

Roger Redmond Bate, O50583.
 Earle LeRoy Bathurst, Jr., O50776.
 Arthur Andrew Becker, O50591.
 Thomas Edward Benson, O50691.
 Ralph Harold Beuhler, O50729.
 Theodore Chester Bielicki, O50625.
 Shelton Brant Biles, Jr., O50598.
 George Earl Bland, O50821.
 Junius Jay Bleiman, O50581.
 Frank Coulter Boerger, O50579.
 Philip Thomas Boerger, O50618.
 Otis Evan Brannon, Jr., O50783.
 William Donald Brown, O50828.
 Jean Prosper Burner, O50722.
 Donovan Finley Burton, O50622.
 James Lee Bushnell, O50697.
 Paul Charles Callan, O50833.
 William Albert Carpenter, Jr., O50813.
 Jerome Boris Christine, O50597.
 Willis Howell Clark, O50686.
 William Fortune Coghill, O50753.
 Robert Bernard Coleman, O50852.
 William Edmond Conger, Jr., O50858.
 William Lamble Cooper, O50866.
 James Christopher Cosgrove, O50763.
 William Bernard Cronin, O50787.
 Stanley Warfield Crosby, Jr., O50845.
 John Edward Culin, O50654.
 Paul J. Curry, O50629.
 Robert Thornton Curtis, O50634.
 Glenn Woodward Davis, O50873.
 Bernard Figueredo de Gil, Jr., O50794.
 John Dellstraty, O50706.
 Donald Marvin Dexter, Jr., O50834.
 Robert Francis Draper, O50857.
 Jack Van Dunham, O50668.
 Richard Earl Dunlap, O50715.
 Gordon James Duquemin, O50784.
 James Eugene Edington, O50734.
 James Betts Egger, O50595.
 Henry Everett Emerson, O50868.
 Robert Bruce Fahs, O50824.
 John Carter Faith, O50590.
 Thomas Long Flattery, O50811.
 Stuart Gregory Force, O50769.
 James Franklin Fraser, O50589.
 Herschel Everett Fuson, O50712.
 John Griffin Gaddie, O50710.
 Bernard Jay Gardner, O50679.
 Robert Miller Garvin, O50712.
 Albert John Geraci, O50786.
 John Love Gerrity, O50848.
 David Welty Gibson, O50830.
 Warren Robert Gossett, O50676.
 William Douglas Grant, O50716.
 Bernard Michael Greenberg, O50602.
 Edwin Borchard Greene, O50623.
 Harold Walter Grossman, O50677.
 Alexander Meigs Haig, Jr., O50790.
 Raymond Richard Hails, Jr., O50641.
 Robert Haldane, O50742.
 Milton Leland Haskin, O50637.
 Kenneth Martin Hatch, O50640.
 Wayne Otis Hauck, Jr., O50807.
 George LeRoy Haugen, O50843.
 Thomas Francis Hayes, O50800.
 Rolland Valentine Heiser, O50732.
 George Duane Heisser, O50805.
 William Sylvester Henry, Jr., O50814.
 Dandridge Featherston Hering, O50396.
 Henry William Hill, O50755.
 Bennet Norman Hollander, O50693.
 John Elwood Hoover, O50620.
 Richard Motley Hutchinson, Jr., O50822.
 Julius Frederick Ickler, O50667.
 Carroll Christian Jacobson, Jr., O50612.
 Leon Joseph Jacques, Jr., O50861.
 James Allen Johnson, O50638.
 Wilber Glenn Jones, Jr., O50863.
 Peter Karter, O50592.
 James Byron Kennedy, O50607.
 Robert James Kennedy, O50610.
 Graham Gunther Kent, O50859.
 Robert Adair King, O50797.
 Willis Hickam Knipe, O50829.
 Robert Joshua Koch, O50874.
 Donald Warren Krause, O50872.
 Robert Peter Lane, O50705.
 Wells Brendel Lange, O50767.
 John William Lauterbach, Jr., O50727.
 Melvin Vernon LeBlanc, O50690.
 Alexander Lemberes, O50754.

George Levenback, O50689.
 Selby Francis Little, Jr., O50860.
 Richard Alan Littlestone, O50653.
 Walter Patrick Lukens, O50801.
 George Anthony Lynn, O50593.
 Henry Tomlinson MacGill, O50808.
 Arnold William Mahlum, O50751.
 Robert Anthony Mahowald, O50798.
 LeRoy Emil Majeske, O50733.
 Charles Stuart Todd Mallett, O50819.
 George Aloysius Maloney, O50862.
 Martin Michael Maloney, O50758.
 John Wayne Mastin, O50582.
 James Philip Mattern, O50713.
 Richard Freeman McAduo, O50609.
 Robert Ewing McCord, O50803.
 John Warwick McCullough, Jr., O50867.
 Oliver Louis McDougell, O50812.
 William Gabriel McGee, O50855.
 Robert James McNeil, O50756.
 Harrison Franklyn Meadows 3d, O50839.
 John More Miller, O50692.
 Robert Miller Montague, Jr., O50578.
 Charles Augustus Munford, Jr., O50838.
 John DuBose Naill, Jr., O50818.
 William Wallace Nairn 3d, O50720.
 Wallace Eugene Nickel, O50695.
 Robert Lynn Ozier, O50768.
 Henry Cantzon Paul, O50725.
 John Gullford Paules, O50681.
 Robert DeWayne Peckham, O50740.
 Tom Judson Perkins, O50781.
 Milum Davis Perry, Jr., O50594.
 Louis Rachmeler, O50666.
 John Richard Rantz, O50826.
 Kermit Dean Reel, O50682.
 John Brooks Reese, O50596.
 Hal Clyde Richardson, Jr., O50682.
 James Russell Robinson, Jr., O50588.
 Thomas Edmund Rogers, O50785.
 Melvin Alfred Rosen, O50580.
 Norman Robert Rosen, O50600.
 Carl Kamp Russell, O50777.
 Norman Junior Salisbury, O50802.
 Howard Leroy Sargent, Jr., O50586.
 Donald Verner Schnepf, O50698.
 William Jackson Schuder, O50611.
 Richard Henry Sforzini, O50824.
 Robert Warren Short, O50871.
 James Emerson Smith, Jr., O50798.
 William Smith, O50717.
 Ira Warren Snyder, Jr., O50759.
 Theodore Solomon Spiker, O50774.
 Sam David Starobin, O50601.
 Richard Joseph Steinborn, O50616.
 Donald Harry Steininger, O50599.
 Marvin Henry Stock, O50633.
 Gordon Malin Strong, O50835.
 John Joseph Sullivan, O50627.
 William Michael Sullivan, O50750.
 James Bernard Tatum, O50846.
 Harold Stan Tavel, O50730.
 Frank Leonard Taylor, O50730.
 Jack Mathew Thompson, O50608.
 Gerald Ross Toomer, O50707.
 Albert Archer Van Petten, O50674.
 Wallace Francis Veaudry, O50820.
 William Loyd Webb, Jr., O50652.
 Carlton Juan Wellborn, Jr., O50665.
 William Irvine West, O50732.
 Meade David Wildrick, Jr., O50827.
 VanCourt Wilkins, O50768.
 Joseph John Williams, O50810.
 William Dawes Williams, Jr., O50877.

The following-named officers for promotion in the Regular Army of the United States under the provisions of section 107 of the Army-Navy Nurses Act of 1947. All officers are subject to physical examination required by law.

To be captains, Army Nurse Corps
 Anna Marie Bisignano, N763.
 Mary Jean Carsey, N1429.
 Dorothy Ellen Crist, N935.
 Irene Irma Desrosiers, N1593.
 Mary Norma Donato, N767.
 Maxine Helen Fell, N1425.
 Barbara Mae Hogan, N1433.
 Johanna Helen Jakubaitis, A1431.
 Nancy Crary Kermott, N1685.

Carolyn Bergeron Rahm, N1684.
 Lucile Standley, N1679.
 Sylvia Mildred Stilven, N1432.

To be first lieutenants, Army Nurse Corps
 Margaret Burk Beavers, N1629.
 Therese Evelyn Daley, N1527.
 Alma Elizabeth Guinn, N1628.
 Zita Josephine Ierino, N1190.
 Pearl Idell Jank, N1631.
 Ruth Margaret Leahy, N1528.
 Roberta Whitehouse Smith, N1526.

To be captains, Women's Medical Specialist Corps
 Marcel Binning, M10011.
 Betty Jane Snyder, M10085.

CONFIRMATION

Executive nomination confirmed by the Senate March 31 (legislative day of March 29), 1950:

ATOMIC ENERGY COMMISSION

Thomas E. Murray to be a member of the Atomic Energy Commission for the term expiring June 30, 1950.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 31, 1950

The House met at 11 o'clock a. m.
 The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Let us pray. O Thou God of all majesty and mercy before whom the angels bow and the archangels veil their faces, Thou art high and holy, and yet hast Thou respect unto the lowly and the humble. Thou art great in Thy goodness and good in Thy greatness. We know that to turn away from Thee is to fail, but that to abide in Thee is to stand fast forever.

Grant that in the assurance of Thy greatness and Thy goodness we may find our joy and peace. Make us equal to every task, and may it be the goal of all our aspirations to fashion our life into the likeness of our blessed Lord and to serve our generation in accordance with Thy holy will.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

BIRTHDAY GREETINGS TO HON. JAMES M. COX

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, today marks the eightieth anniversary of the birth of one of America's elder statesmen, the Honorable James M. Cox, of Ohio.

Three times he was elected by the people of Ohio to serve them as Governor. Previously he represented the Third Congressional District in this House of Representatives. In 1920 he was the nominee of the Democratic Party for the Presidency.

I had the honor and pleasure of serving as Lieutenant Governor when James M. Cox was Governor of Ohio. While

we were of opposite political faith, we were good friends and that friendship has continued during the ensuing 30 years. Governor Cox earned and deserved the respect of the people of Ohio. He was a great and able executive. As a newspaper editor and publisher he has had few equals. He is recognized by all as one of Ohio's greatest citizens.

I am sure that every Member of this Congress joins with me in extending best wishes and congratulations to Governor Cox on this, his eightieth birthday. The applause I hear is not for my feeble words, but instead is in tribute to one of our great Americans, James M. Cox, a former Member of this body. It is the prayer of each and every one of us here today that divine providence will permit Ohio's "grand old man" to remain with us for many years to come; and that he may enjoy good health and great happiness in the "sunset days" of his long and useful life.

Mr. BREEN. Mr. Speaker, today is certainly a fitting occasion to pay tribute to one of America's outstanding citizen-statesmen—a gentleman of national and international thinking. This day, March 31, marks the birthday of a statesman who served as Governor of the State of Ohio for three terms and who was the Democratic standard bearer for the Presidency of the United States in 1920.

We of the Third District of Ohio would like to claim Gov. James M. Cox, a native-born son, as our own. However, his vision, constructive thinking, and guidance have expanded far beyond the limits of Butler, Preble, and Montgomery Counties and have made him a citizen of all 48 States and a citizen whose genial charm and solid helpfulness leave a glorious imprint upon the history book of our Nation.

PERMISSION TO ADDRESS THE HOUSE

Mr. TALLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

[Mr. TALLE addressed the House. His remarks appear in the Appendix.]

Ms. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include an article by N. S. Haseltine appearing in the Washington Post of today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

THE FARM CENSUS

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remark and include a portion of a letter.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, William the Conqueror was a piker with his doomsday book of a thousand years ago compared to Fair Dealers and their farm census of 1950.

The farmers of America are hearing a lot about this census now. Congress will soon hear more about it.

Just this morning I received the following letter from a farmer's wife, which is typical of the reaction throughout the country:

My husband is planning to take time off this week to answer his questions; 342 separate and distinct questions, some with 4 parts, prior to our visit from the census taker. One question is, "How many cantaloups did you raise last year?" We have had our wheat acreage measured twice in the last 3 weeks, and we've been told that an aerial view of our farm is to be taken this spring, so we're not to try to overplant our wheat allotment. It seems powerfully close to regimentation, and I don't like it.

Mr. Speaker, farmers have not seen any regimentation yet. Wait until they get the Brannan plan. The present 81 pages devotes 15 to 18 pages to penalties for violations of regulations and restrictions.

PERMISSION TO ADDRESS THE HOUSE

Mr. MACK of Washington. 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 Washington?

There was no objection.

[Mr. MACK of Washington addressed the House. His remarks appear in the Appendix.]

FLOOD CONTROL AND RIVERS AND HARBORS APPROPRIATIONS

Mr. BROOKS. 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 Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, the appropriation bill will be the next one to be considered by the House, so I understand. I think it is appropriate to say something in reference to that measure at the present time.

This bill brings about a reduction of 4 percent in the over-all total of the budget recommendations for appropriations. On the other hand it reduces flood control and rivers and harbors appropriations by some 25 percent under budget estimates. Certain flood control and rivers and harbors projects are reduced as much as 30 and 33 percent and others are completely eliminated. On the other hand, reclamation projects in the bill are cut only 7 percent, so I am told.

Now, Mr. Speaker, there should be reductions below the budget estimate; but in making these reductions, it seems to me it is fair to make cuts uniform for all projects of a like nature. I hope the House will think about these inequalities in the intervening time and be prepared to make these reductions uniform and fair in the future.

BE NIFTY AND THRIFTY IN FIFTY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, if our form of government is to survive, we must do three things: First, stop our ruthless spending; second, look to balancing the budget; and, third, listen to our taxpayers who want relief.

We can meet these aims if we do these eight things: First, eliminate Government waste; second, consolidate functions of Government; third, stop subsidies that injure our economy; fourth, protect the rights of minorities; fifth, develop a foreign policy for peace, not war; sixth, stop undermining American living standards in the name of world trade; seventh, safeguard liberty and freedom against socialism and any other ism except old-fashioned Americanism; and eighth, be nifty and thrifty in fifty.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include excerpts from an address delivered by General Eisenhower.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[Mr. HAYS of Arkansas addressed the House. His remarks appear in the Appendix.]

COMMUNISTS IN GOVERNMENT

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. Mr. Speaker, if the press and the radio are accurate, the President yesterday condemned three public servants for their activities or their efforts to expose Communists in the administration. I understood the press and the radio to say that he charged that those gentlemen who were chosen by the people of three States as their Representatives were aiding Joe Stalin. So, comes the query: Is it better to harbor and encourage, retain Communists in the State or any other Department, or is it better to expose them? That is one question that is raised by the President's statement, and it merits consideration.

PATRIOTS' DAY

Mr. BRYSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 190.

The Clerk read the concurrent resolution, as follows:

Whereas the 19th day of April 1775 witnessed the first military engagement between the American Colonists and British troops, and the fighting that then occurred

at Concord and Lexington, in Massachusetts, formed the prologue to the mighty drama of the Revolution and determined the character of its first campaign; and

Whereas the significance of April 19 in the history of our country is not to be measured by the extent of the military forces that engaged in local battle in 1775, but by the direction and strength of the intangible forces then set in motion which in due course established the United States of America; and

Whereas a frequent recurrence to the events out of which this Nation arose, and a better understanding of the principles upon which our forefathers grounded their independence cannot fail to stimulate and renew that high sense of patriotism which has ever been the glory of our country; and

Whereas each such dramatic struggle onward in the process of world civilization has been marked by a ceremonial indicating the formal and official conclusion thereof, the first Commander in Chief and General of the Continental Army purposely selected the 19th of April as the date for a peace proclamation which he read to assembled troops on April 19, 1783: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a commission to be known as the Patriots' Day Celebration Commission (hereinafter referred to as the "Commission") and to be composed of eight Commissioners, as follows: Three Members of the Senate to be appointed by the Vice President and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The Commissioners shall serve without compensation and shall select a Chairman from among their number.

SEC. 2. It shall be the duty of the Commission to prepare and carry out a comprehensive plan for the observance and celebration of the one hundred and seventy-fifth anniversary of Patriots' Day for the commemoration of the events that took place on April 19, 1775. In the preparation of such plans, the Commission shall cooperate with the Commonwealth of Massachusetts and its cities and towns in order that there may be proper coordination and correlation of plans for such observance and celebration.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, this just gives official recognition to a great patriotic day and does not cost the Government any money?

Mr. BRYSON. The gentleman is correct.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks and include an editorial.

Mr. LANE asked and was given permission to extend his remarks and include a resolution.

Mr. PRICE asked and was given permission to extend his remarks and include three articles appearing in the New York World-Telegram.

Mr. JACOBS asked and was given permission to extend his remarks and include three editorials.

Mr. BOLLING asked and was given permission to extend his remarks and include an editorial appearing in the Washington Post.

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. COUDERT asked and was given permission to extend his remarks and include a newspaper article.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Bailey	Hébert	Norton
Barden	Hedrick	O'Neill
Baring	Hoffman, Ill.	Powell
Battle	Howell	Reed, Ill.
Bennett, Fla.	James	Reed, N. Y.
Buckley, Ill.	Jennings	Ribicoff
Bulwinkle	Kelley, Pa.	Rivers
Burdick	Kruse	Roosevelt
Carroll	Kunkel	Sabath
Celler	Lesinski	Sadowski
Chesney	Lichtenwalter	Smathers
Crawford	Lovre	Smith, Ohio
Doughton	McGregor	Staggers
Douglas	Macy	Stanley
Eaton	Magee	Towe
Fellows	Miles	Wheeler
Gilmer	Monroney	Whitaker
Goodwin	Morrison	Willis
Grant	Murphy	Withrow
Hale	Nelson	Wolcott
Hall,	Nixon	Wood
Leonard W.	Norrell	Woodhouse

The SPEAKER. On this roll call 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ECONOMIC ASSISTANCE

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7797) to provide foreign economic assistance.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7797, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday the Committee agreed that the further reading of title III be dispensed with and that that title be open to amendment at any point.

Are there amendments to title III?

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 15, line 13, strike out all of title III.

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Chairman, I call the attention of those who are interested in this title to the views of the gentleman from Illinois [Mr. CHIPERFIELD] and myself, which are contrary to the views expressed by the majority members of the committee.

This title, Mr. Chairman, would chart a new policy for this country in international affairs. It seems to me this program would just chart a world-wide WPA.

We know that the program arises as a result of the inaugural address of President Truman in 1949, in which he advocated a bold, new program for the development of the backward areas all over the world.

I think it is not so bold as it is dangerous, because it is indefinite, uncertain, and nobody knows where it will lead.

Title III of the bill would establish an Institute of International Technical Cooperation—just another governmental agency to dissipate American taxpayers' dollars. The proposal is to underwrite part of the cost of economic development abroad. This scheme would use tax dollars through governmental grants for so-called technical assistance.

This program is an effort to promote the President's idea of a bold new program announced in his inaugural address of January 20, 1949. He did not realize, or his ghost writer did not tell him, that the idea was not a new one; in fact, it was 5 years old. He was only parroting the words of a notorious character in the international world. Who was he? Just a minute while I read excerpts from a book entitled "Tehran: Our Path in War and Peace." Now, before I give you the author's name I will read several paragraphs from the book:

America can underwrite a gigantic program of the industrialization of Africa, to be launched immediately. * * * It must initiate a general and steady rise in the standard of life of the African peoples. * * *

What is clearly demanded by the situation is that the United States take the lead in proposing a common program of economic development of the Latin-American countries. * * * For Latin America (such a program) opens the door for an immense leap ahead in progress. * * *

For the United States especially it contributes a large part of the answer to that all-important question as to whether we shall be able to keep our national economy in operation. * * *

The Government can do it if free enterprise fails to meet the challenge and bogs down on the job.

Our Government can create a series of giant industrial development corporations, each in partnership with some other government or group of governments, and set them to work upon large-scale plans of railroad and highway building, agricultural and industrial development, and all-around modernization in all the devastated and undeveloped areas of the world. America has the skilled technicians capable of producing the

plans for such projects, sufficient to get them under way, within a 6-month period of time after a decision is made.

