townsend plan, as amendments to this bill.

With a number of other of our House colleagues, I recently appeared before the Senate Finance Committee and urged that that committee include the provisions of H. R. 2135 as amendments to H. R. 6000 and I repeat here some of the arguments I presented to the committee in support of this proposal.

I am urging that the provisions of H. R. 2136 and its companion bills be embodied as amendments to H. R. 6000. If this were done we believe that many of the social-security problems for the aged and disabled would be solved.

It is conceded by all that the existing social-security program is not meeting the needs of America's aged, neither in coverage of the needy aged nor in the amounts of the monthly annuities being provided to the recipients. In a letter to the distinguished chairman of this committee on April 6 last, ex-President Hoover, Chairman of the Commission for the Organization of the Executive Departments, said:

I wish to say at once that I strongly favor Government provision for protection of the aged and their dependents.

The problem before the Nation is to obtain a workable system, with a minimum of bureaucracy, adjusted to the economic strength of the country which gives an assurance of security to this group. In my view, we have not yet found that system.

The testimony of Mr. Arthur J. Altmeyer, Commissioner of the Social Security Administration, before this committee shows that the present system is woefully lacking in providing adequate protection to these worthy citizens who, by reason of age or disability, are unable to receive sufficient funds to meet their minimum needs.

The fact-finding board appointed by President Truman recently, to consider the wage dispute between the United States Steel Corp. and its workers, reported as follows:

The concept of providing social insurance and pensions for workers in industry has become an accepted part of modern American thinking. Unless Government provides such insurance in adequate amount, industry should step in to fill the gap. Government * * * has failed to provide social insurance for industrial workers generally, and has supplied old-age retirement benefits in amounts which are not adequate to provide an American minimum standard of living.

Mr. Chairman, the Advisory Council on Social Security to your own Senate Committee on Finance reported that it found three major deficiencies in the old-age and survivors insurance program which I quote verbatim:

1. Inadequate coverage—only about three out of every five jobs are covered by the program.

2. Unduly restrictive eligibility requirements for old workers—largely because of these restrictions, only about 20 percent of those aged 65 or over are either insured or receiving benefits under the program.

3. Inadequate benefits—retirement benefits at the end of 1949 averaged $26 a month for a single person.

In fact, almost without exception qualified experts who have examined into this old-age security problem facing our Nation have reported the deficiencies of the present system and the need for major overhauling or substitution of a new system therefor.

We in America can be justly proud of our achievements in the development of our industrial production which enables us to stand in the forefront of all nations in the ability to produce food, clothing, shelter, and other necessities of life in abundance, not only for our own people but to help other nations in need. This was a major factor in winning the war. However, with machine labor and mass production, we have found that the elderly people of America, by reason of the very success we have achieved in production, are outcasts and have been deprived of remunerative employment in their declining years and many of them are in dire need.

Existing social and economic conditions force upon us the complex question of security for the individual in our modern industrial civilization. Since 1919 the number of self-employed individuals in the United States, including farmers, has remained fairly constant at about nine or ten million. During the same period the number of employees in the American labor force has risen from 32,600,000 to over 60,000,000, almost double. Since population has been increasing during this entire period, the percentage of self-employed persons in the United States has declined from about 22 percent in 1919 to about 17.2 percent in 1949. In other words, we are facing an age-old problem under rapidly changing conditions.

The young and vigorous are on the pay rolls of this machine age and the elderly citizens are relegated to the side lines. As a result of this maladjustment, we find the aged unemployed increasing in numbers and in want, and we are faced with the problem of social security to meet the needs for livelihood of this large group. To meet this problem the Seventy-fourth Congress passed Public Law 271 setting up a social-security program not only for the aged, but for the blind, dependent, crippled children, and with certain assistance to maternal and child welfare and public health. The Seventy-sixth Congress made extensive

amendments to the law, and as a result we now have two major programs governing social security—title I providing grants to States for old-age assistance, and title II setting up a program for Federal old-age and survivors-insurance benefits. For over 10 years now these laws have been in operation and we find that they fail, in many important particulars, to meet the problems we are seeking to solve in providing adequate social-security for the aged and disabled.