And, Mr. Chairman, who made those statements, and who was the author? None other than Earl Browder, then officially the head of the American branch of the Communist Party.

Nowhere in this bill is the term technical assistance spelled out, nor is there a showing anywhere that technical knowledge is not available to other nations or areas. If we probe deep enough, it is easy to see that making technical assistance available to other nations actually means paying the bill for them, or paying for the services of technical advisers.

WHERE WILL THE MONEY GO?

Who will receive the direct benefits of the subsidy to which the American taxpayer will be committed if this title III remains in the bill? The answer will be: Undeveloped areas. But by what standard? What is an undeveloped area? Will it extend to areas where visionary idealists anticipate the opportunity for adding tangibles and intangibles of human welfare? Underdeveloped areas of the world would seem to rule out possible inhabitants on other planets, so we are safe there. The point is that no relevant limitations as to where this money will go are contained in title III which we are considering.

HOW MUCH WILL IT COST?

One looks in vain for any definite indication in this title as to the size of this undertaking in terms of dollars. These global planners sugar-coat the pill by saying, "The value of the program should be measured in human terms, not in dollars." Have you heard that platitude before? Be careful when proponents of world-wide economic planning propose that its accounts be considered in nondollar terms. The sky will certainly be the limit. And do not forget that the first authorization and appropriation is only a starter—just a foot in the door. Remember, this is to be an international organization and you can bet that ways and means to spend our money will be devised. One witness before the committee observed: "Are we shooting at another five billion, six billion, eight billion, or ten billion a year, out of the American taxpayers?" Are we going to make a down-payment on something without knowing what the final cost is to be? Think it over.

WHO WILL DO THE SPENDING?

The answer to that question is not clear in the language of the bill. It is clear enough, though, who will pay the undefined amount of money whose outlay is involved in this title—the American public.

Who will spend the money? Here the answer is less clear.

Section 303 (b) refers to the applications for aid as being reviewed by agencies of this Government. Section 305 refers to bilateral undertakings to be carried on by any United States Government agency. Section 313 refers in detail to the employment of persons to carry out the provisions of the title.

But section 304 (a) says:

The United States shall participate in multilateral technical-cooperation programs carried on by the United Nations and the Organization of American States and their related organizations, and by other international organizations.

Under what limitations? None whatever. The section in question says that such participation shall take place "wherever practicable." Section 304 (b) authorizes the President to effect such participation whenever that mode of operation will "contribute as effectively as would participation in comparable programs on a bilateral basis."

One does not have to be an expert to detect that the language contains no administrative standard whatever. It requires the Executive only to measure one guess against another.

Following out the same course, section 304 (b) authorize "contribution to the United Nations for technical-cooperation programs carried on by it and its related organizations."

A like authorization as to contributions to the Organization of American States and other international organizations is added. What are the limitations? None whatever, except "the limits of appropriations made available to carry out the purposes of this act."

In other words, every cent to be appropriated under the authorization, limitless in years and limitless in amount after the first year, might be turned over to international organizations to spend.

EVALUATING THE PURPOSES

As to the proposition to present to the peoples of the world that know-how, it should not be forgotten that the gift will not be free—at least from the standpoint of the American taxpayer. The gift aspect will be a distinguishing feature of the assistance proffered in this undertaking as against technical assistance which the receiving governments could obtain for themselves by paying for it. A second distinguishing aspect will be that the technical assistance will be parceled out on a basis of global planning by governmental and international organizations. The effort will be on a government-to-government basis and on an agency-to-agency basis. This is public planning on the grand scale, and the American taxpayer will be expected to pay the bill in the hope that by increasing economic well-being across the globe he will also be helping to found a more stable peace.

That is a profoundly worth-while hope. It is so estimable an objective that the means to it deserve better than uncritical examination. For even in the wildest dreams of world planners the role that governments and international agencies can play will be small in comparison to the role that capital itself can play if given the opportunity. Title III itself contains a pale reflection of this thought in its references to investment and trade.

The legislation here proposed relates to the development of areas which are economically lagging. Economic development is another name for investment, but with this distinction: Invest-

ment necessarily means development for the sake of profit. And profit is a touchy subject.

Profit is, of course, the increment in what is produced by an economic undertaking as against what is put into the undertaking. It is the measure that shows whether the investment was sound. Keeping books is economically the only way of making sense. When the assumptions of an investment prove correct, the books show a balance. That is profit. In the Marxian folklore, profit is something sinister. In the attitude of the governments of many economically laggard countries, profit is likewise sometimes regarded as evil, depending on who gets it.

CONCLUSIONS

The proposal contained in this legislation has a worthy objective: the encouragement of higher standards of living and greater economic efficiency among the economically underdeveloped nations.

It is when one examines the premises of action that doubts arise concerning title III.

It contains no administrative standards for selecting the areas to be helped or the type of help to be given.

It gives no hint of the duration of the effort or the cost involved. In that sense, it is not a program at all. It is merely a statement of a hope.

It involves the dubious proposal of spending the money through international agencies which will not be accountable for the results achieved and which are inadequately prepared for the functions to be thrust upon them.

It is at best equivocal in its relation to the encouragement of international investment.

It is harmful in its implications respecting the development of international trade.

In brief, it fails to justify the claims made on its behalf.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Members of this House will recall that in the President's inaugural address four points were stressed. The point 4 program—title III of this act—which the gentleman from Wisconsin is endeavoring to have stricken is one of the four vital points of the over-all plan of American foreign policy intended to achieve our goals of continuing peace, freedom, and prosperity.

Point 4 in the President's address reads as follows:

We must embark on a bold new program for making the benefits of the scientific advances and our industrial progress available for the improvement and growth of undeveloped areas. We should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life, and in cooperation with other nations we should foster capital investment in areas needing development. Our aim should be to help free peoples of the world through their own efforts to produce more food, more clothing, more materials for housing, and more economical power to lighten their burden.

The gentleman from Wisconsin has made the statement that this is a new policy. I do not think it is a new policy. It is not a new program, because we have for a number of years had what I think is the most important part of our foreign policy in operation in the Latin-American States. The membership of this House as well as the membership of the other body last year unanimously, without a single dissenting vote, provided for a continuation of that program for 5 years and authorized an appropriation of \$35,000,000 to carry out its objectives. It is not, therefore, a new program or policy; and it is not a world-wide WPA, because the cooperative program in Latin America has been one means by which other nations have joined with us on a bilateral basis, and their own contributions have helped to bring about their own betterment and to achieve great prestige and respect for us in that area.

The gentleman mentioned a book about Tehran. I did not hear about that until he appeared in the well of this House today. I believe the genesis of this program goes not to Tehran, but goes back to the program which this country has had in effect for so many years in Latin America. This program is based on 10 years of solid experience with the technical assistance program in Central and South America. With this experience the United States is now fully prepared to go ahead with the same kind of technical assistance activities in other parts of the world where, as in southeast Asia, they are desperately needed to counteract the advances of communism.

May I say in response to the question as to what is an undeveloped area, that it embraces most of the world lying in the southern part of the globe. The regions of southeast Asia, India, Iran, most of Africa, areas where people have to live on approximately 2,000 calories a day, which is hardly enough to live on, areas where people do not have enough to eat or enough to clothe themselves, whose life expectancy is about half of what ours is, areas which are ripe for communism if something is not done. I hope something will be done on a cooperative basis. I hope we will follow the wishes of the gentleman from Massachusetts [Mr. HERTER], a distinguished student of our foreign affairs and our foreign policy, who has done so much to bring about the bill which we have before us at the present time. As I understand it, this measure represents a compromise between the bill he originally introduced and the bill which was recommended by the State Department.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Michigan.

Mr. POTTER. Under the technical assistance feature of this point 4 program, what is to keep Red China from applying for this technical assistance through a United Nations organization, which will be paying 70 percent or more of the bill?

Mr. MANSFIELD. I may say to the gentleman from Michigan that we have not recognized Red China and I hope

that we do not recognize Communist China. I hope it does not achieve a seat in the United Nations. If those assumptions are correct, there will be no aid given to Red China.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Chairman, may I say to the gentleman from Michigan that at the present time we have in effect what might be called a point 4 program, a cooperative program, on the Island of Formosa, in the form of the so-called Chinese-American Joint Rural Reconstruction Commission, which is doing fine work in raising the living standards over there and it has been very effective.

Mr. POTTER. Is that part of the United Nations or a bilateral agreement?

Mr. MANSFIELD. A bilateral agreement.

Mr. POTTER. Is it not true that we have had much more value for our money, and much more success in our program where it has been through bilateral agreements between the United States and the participating country than we have through the United Nations? If the gentleman will let me observe further, I think it is a disservice to the United Nations itself to put on it responsibilities which they have not been able to handle successfully. I hope the United Nations will operate with increased efficiency as time goes on, but, in my opinion, we are doing a great disservice to the United Nations by putting responsibilities on it which might be embarrassing, such as Bulgaria, for example, might apply to one of the agencies of the United Nations for technical assistance. It could prove very embarrassing to us to have that happen. If Bulgaria will come and apply to us, through a bilateral agreement, I would have no compunction about it. I think some American technicians over there might be ambassadors of good will. However, I do not like Bulgaria applying to the UN and using that as a means of propaganda in their own country because we would have no control over it.

Mr. MANSFIELD. There is a great deal of merit in what the gentleman says. As far as this program is concerned, it would be not only on a bilateral—that is on country-to-country—basis but also through the UN as well where we have certain agencies which we think may be of some benefit in carrying out programs of this sort. However, that will be discussed more fully as we go along. The idea is to bulwark as much as we can these people who at the present time could be and in some instances are easy prey to communism, so that we can prop them up and in that way bring about a betterment of their standards so that in the end they will be on our side and not on the side of communism.

Mr. POTTER. Does the gentleman agree we would be much more successful and that we can anticipate much more

success by bilateral agreements than we can by applications through UN agencies?

Mr. MANSFIELD. I may say to the gentleman from Michigan that has been the procedure to date. We have been more successful in our bilateral programs, and, as far as this kind of a program is concerned, we have our activities in Latin America to back up that statement.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that under the wording of title III as it is now drawn, if we were to agree to it, there would be no assurances to us that the funds would be used on a bilateral basis rather than being turned over to the United Nations? In other words, there is no line of demarcation, is there, in the language as to how much shall be used in each manner?

Mr. MANSFIELD. I will say to the gentleman from New York that, as I recall, there is some language in here to that effect, and I wish the gentleman from Connecticut [Mr. LONGE], who was instrumental in putting in that language, would give us an explanation of it.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. JAVITS. On page 19, line 3, the standard is set forth as being "will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis." In other words, the objective must be fully and readily attainable. I would like to point out one other amendment which the gentleman from Connecticut will introduce, which I think is of the greatest importance in this bill, and that is an amendment that provides that the President shall not give aid under this bill unless—and I refer to page 26, line 6—it is consistent with the foreign policy of the United States. The gentleman from Connecticut ties it down accurately and exactly with respect to all such countries as Bulgaria, Communist China, and other areas which we are not recognizing and which are behind the iron curtain.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Minnesota.

Mr. JUDD. Furthermore, we included, beginning on page 26, a provision that the President must terminate this program if a concurrent resolution of both Houses of Congress directs such termination, so control of the program is still left in our hands. And on page 18, line 19, there is language which I shall offer an amendment to change, striking out the language "United States shall participate in multilateral technical cooperation programs" and insert in lieu thereof "President is authorized on behalf of the United States to."

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the gentleman

be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. In section 304 (b) it now reads that he is authorized to, and an amendment will be submitted to that effect for 304 (a) also, the idea being that wherever a program can be done as well and at no greater cost through an international organization, then the President would make contributions to it to do the particular job, and I am sure the House will agree to the amendment.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Connecticut.

Mr. LODGE. I would like to say in connection with this whole matter, I had felt that the stress should be on the bilateral rather than on the multilateral arrangements because of the fact that we have had such dire experience with UNRRA and I thought we had such relatively successful experience with the Marshall plan. I do think that this language is very helpful. It is not quite as strong as I should have liked it to be. As far as the question of our foreign policy is concerned, what I was attempting to express there with the help of my colleague the gentleman from New York [Mr. JAVITS] was that it should be made impossible, or at least, there should be language which would indicate our intention that none of the dollars of the American taxpayers should be spent on any international program for the development of underdeveloped areas behind the iron curtain or dependent areas of iron-curtain countries.

Mr. MANSFIELD. I am quite sure that the gentleman from Connecticut [Mr. LODGE] and the gentleman from New York [Mr. JAVITS] have answered the questions that have been raised by my good friend the gentleman from Michigan, as to how this matter shall be administered and how it will work out. Of course, the House must still work its will on this measure, and it is my hope that the fundamental precepts behind this particular measure will be taken into consideration. This is necessary, if we are going to get any kind of help from those people whom we might have to depend on some day in the underdeveloped areas of the world. I would like to also say that the \$45,000,000 as requested in this appropriation may be misunderstood, because approximately \$10,000,000 of that has already been authorized; \$7,000,000 under the Inter-American Cooperation Act and the rest through other acts.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from West Virginia.

Mr. KEE. It has not only been authorized, it has already been appropriated.

Mr. MANSFIELD. That is right, but the inter-American cooperation appropriation was for a 5-year period at a \$7,000,000 a year rate.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. KEATING. I appreciate the remarks of the gentleman from New York and the gentleman from Connecticut and the gentleman from Montana in an effort to clarify this question, but it seems to me it still is perfectly clear that there is in title III as now worded no line of demarcation as to how much of those funds shall be used on a bilateral basis and how much shall be turned over to the United Nations, the only factor being that the President of the United States will be authorized to turn over to the United Nations as much or all of the \$45,000,000 as he may think will equally effectively enable us to participate in these programs and which are consistent with our foreign policy.

To my way of thinking, in the present complicated and perhaps difficult situation of our foreign policy, it is not sufficiently clear to me what our foreign policy is in these underdeveloped areas to enable me to be willing to allow the President to have such a sweeping power, while I might go along on a bilateral basis.

Mr. MANSFIELD. The gentleman is correct in regard to yielding discretion to the President. I think the gentleman from Massachusetts [Mr. HERTER] in his bill had that same discretionary proviso. However, it is my understanding, and I think the gentleman from Ohio [Mr. VORYS] may be able to back me up on this, that as far as participation in the UN is concerned it would depend upon the proportion already agreed upon in previous activities covering these organizations like the Food and Agricultural Organization, UNESCO, and so forth.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS:

On page 28, after line 17, insert the following:

"Sec. 314. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided, however,* That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be employed or assigned to duties under this act for the period of 6 months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate."

Renumber the later sections of the bill.

Mr. KEE. Mr. Chairman, I make the point of order that the amendment is improper at this point. We are discussing the amendment already offered by the gentleman from Wisconsin to strike out the title.

The CHAIRMAN. The Chair is ready to rule. The title is considered as having been read and any perfecting amendment is in order before voting on the amendment of the gentleman from Wisconsin [Mr. SMITH] to strike the entire title.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. If I can just get in one thought, I will be glad to yield to the gentleman later.

Mr. GAVIN. We want a chance to say something, too; that is why I have asked the gentleman to yield.

Mr. VORYS. Mr. Chairman, I am sorry I cannot yield to the gentleman.

Mr. Chairman, I have been trying to say for the past few minutes what the situation is here on the floor. Under the unanimous-consent agreement of yesterday there is an amendment pending to strike out title III. That amendment, under the rules of the House as I understand them, will not be acted upon until perfecting amendments have been disposed of—so long as there are any amendments pending to perfect title III.

Therefore, all of the discussion with reference to perfecting amendments should come ahead of whether the motion of the gentleman from Wisconsin [Mr. SMITH] should prevail or not, and at any time discussion will be in order on the whole general proposition raised by his amendment.

Now, as I understand it there are a number of perfecting amendments to be offered. The amendment I have offered is to put in a loyalty check on personnel. I have taken the precise language from the Smith-Mundt bill, which was passed in the Eightieth Congress. The loyalty check in that act received great attention in both Houses and in conference. I think it is in effective form, and I doubt that there will be any objection to putting it into this bill.

The Smith-Mundt Act, enacted by the Eightieth Congress, Public Law 402, covers much of the same ground as this bill. For instance, under "Objectives," there is this provision which I quote:

To cooperate with other nations in (a) the interchange of persons, knowledges and skills, (b) the rendering of technical and other services.

I call the attention of the House to the hearings on this present bill. When I asked Mr. Webb, the Under Secretary of State, if he would point out anything in this proposed legislation which could not be done under existing law, he did not point out anything. So let us relax and let us realize that what we are talking about from now on this afternoon is not terribly new or terribly bold and that whether this title stays in or not, we are going to continue with a great deal of important technical assistance.

I want to call the attention of the committee to this fact: in the Foreign Assistance Act, which we are considering now, there is a total of \$63,280,482 for technical assistance. Of the whole business, \$63,000,000—only \$31,000,000 is new stuff. As has been pointed out, in title III, of the \$45,000,000 there is a reauthorization of \$10,000,000 of technical assistance which we are now successfully rendering under other legislation.

In the first title, ECA, there is \$15,000,000 of technical assistance for Europe and its dependencies. In the Korean-aid section there is \$2,779,000 of technical assistance. So we are going to have a great deal of technical assistance go on whether or not this title stays in. At a later time I will ask the indulgence

of the committee to offer another perfecting amendment bearing on the point which came up a few moments ago which is to limit the total contribution under this title to United Nations and its related organizations to 40 percent of the total. But that is not up now. I merely wanted to bring up this amendment, which is a perfecting amendment, and I do not want to take up more of the time of the committee.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HOPE. I would like to ask the gentleman if the statement he has just made as to the authority which already exists for carrying out a program of this kind applies to that part which may be carried out through the United Nations.

Mr. VORYS. All I say is that when I asked Under Secretary of State Webb he could not point out anything that was proposed that could not be carried out under existing law.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Vorys] has expired.

Mr. GAVIN. Mr. Chairman, I rise in support of the Smith amendment, and I ask unanimous consent that I may be permitted to continue for an additional 5 minutes and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CAVALCANTE. Mr. Chairman, reserving the right to object, will the gentleman who had the floor yield for a unanimous-consent request?

Mr. GAVIN. I will be glad to yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. Gavin] that he be permitted to proceed for five additional minutes and to revise and extend his remarks?

There was no objection.

Mr. CAVALCANTE. Mr. Chairman, I ask unanimous consent that the time of any member of the Committee on Foreign Affairs on any amendment offered to or on a question arising on H. R. 7797 be limited to 5 minutes and no more, and the motion pro forma shall not be made to circumvent such limitation.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. Cavalcante]?

Mr. FULTON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Gavin] is recognized for 10 minutes.

Mr. GAVIN. Mr. Chairman, this Smith amendment should be adopted. The time is now to start sloughing off on these programs of spending, and let the participating countries of the ECA work just a bit harder.

This is just another give-away program. It is time to give relief to the tax-weary American taxpayers, who, I warn you, have reached a point of utter exhaustion. And again I might say to my colleagues that the ECA dead line in 1952, in my personal opinion, is merely a gesture. It is wishful thinking to believe that the economic stability will have been restored in those European coun-

tries, or elsewhere, by that dead line. When 1952 arrives, I predict that the program being offered here today, the point 4 program, will be the vehicle to take the place of the ECA. This kind of a program if adopted will be expanded and expanded and could readily require several billions of dollars a year. There is no termination date on it. The program will be developed in the next year or two, and then by 1952 requests will be made to spend three or four billion dollars to carry out the projects that have been worked up. If when 1952 arrives and the ax falls on the spending of the ECA program, the Communist threat will be the theme song for the continuation of some kind of a program for worldwide spending.

In my opinion, it would have been sounder judgment to go a bit easier on the American taxpayer now rather than try for world coverage so that when and if further help should be needed consideration might be given to the matter. But if the ECA advocates continue to gouge the American people and wreck the industrial life and economy of this Nation they will rue the day for their unsound judgment.

The American taxpayer is the only one who has not been heard or even thought about in this furious scrap to devise ways and means to spend his money. They have been patient in this gigantic program of spending over the last several years, but I warn you that they have now reached the breaking point and are now asking for relief from this tremendous burden of taxation. I feel certain that when you return to your districts you will find that the thinking of your people or these spending programs has reversed itself, or at least that they will have their say in the next general election, and you will hear from them at that time.

The American people were of the opinion that the ECA program would bring peace and stability to a war-torn world and were willing to put the cash on the barrel head for results. We have poured out billions and billions of dollars. You all know the results; they are practically nil as far as world peace and stability are concerned. When the ECA program was undertaken, these countries were to cooperate with us, integrate their economic life, tear down existing barriers, bring about through legislative procedure certain necessary reforms in these countries; but to date little or no progress has been made in this direction. All they do is take what we pour in and do little or nothing to effect the reforms necessary to bring about stability and recovery. While we are pouring in our money for the industrial rehabilitation of the devastated countries, our allies continue industrial dismantling of the remaining industries of these countries, taking away the livelihood of the people and frustrating the recovery efforts in these countries. ECA has fulfilled its essential objectives; the major problem now remaining is the integration of the separate and conflicting European economies into a single system. Little or no progress has been made in this direction anywhere.

The question is: How long can the economy of this country stand this ter-

rific drain? How long can our finances and our resources stand up under it? This is problematical. If we desire to wreck the economy of our Nation, reduce the living standards of our people, bankrupt the country, we will continue to run hog wild on these spending programs. If, however, we use sound judgment we shall proceed cautiously and carefully on this point 4 program and not accept everything that is thrust and thrown at us.

Let me reiterate, in conclusion, what I have said before, that if we are suddenly precipitated into an emergency or catapulted into another cataclysm of war, no bankrupt country has ever won a war.

The Smith amendment should be adopted.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. CAVALCANTE. Mr. Chairman, reserving the right to object, I should like to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CAVALCANTE. Is the gentleman who now has the floor and is requesting unanimous consent a member of the Committee on Foreign Affairs?

The CHAIRMAN. That is not a parliamentary inquiry, but for the gentleman's information the Chair may say that he is not a member of the Foreign Affairs Committee.

Mr. CAVALCANTE. If the gentleman is not, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, in the hope that I might be able to correct an erroneous impression which seems to be prevalent, and in the further hope that I might be helpful to the Members of the House, I have obtained accurate information concerning the activities and operations of the Commodity Credit Corporation, and I desire to bring this information to your attention and to the attention of the country.

Erroneous and irresponsible propaganda, streaming headlines, and loud assertions over the radio to the effect that the Commodity Credit Corporation has been wasting and squandering the taxpayers' money and has been destroying vital foods probably prompted the members of the Committee on Foreign Affairs to approve the proposals of the gentleman from Ohio [Mr. Vorys]. It is easy to understand how the public might be misled by such erroneous information, and I can, of course, understand how perhaps some Members of Congress, not familiar with the facts, might likewise be misled. As I have heretofore stated during the course of this debate, the gentlemen from Texas [Mr. Burleson and Mr. Poage] and I, together, discussed and prepared the Burleson amendment, primarily for the purpose of defeating the Vorys amend-

ment, which was adopted in committee, and further for the purpose of providing a vehicle which would enable the House to work its will upon the suggestion that a part of the ECA appropriation be earmarked for the purchase of agricultural commodities. It was definitely an instrument which we intended to use in defeating the Vorys amendment. After the Vorys amendment was defeated, I very frankly admitted that I was not anxious to influence anyone's judgment concerning the merits of the Burleson amendment, which I actually helped to prepare. To keep faith with the position which the gentlemen from Texas [Mr. BURLESON and Mr. POAGE] and I had taken, and to keep faith with some of the members of my own committee, all of whom voted with us in defeating the Vorys amendment, I felt that I should at least vote for the amendment offered by my colleague from Texas. I did vote for the amendment, and I frankly do not believe that it was or is a bad amendment. I do realize, however, as I stated at the time, that it has some of the objections which could be leveled at the Vorys amendment. I was and I am frankly of the opinion that the Burleson amendment is much better than the Vorys amendment and is much to be preferred. If the House rejects the Burleson amendment, I shall not be grieved. Every Member of the House will have an opportunity to vote on the proposition when the roll is called.

Realizing that a lot of misinformation has come out through the press and radio to the people of this Nation, and appreciating the value of truth, I have obtained from officials of the CCC accurate information and true facts concerning the financial activities and operations of that corporation. In possession of the information which I have obtained and which I will in a moment submit, you will be in a better position to vote with intelligence on the proposition which is involved in the Burleson amendment when a roll call is demanded in the House. The information which I am about to submit will also be of great value to you when discussing the operations of the CCC with your constituents when you return home.

STATEMENT ON COST OF CCC ACTIVITIES

On the floor of the House on March 28, 1950, Congressman VORYS made the following statement—page 4250, CONGRESSIONAL RECORD:

In a letter by Assistant Budget Director Lawton, in February 1949, he pointed out that the Commodity Credit Corporation had sustained a net loss since its organization up to then of \$3,880,891,170. But that they were able to show a surplus in their statement by including as income the appropriations received from the Congress.

The foregoing assertion is apparently based on statements made by Senator WILLIAMS in the Senate on March 29, 1949—page 3382, CONGRESSIONAL RECORD—in which he referred to—

First. Statements put out by the Department that there had been a gain of about \$189,000,000 on price support and export operations of CCC from 1933 through June 30, 1948.

Second. Correspondence with the Bureau of the Budget in which the Bureau

of the Budget stated the net loss sustained by the Commodity Credit Corporation from its organization on October 17, 1933, through December 31, 1948, was \$2,146,930,367.

Third. Statement by the Bureau of the Budget that the CCC loss does not include \$1,743,960,803 mentioned in a previous letter as expenditures under section 32.

Fourth. A total loss to the taxpayers of \$3,880,891,170 which was obtained by combining the CCC net loss and the section 32 expenditures.

The foregoing presentation and the figure of \$3,880,891,170 are completely misleading in the following respects:

First. The section 32 expenditures of \$1,743,960,803 did not represent funds spent by the Commodity Credit Corporation as Senator WILLIAMS asserted and the gentleman from Ohio, Congressman VORYS, repeated. Rather, this figure represented various programs carried out by the Department of Agriculture under the separate legislative authority known as section 32. Programs carried out with these funds, which are appropriated in an amount equivalent to 30 percent of the custom receipts, include surplus removal programs, direct distribution of food to welfare institutions, diversion programs, new uses, the food-stamp program, export subsidy programs on cotton, wheat, dried fruits, and so forth, and, during several of the years in question, the entire school-lunch program was carried out with such funds. Thus, first of all, the expenditures referred to were not CCC operations, and the addition of such expenditures to any CCC figures is completely erroneous and misleading.

Second. Now let us look at the \$2,146,930,367 referred to as net loss of CCC on December 31, 1948. We are considering today the cost of price-support activities. So the first thing we need to remember is that the CCC was authorized and directed to carry out other activities during the war period. One of these activities was the wartime consumer subsidy program designed to hold down the price of agricultural commodities in keeping with OPA ceiling prices to consumers. To do this job the Commodity Credit Corporation paid out \$2,102,979,821. Let me repeat, in the figure of \$2,146,930,367 referred to as net loss of CCC, there is \$2,102,979,821 of wartime consumer subsidy costs. This subsidy figure represents only the actual dollar outlay for such subsidies and does not include the administrative expense of making such payments nor the interest paid to the Treasury by the Commodity Credit Corporation on its deficit arising out of such payments. The figure for interest alone in connection with these subsidies has been estimated to be in excess of \$20,000,000.

Let me now give you the specific figures on the cost of price support which are available each month in the reports of the Commodity Credit Corporation. As previously indicated in the statements of the Department referred to above, the net result of Commodity Credit Corporation price support and export operations from 1933 through June 30, 1948, was a gain of approximately

\$189,000,000. This figure represents realized gains and losses on commodities acquired and disposed of, but does not include this \$2,000,000,000 of wartime consumer subsidy costs or administrative and interest expense in the net amount of \$74,000,000.

Now I want to bring you up to a current date, February 28, 1950. To that date CCC had sustained a net loss under the price support program on commodities acquired and disposed of in the amount of \$495,800,000,000. This covers the entire period from 1933 through February 28, 1950. I will insert the entire table, but some of the more significant figures are these: On the basic commodities there has been a net gain of \$60,000,000 from 1933 through February 28, 1950. The more significant losses are \$355,400,000 on potatoes, \$90,400,000 on wool, and \$60,200,000 on peanuts. In summary, the Corporation has had losses of \$713,000,000 on some commodities offset by gains of \$217,200,000 on others, which results in a net program loss on price-support activities of \$495,800,000. When we consider the tremendous benefits to farmers and the country as a whole, which has been accomplished by price support over the years since 1933 at a cost of \$495,800,000, and realizing that \$355,400,000 of this amount was lost on potatoes alone, it is quite a different story from the \$3,880,000,000 which was represented here on the floor of the House a few days ago as being the losses charged off by CCC. In fairness to the Budget Bureau, let me say that the manner in which the figures furnished by it were requested appears to have led to the confusion on this matter.

Let us take a look at price support from another viewpoint. Since 1933, price support has been extended on 43,000,000 bales of cotton, over 1,000,000,000 pounds of tobacco, almost 2,000,000,000 bushels of corn, and about 2,500,000,000 bushels of wheat. However, the total quantities under loans and in inventory today only amount to 6,300,000 bales of cotton, 365,000,000 pounds of tobacco, 731,000,000 bushels of corn, and 470,000,000 bushels of wheat. Thus, the quantities on hand today, which for the most part represent desirable reserves, are mighty small in relation to the total which has been supported. The great benefit to farmers and the Nation from the support of prices on these tremendous quantities over the 17 years since 1933 has been accomplished at little cost to the taxpayer.

As I said before, the net result is a profit of \$60,000,000 on the basics. On cotton there is a gain of \$206,000,000, and on tobacco a gain of \$5,300,000. On corn, the loss is only \$46,800,000, on wheat, \$43,500,000, on peanuts, \$60,200,000, and slightly less than \$1,000,000 on rice. The total amount invested in the price support of all commodities since 1933 has been over \$10,000,000,000, and the loss to date has been less than 5 cents out of each dollar used. From the taxpayer's standpoint it is the 5 cents and not the dollar which is the cost of price support.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKET-
ING ADMINISTRATION,
COMMODITY CREDIT CORPORATION.

Cumulative net results¹ of price-support
operations by commodities, 1933-Feb. 28,
1950

[In millions of dollars]

COMMODITIES ON WHICH THERE WERE NET GAINS	
Cotton, upland.....	206.0
Tobacco.....	5.3
Soybeans.....	4.8
Other.....	1.1
Total.....	217.2
COMMODITIES ON WHICH THERE WERE NET LOSSES	
Potatoes, Irish.....	355.4
Wool.....	90.4
Peanuts.....	60.2
Corn.....	46.8
Wheat.....	43.5
Eggs.....	39.2
Hemp and hemp fiber.....	21.5
Sugar beets.....	16.5
Grain sorghums.....	12.5
Prunes.....	8.5
Raisins.....	6.6
Other.....	11.9
Total.....	713.0
Net loss.....	495.8

¹ Realized gains and losses, excluding general income and expense.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. So if you take the final figures of a net loss to date of only \$495,000,000 and subtract the cost of the potato program, \$335,000,000 this corporation has lost only \$140,000,000 in 17 years of operation. Yet the country had been led to believe that through this agency we have been wasting and squandering money. The country has been led by the press and radio to believe that we have in excess of \$4,000,000,000 tied up in perishable assets which are now deteriorating or are being destroyed and wasted.

Even yesterday I had telegrams and other communications asking me when the Government was going to stop destroying food. This was due to the erroneous impression that had gone out through the press and the radio.

Yesterday I called my committee together and had the officials of the Commodity Credit Corporation present with their books and records. I had announced that it was going to be an open meeting and a truth meeting, a meeting at which we were going to try to find the true facts with regard to the financial operations of this agency. Believe me or not, when we announced it was going to be a truth meeting and we were going into the books and records of the Commodity Credit Corporation, not one single representative of the American press came into the committee room, nor was there a single radio commentator present. All of this shows that the farmers of this Nation are finding it very difficult to get the true facts to the public

in America. If the consumers of America knew and understand the picture and could appreciate the great value of this program, they would not be besieging Congress to destroy it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I hope the gentleman will give his statement to the press, because it is quite detailed and it is important. I know it would not be possible for them to take it down the way the gentleman has given it to us.

Mr. COOLEY. The gentleman agrees with me that there was no representative of the press or radio there when we had the records there and when we were searching for the facts. Here is a record which I will put up against the RFC or any other governmental agency. It handled over \$10,000,000,000 in wartime and peacetime and in depression and in prosperity and it has come out with a nominal loss of \$140,000,000 excluding the potato program.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VORYS. The gentleman referred to the figures which I gave to the committee the other day, and the gentleman is correct in his figures, or somebody is. As to the source of those figures, I got them from the CONGRESSIONAL RECORD. I am very happy to have this explanation. However, I find in the Washington Post today a reference to the proceedings, I think, before the gentleman's committee, in which it is said that Ralph S. Trigg, head of the Commodity Credit Corporation, which runs the price program, told Congress yesterday that on February 28 the total was \$4,336,175,453 invested in farm-price supports. Was that the figure that was brought out?

Mr. COOLEY. I am sure that is the correct figure. However, that was the investment that we had in loans on good collateral on cotton, corn, wheat, and other commodities.

Mr. VORYS. Yes; the article here describes what the articles are and he says this should be safeguarded.

Mr. COOLEY. All right. Now, why is it, let me ask the gentleman, that the press and radio of this country cannot tell the truth about the financial operations of this Corporation, rather than to mislead, befuddle, and confuse the public into believing that we are wasting and squandering money.

Mr. VORYS. I wonder if this can be true, that is in the Washington Post this morning.

Mr. COOLEY. It probably is. But they do not go far enough in telling the story. They are still saying to the public that the Corporation has \$4,000,000,000 invested in commodities, most of which are likely to perish. That propaganda has gone so far that here we have an organization called the Association for the Abolition of Farm Price Supports, Inc. Its slogan is "You are the victim of the farm price-support program."

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COOLEY. Mr. Chairman, I appreciate this opportunity. This thing is not only of vital importance to the farmers, but it is of vital importance to consumers and to the people of the Nation. If you break down and destroy this farm program, and if you throw 8,000,000 bales of cotton on the market, and all this wheat, corn, butter, and other commodities that we are holding off the market in an effort to market it profitably at a later date, you will break down and destroy the economy of this country.

When you destroy the farm economy, inevitably you will destroy the general economy of America.

I know the city Members of the Congress realize and understand the importance of this program. I know they know something about the true facts, otherwise you could not expect Members from cities like Detroit, Chicago, New York, Boston, or Philadelphia to vote for this program. Yet they have voted for it. They do not have to go back to their city district and apologize. You do not have to go back to the city districts and say, "Yes, I joined the selfish, greedy farm bloc and voted for price supports"; all you need to do is to go back and say, "I am trying to uphold the economy of America so that America can move on and can maintain its place among the nations of the world and can pay its debts."

Mr. WHITE of California. Mr. Chairman, will the gentlemen yield?

Mr. COOLEY. I yield.

Mr. WHITE of California. In reference to the newspaper clipping which the gentleman from Ohio [Mr. VORYS] is quoting, it would be just as sensible for the Washington Post reporter to write up an item about the RFC and say that every dime the RFC has loaned to business against good collateral has been put out in normal circumstances.

Mr. COOLEY. I will put the record of the CCC alongside the record of the RFC any day of the week and guarantee that agriculture will come out better.

Mr. VORYS. Will the gentleman tell us whether these are accurate figures. All I know is what I saw in the paper. I am quoting:

Trigg's disclosures were made in urging the House Agriculture Committee to go slow about adopting new giveaway programs to dispose of farm surpluses. Such programs he said should be safeguarded to see that they are used in addition to and not in place of commodities that would normally be purchased by the recipients.

Mr. WHITE of California. That is a small matter.

Mr. VORYS. Is that about right?

Mr. COOLEY. I suppose so.

Mr. VORYS. So that the Committee on Agriculture and the CCC and nobody in the Government has a single suggestion about using this surplus to feed the

hungry people. I just wanted to get that in the RECORD.

Mr. COOLEY. The gentleman does not understand law. I wish the gentleman would go back and read the act of 1949, which I hope the gentleman voted for, and which was passed by the Congress. We gave broad authority to the Secretary of Agriculture to give away perishable commodities so that the human family might consume them, and so that we would not witness the horrible spectacle of seeing vital food deteriorate while there are hungry people in this country or in the world.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. In the figures which the gentleman has given us showing the loss over this period of close to a half billion dollars, the gentleman also would want to make it clear, I feel sure, that there are two other factors which should enter into the picture. One, these goods that are now on hand among the \$4,000,000,000 that our Government is holding, and which are likely to deteriorate and be worth nothing; and second, the fact that from the Commodity Credit Corporation to foreign countries have gone large amounts which have tended to make the Commodity Credit Corporation a going concern. Are those not both factors?

Mr. WHITE of California. Will the gentleman yield to me to answer that question?

Mr. COOLEY. I yield to the gentleman.

Mr. WHITE of California. What would have happened in the so-called winning of the peace if those commodities had not been available? Suppose they were not available in the United States and ECA dollars had been put over there, it would have been a terrific inflationary thing all over the world. The price structure in this country would have gone much higher than it did.

Mr. KEATING. I am not criticizing the gentleman. I am trying to help the gentleman from North Carolina [Mr. COOLEY] to acquaint this House with the true facts, which I know he wants to do.

Mr. COOLEY. Of course, the facts are that the Commodity Credit Corporation has made money on some commodities and has lost money on other commodities, but through 17 years of operation it has only lost, exclusive of potatoes, \$140,000,000.

Mr. KEATING. The gentleman looks upon that as a creditable performance, does he not?

Mr. COOLEY. Certainly.

Mr. KEATING. Then I ask the gentleman, if this present farm program is such a success, why are we asked to come in here with the Brannan plan that does something different?

Mr. COOLEY. Oh, I have not brought the Brannan plan up. I take great pride in the program which we now have. It can truly be called a nonpartisan farm program. Perhaps no member of Congress has made a greater contribution to the building of this worthwhile program than my distinguished friend the gentleman from Kansas, CLIFFORD HOPE.

He and I know that at least for the past 16 years the members of the Committee on Agriculture have worked and labored, without regard to partisan politics, in the interest and in the welfare of the farmers of this Nation. We do have a program broad enough to embrace all of American agriculture. It is a program of many parts and parcels and it did not come into being by the mere passage of a single law. This program has served well the needs of our Nation, both in times of war and in times of peace. But all of the friends of agriculture know that it is not perfect. No Member of Congress wants to continue a program as costly as the program of potatoes has been and, yet, no intelligent person would want to wreck or destroy the good parts of the program which we now have. I shall despise the day when partisan politics lifts its ugly head again in our committee room and I shall not like the person who seeks to destroy the program which we have.