In order to remedy these deficiencies, your advisory council recommended that the coverage be extended to include the self-employed, farm workers, household workers, employees of nonprofit institutions, Federal civilian employees, railroad employees, members of the armed services and employees of State and local governments, all of which are now excluded from the benefits of the act. The council further recommended extending greater liberality in eligibility and increased benefits and survivors protection. H. R. 6000 contains some of these recommendations. The findings of this council clearly disclose that the present social-security program is basically inadequate and must be completely overhauled or supplanted by a more effective program.

There were more than 100 bills pending in the Eightieth Congress proposing changes in the social-security law. Several sought to increase old-age and survivors insurance. Forty-one urged increases in old-age assistance, 13 dealt with aid to dependent children.

The problem of caring for the aged, the disabled, and dependent children, as seen today in the eyes of proponents of the Townsend plan and others, is that there are millions of such persons in need among us who are not now, and cannot in the future, be cared for in an honorable and just way by the present system of social security. Under this system, millions of old people receive either no support or hopelessly inadequate support. The system which has been set up is extremely complicated and its administration costly. To rectify these deficiences we propose H. R. 2135 and H. R. 2136.

The philosophy and objectives of the Townsend proposal as compared with the existing system have much in common, but there are marked differences. Our proposal would give recognition to the past labors of the aged and would offer them dividends from the wealth they helped to create. It would give this as a matter of right without any direct relation to specific monetary contributions. The existing old-age and survivors insurance program gives benefits as a matter of right but ties them to a principle of insurance—something that each prospective annuitant and his employer buys as he participates in the productive processes of the country. Finally, old-age assistance is provided to the aged who, because of the lateness of starting the program of old-age and survivors insurance or because of inadequate coverage or benefits, are in need and should be helped.

We believe that annuities should be offered with neither the stigma of charity nor of poverty. They should be offered as a matter of right as dividends from the national wealth the aged have helped to create. A system should be adopted to replace the complicated, arbitrary, and inequitable provisions of the existing law. It should be one which will have a stimulative effect upon our economy and one which will help to make available jobs to all the young who will replace the aged as the latter move into retirement at a decent standard of living.

Only a noncontributory plan will meet the needs of those now grown old who are in need because of past neglect in providing an adequate contributory retirement system. Since, at the time the system was adopted, most of the States were financially unable to assume the burden of so many aged who moved on to Federal relief rolls, it was deemed proper to continue to provide Federal aid to States to provide relief to those aged who were in need.

Much of the argument in support of the Townsend plan stems from the limited coverage and inadequate benefits of the present system. For example, most of today's aged who are not working left the labor force before they could build up rights to benefits under OASI. And even among the young and still employed, under the present OASI system, there is no coverage for jobs in agriculture, domestic service in private homes, Federal, State, and local government employees, and workers in religious, charitable, and certain other nonprofit organizations, the self-employed, and others as well. About one-third of the workers engaged in employment are not covered by the system; and of the 78,900,000 living persons with OASI wage credits at the end of 1949, about 35,500,000 were neither fully nor currently insured on the basis of their wage records, and hence were not protected under the programs. In the Federal Security Agency, Social Security Administration Annual Report, 1947, section 1, page 7, it is said:

> Under our present provisions it would be possible for an individual to work at some time during the course of his working life in jobs covered by Federal old-age and survivors insurance, the Railroad Retirement Act, the Civil Service Retirement Act, and the retirement plan of a State or locality. According to the length and timing of such employments he might become eligible to receive retirement benefits under one or more or all of these plans. Another man, with similar earnings under several of the programs, may go through a working life without ever acquiring retirement rights under any. Conceivably the survivors of a worker who dies might be eligible for benefits under a Federal old-age and survivors insurance system as well as under a State workmen's compensation law and under general veterans' legislation. Another family, equally in need of income to replace the father's earnings, may have had no opportunity to gain protection under any of these programs.

No Federal provision is made to care for the disabled other than the needy blind. In the same report, pages 21 and 22, it is said:

> The United States is unique among major industrial nations in its lack of a general disability-insurance system. Compensation for wage loss due to incapacity is confined in this country to work-connected accidents or diseases in industry and commerce, to service in the armed forces, and to employment in the railroad industry or by Government. Two States provide benefits for temporary disability under arrangements similar to unemployment insurance and with the same coverage. In June 1947 these special systems, in the aggregate, reached very few of the 2,000,000 to 2,500,000 persons disabled on an average day and recently in the labor force, who but for their incapacity would be working or seeking work.

Under the existing law under old-age and survivors insurance the average benefits are about $26 per month according to the latest data available from social-security records. To obtain this payment the worker and the employer would have to make contributions over a long period of time. On the other hand the average of old-age assistance—not available to those under the retirement plan but given only on a claim of need is about $16 more per month than the old-age and survivors insurance payments. According to late figures payments in Colorado reached $78.29, in California $61.25, and in Washington $60.33. It is thus shown that those receiving assistance who did not contribute to the program received very substantially more than those who through the years contributed taxes based on monthly incomes. Recipients of relief exceed by nearly 1,500,000 the insured workers who are drawing benefits, according to recent reports.

This experience is directly opposite to that contemplated when the Social Security Act was enacted. It was believed that gradually all old-age beneficiaries would come under the provisions of the old-age and survivors insurance program and those receiving assistance on the basis of need would be gradually reduced and eventually eliminated.

A major defect in the present system is the smallness of individual payments and their inadequacy in providing a decent standard of living. The old-age insurance program is based, in respect to the payments to the recipients, upon the contributions made by the workers, the employees, and their employers. A vast actuarial plan has been set up, requiring the attention of highly trained actuaries. Almost endless files are required to house the data collected. At the end, the average worker comes out with about $26 a month, far less than he would get if he were under the old-age assistance program. This plan actually contemplates that these actuarial calculations will become effective against a worker 16 years of age who is in a covered occupation, and that for 50 years until 65 years of age is reached the Social Security Board will keep track of the employers and of the tax payments made from wages; as a result of those calculations, it will determine what the worker will receive 50 years from now. The sad and pathetic aspect of it is that these payments will amount to only approximately $10 a month, which is the minimum, or up to approximately $60 a month, which is the maximum under the existing law. As a matter of fact, these payments are so meager the recipients are unable to sustain their lives in decency and health.

We are experiencing today, with the depreciated dollar, the futility of attempting to determine a fixed dollar income for retirement pay 10, 20, or 50 years in advance. The dollar today will purchase little more than half what it did when these payments were scheduled. Annuitants with fixed income based on prewar values are able to buy only about one-half of the food, clothing, and other necessities their meager annuities would provide before the war. It is rash to attempt to fix by statute and provide through reserves the payments that will be paid many years hence. Changes in the purchasing power of the dollar are so great that attempts of one generation to set minimum decent standards of living for succeeding generations cannot but prove fruitless and just wasted motion.

The Townsend plan is flexible and would change with the changing conditions and purchasing power of the dollar. It would also do away with the endless bookkeeping and statistical work and filing routine and office space needed to keep the accounts of 75 to 100 million workers.

It is not possible to estimate definitely the per capita annuity that would be available under the Townsend proposal should it be enacted. Its virtue is its elasticity, the monthly payments keeping pace with the purchasing power of the dollar. The tax formula could be changed by the Congress from time to time to meet the existing needs. Since the amount of the monthly payments for the beneficiaries depends upon the tax collected and the number of eligible citizens who apply for the annuities, it is not possible to determine with any degree of accuracy what these payments would be without knowing the national gross income and the number of recipients. However, amounts payable under the Townsend plan will be found by subtracting administrative costs from tax receipts and dividing the remainder by the number of beneficiaries.

A major objection to the public-assistance programs now in operation is that, being State administered, amounts paid vary greatly not only as between States but also as between localities within the same State.

The Bureau of Internal Revenue is to collect the tax under the proposed Townsend plan law. Every person having a personal income in excess of $250 and all other persons or corporations having any gross receipts would be required to make monthly returns. Much of this work of collection could be eliminated if some method of collection at the source were devised. Another administrative problem would be the sending out of the checks each month to the pensioners. A similar problem is now being met under the Social Security Act.