The transition period from a wartime economy to a peacetime economy has visited terrific impacts on our agriculture. It appears that the whole pattern of American agriculture must undergo drastic changes. Unfortunately, many critics of our program do not understand its implications. They do not know its virtues and they seem to despise all of its faults. This government sustained great losses in taking industry through the transition period and when compared with those losses, the losses which have resulted from the farm program appear to be negligible. But for the present farm program, including the price support program, this country would have gone into an economic tailspin and we would now be in the very depths of a gigantic depression. If we are to meet our obligations and to pay our debts, we must maintain farm income and we must maintain fair, yes, even high wages. If commodity prices and wages decline, our national income will be impaired in exact ratio. With declining prices and wages we will have declining revenue with which to pay for the cost of government and with which to pay our national debts. If you impair the income of agriculture, you will destroy the purchasing power upon which industry depends. The Nation depends upon agriculture, yes, the livelihoods of all of our people. All the professions and vocations and avocations of life must ultimately depend upon the products of the good earth. Agriculture, labor, and industry must all pull together if we are to weather the storm and to save the institutions of freedom.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. This is a new amendment?

Mr. JAVITS. It is a new amendment. It is a perfecting amendment.

The CHAIRMAN. There is pending an amendment which will have to be disposed of first.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after the storm abates, the lightning stops and the thunder ceases to roll and peal, after the mariner

has been tossed helplessly and almost hopelessly upon the sea, I think it is time for us to pause and look at our compass and see where we are. Let us get back to this bill.

The gentleman from Montana [Mr. MANSFIELD] is a fine man, a student, a scholar, and a gentleman. I admire his enthusiasm and high idealism.

I am sorry that the vicissitudes of fortune through which most of us pass cause us to lose some of the enthusiasm and idealism as we grow older, but I think most of us in this body have lived long enough to have learned a few lessons. I hope I am not so hard-hearted or so minus the milk of human kindness that I am not sympathetic to the needs of others. I wonder how many Members of this body tithe? Have you given \$10 of your first \$100 to church and school and to the poor and distressed? You ought to give \$20—not one-tenth, but one-fifth. Of course, it is harder to cough up your own dough than it is to be liberal with the other guy's money.

I think we ought to examine our own minds and hearts today. It is easy to say, "yes, yes," and give away the substance of others who work hard, earn, and save. The middle class in this country is being liquidated today; make no mistake about it, not only their earnings, but their savings, particularly the old people who have laid away a nest-egg, with the purchasing power of the dollar cut in two. You are going to have to face that thing, because you and I are going to grow old.

I think in spite of the professional uplifters and moral reformers—and God knows, the greatest reform we need here is to reform the reformers—and I am addressing myself particularly to the ladies here on both sides of this aisle. I have christened little babies, I have married young people, and buried old ones, and I like to help those who are in need, and I help a lot of you gentlemen who do not need any help.

We are going out to uplift and save all the world. Well, I do not know; I have seen a lot of this world. I think it is too big, and I think there are too many people in it for America with all of her natural resources, her scientific skills, her inventive genius, her technological know-how, to really accomplish. I cannot flatter myself to that extent; I cannot feel that I am that important, to save all the world—I just cannot do it. Who could be such an egotist? Maybe you can flatter yourself up to foster democracy and impose something outside upon people who cannot understand or comprehend or appreciate. Why, it has got to come from within, not without.

Pray tell me, Mr. Chairman, what nation in all this world's history has been so considerate and kind and generous as the United States of America. Our American Red Cross has taken aid and succor to all the distressed peoples in this world. The Rockefeller Foundation has built schools and hospitals and asylums in every country on this globe. Our Christian missionaries, thousands of them from every Christian denomination, Protestant and Catholic alike—yes, I even include the Jews—have taken

light to the heathen. I do not care where the aid is needed, whether it is a typhoon in Japan, or an earthquake in Chile, in South America, there is no point so distant or so far away that America and the American people have not gladly and willingly taken aid.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

Mr. CAVALCANTE. Mr. Chairman, reserving the right to object, is the gentleman a member of the Committee on Foreign Affairs?

Mr. SHORT. I am not, I may say to my friend from Uniontown.

Mr. CAVALCANTE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHORT. I thank the gentleman from New York [Mr. JAVITS]. He is one individual with whom you can disagree and still like.

Mr. Chairman, I was never more serious in my life than I am now. I feel very much right at this moment as Hamlet felt:

O, that this too, too solid flesh would melt,
Thaw, and resolve itself into a dew!
Or that the Everlasting had not fix'd
His canon 'gainst self-slaughter!
The time is out of joint: O cursed spite,
That ever I was born to set it right!

Mr. Chairman, even the hillbilly down in the Ozarks can understand that language. We may have hayseed in our hair, but we do not have cobwebs in our brain. We think straight. You feel it, and I feel it.

Mr. Chairman, my people are old-fashioned. There are a lot of things that are old that I cherish and love. You talk about the New Deal and the Fair Deal. You want change. I know you have got to have change to make progress. But, Mr. Chairman, do not mistake change for progress because often change can be for the bad as well as for the good.

I come from old-fashioned people. The Ten Commandments were written in the horse-and-buggy age, but they are as true today as when Moses gave them. Two plus two equals four now as it did in the days of Archimedes.

Times and men change, but there are certain truths that are eternal and unalterable. You cannot as the head of your family, you cannot as the head of your corporation or business, you cannot as the head of any government—local, State, or national—continue to spend more than you take in without getting into serious difficulties. You cannot dance without paying the fiddler. Your chickens will come home to roost.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Does the gentleman intend to support this bill, and if he does not intend to support it, why is he against it?

Mr. SHORT. I am sure it is due to the little mind of my friend from Missouri who questions my stand on this legislation. Of course, I am against it.

There are a hundred reasons which time will not permit me to enumerate.

Mr. CHRISTOPHER. That is what I wanted the gentleman to say.

Mr. SHORT. I have said that. I vote as I talk, and I talk as I vote. And I will welcome my colleague to come to any town in my district. He has already invaded the district. Perhaps I will return the compliment. I will welcome him to a debate on this issue. Naturally I do not want him to bask in my sunshine. I do not care to build him up. Of course, I am against it because I love the United States as much as Winston Churchill loves Great Britain or Joe Stalin loves Soviet Russia. So, may I say to the gentleman from Missouri, do not tear into me on that. I know his motive.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. JAVITS. Mr. Chairman, I rise in opposition to the amendment.

Mr. REDDEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REDDEN. Is there any limit on the number of times a member of a committee can be recognized on one bill?

The CHAIRMAN. As long as the gentleman arises in opposition to the amendment, or offers an amendment to the bill, he is entitled to recognition.

Mr. REDDEN. There is no limit on the number of times he can be recognized?

The CHAIRMAN. As long as he is in order, no.

Mr. JAVITS. Mr. Chairman, I am sure the gentleman will have bills from the committee of which he is a member and will endeavor to defend them to the best of his ability on the floor just as we do.

Mr. Chairman, the reason I sought the floor after my good friend, the gentleman from Missouri [Mr. SHORT] was through, is because there is no more lovable voice in this Congress than that of the gentleman from Missouri [Mr. SHORT], and there could be no more kindly exponent of a particular point of view that he espouses, and so he is most pleasant to take issue with on that point of view.

I would just like to ask my friend and colleague, who is a very seasoned and fine debater with whom I have debated before, one question. It is perfectly true that the United States has no design to run the world. As a matter of fact, the role of world leadership is distasteful to the American people, even though with 150,000,000 people we are probably the most powerful on earth. But, I ask the gentleman if Japan with a population of about 90,000,000, was afraid to conspire to run the world, or whether Germany, with a population of about 80,000,000 people, was afraid to conspire to run the world, or whether the Soviet Union with a population, who number about 180,000,000 is afraid to conspire to run the world? On the contrary the Soviet Union thought nothing whatever of helping and bringing into being a Communist leadership in China, a vast country of 400,000,000 people. So, I believe my

friends, what we are developing here is not the fact that our people want to run the world—we know they do not. What we are developing here is how to stop others from running the world, who design to do so, who desire to do so, who are planning and scheming every day to do so.

From what I hear, one of the main objections made against title III, is the fact that the President claims to have thought it up—as a matter of fact he did not as has been explained—but even that is no objection, for this reason. We are asking the President and the Secretary of State to have a strong foreign policy, so when they come out with a measure which is one of the type a strong foreign policy should be, shall we oppose it just because they are not of our party or because we do not agree with other things they do, or shall we be for it if it is good for the Nation? That, I think, is the only test for this program, is it good for the country, and I think that must be answered decisively in the affirmative, for this reason: It is the only thing that has been brought up on this floor which will arm us in our challenge against communism with a powerful economic weapon in areas where there is little but hunger and despair, a perfect breeding ground for communism.

We know what the Communists are doing, they are going into these underdeveloped areas and telling the people that their only hope for improvement is to adopt their Communist doctrines and philosophy. What we must do if we are to meet that challenge successfully is to go into the same areas and say, "We will show you with technical skills how to deliver for yourselves the very goods which the Communists only promise." That argument is completely decisive. We can win everywhere, but we cannot win if we default, and we cannot win if we do not make the effort. That is all this bill is about.

For any Member to say, "This is a \$45,000,000 program"—really it is only \$35,000,000, as has been explained—"but it will be more millions a few years hence," does not make real sense. What are we, children? If we do not like it, if it is \$60,000,000 next year instead of \$45,000,000, we can vote it down. It has to come back here any time any money is required or any additional authority is required.

I urge the Members to think very carefully before they decide in a moment of opposition to the President or just general disinterestedness or because they are tired of foreign policy programs. I ask them to think over—what is any Member proposing in his own heart, what is he proposing as a counteraction to the whole Communist campaign which is counseling peoples in the undeveloped countries that communism is their only hope, their only way out. What is every Member proposing in order to counter that whole march of Communist ideology? If he does not have anything else to propose, here is an inexpensive and valid program which we know that people in the underdeveloped areas want, and I will tell you how we know that.

In Latin America this program of technical assistance has been working now since 1943. Since 1943 this is what has happened. Whereas the United States began by spending about \$6,000,000 a year and the Latin-American countries spent only \$700,000, by 1950 the United States is spending \$5,000,000 and the Latin-American countries almost \$13,000,000. That is what they think about it. That is what they think about a program of democratic cooperation on technical assistance between themselves and the United States, exactly what is contained in this bill.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman has pointed out that for the entire Latin-American area, which I assume includes all of Central and South America with all its population, we have been spending only \$5,000,000 a year for this kind of program. Does not the gentleman think that to authorize nine times that much at one fell swoop is going pretty far?

Mr. JAVITS. I might say to my colleague, whom I admire and respect, that that is a very superficial point for this reason: The total expenditure in Latin America is \$18,000,000, the expense is being shared there now and will be elsewhere, too. In addition to that, you are dealing with 120,000,000 people in South and Central America. We are talking now in this bill of dealing in terms of several hundred million people in southeast Asia, Africa, the Middle East, and other parts of the world, and it must cost more.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had no intention to speak on this bill, but the gentleman from New York has asked for affirmative action on the part of those of us who oppose this point-4 legislation, and my affirmative action in answer to his statement is this: Let us get America back on a sound basis, balance our budget, and quit this deficit spending. With the debt we now have and the condition the world is in today, some country has to be on a sound basis. I say it should be America. This is not an issue between democracy and communism, this point-4 legislation. If it were, I along with some of the other advocates of eliminating this from the bill, would be among the first to be for it.

There is no one in America who hates communism any more than I do.

My answer to communism is this: build America up strong. Let us have a strong Army, a strong Navy, a strong Air Corps, and a strong Reserve Corps, then tell Russia to go straight to hades. If she will not go there, then let us send her there. I am one of those who is willing to go back and do my part to send communism there, because I love America and her democracy.

I cannot reconcile a vote to send \$45,000,000 to those countries that just a few years ago, some 6 or 7 years, were plunging bayonets into the bellies of my comrades and yours. I cannot tax the mothers, sweethearts, and wives of those

boys who are now lying in foreign soil, to make them pay for this debt which we are trying to put on them. This is serious to me, and I have too much conscience to vote to send this money over there to build up the countries which, within a few years, will come back and kill more American boys. I cannot reconcile a vote to send to these undeveloped countries of the world billions for new projects when here in the United States in our omnibus appropriations bill there is not one dime for new projects in our own country.

I cannot reconcile a vote to send \$45,000,000 over there to assure big business that it will succeed, when we cut 25 percent off of every project in rivers and harbors in the United States, and all other projects in America that are so direly needed.

I cannot reconcile such things as that. Why do we not come back to logic and common sense.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to my colleague. Mr. TACKETT. The gentleman further realizes, too, that we made an appropriation here to allow lobbying to go on in this country in an effort to sell our people a bill of goods?

Mr. SUTTON. Yes.

Mr. TACKETT. The gentleman further realizes that we have spent a tremendous sum of money to those who have formulated the Marshall plan. They have gotten most of it. No one has ever denied that charge.

Mr. SUTTON. Mr. Chairman, I agree with our great majority leader that communism is bad. It is no good. I am in favor of fighting it in every way. But I think the best way we can fight communism is to have a strong America and to have a democracy of the people so that the rest of the world will see that we are strong and also see that we mean business.

If we continue to spend the taxpayers money, that we do not have, and continue to go in debt we are not fighting communism.

Communism is the result of governments overspending beyond the reach of its peoples, taking the moneys away from them, then you have the government going into socialism.

When the people have no money the government has to take over; socialism.

From socialism, countries go right into communism and that is almost without exception.

Mr. Chairman, I hate communism, I detest socialism and I love Americanism.

Let us not take a chance of bankrupting America.

Let us be Americans and build America great so that the world will follow our leadership of being Governments "of the people, by the people and for the people."

I hope that title III is taken out of this bill so that I might vote for ECA, but I can't vote for any bill to develop the world at the American taxpayers' expense.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska to the Vorys amendment: On page 28, after section 314, by adding after the last word "Senate" and the period "And provided no homosexual shall be employed."

Mr. MILLER of Nebraska. Mr. Chairman, I realize that I am discussing a very delicate subject I cannot lay the bones bare like I could before medical colleagues. I would like to strip the fetid, stinking flesh off of this skeleton of homosexuality and tell my colleagues of the House some of the facts of nature. I cannot expose all the putrid facts as it would offend the sensibilities of some of you. It will be necessary to skirt some of the edges, and I use certain Latin terms to describe some of these individuals. Make no mistake several thousand, according to police records, are now employed by the Federal Government.

I offer this amendment to the Vorys amendment in good faith. Recently the spotlight of publicity has been focused not only upon the State Department but upon the Department of Commerce because of homosexuals being employed in these and other departments of Government. Recently Mr. Peurifoy, of the State Department, said he had allowed 91 individuals in the State Department to resign because they were homosexuals. Now they are like birds of a feather, they flock together. Where did they go?

You must know what a homosexual is. It is amazing that in the Capital City of Washington we are plagued with such a large group of those individuals. Washington attracts many lovely folks. The sex crimes in the city are many.

In the Eightieth Congress I was the author of the sex pervert bill that passed this Congress and is now a law in the District of Columbia. It can confine some of these people in St. Elizabeths Hospital for treatment. They are the sex perverts. Some of them are more to be pitied than condemned, because in many it is a pathological condition, very much like the kleptomaniac who must go out and steal, he has that urge; or like the pyromaniac, who goes to bed and wakes up in the middle of the night with an urge to go out and set a fire. He does that. Some of these homosexuals are in that class. Remember there were 91 of them dismissed in the State Department. That is a small percentage of those employed in Government. We learned 2 years ago that there were around 4,000 homosexuals in the District. The Police Department the other day said there were between five and six thousand in Washington who are active and that 75 percent were in Government employment. There are places in Washington where they gather for the purpose of sex orgies, where they worship at the cesspool and flesh pots of iniquity. There is a restaurant downtown where you will find male prostitutes. They solicit business for other male customers. They are pimps and undesirable characters. You will find odd words in the vocabulary of the homosexual. There are many types such as the necrophilia, fetishism, pygmalionism, fellatio, cunnilinguist, sodomatic, pederasty, saphism, sadism, and masochist. Indeed, there are many

methods of practices among the homosexuals. You will find those people using the words as, "He is a fish. He is a bulldicker. He is mamma and he is papa, and punk, and pimp." Yes; in one of our prominent restaurants rug parties and sex orgies go on. Some of those people have been in the State Department, and I understand some of them are now in the other departments. The 91 who were permitted to resign have gone some place, and, like birds of a feather, they flock together. Those people like to be known to each other. They have signs used on streetcars and in public places to call attention to others of like mind. Their rug and fairy parties are elaborate.

So I offer this amendment, and when the time comes for voting upon it, I hope that no one will object. I sometimes wonder how many of these homosexuals have had a part in shaping our foreign policy. How many have been in sensitive positions and subject to blackmail. It is a known fact that homosexuality goes back to the Orientals, long before the time of Confucius; that the Russians are strong believers in homosexuality, and that those same people are able to get into the State Department and get somebody in their embrace, and once they are in their embrace, fearing blackmail, will make them go to any extent. Perhaps if all the facts were known these same homosexuals have been used by the Communists.

I realize that there is some physical danger to anyone exposing all of the details and nastiness of homosexuality, because some of these people are dangerous. They will go to any limit. These homosexuals have strong emotions. They are not to be trusted and when blackmail threatens they are a dangerous group.

The Army at one time gave these individuals a dishonorable discharge and later changed the type of discharge. They are not knowingly kept in Army service. They should not be employed in Government. I trust both sides of the aisle will support the amendment.

Mr. CHATHAM. Mr. Chairman, I move to strike out the last word.

Mr. CHATHAM. Mr. Chairman, I speak especially in support of title III. I have been in business all my life, and I know something about the American business system. I think I know something about technological skills, I think I know something about business knowledge, and I think I know about improvements. The American way of life is founded on the American business system. There are three classes of producers throughout the world: The miner, the farmer, and the manufacturer. We have built up the American system through technical knowledge and through technical skills. There is no earthly reason why we cannot help other countries whether they be backward areas or not—these western European countries, for instance, by giving them our technical skills.

I think this is the most forward-looking piece of legislation that has been before this Congress, certainly in my time. I am against spending money, of

course, but the whole ECA program has proved out in western Europe. If we can make western Europe and other backward areas of the world prosperous, or more prosperous, we can work better for peace and prosperity in this country. We can never be strong unless we are prosperous. Our world can never be strong unless our world is prosperous. We cannot live by ourselves any more than we can keep disease away from our shores if we have an impoverished world around us.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. McSWEENEY. Did we not as a young Nation receive most of our technical skills from people who came from countries abroad?

Mr. CHATHAM. We did; we received them from people who came from Europe, but we improved upon them through hard work and education.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. GROSS. Technical skill will not do it all. What good does it do to improve their methods without land reform in these backward countries that are held back through the stranglehold of imperialism?

Mr. CHATHAM. I am not speaking of that point because I do not believe I can go into it; I am speaking of point 4 as suggested by the President.

Mr. GROSS. The gentleman well knows who controls the land in Africa. The gentleman well knows that the natives of Africa do not own the land. The gentleman well knows the situation in India, China, and in all the backward countries of the world.

Mr. CHATHAM. I would say that in Indonesia the land is going back to the natives. There will be land reform gradually all over the world.

Mr. GROSS. That is the hope.

Mr. CHATHAM. Nobody controlled the land in this country at one time.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. JUDD. Is it not true that you cannot reasonably expect these people to get their own land until they are sufficiently developed agriculturally, educationally, medically, and in many other ways, so that they can handle and manage it successfully? This program is to help them prepare themselves and develop their society so they can take over the management of their own economy and their government.

Mr. CHATHAM. That is quite true, sir.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Massachusetts.

Mr. HERTER. Is it not true that recently in Persia, where a private group of engineers were sent to give technical assistance, one of the things they were able to realize, one of the things which apparently the Persian Government is accepting, is land reform and all the by-products of land reform as part of their economic development?

Mr. CHATHAM. I understand that is so, but this goes far beyond land reform. If people have the skills and the money they can buy the land; if you have money you can buy land.

The whole point of this thing is that it is an effort to share our technical skills. If we are willing to share those skills with the rest of the world, the rest of the world will buy more things from America. To the extent that we can bring up the standard of living of people in other parts of the world, just to that extent will we be developing markets for our own products; just to that extent will we be making friends and allies all over the world, and we need allies.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. COOLEY. And they will be better customers of ours.

Mr. CHATHAM. The gentleman is absolutely right. If we could build up the standard of living in western Europe, with its 278,000,000 people, to the standard of living in the United States we would be able to double our production in this country because they would buy our products. This applies all over the world just to the extent that we can improve the standard of living of backward people through sharing with them our industrial know-how and technical skills and creating a desire on their part for the things we have.

I think the President's point-4 program as carried in title III of this bill is most important and will be a powerful factor in building up business, peace, and prosperity. I have been called a Republican many times. I am proud of the fact I am for American business; I am proud to be associated with it. I hope that you Republicans especially will join with us in putting over this program.

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in opposition to title III being included in this bill. I am not opposed necessarily to title III. I simply do not see that it has any part in the present legislation.

Section 301 reads:

This title may be cited as the "Act for international development."

That is exactly what it should be. It should be a separate act. There is far too much in title III to have it simply tacked on to an ECA bill that most of us are committed to vote for.

It seems to me that that may be very smart politics, but I would prefer to have the time to go over title III as a separate entity. I am sure that the members of the Committee on Foreign Affairs have already done that. I am equally sure that they will agree that the rest of the House has certainly not had time to give this the study it needs.

I shall vote for the ECA bill because I feel that the majority of our people and of the Congress are committed to do that very thing. We have put our hand to the plow and we have got to go on. It is a moral obligation to us and to the rest of the world. But I do not like seeing this title III brought in. It is the same old story. We are always

asked to take the rough with the smooth, but it gets rougher and rougher as time goes on.

ECA has got to be seen through to its logical end. Where that end is I do not know. I am not one of those who believes that ECA has been a howling success. I do not believe that ECA has stopped communism. The latest news from France and Italy certainly would not lead one to believe that communism had been stopped in either of those countries. Someone may say, "If we had not had this program, it would have been far worse." How do you know? You have the program. Communism is still very strong in Italy, where only the other day a small town was taken over by force by the Communists. Communism is still strong in France, where a strike was called to prevent the unloading of war material sent from the United States.

No; communism has not been stopped in western Europe and in Germany, where we are spending a great deal of money, although that is being soft-pedaled; conditions are not good. They are getting worse. Unemployment in Berlin is costing the American taxpayers a great deal and will cost a great deal more.

So before we embark upon another program to save the world, before we embark upon business all over the world, we should stop and consider. While I agree with my good colleague from North Carolina that this may indeed stimulate business in our country, that it may indeed be a good thing for the world and for the business of the world and for these backward people, if it is so good, why can it not stand on its own merits? Why can it not be debated as a separate piece of legislation, and not tacked on to the ECA program, which we are all committed to, and which we have got to pass at this session of the Congress? That I know we must do, because the people of the world expect it of us, because we have given our word, and we will not break our word to them.

I am very much opposed to title III being included in H. R. 7797.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks and proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, unlike my neighbor, the illustrious gentleman from the Ozarks, who lives in the next district south of mine, I am going to support this legislation.

It has been said here on the floor that this is just a give-away program. I do not look at it that way. This is an investment in the peace of the world. This is an investment in the reconstruction of the war-torn nations of the world. It is an investment in our own security. It is an insurance policy against the encroachment of communism on the democratic nations of the world. And, if that is a give-away program, then a give-away program is a very, very good investment, and I am in favor of it.

Another gentleman wants to know how long our economy can stand this. I do not know just what he means by "this" but I am going to suppose he means this piece of legislation. All right. What is wrong with our economy at the present time? I will admit that we have invested some billions of dollars in the stability of the world, but they have not been wasted and they have not endangered the strength of our economy. Our economy is good at the present time, and we have got to spend money to make money. You absolutely cannot do it in any other way.

Now, I do want to talk for just a few of these 10 minutes about the agricultural situation, a thing which I do think I know something about. Of course, the Commodity Credit Corporation has some food in storage. The way the wheat lands of Kansas and Oklahoma and Texas are blowing clear down into the State of Georgia, we may well be glad by the first day of September that the Commodity Credit Corporation has got 7 or 8 months' food for the United States in storage in the warehouses of the United States. I do not think it is a bad thing to have, and I do not think it is anything to worry about. Drought in the Midwest is 5 years overdue right now, and if you do not believe that, ask these gentlemen who come from Kansas. It has been raining from time to time in several of the past years in Kansas and wetting the dust bowl down a little, but we have no guaranty that it will continue to do that. Dust storms have been blowing in the wheat country for weeks now. That food in storage is a blessing, and it is not a curse.

The gentleman from Missouri, from the Ozarks, the illustrious gentleman who is my neighbor down there, wanted to know what country in the history of the world had ever been as generous as the United States. I do not think any country in the history of the world has ever been as generous as the United States, and I am glad of that and I am proud of it. But, how has Providence treated the United States, whether that be because of that generosity or not? Have any of our cities ever been bombed? Not a one. Have the fields of our country been torn up and our women and children killed by either World War I or World War II? They have not. Is it not possible that the wings of the angels have hovered over this country in return for our generosity?

Oh, I heard an old, tight hillbilly one time pray a prayer that I do not want to ever hear prayed again in these United States; the kind of a prayer that I want to raise my voice against here today. This old man said, "God bless me and my wife, my son John and his wife, we four and no more. Amen."

Are we going to take that attitude nationally? I hope this Congress never falls so low.

I would give more heed to the advice of my friend from Missouri if I had not checked the CONGRESSIONAL RECORD to see how he voted before Pearl Harbor. He voted against selective service in this House less than 90 days before Pearl Harbor was bombed, and that bill carried in this House by only 1 vote. Suppose

there had been one more man in this House who voted as he voted, what might have happened to the United States?

He voted not only against selective service but against every measure that was proposed in this House during that time that would strengthen the military force of the United States. He probably thought he was voting for the good of his people and the good of his Nation. I am not impugning his motives. But I do reserve the right to question his judgment, and I still question it.

The world has not changed so very much in 2,000 years. I tell you that Jesus Christ himself could have preached the fatherhood of God for 10,000 years and nobody would have molested Him, but He chose to preach the brotherhood of man. He told the scribes and Pharisees that they could not commit wrongs and then atone for their misdeeds by making a prayer on the street corner. He told the rulers of His nation that the mite that the widow cast into the contribution plate was worth more in the sight of God than all the alms they had ever given. As a result of that doctrine, they nailed Him to the cross and raised Him up on Golgotha.

I tell you it was not popular 2,000 years ago to take note of the backward regions of the world, and there are places where it still is not popular to do that.

I am going to support this legislation with title III in it, and I hope it carries.

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I should like, in the main, to address my remarks to that stubborn, tough-minded group of this House otherwise referred to as the conservatives, to which it is said that I belong. It is the group that takes pride in the fact that it scorns consideration of party interests when it comes to dealing with questions affecting national security.

Mr. Chairman, I am glad I have always found it possible to express my honest convictions on questions affecting the good of my country. I do that uniformly, Mr. Chairman, and without the slightest fear of punishment or the least hope of reward. I must say, however, that I am pleased whenever I find myself in accord with the views of the President.

His recommendation as President is entitled to a persuasive influence. I must say, though, Mr. Chairman, that I am not and never have been a worshiper of power. I do, however, have a deep regard for courageous speech and valor.

This title III of this bill, which deals with point 4 of the President's program, has been given a great deal of unfavorable publicity, and that is due to the fact that point 4 as originally reported in a bill brought out by the Committee on Banking and Currency of the House was presented in bad form and was properly subject to all of the criticisms directed against it. So, Mr. Chairman, our doubts and our fears as to the soundness of point 4 incorporated in this bill as title III are based upon what we know to have been the defects of the bill in which the point was originally incorporated. There is nothing bad about title III in this bill. There is nothing bad in the President's point 4 recommendation. The trouble

with reference to it has been due to the fact that the agency of the Government which drafted the first bill and which has committed the blunder of undertaking to make friends for the pending measure does not stand in high favor with the people of America. It can have no persuasive effect upon me to argue that a department of the Government which once enjoyed the confidence and esteem and affection of all the people but now in bad repute, and temporarily so, may we hope, favors the adoption of this measure. I am thoroughly unimpressed by the fact that this particular agency of Government is in favor of the bill, and I say this with much regret. I sincerely want restored my confidence and admiration for this Department of the Government.

I would remind my friends on the minority side of this Chamber that title III of this bill was written by one of their own outstanding members, a gentleman who is a member of the House Committee on Rules, where the bill originally reported by the Committee on Banking and Currency was stopped.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CHELF. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COX. The committee reporting that bill, I felt at the time, was willing to give consideration to the objections raised by the Committee on Rules and it was agreeable to them that they take back the bill for further consideration. That, however, was something that took place last fall just before the Congress adjourned. The committee was not able to get back to it prior to adjournment. It is my information that at the beginning of the present session the Committee on Banking and Currency did return to the consideration of the measure but that the Committee on Foreign Affairs dealing with these questions affecting our foreign relations, came along with ECA and saw fit to incorporate point 4 in the bill now before us.

This member of the Rules Committee, largely responsible for the stopping of the bill in the Rules Committee last fall, offered a bill dealing with the same question. He collaborated with the Foreign Affairs Committee and is partly responsible for the writing of this title III.

Now, Mr. Chairman, title III undertakes to do two things. First, it undertakes to encourage domestic capital to venture into foreign fields. It then seeks to set up a fund to finance technical assistance to be rendered the so-called backward countries. There is nothing revolutionary in this title.

As to the technical assistance, I must confess I believe the amount stated in the bill is excessive, that it could well be cut in half, but I am prepared to go along in support of the title, even though this committee should not see fit to reduce the appropriation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. COOLEY. Is there any reason why the gentleman should hesitate to give the name of the member of the Rules Committee to whom he has referred?

Mr. COX. I refer to the distinguished gentleman from Massachusetts [Mr. HERTER], and I want to say to this House there is not a cleaner minded or a better informed man who is a Member of this House.

Mr. COOLEY. I would like to point out that the gentleman from Massachusetts [Mr. HERTER] was chairman of the Special Committee on Foreign Aid, which preceded the Marshall plan.

Mr. COX. That is very true, and as such he performed a valuable service to the country.

Mr. Chairman, the other part of title III, which is to encourage domestic capital to venture into foreign fields, amounts to just this: Our Government proposes to vouch for the good faith of the foreign countries where capital is invested. That is all it does. It involves only the possible loss of money on the part of the Government, but I would say it is nothing more than giving a natural expression of faith in the purpose of the foreign governments to line up to their solemn commitments.

Mr. Chairman, as has been remarked time and again, this Marshall plan is not a give-away program. We are simply undertaking to throw up a dike to hold up the flood waters of Russian communism which are rushing down upon us. The investment of that money does not pay off in dollars, but in things more precious than money. While the recipient powers are the first direct beneficiaries, we in the end benefit as greatly as they. It is an investment that we are making in national security and world peace. We cannot, we dare not, turn back. It must be known to all informed people that unless we help reconstruct western Europe and hold the line against the further spread of Russian power we shall not be able to maintain world peace; that world peace will be lost and our freedom alike surrendered.

Mr. Chairman, I appeal to my friends; I appeal to my conservative friends; I appeal to the membership of this body with whom I so constantly associate myself, men on both sides of the aisle; I appeal to them not to be influenced, not to be controlled by their far-taken opinions as regards title III, but to return to the question and give it their renewed consideration; and that I say with the hope that they may find it possible to give this section of the bill and the bill as a whole their support.

Mr. HERTER. Mr. Chairman, I move to strike out the last word.

Mr. HERTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, I should like to know from those in charge of this bill whether there will be an attempt to shut off debate here in

about an hour on such matter. I am asking the gentleman from Ohio, and I am asking the gentleman from West Virginia. Are you going to shut off debate very soon?

Mr. KEE. I do not expect to shut off debate. I am going to give the House the opportunity in a short time, however, to close debate if they wish to.

Mr. HOFFMAN of Michigan. That is what I expected.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for five additional minutes. Is there objection?

Mr. TACKETT. Mr. Chairman, I object.

Mr. HERTER. I am sorry that the gentleman has objected to my request for additional time, because I did not want to impose on the House more than once on this subject.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

Mr. SUTTON. Mr. Chairman, I object.

Mr. HERTER. Mr. Chairman, I regret extremely that this objection has been made, only because I had hoped to talk for a few minutes on the general subject matter of title III; and I had hoped at the same time to be able to dispose of my arguments on two amendments that I have at the desk.

At the outset I should like to thank my very good friend the distinguished gentleman from Georgia for his extremely kind remarks. I think, however, that he has been a little extravagant in attributing authorship of this title to me. It is true that I did object last fall to a piecemeal approach to this title III. I objected to that section that came from the Committee on Banking and Currency, and had hoped that we would be able to approach all phases of this bill at one time. It is also true that I objected to the State Department bill as it originally was filed with the Committee on Foreign Affairs dealing with this subject, for the reason that I felt it was extremely hazy; that it intended to perform certain functions without making it clear how they could be performed. I insisted on a new draft, and part of that new draft is incorporated in this bill.

But to get to the substance of the matter itself, I am sorry that some Members have seen fit to stand here and say that this measure is entirely divorced from the question of our relationship with Russia. In my opinion, that just is not so. This bill has a very direct relationship to an exceedingly serious situation in which this country finds itself in the whole world picture.

We have certain military strength, we have certain economic strength, but over at least two-thirds of the world's surface there are nations the population of which are infinitely greater than ours, whose territory is infinitely greater than ours, but whose state of development has been very laggard in comparison with ours. It is in those countries particularly today, and I am not talking about western Europe, that there is a ferment, which any of you who are familiar with

the world situation can easily recognize is a ferment of the very deepest concern. There are revolutionary movements today at work in every corner of the world. Those revolutionary movements are fighting to capture the minds of man for the purpose of changing the entire social order in those states. In those cases what the individuals are striving for seems well justified from the point of view of our standards. It is obviously impossible for us to try to apply any kind of Marshall plan to the whole world. We are not strong enough. We could not do it if we tried to do so. But there are certain things we can do.

As the gentleman from North Carolina [Mr. CHATHAM] pointed out a short time ago, there are certain things we can do that will be of very definite value to us in this struggle that is going on. The world knows that we have certain technical skills. Some of those technical skills can travel only through the medium of private investment because they are inextricably tied in with the processes of private enterprise. Others can be conveyed through the skills that have been developed through governmental agencies. In the latter category I am thinking particularly of agriculture, of health, of education, of many of the skills which we have found we have been able to impart to our own people through governmental agencies.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Tennessee.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HERTER. I thank the gentleman.

This bill as it is drafted in the first section tries to set up certain standards by a declaration of the Congress of the United States as to the conditions under which private-capital investment might move with greater freedom than it has moved heretofore. There has been a very discouraging picture over the world in the last 10 years from the point of view of the treatment of private capital, from the point of view of the treatment of private investments, from the point of view of the treatment of individuals who have been trying to help in those nations. This is a trend which must be reversed if we are to be successful in this operation. But if you have followed our relations with the other nations of the world during the past 50 years you will know that we have already made some very great contributions through technical assistance of one kind or another. There is no way of writing into legislation exactly what kind of technical assistance can be most effective to meet a given situation. This is one reason for the rather loose drafting of this bill.

As my time is limited I am not going to go at length into the merits of this bill itself except to repeat once more that in my considered judgment—I fully re-

spect those who disagree with me—that granting of technical assistance by ourselves can make a very real contribution in the areas of the world where today we need friendship, where today we are in a rival position against the Communist indoctrination with respect to the capturing of these people's minds. From that point of view I consider it of the utmost importance.

One of the amendments that I have at the desk deals with the cutting of the amount of money that is made available in this bill; \$45,000,000 is made available for technical assistance in this bill. Actually only \$35,000,000 of that is new money because, as has been explained here on the floor of the House, seven millions are today already available for the Institute of Inter-American Affairs, and \$3,000,000 through the Smith-Mundt Act and other authorized pieces of legislation. My amendment would cut the \$35,000,000 down to \$15,000,000; in other words, it is a cut of \$20,000,000. I am offering that amendment as a friend of this legislation, and I am doing it for two reasons.

In the first place, I think that the amount of money that has been asked for is excessive in itself; in the second place, I feel that the program we are now discussing is not a single-year program. It is a program that has got to carry on for a considerable period of time, because this struggle we are in is not one that is going to end tomorrow, and we will be awfully fortunate if it ends in the lifetime of any Member here present. I think with \$15,000,000 of new money over and above the \$10,000,000 which is already available, that this first year's extension of technical aid can be very much more effectively screened and can probably be carried on with better technical help, technical experts, than if there were a larger sum of money, and we felt we had to scatter ourselves all over the lot and had to hurry in the selection of what might be unqualified personnel. That is one of the amendments that I am offering. As I say, I offer it as a friend of this legislation, because I think it would be better performed with a smaller sum this year than with the larger.

The second amendment is a technical perfection. In the bill as it now reads there is one new position provided for at \$16,000 a year, a position for an individual to be confirmed by the Senate. It does not say in the bill, however, that this individual will be the one who will control this program. My amendment merely makes it clear that that individual would control the program. I feel that that is an item of very great importance because if there is to be a proper coordination of the types of technical assistance that is today being rendered under various existing authorizations, then under this authorization clearly some individual who is freed from other duties must be held responsible. That individual should also, in my opinion, be confirmed by the Senate, and that is provided for in this legislation.

I have taken this time to speak of those two amendments because in the event that debate will be shut off at a later

time, with other amendments pending at the desk, I would not have that opportunity.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no one will deny, that we are living in one of the most critical, if not the most critical period of human history. We of the western world, who call ourselves the free world, comprise about six or seven hundred million people. The Soviets with their conquests in eastern Europe and in Asia now have 800,000,000 on their side or at least under their control. Suppose the European recovery program succeeds even better than anybody has a right to expect, all it does is to restore or maintain a rather uneasy balance between those two worlds locked in sharp conflict. Now, which way is the balance going to shift in the long run? That depends on which way the remaining 800,000,000 people of the world go, those who are on the fence. They live in India, Burma, Indochina, Siam, Malay, Indonesia, the Philippines, Japan and Korea. Their immediate future, to a great degree, is in our hands. But our long-term future, Mr. Chairman, is in their hands. If they are able to go with us and the free peoples of the west, as they overwhelmingly desire, then I am dead sure we can hang on until this tyrannical, inhuman regime in Russia collapses from its own immorality and cruelties; but if these undecided millions, in despair because they see little understanding of their problems by ourselves, and the western free nations, and less encouragement and hope of assistance, are compelled to resign themselves to being taken into the Communist camp, then, Mr. Chairman, the Soviet-dominated peoples will outnumber us two to one and they can outwork, undereat, outlast—and they will outbreed—any white men that ever lived.

This program of aid to underdeveloped areas by technical assistance and capital investment is not a matter of charity. It is a matter involving the very survival of the kind of society that you and I were born and brought up in and that I want my children to have a chance to grow up in, too.

In title I we are authorizing almost \$3,000,000,000 for strengthening the North Atlantic community—the United States, Canada, and the western European countries. This title III authorizes only a little over 1 percent as much for half the people of the world—the half whose course in the future can determine, in my opinion, whether we save or lose the three billion put into Europe.