Under old-age and survivors insurance, the Social Security Administration in the Federal Security Administration administers the payment of benefits, while the Bureau of Internal Revenue collects the tax. The cost of administering this program is now running around $53,000,000 per year. Total costs through 1949 were about 12 percent of benefits paid out and a little more than 2 percent of total receipts—taxes plus interest on assets. For the fiscal year 1949, administrative costs were 3.1 percent of receipts and 9 percent of benefit payments. Part of the administrative chore is keeping the wage records of 78,900,000 living persons and determining the amount of benefit each—and his family—is entitled to, if and when he or they become eligible for a benefit payment.

Though old-age and other public-assistance plans are State administered, the Federal Government contributes to the administrative costs. The Federal contribution is one-half the cost of these programs. The total Federal and State administrative costs in the fiscal year 1949 ran approximately as follows: Old-age assistance, $66,028,000; dependent children, $31,918,000; needy blind, $3,046,000.

The tax proposed to finance the Townsend plan is a gross income tax. Practically every argument that can be raised against this tax can be raised against nearly every other tax in force today. Two strong counter arguments, however, do exist against the so-called regressive nature of the proposed tax. The first is that no tax should be considered apart from the use to which the revenues derived are to be put. While sales taxes are objectionable the laudable purpose of this tax overcomes the objections. Second, experience demonstrates that the people of more than half the States have sales taxes dating back to the depression of the thirties. But to return to the first argument, it is apparent that persons in low-income groups will receive annuities in their old age at small cost. Persons in upper- and high-income brackets will have paid more for their annuities than the low-income groups. Yet, all will receive the same annuity. Therefore, instead of being regressive, the tax is in effect progressive. And further, it is not improper to suppose that the burden of the tax—to the extent they are not dissipated by the positive stimulus that currently paid annuities will have on the economy, will be borne willingly by all in the realization that by paying a tax today they will guarantee themselves an honorable and just annuity when they, too, are disabled or reach the age of 60. All wages in excess of $250 a month would be taxed 3 percent. There would be no other deductions. The tax on wages and other income would be justified by this direct benefit of an annuity to every taxpayer upon qualifying.

The thought behind this proposal is that in the years before the war people in general tended to hoard their earnings. Consumption did not keep pace with the ability of the economy to produce. The result was that we had underproduction, underconsumption, and unemployment. Today we produce more goods that the market will absorb. The Townsend plan would help to utilize this oversupply, such as we now have in eggs, meats, cotton, and other staples. There will be no incentive for elderly people of limited income to hoard their meager earnings as the haunting fear of old age and destitution will have been removed. The proceeds of the tax will go to people who will move out of employment. They will be required to spend the proceeds of their annuities within 30 days. This will stimulate production, production will promote employment, the younger will move into jobs vacated by the aged, and we will have prosperity.

The old-age and survivors insurance program, being a contributory plan based upon contributions by both employers and employees, each paying a tax of 1½ percent on the first $3,000 of wages to be increased to 2 percent in 1952. Wages must be based on take-home pay if families maintain an adequate standard of living. The plan gives inadequate relief to those covered and is unjust to those not covered. These taxes go into what is called a trust fund which, on December 31, 1949, amounted to $11,815,921,753.51. The Government spends the trust funds as received for the regular expenses of government, and replaces the funds with Government securities bearing interest paid by the Government, which encourages deficit spending. It follows that when these funds are needed, in lieu of the bonds, the Government will be obliged to levy another tax on all taxpayers to meet the demands upon the fund. Notwithstanding this huge balance in the trust fund on December 31, 1949, there had been paid to beneficiaries under the program up to that date only $2,995,769,618.86.

The old-age assistance program under the present social security law is also wholly inadequate to provide a decent annuity to old people of our Nation who come within its provisions. It is a starvation allowance. There is little uniformity in the payments made in the several States. Many old-age annuitants are suffering from malnutrition and starvation.