Last year the Town Meeting of the Air team took a trip around the world, during which it made about 12 broadcasts each from a different country. In its first broadcast after returning to American soil last October, Brooks Emeny, the distinguished, scholarly head of the Foreign Policy Association, said this:

Sixty percent of the people of the world live in Asia. It is in this area that the final verdict as to whether we shall have a free world will be decided.

I was glad to hear him say that. Many of you have heard me say it so many times that it has become like an old, scratchy record. But no one can laugh off Brooks Emeny. It is indeed our own future that is at stake in what happens in these undeveloped areas in the world, and this program is a belated attempt to help determine what happens so that it will be in the interests of freedom and security and peace and prosperity for ourselves.

All the bill does, in addition to providing encouragement to private investment and that should be the most important result of the bill—is to enlarge and extend technical assistance programs that are already in operation in some areas. The pioneer effort was in Latin America—the Institute of Inter-American Affairs successfully developed under Nelson Rockefeller. A second effort was instituted under the Smith-Mundt bill which the Eightieth Congress passed. A third was the Joint Commission on Rural Reconstruction in China, which was a point 4 program for free China which I introduced in title IV of the original ECA Act of 1948.

When Paul Hoffman was before us—and this appears on page 429 of the hearings—I asked him what his estimate was of the value, the advisability, and the practicability of that program which was the forerunner of the point 4 program in this bill. He replied:

I can give my estimation this way: I think if we had had that type of program operating for 5 years the Communists would not be in China today. When that program was operated, the whole attitude of the people changed, the only real resistance to the march of the Communists from the civilian population came in the areas where there had been some work done by the JCRR in helping the people to a better living condition.

It is still operating most successfully in Formosa. It costs only about \$700,000 to carry on in several provinces of China a program affecting directly many millions of people, helping them get better seeds, better fertilization, better tools, better irrigation, reduction of rents, better crops, better education, better health, and out of all that comes better local government, greater self reliance, and better understanding of the way people have moved ahead in the free democratic world.

The amount of money that is authorized in this bill, \$45,000,000 for Latin America and all the rest of the world except the ECA countries, is infinitesimal compared to the stakes we are playing for. I have some grave misgivings about some features of it—three main ones—the program will have complications and difficulties. One question is whether we should put the major emphasis on bilateral programs, programs agreed upon between the United States and individual countries, or on multilateral programs through various international organizations. I asked Mr. Hoffman about that. May I quote from page 431 of the hearings?

Mr. Judd. How much of this point 4 work should be done through the United Nations agencies, such as WHO, and how much should be done through bilateral agreements between the United States and the recipient countries. While you have an OEEC ar-

angement, your program (ECA) is carried on between the United States and individual countries, is that not right?

Mr. HOFFMAN. Yes.

Mr. Judd. What has been your experience?

Mr. HOFFMAN. I would say the fewer agencies we have between us and the people we are trying to get to do things, the better off we are. In other cases where there is an existing organization in the United Nations I would think it could carry a part of the work.

Then the chairman [Mr. KEE] interrogated him:

Mr. KEE. Is it your view that the point 4 program could be carried on more successfully under the direction of the United States with the assistance of the United Nations organizations, than under the United Nations with the aid of the United States?

Mr. HOFFMAN. I do not believe I ought to express a view. All I can say is this, that as far as the ECA is concerned, I am certain that the results that we have gotten have been much enhanced by the fact that this was a United States agency and that we have been able to operate as a United States agency assigning to other agencies a part of the job that they could do.

Mr. Judd. That was more desirable from our standpoint. Do you or do you not think that the recipient countries believe it was also more desirable from their standpoint?

Mr. HOFFMAN. I am sure.

As far as I am concerned, I am convinced that as long as we are in a cold war it is more desirable and valuable to do it on a bilateral basis, especially if the UN organizations that might do it have Communist members which could use the organization to get Communist workers into these countries under such auspices. That does not apply to WHO and FAO.

A second question is whether the emphasis should be on handling the problem through Government agencies or private agencies—business firms, philanthropic foundations, and so forth. Which is the more effective, more efficient way? I wish you would read the testimony of Mr. Rockefeller on this point, especially on pages 92 to 96. He said both are necessary, providing each does the thing it can do best—providing goods and services, distributing, processing goods can best be done by private enterprise; public utilities—roads, ports, irrigation, electrification, and so forth, usually best handled by governments; public health, education, public assistance do best handled by our Government in cooperation with their government, with private philanthropic organizations helping.

A third question is that of personnel. In general private organizations, such as educational groups, have the highest quality personnel and best administration. UNRRA was a notorious scandal. Yet World Health Organization has as high-grade physicians and technical proficiency as can be asked for.

I certainly would not want the United States to put in half or more of the money and then have Trygve Lie appointing any of the personnel. But such questions are the problems to be solved. They are the challenge we face, not an excuse for doing nothing. However great the difficulties involved in this whole proposal, our difficulties will be greater if we do nothing at all and

face a world with the balance of power tipped overwhelmingly in favor of the Soviets. So I beg you, my colleagues, to give this a trial—only one percent of what we are giving to Europe, to give these people in the underdeveloped areas a better chance to gain a better and a more decent life, become strong enough to gain or retain their independence, and help defend their freedom and ours.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 1 hour and 15 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I move that all debate on this title and all amendments thereto close in 1 hour and 15 minutes.

The motion was agreed to.

Mr. BURNSIDE. Mr. Chairman, I have just a small amount of time to go into three or four things that I think are very essential.

I was one of the Members who went out to the Pacific area to examine some of these problems that vitally affect our military, but I want to speak in this short time on profits to the people of southeast Asia, profit for the American housewife, profit for the American farmer, and profit for the American businessman in this particular title III.

I remember quite well seeing 1,000,000 people in the city of Calcutta who did not have any homes. They were driven out of their homes on account of malaria. You know very well if you have people full of malaria they cannot do the right type of job as an ally for us. It is good common business sense to believe that if they were in good health they would be of greater help to us.

As far as the American housewife is concerned, I introduced a bill in regard to coffee. How will that affect us? The price of coffee went up some 40 cents a pound. How will this bill affect the coffee price? The State Department sent an expert down to Guatemala, and that expert was able to double the coffee production in Guatemala. The same thing could be done in southeast Asia. They would get double or treble the production and cut out this amount of money that the American housewife has to pay for coffee in the United States.

As to the American farmer, let us take one example from South America.

ROTENONE IN PERU

United States need for insecticides led to import of rotenone, long used by natives as a fish poison. During the war, South America was our sole source of supply. United States and Peruvian scientists at Tingo Maria experiment station have developed a process for extracting rotenone concentrate from roots, thus improving on the inefficient method of exporting bulky roots. The process is now in a pilot plant stage, and United States commercial firms are strongly interested in the outcome.

COFFEE PRODUCTION IN GUATEMALA

The testimony of Assistant Secretary Thorp—page 14 of hearings on H. R. 5715—is slightly misleading. Coffee

production has not been doubled in Guatemala, but as a result of the work of one American horticulturist, the prospect is that in the future, production can be more than doubled. The explanation is given below.

Since 1943, Dr. William Cowgill, a Department of Agriculture horticulturist—doctor of philosophy from the University of Maryland—has been working in Guatemala. He has working with him right now three Guatemalans whom he is training.

When Dr. Cowgill first went to Guatemala, his studies were devoted to finding out where improvements could be made in coffee production. He found in studying the coffee trees that a great many in any given plantation were drones—very poor producers; and that a smaller number were noble trees—very abundant producers. His studies showed that 75 percent of the coffee crop was being produced by 15 percent of the trees—the noble trees.

The problem was to find out how to propagate the noble trees so that they could gradually replace the drones.

Dr. Cowgill and his associates have worked out a method of propagating these noble trees, by selecting individual trees that are good producers, improving their quality, and propagating them through seed methods.

About 7 years is required to get coffee trees into full production. There are at present no commercial nurseries set up to grow and propagate commercially the new trees and make them available to coffee planters. Thus, the increase in production has not materialized as yet, but the basis on which the increase can be made is now known and proved.

The prospects of increase are great, and can come about when, first, the new

trees are made available commercially; second, sufficient time has passed for new trees to reach their full bearing capacity.

All this has been done at a cost of from \$10,000 to \$12,000 annually—the cost of Dr. Cowgill's salary and necessary expenses of travel, and so forth. In addition to coffee work, Dr. Cowgill has been working on quinine production. His work in this field is included in the annual cost given above.

COFFEE IN THE PHILIPPINES—HISTORICAL BACKGROUND

The coffee tree is indigenous to Ethiopia. From there its propagation spread to Arabia, India, Ceylon, Java, Martinique, Surinam, Brazil, Mexico, and the Philippines.

Coffee, classified as "coffee arabica," was first imported into the Philippines by the Spanish settlers in 1770. This variety was planted and grew well in the provinces of Bukidnon, Misamis, and Lanao in the island of Mindanao.

From the early stages of coffee culture in the Philippines as a back-yard crop for home consumption, it had been developed, through extensive tests since the latter part of the eighteenth century, to a commercial scale at the outbreak of World War II.

The improved varieties of coffee which resulted from these constant experiments showed their adaptability to the soil and climate of Batangas, Rizal, Cavite, Tayabas—now named Quezon—the mountain provinces, the Bicol region, and occidental Misamis.

TECHNICAL DATA

Variety test: Of the nine varieties of coffee tested in the Lanao station, Excelsa, Liberica, and Dybowski coffee were

the three highest yielders, giving to the hectare a computed yield of 651.94 kilograms, 312.15 kilograms, and 244.72 kilograms of clean coffee, respectively.

The different varieties of coffee grown at Lanao have been classified in the order of their enumeration as to quality and flavor of the roasted coffee: Excelsa, producing small berries; Liberian, big berries; Liberian, small berries; Excelsa, producing big berries; Robusta; Uganda; Congo; Quillow; Dybowski; Abeocuta. Hybridization experiment: The hybrids between Liberian crossed with Excelsa and Robusta crossed with Excelsa continued to make good growth in permanent field.

Acclimatization test: There were introduced 13 strains of Arabian coffee, but so far only the strain Mocha, from Puerto Rico, has been transplanted in the orchard and showed marked adaptability to the soil, altitude, and climate of Baguio.

STATISTICAL DATA

Production of coffee in the Philippines

Year	Area planted (in hectares)	Production (kilos)	Value (pesos)
1929	1,197	1,301,400	926,300
1930	1,207	1,367,000	943,700
1931	1,243	1,408,000	864,450
1932	1,295	1,089,690	635,580
1933	1,447	1,013,250	544,070
1934	1,430	1,024,450	478,360
1935	1,501	700,100	395,390
1936	1,503	744,970	417,950
1937	1,548	930,950	514,770
1938	1,557	954,020	519,960
1939	7,093	1,969,365	678,011
1947	9,500	4,370,000	-----
1948	9,100	3,880,000	-----
1949	9,170	3,800,000	-----

Statistics compiled by the Departments of Agriculture and Commerce for the crop years ending June 30, 1940, 1941, and 1942, were destroyed during the war.

Philippine imports of coffee

	1939 ¹		1940 ¹		1945 ²		1946 ²		1947 ²		1948 ²		1949 ²	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
RAW OR GREEN COFFEE														
Dutch East Indies	Kilos 3,068,878	Pesos 619,629	Kilos 3,439,869	Pesos 670,986			Kilos 2,680	Pesos 2,248						
United States and Territories	1,276,632	625,550	1,774,303	750,105			16,466	15,724						
Brazil	1,820,954	531,456			874,953	669,476	60,186	48,947						
China			5,262	474			3	2						
Costa Rica					70	73	11,662	13,843						
Mexico														
Hawaii							53,068	51,050						
British East Indies	8,020	1,274					150	156						
Malaya			21,675	3,282			2,342	956						
Guatemala					70	70								
Dominican Republic			22,950	6,150										
India			18,227	5,100										
Arabia			5,309	3,834										
Aden	1,917	1,106	1,888	1,388										
Italian Africa	3,776	2,419												
Japan	21	5												
Total raw or green coffee	6,180,198	1,781,439	5,289,483	1,441,319	875,009	669,619	146,557	132,926	3,481,619	2,791,926	6,009,051	4,454,156	5,495,666	4,164,644
ROASTED OR PREPARED COFFEE														
United States and Territories	217,965	223,522	289,355	236,876	1,297,746	1,037,063	2,761,863	2,678,147						
Japan	87	24	283	162										
Mexico			6	10										
Australia	6	4												
Hong Kong	12	12												
Dutch East Indies	10	4												
China							2,850	276						
Total roasted or prepared coffee	218,110	223,566	289,644	237,048	1,297,746	1,037,063	2,764,713	2,678,423	5,655,464	8,396,792	5,357,478	8,900,260	3,946,956	6,543,180
Total coffee	6,398,308	2,005,005	5,579,127	1,678,367	2,172,845	1,706,682	2,911,270	2,811,349	9,137,083	11,188,718	11,966,529	13,363,416	9,442,622	10,707,824

Source: ¹ Yearbook of Philippine Statistics, 1940. ² Yearbook of Philippine Statistics, 1946. ³ Under Secretary Camus' letter to embassy dated Mar. 9, 1950.

POINT 4 PROGRAM IN INDONESIA

One of the major objectives of the point 4 program is, of course, to increase productivity in underdeveloped areas thereby tending to raise the standard of living of the populations thereof. Indonesia presents one of the outstanding illustrations of where this will be most effective not only in accomplishing this purpose but also in creating those conditions which are least conducive to the infiltration of communism. Point 4 can be of invaluable assistance to Indonesia in accelerating the improvement of public health, food production and distribution, transportation, and in rebuilding the sources of economic wealth which can make Indonesia an important factor in world economy and a stabilizing influence to Asian political and economic dislocations.

Obviously, if by our technical assistance, we are able to increase food productivity in Indonesia and improve health and general economic conditions, we will thereby contribute to the stability of the Government which will be the most important factor in denying this area to Communist imperialism.

Indonesia is at the beginning of a process of stabilization. Formidable economic, political, and administrative problems remain to be solved. The economy, dislocated by the Japanese occupation and the ensuing Indonesian-Dutch difficulties, requires rehabilitation. The leadership of the Indonesian Government has fully demonstrated in the past its ability to suppress Communist rebellion. It has popular support. While the new Government has attacked its problems with determination, lack of sufficient technically competent and experienced personnel has hampered its efforts. The Indonesian Government is favorably disposed toward the West and looks to the Western World, and to the United States particularly, for economic and technical aid. As a vigorous, newly independent nation, Indonesia is, with western help, in a position to play a leading role in southeast Asia. I need not belabor the point of the tremendous influence that our point 4 assistance will have in strengthening that Government in improving the productive capacities of the peoples of Indonesia and in ensuring their continued orientation toward the western democracies.

As in all of Southeast Asia, agriculture provides the basis for the Indonesian economy. Agricultural production accounts for about 75 percent of the national income and about 70 percent of the value of Indonesia's exports. Native agricultural techniques are primitive. Point 4 is intended to enable the Indonesian Government to have access to such of the world's best experience and technological knowledge as may be needed to embark upon sound programs of expanded agricultural development. This does not mean any measures of direct relief. The government will be given guidance and assistance to eventually expand agricultural production to raise the nutritional level of the people, improve their conditions, and promote general economic development in the area. If we can succeed in doing

this, we have made available the best insurance possible against communism in the Far East.

There is prevalent in Indonesia on a wide scale tuberculosis, dysentery, malaria, and other tropical diseases. Of these, malaria is the most important public-health problem. The incidence of these debilitating diseases is high, affecting the productive capacity of labor. In relation to the size of the population, medical facilities and doctors are grossly inadequate to cope with the high incidence of disease despite steps which have been taken in the past to set up a public-health service. At present the ratio of doctors to inhabitants is approximately 1 to each 70,000 persons. Point 4 assistance will be extremely useful in assisting these people in combatting the ravages of these diseases.

At this point, I include the following article:

President Truman's program of aid for underdeveloped countries has had a hard time catching on. It was first proposed as point 4 of his inaugural message in January 1949. Now gradually, point 4 is gaining recognition as one of the best answers available to the riddle of how to promote world peace and counter Russian Communist propaganda among the more backward peoples.

The battle to get point 4 enabling legislation before Congress has been long and bitter. It has been necessary to reconcile the conflicting views of the United States Chamber of Commerce and Americans for Democratic Action, of Representatives CHRISTIAN A. HERTER, Republican, of Massachusetts; JACOB K. JAVITS, Republican, New York; and HELEN GAHAGAN DOUGLAS, Democrat, California.

The final bill introduced by the House Foreign Affairs Committee chairman, JOHN KEE, Democrat, West Virginia, represents a compromise. It is called an act for international development. Or for short, the AID bill—get it?

If passed it will authorize the President to make contributions for technical assistance to underdeveloped countries through the United Nations, the World Health Organization, Food and Agriculture Organizations, the Organization of American States—successor to the Pan American Union—or other international bodies.

United States Government agencies, like the Agriculture Department, Public Health Service or Reclamation Bureau would be authorized to furnish assistance on request from these international organizations, after approval by the President.

It is expected about 40 percent of the point 4 program will be in this form of assistance through international organizations.

The other 60 percent would be direct aid, furnished to the underdeveloped country by the United States, after the signing of a bilateral agreement between the two countries.

If the assistance could not be furnished by Government employees, the President would be authorized to make contracts with any person or corporation to do the actual work. These private contracts could run for not over 3 years. They would have to be limited by funds appropriated by Congress for this purpose.

For first-year operations of all these point 4 programs, \$45,000,000 has been requested. This assistance would be made available only on request of a foreign government. The country receiving the aid would have to agree to pay a fair share of the cost. What constitutes a fair share is up to the President.

The Kee bill provides that agreements made with underdeveloped countries may specify that the United States Government or pri-

vate American investors will preserve as well as develop the resources to which they are given access, observe local laws, pay a fair share of local taxes, and negotiate adequate wage and working conditions for the native labor they employ.

On the other hand, the countries receiving investment aid would have to guarantee no confiscation of property without just compensation. American investors would also have to be guaranteed convertibility of their earnings, freedom to manage their properties, nondiscriminatory taxation, and assurances of physical security.

Mr. MULTER. Mr. Chairman, I regret that the committee has seen fit to close the debate at this point, with the result that the Members who still desire to express themselves in connection with the pending title now have less than 2 minutes allotted to them for that purpose. I will use my brief time to compliment the distinguished chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY], for the very fine presentation he made here a few moments ago. He has cleared up a great deal of the misinformation that has been given to us with reference to the operation of the Commodity Credit Corporation. I was one of the city Members who attended before the truth-seeking session of the Agriculture Committee in order to learn more about the operation of the price-support program and exactly how it is benefiting the American people as well as the farmers. The American consumers are indeed indebted to the gentleman from North Carolina [Mr. COOLEY] and his hard-working associates on his committee. I join with him in the hope that the press and radio of the country will widely disseminate the facts which he has so clearly and forcefully set before us.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, the members of the Committee on Foreign Affairs, who have charge of this bill on the floor, are consistent at least in one thing. They are mighty liberal with our citizens' dollars. They are mighty liberal with their advice to us. But while they are extending so much aid to people in other countries they refuse to let the peoples' representatives who oppose the bill have even 5 minutes to discuss the issue. Their case must certainly be weak if it will not stand discussion. The gentleman from Georgia [Mr. COX] said that communism was rushing down upon us and that this bill and similar legislation would help to stop that. I am wondering whether the fight by the Administration against communism is making progress when three representatives of three great States, Wisconsin, Nebraska, and New Hampshire, elected by their people, make an effort in the other body to expose communism, are criticized by the President of the United States. Speaking with all the authority of his office, the President charges that those three gentlemen, representing the people of three great States, are assets of the Kremlin. He named one of those gentlemen and said

he "was the greatest asset of the Kremlin." What do you think of that kind of a statement? Has the President again lost his temper?