If we are to preserve the American way of life and our economic and democratic processes under free enterprise, we must find a solution not only for our unemployment problems but also for the problems of providing adequate care for the aged and disabled. With an accelerating advance in technology in the postwar era, and with the commercial development of atomic energy presaging more rapid transitions in mass production, the social risks and hazards of unemployment and old age are increased. Rather than see workers pushed from active labor force, hit or miss, the logical policy to follow is one of selection. The older group has earned retirement. Many of them are not covered by the Social Security Act. By covering the entire group, the whole process of business activity will be stabilized. Retirement payments will provide continuous buying power, will provide the needed balance in market demand, and will help to provide mass consumption without which our mass-production economy cannot function successfully.

The aged, through no fault of their own, through the fiat of industry, are denied a part in production. They toiled the longest in production and should not, when old, be deprived of taking part in consumption. They are the victims of an industrial system for which they are not responsible. Society owes a duty to these old folks, and it can only perform this duty by establishing a national an-

nuity system providing against the hazards of old age and disability. There are millions among us, 60 years of age and over, who are not now being cared for in an honorable and just way by the present system of social security, and are receiving no support from any source or hopelessly inadequate support.

I most sincerely and respectfully urge that this great committee give heed to the needs of this large segment of our population by adopting the provisions of H. R. 2135 and H. R. 2136 as amendments to H. R. 6000.

Mr. Speaker, I most respectfully urge all of my colleagues who are interested in providing for our aged in a manner that is in keeping with the American standards of life and which will enable them to live in decency and health in their declining years, to sign discharge petition No. 15 and bring this legislation on the floor of the House for consideration and passage.

SPECIAL ORDER GRANTED

Mr. MARCANTONIO asked and was given permission to postpone his special order for today until tomorrow to address the House for 20 minutes following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAND (at the request of Mr. HESELTON), for today and tomorrow, on account of death in family;

To Mr. PASSMAN (at the request of Mr. ALLEN of Louisiana), for Monday and Tuesday, February 6 and 7, on account of official business;

To Mr. ALLEN of California, for 10 days, beginning February 9, 1950, on account of official business and other purposes.

ADJOURNMENT

Mr. WHITE of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, February 7, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1202. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill for the relief of the Chicago, Rock Island & Pacific Railroad Co."; to the Committee on the Judiciary.

1203. A letter from the Administrator, General Services Administration, transmitting the Tenth and Final Annual Report of the Federal Works Agency, covering the fiscal year July 1, 1948, through June 30, 1949; to the Committee on Public Works.

1204. A communication from the President of the United States, transmitting a revision of a proposed provision relating to an appropriation of the Railroad Retirement Board for the fiscal year 1950, in the form of an amendment to the budget for the fiscal year 1951 (H. Doc. No. 462); to the Committee on Appropriations and ordered to be printed.

1205. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $30,000 for the legislative branch, House of Representatives (H. Doc. No. 463); to the Committee on Appropriations and ordered to be printed.

1206. A communication from the President of the United States, recommending favorable consideration to the legislation recommended by the Securities and Exchange Commission providing for an amendment to the Securities Exchange Act of 1934 which would extend to investors in certain unregistered securities the protections now enjoyed by investors in securities which are registered by their issuers with that Commission (H. Doc. No. 464); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1207. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Office of Vocational Rehabilitation, Federal Security Agency, for the fiscal year 1949; to the Committee on Education and Labor.

1208. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of St. Elizabeths Hospital, Federal Security Agency, for the fiscal year 1949; to the Committee on Education and Labor.

1209. A letter from the Comptroller General of the United States, transmitting a report on the audit of the United States Maritime Commission for the fiscal years ended June 30, 1948 and 1949 (H. Doc. No. 465); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1210. A letter from the secretary, National Park Trust Fund Board, Department of the Interior, transmitting a report covering the fiscal year 1949 pursuant to provisions of section 6 of the act entitled "An act to create a National Park Trust Fund Board, and for other purposes," approved July 10, 1935 (49 Stat. 477, 16 U. S. C. 19); to the Committee on Public Lands.