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, the Members of this House know of my interest in the foreign-aid program. I want to vote for this point 4 provision, but let me say that I do not see how I can vote for a new program that will set up another agency with employees all over the world. It is my understanding that the gentleman from Massachusetts [Mr. HERTER] has offered or will offer an amendment to this bill to put the administration of the point 4 program under the direction of the President to be administered by the State Department or other existing agencies of Government. At the present time in Austria we have four agencies operating, the Army, the State Department, ECA, and GARIOA. This duplication of agencies results in a duplication of employees; and instead of the funds being used for relief as intended, it will be used as salaries for additional employees scattered throughout the world. I hope the bill will be amended in such way that it will be administered through existing agencies.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HAYS of Arkansas. We have great confidence in the gentleman; we know how diligently he has studied this problem as head of the Appropriations subcommittee which will deal with it. His objection, I believe, runs to the administrative feature, but will he not agree that the objective of title III is good and sound and that it has vast significance in its peace and security features?

Mr. GARY. I agree that it is a desirable program and I want to vote for it; but the setting up of an additional agency to administer it would influence me tremendously to vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, we, in America, are vitally interested in the development of Asia, particularly southeastern Asia. Here is the area of greatest potential for the consumption of American-made goods. If we can bring about peace in that area and stabilization of governments there then there is open to us the greatest market in all the world. We have laid the foundation for this in our relations with the Philippines. The work that we have done in assisting a valiant ally to regain her economy there has been of tremendous value in enhancing the reputation of this country in Asia. The Philippines have become our bastion of defense in that far-flung line and form the forefront of defense for this country in the cold war against the countries behind the iron curtain. But what we have done in the Philippines has merely been a beginning. It is far from complete. It must be continued; the Philippine Government must be made stable and their economy helped further by this country. This should go hand in hand with the

development that can take place in that section of the world. The gentleman from Minnesota [Mr. Judd] has just told us it can out-consume any other area of like size in the world.

The future of the world lies in the Pacific basin, and this section of the bill will be the entering wedge that will allow us to meet our moral obligations toward the world irrespective of the material benefits it will have on our own economy.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, in view of the shortness of the time allotted, I ask unanimous consent to yield my time to the distinguished Speaker of the House.

Mr. HOFFMAN of Michigan. I object.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I have previously supported this foreign-aid program, and I expect to support this bill.

Because the brief time allotted to each of us will not permit adequate discussion of the matter, I shall extend my remarks; but at the moment I wish to call the attention of the House to the fact that out of the experience of my visit to Europe and the Near East last fall it is my opinion that their greatest need is not dollars, but our technical know-how and knowledge of our way of life, and the fact that our way of life does not represent the easy way. I believe that too often our thinking has been confused, that dollars alone will achieve the results we want in the easy way. The greatest achievement, the greatest gift we can give to the world is the bringing of young men and women to our country to receive their education here, go back home and take that knowledge and that philosophy with them.

In connection with my remarks I would like to cite two examples which will set forth explicitly a demonstration of my contention.

In the first instance, Mrs. Harvey and I had the privilege of having in our home an exchange student from Brazil, for a year. He was brought here under the auspices of the Institution of Inter-American Affairs. This young man who spent the year with us and others who came with him and at later periods, have been a minor investment in terms of dollars, but will prove to be a rich one for many years to come. His technical knowledge and understanding of our way of life should, and I think will, be a great force for improvement for his own country, as well as providing a close and lasting friendship for the United States.

In the second instance, it was my privilege, this past fall, to visit the Near East, including Egypt. At a dinner one evening in Cairo, given by the officials of that country, I found two Egyptian officials of similar interests to my own.

They were associated with the agricultural phase of the Egyptian Government. One was a graduate of North Carolina College of Agriculture and the other the Arizona College of Agriculture. Both had returned to their country approximately 10 years ago, with the

technical knowledge they had acquired in the field of agriculture, and an understanding of our methods of agricultural education. During the intervening 10 years they had been adapting our program to their conditions.

Egypt is primarily an agricultural country. The farmers live in villages, of which there are some 4,000 scattered 800 miles up and down the Nile River. These men had at the beginning of their program a few villages for demonstration purposes and had achieved remarkable success with their efforts.

It was my privilege also to visit one of these villages, and there I saw the marks of progress that had come within the decade. There was nothing of the paternalistic approach in their plan, but rather by demonstration—copied from our system—helping these people to help themselves. Their comment was to the effect that although their progress might seem slow, and that it might take 30 years to reach all of the villages, they could also point out to me that there had been more progress in agriculture in their country, within that period, than had occurred in the past several centuries.

The point of my story is, that, the greatest benefit that we could have given to this country was not dollars, but a wise investment in education. The cost of the education of these two Egyptians in proportion to the incalculable return to their country is evidence of my statement.

In closing may I again reiterate that the President's point 4 program while worth while, cannot achieve the desired results unless it is accompanied with proper educational advantages to the leaders of the countries we are hoping to help.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MILLER] to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the amendment be again read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk again read the Miller of Nebraska amendment.

The question was taken; and on a division (demanded by Mr. KEE) there were—ayes 52, noes 46.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. MILLER of Nebraska.

The Committee again divided; and the tellers reported that there were—ayes 66, noes 76.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent that the Vorys amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again read the Vorys amendment.

Mr. KEE. Mr. Chairman, I am willing to accept that amendment.

The question was taken; and on a division (demanded by Mr. Vorys) there were—ayes 83, noes 35.

So the amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: Page 17, after line 15, add a new subsection as follows:

"Sec. 6. The Congress hereby expresses itself as believing that principles of the Bill of Rights and the Atlantic Charter should govern in dependent areas of colonial powers and that none of the funds made available in this act should be expended in a manner that will aid colonial exploitation or absentee ownership or will expand control of the areas or their resources by the controlling nations."

Mr. GROSS. Mr. Chairman, this amendment is in understandable English, and I am not going to belabor the point. It simply provides that any funds expended under this act shall in no way be used to further the exploitation of the people that is now being practiced in practically every backward area of the world. I do not believe there can be serious disagreement with the proposition that none of these funds should be used to further the interests of those governments that are today practicing colonial imperialism.

I should like to address a question to the chairman of the Foreign Affairs Committee. Is he in favor of the so-called bipartisan foreign policy?

Mr. KEE. I do not believe that at this time there is any such thing as a bipartisan foreign policy.

Mr. GROSS. I am glad to have this admission, and there must not be a bipartisan foreign policy, because I notice that in the creation of this new board of 13 members—this new board that is being created, when we have a mandate from the people to get rid of some of the boards, bureaus, and commissions around here—there is no restriction whatever as to partisan politics. They may all be Democrats, members of one party.

Mr. KEE. I do not know where the gentleman gets his authority for that statement.

Mr. GROSS. It is unrestricted in the bill. Does not the gentleman believe there ought to be some qualification as to political affiliations to give membership to those of divergent political belief?

Mr. KEE. Mr. Chairman, I will answer the gentleman on my own time.

The CHAIRMAN. The gentleman from West Virginia [Mr. KEE] is recognized.

Mr. KEE. Section 9 specifies generally the interest that should be represented on the board. It is understood that the members will be chosen on the basis of their interest in the program and without reference to political consideration.

Mr. GROSS. That is right.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Section 9 specifies generally the interests that should be represented on the board. It is understood that the members will be chosen on the basis of their interest in the program and without reference to political consideration.

Mr. GROSS. That is right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 22, noes 72.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I arise to support the point 4 program. Expanding, aggressive, world communism is more than rhetoric, more than alphabetical symbols forming words. We repeat these words, these sounds over and over again until they almost lose their meaning. But meaning they have—ominous meaning. Whatever I say in this Chamber today will have the same sound regardless of the words I choose. But, gentlemen, let us take the cotton from our ears and listen and heed and act before it is too late—and truly it is late—dangerously late.

While we talk and debate and quibble, communism and its ambitious diabolical leaders are acting, moving, marching on. The civilized world, the freedom loving, the free, have got to act rather than talk, move boldly and promptly to save 1,400,000,000 human beings from being engulfed by a philosophy which, if unchecked here and now, will drag down to black night all that man has been striving for these centuries.

We can win this battle against darkness. We have the weapons right here in our hands and they are not the weapons of war. They are the weapons of light, of experience, of knowledge, the tangible results of a successful struggle against the wilderness in our own vast continent.

We have in our hands to use for the benefit of all mankind the fruits of the most advanced industrial civilization that has been evolved in the world's long history. Let us not forget that for the moment we are not talking about the people of Russia and the United States alone. We are talking primarily about nearly a billion and a half of other human beings who are now stirring as men have never stirred and moved before. Whether the world will become authoritarian or free will depend upon these human beings and the world we help them make for themselves—and ourselves. These are the peoples. This is the area of our work. Is there anyone here so lacking in faith and courage and confidence to believe that with all the advantages at our disposal we cannot win this battle for civilization?

Point 4 will be the spark to light men's hopes throughout the world, and who dares deny that when we pass this legislation in this House it will be the turning point in the battle to save civilization?

We know the facts. We know the figures. They have been dinned into our ears repeatedly here and elsewhere. Peoples over vast stretches of the world are rising up, determined to get out from under the yoke of their abysmal poverty, their ignorance, their wretched despair. One way or the other they will go. Either they will fulfill man's natural destiny or they will be captured by all the falsehoods of communism. In these underdeveloped areas, that ideology will prevail that can deliver the goods. Who doubts? Who here doubts that we can deliver the goods, not only materially but spiritually? Freedom of men and democratic processes can and will flourish in every part of the world if we bring to these peoples the industrial, social, economic, knowledge, and experience we possess. This legislation does not involve great expenditures of money, great gifts of capital, but simply the beginnings of technical assistance with which they will be able to improve their own standards of living and develop their own free political institutions.

Point 4 will unlock the door of the vast store of technical competence of our own country and of the other industrialized countries. It will make available by one bold stroke our boundless knowledge in the fields where they are lacking—in education, health, resource development, agriculture, and help them begin to understand the complex problems of industrial organization and human relations. As you so well know, we propose to do this directly ourselves and through the machinery of the United Nations and its specialized agencies: The Food and Agriculture Organization, the World Health Organization, and the International Labor Organization.

The great statesmanship in point 4 is that it will provide a medium through which all groups—management, labor, farmers, educators, doctors, civic groups—can work together toward a great common objective. Economic development is dependent upon the combined efforts of all these groups. We cannot expect investors to invest their funds unless there is a skilled-labor force to make their investment productive. Workers and farmers cannot be expected to work toward the new goals unless they get a fair share in return for their labor in increased productivity.

I would like particularly to emphasize, gentlemen, the labor aspects of point 4. We know that workers are the first target of totalitarian attack, for the totalitarians know full well that if they can control and manipulate the workers they have the powerful strategic organization to create the chaos which must precede their assumption of power. This has been the pattern in the totalitarian march throughout the world. Hitler's labor front, Mussolini's cooperate state, and more recently the pattern was repeated in Czechoslovakia, where the Communists first captured and subverted the trade unions to seize control of that unfortunate country. We must not let this be repeated in the underdeveloped areas of the world.

We must make sure that the benefits of economic development become available to all the people in these lands, and

that is the nub and the purpose and the objective of point 4. Raising the standards of living and working, enhancing the dignity of human beings, and promoting economic and social freedom are the fundamental reasons for the point 4 program. That is why I want to emphasize the labor aspects of point 4: To protect the people from exploitation and to see to it that they obtain their fair share of increased productivity. To win this battle, it must be our determined purpose that the wealth that will result from the development of national resources through the mobilization of human intelligence and experience is used to raise the conditions of life and labor of the masses of the people.

It is clear that there are two major elements involved: First, to train workers in the skills necessary to increase their productivity which our employers and workers, as well as the Labor Department and the International Labor Organization, can provide. Second, and no less important, to help workers, employers, and governments of the underdeveloped countries to improve labor standards so that the benefits will seep right down through to all the people. Just as building new industry requires new skills, so does the expansion of an economy require new techniques of industrial relations and new social concepts. And it must be and will be our purpose to see that this is done; that the progress made toward industrializing less developed areas will confer on all of the people greater rewards for their labor, better working conditions, and greater happiness. That is the way we will win this battle against totalitarians.

American industry, American labor, and experts within our Government can help the less developed areas to raise their productivity through on-the-job training in modern industrial techniques, through apprenticeship training, through the development of effective employment service organization, through their experience with the problems of labor legislation, industrial health and safety, labor statistics, the employment of women, and in the crucial problem of industrial relations.

Just as there are techniques and principles of good industrial organization, so there are good techniques and principles in labor organization. First of all, labor organizations must be free, democratic, and responsible. We have learned a great deal about union organization in the United States in the many years that working people here have been joined together for collective bargaining, and we can transmit our own experiences as a foundation for the solutions of the needs of these people.

If the people of these countries that the Soviet's eye so longingly and determinedly are without education, without health, without decent standards of living, we do not have to conjecture who will win the battle.

We have governed ourselves in these United States longer than any other people on earth. We are neither new nor inexperienced. We know what it is to want what the poor peoples of Asia and Africa and Latin America want. We

know that men, if they are given the proper opportunity, will always move toward freedom; that the desire for freedom is the natural law of life. We know that if the great stirrings of mankind are freed, the world will move toward us.

Point 4 is an important key to the hopes of men, the hope of the world, the hope of our way of life. God grant, gentlemen, that we will be wise enough to speed it on its way.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have asked for this time in order to ask the chairman of the committee a question. Mr. Chairman, I would like to get action on the resolutions seeking the unification of Ireland, and there are five such resolutions in the Committee on Foreign Affairs now condemning partition. One by the gentleman from Rhode Island [Mr. FOGARTY] who is the author of the successful amendment here, one by the gentleman from Montana [Mr. MANSFIELD], one by the gentleman from Massachusetts [Mr. LANE], one by the gentleman from New York [Mr. DOLLINGER], and one introduced by me.

May I ask the chairman's intention with respect to these resolutions now pending before the Committee on Foreign Affairs; without reference to what may occur in the House on this matter.

Mr. KEE. Within 10 days after the passage of this bill, and I hope it will be passed, I shall call a meeting of the Committee on Foreign Affairs and give a hearing upon these five resolutions which I hold in my hand, with a view to the committee reporting out one of them.

Mr. JAVITS. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. KEATING. That is very encouraging to me, since I have today introduced a similar resolution. I appreciate the statement of the chairman that he will give immediate hearing to these resolutions and I assume that my resolution will also be included.

Mr. KEE. Yes.

Mr. JAVITS. Mr. Chairman, may I say it is very gratifying to all those who are interested in this question, including myself, to get action in every quarter.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MARCANTONIO. I think we might as well be honest with ourselves. You are now laying the foundation for rejecting the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY] with reference to Ireland which was adopted last Wednesday.

Mr. JAVITS. I had yielded only for a question. The gentleman's comment is not convincing because the gentleman is against the whole European recovery program. One who takes the position that he is against this bill for continuing the European recovery program and therefore against the Fogarty amendment which is now in it, does not seem to me to be trying to help the Fogarty amendment.

I am seeking action to help the purposes of the gentleman from Rhode Island [Mr. FOGARTY] by asking for hearings on my resolution and the others which have been put in.

Mr. MARCANTONIO. Well, that is the truth.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LODGE: On page 18, line 19, strike out the word "shall" and insert the words "is authorized to."

Mr. LODGE. Mr. Chairman, the purpose of this amendment is to make it permissive rather than mandatory for the President of the United States, through the Administrator, to contribute part of these funds to multilateral technical programs. This matter has already been discussed on the floor and other language has been pointed out—section 304 b—in which it is stated that it must be shown that these programs can be handled as effectively by international organizations as on a bilateral basis, in order that we should contribute. In a sense, this is a sort of clarifying amendment, the main purpose of which is to make it completely clear that there is no compulsion to contribute to these programs. It leaves the question of contributions to the discretion of the President and provides him with the necessary authority.

Mr. KEE. Mr. Chairman, I find nothing objectionable in this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. LODGE].

The amendment was agreed to.

Mr. MILLER of Nebraska. Mr. Chairman, my objection to title III is that it seems to me that we as a country will be sticking our noses into the business of other people all over the world. It is true the amount of this fund is small—\$47,000,000. However, I would call your attention to an editorial by Peter Edison, the stalking horse of the New Deal, in which he states that, of course, spending this money would be cheaper than putting people on relief. He refers to a world-wide WPA. He cites another gentleman by the name of Anderson and a Rosenbaugh, who is a top Socialist, who say the amount ought to be \$260,000,000,000. So do not fool yourselves when you vote for this small amount in title III. You have just started to spend. It is a scheme to take up where the Marshall plan leaves off. It will cost billions later on. So I ask you to take some note of the economy of this country and the situation we are in; that we owe more money than all of the other countries of the world put together. You are placing a tax burden on the people that they cannot stand. Just remember that they will be back next year and, instead of \$47,000,000, it will be up into the billions of dollars.

Mr. POTTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POTTER: On page 18, line 18, strike out all of section 304.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield.

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the time allotted to me be added to the time of the gentleman from Michigan [Mr. POTTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Michigan [Mr. POTTER] is recognized in support of his amendment.

Mr. POTTER. Mr. Chairman, this amendment to strike out section 304 is not a crippling amendment. I hope to be able to support this legislation. However, all through the debate on this bill with reference to point 4, title III, no one has been able to explain to the House why we should have multilateral agreements in the technical aid section of this title. As a matter of fact, they have been apologetic in trying to explain the position of having multilateral agreements in comparison with bilateral agreements. If our history has taught us anything it has taught us that we have been most successful in operating our bilateral agreements. We cannot vaunt that much pride in our multilateral agreements.

The purpose of this title, as I understand, is to promote American good will and instill democratic processes in the so-called backward areas, in opposition to Communist influences. That being the case, I feel certain that we would have much better results if we would do away with the alternative of entering into multilateral agreements. This would leave all agreements entered into between the United States and a foreign nation entirely between the two countries involved.

The gentleman from Minnesota [Mr. Judd] quoted from the hearings before the House Foreign Affairs Committee his colloquy with Mr. Hoffman, Administrator of ECA. Mr. Hoffman stated that bilateral agreements were much more effective than multilateral agreements. This being the case, no one here has been able to justify the reason for this technical assistance going through the United Nations. No one knows, for example, whether Bulgaria, which is behind the iron curtain, would be granted assistance should she make application through the United Nations, an agency to which we contribute 70 percent of the cost; and if she were granted assistance we have no assurance that American technicians would be on the Commission.

We know how Russia works; we know that they will use this provision to embarrass the United States. How Members who are in favor of a strong point 4 program, and it is a long-range program, from which we want to get the best results, would want to put the United States in an embarrassing position in the infancy of a program of this kind, is beyond me.

This is not a crippling amendment. I say that it will add to the strength of the point 4 program; certainly, it will not hinder the program one iota. There may be some objection to by-passing the United Nations, but we have done that

before; and I say to the membership that if we want to maintain a strong United Nations, it is not fair to that organization to throw onto it authority and responsibility they are not able to handle and which might be embarrassing to them.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. VORYS. Mr. Chairman, I offer a substitute for the Potter amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS as a substitute for the Potter amendment: Strike out the amendment, and on page 19, line 5, insert after the period the following: "Contributions to technical cooperation programs carried on by the United Nations and its related organizations shall not exceed 40 percent of the total contributions pledged for such programs."