1211. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers, on a preliminary examination of Guamani River and tributaries, Puerto Rico, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

1212. A letter from the Acting Secretary of Commerce, transmitting a copy of a proposed bill entitled "A bill to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia; to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BARTLETT:

H. R. 7146. A bill 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; to the Committee on Public Lands.

By Mr. DAVIS of Georgia:

H. R. 7147. A bill to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FORD:

H. R. 7148. A bill to amend Public Law 439, Eighty-first Congress, cited as the "Agricultural Act of 1949"; to the Committee on Agriculture.

By Mr. HORAN:

H. R. 7149. A bill to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation; to the Committee on Agriculture.

By Mr. NORBLAD:

H. R. 7150. A bill to prohibit commercially sponsored radio broadcasts on streetcars and busses in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PATTERSON:

H. R. 7151. A bill to suspend certain import taxes on copper; to the Committee on Ways and Means.

By Mr. WILLIAM L. PFEIFFER:

H. R. 7152. A bill to provide that the highest temporary rank of the commissioned officers directing the various women's corps of the armed forces of the United States shall be "brigadier general" or "rear admiral lower half," and for other purposes; to the Committee on Armed Services.

By Mr. POULSON:

H. R. 7153. A bill to authorize the Secretary of the Interior to accept voluntary conveyances of lands owned by Waccamaw Indians in North Carolina and to issue trust patents for such lands, and for other purposes; to the Committee on Public Lands.

By Mr. SIKES:

H. R. 7154. A bill to amend the Agricultural Adjustment Act of 1938 with respect to cigar-wrapper type 61 tobacco and cigar-wrapper type 62 tobacco; to the Committee on Agriculture.

H. R. 7155. A bill to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. SMATHERS:

H. R. 7156. A bill to amend the Reconstruction Finance Corporation Act, as amended, in order to provide more effective financial assistance for small business; to the Committee on Banking and Currency.

By Mr. STOCKMAN:

H. R. 7157. A bill to provide for the design and construction of highway bridges near certain dams; to the Committee on Public Works.

Mr. ZABLOCKI:

H. R. 7158. A bill to repeal certain miscellaneous excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. BARRETT of Pennsylvania:

H. R. 7159. A bill to prevent military personnel from replacing civilians in the Department of Defense; to the Committee on Armed Services.

By Mr. BARDEN:

H. R. 7160. A bill to provide for Federal financial assistance to the States and Territories in helping to establish and maintain an adequate minimum program of education and in attempting to more nearly equalize educational opportunities in public elementary and secondary schools; to the Committee on Education and Labor.

By Mr. BARTLETT:

H. R. 7161. A bill to authorize an annual appropriation to aid the Arctic Institute of North America in its scientific research activities in North American Arctic and sub-Arctic areas; to the Committee on Foreign Affairs.

By Mr. COUDERT:

H. J. Res. 414. Joint resolution proposing an amendment to the Constitution of the United States with respect to the election of President and Vice President; to the Committee on the Judiciary.

By Mr. EBERHARTER:

H. Res. 461. Resolution authorizing a survey of the feasibility of constructing a conveyor belt between the House Office Buildings and the Capitol; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, requesting the return of certain property for exhibition at the Appomattox Surrender Grounds Park; 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. ANGELL:

H. R. 7162. A bill to exempt from customs duty the cembalo of Reed College, Portland, Oreg., and to provide for the refund of customs duty previously paid thereon; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 7163. A bill for the relief of Marshall B. Ross; to the Committee on the Judiciary.

By Mr. BEALL:

H. R. 7164. A bill for the relief of Edward E. Harriman; to the Committee on the Judiciary.

By Mr. BREEN:

H. R. 7165. A bill for the relief of Mrs. Orinda Josephine Quigley; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 7166. A bill for the relief of Amy Louisa Shier; to the Committee on the Judiciary.

By Mr. CHESNEY:

H. R. 7167. A bill for the relief of Mrs. Rozalia Sutor-Hozak; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 7168. A bill for the relief of Mrs. Radigunde Gruber; to the Committee on the Judiciary.

H. R. 7169. A bill for the relief of Anna Jarfas; to the Committee on the Judiciary.

By Mr. FORD:

H. R. 7170. A bill for the relief of Tryntje Bierema; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 7171. A bill for the relief of Rocco Giannetti; to the Committee on the Judiciary.

H. R. 7172. A bill for the relief of Elizabeth Pick; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H. R. 7173. A bill for the relief of Toshiko Ono; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 7174. A bill for the relief of Jakub Wolf; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 7175. A bill for the relief of Mitsuko Yano Kingman and William Leo Kingman, Jr.; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 7176. A bill for the relief of Domenica Fontana; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1789. By Mr. GRAHAM: Petition of the Pennsylvania Motor Truck Association, Inc., protesting Government invasion and dictation of the conduct of business as proposed against the Great Atlantic & Pacific Tea Co.; to the Committee on the Judiciary.

1790. By Mr. KEARNEY: Petition of several residents of Worcester and Westford, N. Y., advocating passage of H. R. 2428, a bill to prohibit the transportation in interstate commerce of alcoholic-beverage advertising and stop its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

1791. By Mr. PETERSON: Petition of Mrs. G. C. Meyer and other citizens of New Port Richey, Fla., in support of House Joint Resolution 181; to the Committee on the Judiciary.

1792. Also, petition of W. E. Page, of Wauchula, Fla., and approximately 40 other citizens of that area, in support of the Townsend plan; to the Committee on Ways and Means.

1793. By the SPEAKER: Petition of Ambassador V. K. Wellington Koo, Chinese Embassy, Washington, D. C., transmitting a statement by the Control Yuan of China requesting and appealing for aid against Soviet Union imperialist aggression; to the Committee on Foreign Affairs.

1794. Also, petition of Chayhin Martinez, agent, Moro war-damage claimants, Jolo, Sulu, Philippine Islands, requesting immediate and favorable action on a list of 25 Moro claimants for war-damage payments; to the Committee on the Judiciary.

1795. Also, petition of Graciano Abad, Pantabangan, Nueva Ecija, Philippine Islands, requesting action be taken on his claim for materials furnished guerrilla or armed forces of the United States during the Japanese occupation; to the Committee on the Judiciary.

1796. Also, petition of J. Kennedy Can and others, Daytona Beach, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1797. Also, petition of Mrs. T. J. Bryan and others, Lakeland, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1798. Also, petition of John Paul Chapman and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1799. Also, petition of J. P. Fleming and others, Montverde, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1800. Also, petition of C. C. Clifton and others, New Smyrna, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1801. Also, petition of Mrs. Minnie Newhart and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1802. Also, petition of Mrs. Josephine Hudson and others, Sarasota, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1803. Also, petition of Mary R. Dowling and others, Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, FEBRUARY 7, 1950

(Legislative day of Wednesday, January 4, 1950)

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

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

Father of all mercies, away from Thee all is darkness and death. In the midst of world conditions that baffle us, swift social currents which sweep away our strongest bulwarks, we confess that the world in which our lot is cast is too much for us; we must find a strength not our own or our feet will slip in this whelming flood. To Thy sustaining grace we would lift up, in this hallowed moment, the thronging duties which haunt us day and night, the grievous problems affecting Thy children in all the world for which our human wisdom finds no answer.

Heal the divisions which shorten the arm of our national might in this momentous hour. Spurning and scorning the unworthy may we rejoice only in the fair and fragrant virtues of an honor untarnished. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. DOWNEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 6, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 88) to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, with amendments, in which it requested the concurrence of the Senate.

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

H. R. 33. An act to authorize Joe Graham Post, No. 119, American Legion, upon certain conditions, to lease the lands conveyed to it by the act of June 15, 1933;

H. R. 1151. An act to amend the act establishing grades of certain retired noncommissioned officers;

H. R. 1941. An act to provide for limiting participation as beneficiary under the National Service Life Insurance Act of 1940, as amended, and for other purposes;

H. R. 5101. An act to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 5503. An act to authorize the Secretary of the Air Force to release and quitclaim a portion of a right-of-way easement to Langley Air Force Base, Va.;

H. R. 5921. An act to terminate lump-sum benefits provided by law to certain Reserve officers of the Navy and Air Force;

H. R. 6077. An act to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States;

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6553. An act to provide for the promotion of carriers in the rural delivery service in recognition of longevity of service;