Mr. VORYS. Mr. Chairman, the Potter amendment would cut out all possible collaboration with the United Nations and its related organizations. That would be a great mistake. On the other hand, it seems to me that one thing that is fuzzy about the whole program is the definition as to what the relation should be between our own program and the United Nations program. I have offered this amendment, therefore, which provides that we shall not subscribe more than 40 percent of the total. At present our contribution to the United Nations itself is 39.89 percent, and 35.61 percent to the whole United Nations group of agencies. The average is around 36 percent. To put in a limitation of 40 percent defining what the relationship shall be between the United Nations participation and our bilateral agreements would be wise. I hope the committee will adopt the substitute and not adopt the Potter amendment.

I think we should go along with the United Nations program but that we should set a limit. This is a permanent program. I was up at the United Nations the day their technical assistance program passed by a unanimous vote, and it was most impressive. It would be dismaying all over the world if we should withdraw entirely from that. On the other hand, we should set limits on it; and the limits to set for a permanent program are those that I have suggested in line with the sort of contribution we have been making to the United Nations itself and its related organizations.

I hope the substitute amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by Mr. VORYS as a substitute for the amendment offered by Mr. POTTER.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 46, noes 67.

So the substitute amendment was rejected.

Mr. BYRNES of Wisconsin. Mr. Chairman, I rise in support of the Potter amendment.

Mr. Chairman, the pending legislation to me is most troublesome. It is troublesome primarily because of the inclusion of title III in the bill. I do not believe that title III should come before us

tied in with another going program to which we are already committed.

I supported ECA in the Eightieth Congress; I voted for ECA last year. I think the program, with all its faults, is a necessary one, but I have voted in the last few days to cut down wherever possible the amount to be spent on this program. However necessary the program may be it is certainly essential that we economize and cut the cost of it to the bone.

Point 4 is entirely out of place in this bill. It is a completely new program. I will certainly vote for the amendment offered by my colleague from Wisconsin [Mr. SMITH] to strike this program out of the bill. In fact, Mr. Chairman, I cannot support this legislation as long as title III remains in the bill.

But if you are going to adopt title III of this bill you certainly should remove that phase of it which has to do with embarking upon a program of multilateral action. I can see great merit in the proposition of rendering technical assistance to these other countries and the argument of the gentleman from Massachusetts [Mr. HERTER] finds a very receptive place in my mind. However, I do not think that program can work satisfactorily on a multilateral basis. Suspicion concerning this phase has been voiced by the gentleman from Minnesota [Mr. JUDD], who cited the statement of Mr. Hoffman that the closer we can come to dealing with these countries direct the better we are going to be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. POTTER].

The question was taken; and on a division (demanded by Mr. POTTER) there were—ayes 48, noes 79.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I do not know where this \$45,000,000 will be spent, or for what purpose. If somebody had a bucket of clear spring water here that was fit to drink and somebody came along and dumped half a gallon of what my good friend from Virginia [Mr. SMITH] referred to as hogwash the other day, I would not drink the water thus adulterated. But, I know this, that in Asia and in China where we had full sway diplomatically, that our diplomatic policy is a shambles. It is the most ghastly debacle that all history records. I am not going to be a party to voting \$45,000,000 out of the pockets of my people to be handled by the sort of people who made a wreck out of our policy in Asia. I am getting hundreds of letters from my constituents, and I have about 460,000 of them. They want expenditures cut; they want taxes reduced. I know this, there is but one thing certain about this proposed title III, which embraces point 4 that if we vote this \$45,000,000, it will be gone forever, and I have no assurance that it will do any good at all. I also know we have a staggering debt of \$260,000,000,000. I am convinced that if this Nation survives, we are going to have to save and husband our resources, and our manpower for our own necessary self-defense. I

take no stock whatever in the President's excited scare words sent to us the other day from his sunny playground down in Florida that if we do not vote this money we will have another war. It may be we are going to have one anyhow, and lest we be not prepared should it come, I am for taking the advice of General Eisenhower and build more war planes and begin to get ready to take care of ourselves. Because if war comes I know that nobody from Europe will be here and I know that there will be nobody here from Asia or any other part of the world. We will have to fight and pay for our own defense.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I have wrestled with the problem of whether I should at this time support title III, the point 4 program, and I have decided that I cannot do so, although I have favored nearly all of the foreign aid programs which have been before us, as essential measures to preserve our own security. My reasons are twofold: In the first place, it seems to me that this proposal has not been thoroughly digested to the point where it should be made a part of this bill. We are told by the public press that in the hearings before the Senate Foreign Relations Committee very serious questions have been raised by members of both political parties during the last 24 hours about the possible extent of this proposed program. It is new and should be considered in separate legislation. To take action on it at this time is therefore premature. I am in sympathy with the general objectives sought. I hope that a program may be produced later to which I can conscientiously lend my support, but I do not feel I can do it now. Secondly, it seems to me we cannot launch into new programs at this time, meritorious as they may be intrinsically in the present precarious state of our Federal finances unless we are certain that their importance to our national security and well-being is so great that the cost cannot be considered. Certainly, at the least, a heavy burden of proof must rest upon those who advocate a new spending program. I am not satisfied that this burden has been sustained in this case.

I ask the Members to read the review of the plans of the Department of State for the first year of this program, which will indicate clearly the elaborate character of the matters they have in mind. I do not point this out to criticize, but rather to show the vast extent of new projects envisioned in the minds of those who will be called upon to administer the program. As the committee report shows, the plans include surveys, studies, scientific research, experimental work, demonstration and training, and joint management operations in the following fields: General economic development; agriculture and forestry; fisheries; reclamation, hydroelectric power, and flood control; mineral resources; industry; labor, including activities in the field of labor organization and labor-management relations; transportation; health; education; social security and social services; general statistics; public

administration; finance; housing; communications; hydrographic and geodetic surveys; and weather forecasting.

This is a large order. Some of the matters dealt with, such as flood control, labor problems, health, education, social security, housing, and others, are very serious problems here at home, which should and do engage our earnest attention. I entertain great doubt whether we are prepared as yet to launch out into all corners of the globe to try to solve all of these difficult problems for others until we have come closer to our goal of meeting our responsibilities on the home front.

I do not want to appear unsympathetic to the plight of the millions in the underdeveloped areas of the world. I have seen with my own eyes the suffering, disease, want, and degradation in remote corners of the world. I have been, at times, heartsick when I viewed these sights. I have, in a modest way, given of my substance to help alleviate such conditions. My heart would tell me to vote for this program a hundredfold. But I must not, nor can any of us, forget the representative capacity in which we serve. It is not our money we are asked to put up. It is the fruit of the toil and sacrifices of all our people. I wish it were possible for us to help everyone everywhere. But there must be some limit.

As I have said, it may develop that it is within our capacity to do more than we are doing. Certainly I do not think we can engage in any such elaborate plans as seem to fall within the scope of the activities which I have enumerated. The very fact that it is intended to project our Government into such experiments throughout the world seems to me the very best evidence that this plan has not yet received the study and consideration which it merits before we are asked to legislate.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New York.

Mr. COUDERT. Mr. Chairman, I would like to associate myself with the gentleman from New York [Mr. KEATING] and those who are opposing title III, because it is here at the wrong time; it is improperly joined in this bill. It should be considered separately in a bill of its own. If I had any confidence in the good faith or competence of our administration, I might feel differently about it. However, with its demonstrated incompetence and lack of good faith in its dealings with Congress, this administration cannot be trusted to administer a program of this kind of a permanent character until the House has had a full and deliberate opportunity to consider a proper bill with adequate safeguards.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I rise in support of title III of the bill and in opposition to any reduction in the proposed authorizations for the implementation of this program.

Mr. Chairman, I will use the time allotted to me to make some comparisons

of cost which may be of interest to the Members of the House.

Mr. Chairman, it is estimated that the total cost of World War II will prove to be \$1,300,000,000,000. The \$45,000,000 annual cost of point 4 would pay for 65 minutes of that war. We spent enough on World War II to support the point 4 program for 30,000 years. One year of our present defense program would support point 4 for 250 years. The annual expenditure proposed for point 4 would support our present defense program for less than 1½ days.

Until we make effective a new approach to the defense program we shall have to continue and perhaps increase these enormous expenditures. The application of point 4 is a reasonable approach to the reduction of our present necessary expenditures for national defense.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

(Mr. CANFIELD asked and was given permission to yield the time allotted to him to Mr. HESELTON.)

Mr. HESELTON. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. HERTER] for the purpose of offering an amendment.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: In section 315 (a), line 1 on page 29, strike out "\$45,000,000" and insert "\$25,000,000."

Mr. HESELTON. Mr. Chairman, I wonder if the gentleman from Massachusetts will give a brief explanation of his amendment.

Mr. HERTER. Mr. Chairman, this is the amendment I spoke about earlier in the afternoon to cut the amount of the authorization from \$45,000,000 to \$25,000,000. Actually, as the Members know, the figure of \$45,000,000 which appears in the bill is not quite a correct figure, because \$10,000,000 has already been authorized for the Institute of Inter-American Affairs and through the instrumentality of the Smith-Mundt bill.

I am offering this amendment as a friend of the bill, because I am firmly convinced that with this amount of money a better job can be done during the coming year than if the larger amount were appropriated. I think it is a reasonable saving, and I think that with the amount of money here provided, \$25,000,000, the immediate needs can be met.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Georgia.

Mr. COX. May I make the observation that the acceptance of this amendment will not hurt this bill and will improve the chance of title III being supported by the House. The hearings before the Committee on Rules developed the fact that \$25,000,000 would meet the needs of the moment. I hope the amendment will be accepted, and then that the gentleman may find it agreeable to go along and support the bill.

Mr. HERTER. I appreciate the gentleman's contribution. I think the

amendment is very simple in nature. I hope the members of the committee will accept it.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I am glad to yield to the gentleman.

Mr. FULTON. I understand the chambers of commerce of the country are for the point 4 program. How would your amendment affect the position which they have taken? Is it in derogation of that position, or do you think it will assist their position?

Mr. HERTER. I do not think the chambers of commerce have ever taken any position on any given amount of money. The chambers of commerce and the National Foreign Trade Council, which has studied this bill, studied particularly the provisions which had to do with the encouragement of private investments in the foreign field. It is only on that phase of the bill that they have taken any position.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I am glad to yield to the gentleman.

Mr. VORYS. If the gentleman's amendment is adopted, there will still be \$43,000,000 in this foreign assistance bill for technical assistance. I think that is a pretty good starter for this year.

Mr. HERTER. I agree with the gentleman.

Mr. HESELTON. I believe this amendment is a prerequisite if we are to have any legislation before us which will be satisfactory. I do not think anyone can deny that the authorization reported by the committee is excessive and could not be wisely used in fiscal 1951. We should be realistic. Even though this is a constructive approach toward the solution of this problem, nothing would be gained and much might be lost by over-extending ourselves. I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. KEE) there were—ayes 117, noes 78.

So the amendment was agreed to.

Mr. KEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEE: On page 29, line 1, after "\$45,000,000", strike out the word "including" and insert the words "in addition thereto."

Mr. KEE. Mr. Chairman, this follows the amendment which has just been adopted.

Mr. H. CARL ANDERSEN. Mr. Chairman, a point of order. The gentleman has no further time in which to speak on his amendment.

Mr. KEE. I simply wanted to explain that this follows the amendment which was just adopted.

Mr. KEATING. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. The amendment now offered by the gentleman from West

Virginia [Mr. KEE] would simply undo what we have just done here. We have therefore passed upon the amendment, and it is not in order.

Mr. PRIEST. Mr. Chairman, the gentleman is not stating a point of order.

The CHAIRMAN. That is not a point of order. That is a matter for the Committee to determine.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Is this offered as a committee amendment?

The CHAIRMAN. That is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from West Virginia [Mr. KEE].

Mr. VORYS. Mr. Chairman, a point of order. Does the Chair overrule the point of order that this amendment brings up again the matter which has just been passed upon? As I understand the amendment, that is what it does.

The CHAIRMAN. The Chair overrules the point of order. That is a matter for the Committee to determine.

The question is on the amendment.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 89, noes 126.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. KEE and Mr. VORYS.

The Committee again divided; and the tellers reported that there were—ayes 95, noes 137.

So the amendment was rejected.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 19, line 5, insert after the period the following: "Contributions to technical co-operation programs carried on by the United Nations and its related organizations shall not exceed 39 percent of the total contributions pledged for such programs."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 110, noes 111.

Mr. VORYS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. VORYS.

The Committee again divided; and the tellers reported that there were—ayes 137, noes 146.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Most of you the other day heard of General Eisenhower's statement that we must add probably \$650,000,000 to the budget that is coming before us next week for the purpose of providing our Nation with a modern 48-group air force. I had hoped that we would show a little sanity on this ECA bill and reduce this authorization at least to a point justified by the re-

covery in Europe. Unless we do cut the amount carried in this bill down to \$2,000,000,000, how can we possibly hope to keep from going into the red next year? We hear many pious expressions for economy and here is one place you can justify by your vote that desire for a balanced budget.

I do not see how we can disregard telegrams such as came this morning from my Governor, Luther Youngdahl, of Minnesota, saying that he opposed wholeheartedly the slash of \$75,000,000 in the hospital construction program. What are you people who are voting for everything in this bill going to do when amendments come on the floor next week to our omnibus appropriation bill for this and for that affecting our own country and further unbalancing our budget? I leave it to your conscience. How can you be so liberal with other nations and at the same time vote against very much needed projects for our own people's welfare? It is going to be very difficult for some of you to reconcile your actions of today with those decisions ahead of us tomorrow.

General Eisenhower tells Congress we need more modern planes. Would it not be wise to cut this ECA program to \$2,000,000,000 and then invest the \$750,000,000 savings into added security for our own shores? I personally cannot vote for the present measure, taking into consideration the grave condition of our national finances. Our primary responsibility here is to look after our own first, then others, if the means are available to do so.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CASE].

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Massachusetts.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER:

On page 26, in line 12, after "other" add "existing", and strike out section 313 (a) and insert the following:

"Sec. 313. (a) The President shall appoint, by and with the advice and consent of the Senate, a person who, under the direction of the President or such other officer as he may designate pursuant to section 312 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of \$16,000 per annum."

Mr. HERTER. Mr. Chairman, this is the amendment I discussed earlier and that was discussed by the gentleman from Virginia [Mr. GARY]. I understand it is acceptable to the committee. It merely clarifies the line of responsibility in the operation of this program. It does not change anything else. It makes it clear where the responsibility shall rest.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Virginia.

Mr. GARY. It also makes it clear that the administration of the program shall

be under the existing agencies rather than under a brand new agency to be set up all over the world.

Mr. **HERTER**. That is correct.

Mr. **FULTON**. Mr. Chairman, will the gentleman yield?

Mr. **CASE** of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. **FULTON**. This does not set up extra personnel or make more jobs?

Mr. **HERTER**. It does not. It leaves the jobs exactly as they stand, with the exception of one new job, to pay \$16,000, the appointee to be confirmed by the Senate. That is in both the bill and my amendment.

Mr. **KEE**. Mr. Chairman, while I cannot speak for the committee, I will say that this is satisfactory to the chairman.

The **CHAIRMAN**. Without objection, the amendment is agreed to.

Mr. **MARCANTONIO**. I object, Mr. Chairman.

The **CHAIRMAN**. The question is on the amendment.

The amendment was agreed to.

The **CHAIRMAN**. The Chair recognizes the gentleman from Kansas [Mr. **HOPE**].

Mr. **HOPE**. Mr. Chairman, I have asked for this time to make some brief comments on two amendments which have been adopted in the Committee of the Whole and which will probably be voted on separately in the House after the Committee rises. I refer to the Fulton-Cooley amendment, which strikes out the so-called Vorys amendment and the Burleson amendment.

I believe both the Vorys amendment and the Burleson amendment have a tendency to confuse the farm program and the ECA program. I think these programs should be kept entirely separate and each should stand on its own feet. I was against the Vorys amendment in the Committee of the Whole because it sought to impose the ECA program on the farm program to the detriment of the farm program. The effect of the Burleson amendment is to impose the farm program on the ECA bill to the detriment of that program. I oppose it for that and other reasons.

When the vote was taken on the Burleson amendment in the Committee of the Whole I was unavoidably absent. Had I been present I would have voted against it.

The major farm organizations of this country oppose the Burleson amendment. They do not want farm legislation mixed up with ECA legislation. I have in my hand a telegram from Mr. Albert S. Goss, master of the National Grange, reading as follows:

WASHINGTON, D. C., March 30, 1950.

Hon. **CLIFFORD R. HOPE**,

House Office Building, Washington, D. C.:

We have consistently asked that no restrictions be placed on ECA that would hamper them in accomplishing the maximum recovery of western Europe. This was the major reason why we opposed the Vorys amendment. The Burleson amendment is subject to the same objection and we hope it will be rejected.

ALBERT S. GOSS,

Master, the National Grange.

I have also a wire from John H. Davis, Executive Secretary of the National As-

sociation of Farmer Cooperatives, which reads as follows:

WASHINGTON, D. C., March 30, 1950.

CLIFFORD R. HOPE,

House Office Building:

Believe Burleson amendment to ECA bill may act as ceiling on purchase of farm products may stimulate undesirable competition among commodity groups for ECA financing, and disrupt established relations with lesser commodity groups. Urge rejection on House vote.

JOHN H. DAVIS,

Executive Secretary, National Council of Farmer Cooperatives.

I do not have direct word from the American Farm Bureau Federation or the National Farmers Union but am reliably informed that both organizations oppose the Burleson amendment and in a previous communication all four of the great farm organizations have expressed their opposition to the Vorys amendment.

I urge that when these matters come before the House that your vote for the Fulton-Cooley amendment which repeals the Vorys amendment and against the Burleson amendment.

The **CHAIRMAN**. The Chair recognizes the gentleman from Oklahoma [Mr. **MONRONEY**].

Mr. **MONRONEY**. Mr. Chairman, in a few minutes we are going to vote on what I believe to be one of the most important measures to come before the House in the postwar period.

We can fumble the ball all over the lot on domestic issues and we can come back in a year, or two, or three, and salvage the damage that we do.

But if we fumble the ball now on this bill, the keystone of our foreign policy, then this Congress might be largely responsible for turning the pages of history back for about a thousand years.

I think that is what it adds up to. I beg of you and implore you not to wreck this ECA program which is successfully keeping the iron curtain from spreading across western Europe.

If the program is working, and no one here has challenged that it is not working, then do not tear it up by putting on six wheels or eight wheels or tearing it down two wheels. Leave the program as it is for it is working.

I beg of you not to try to make this an agricultural relief program by incorporating the Burleson plan. The farmers I have talked to and the farm leaders do not want that. They want to sell their agricultural products for dollars, and not have them used as a gift to foreign nations.

They want to be able to go again into the foreign market on the basis of the merit of their sales and not pour surplus farm commodities down on European nations, perhaps against their desires, when those nations might need the tools of production more than they need the commodities themselves.

I beg of you to kill the Irish amendment. It is bad public policy to use our aid as a bludgeon to force a friendly nation to alter its domestic policies.

We must face criticism of the rest of the world if Congress puts that in. I wish the parliamentary situation were such that the cut of \$250,000,000 would

be restored to the bill. It is unwise to run out of money short of the goal by only a few miles.

Let us vote all the way for a program which is beating back the tide of communism and keeping it behind that iron curtain. Let us not undo a program that has been unusually successful by overloading it with unwise and restrictive amendments.

The **CHAIRMAN**. The Chair recognizes the gentleman from Nebraska [Mr. **STEFAN**].

(By unanimous consent, the time allotted to Mr. **STEFAN** was given to Mr. **PLUMLEY**.)

Mr. **PLUMLEY**. Mr. Chairman, it is with some diffidence and admitted complete unpreparedness I stand here to differ so completely with my very good friend, the distinguished gentleman who has preceded me. But I do wish it to be distinctly known, and I wish the Record to show, that I disagree with him absolutely with respect to so many particulars I cannot afford to take your time to generalize further. I disagree.

The **CHAIRMAN**. The Chair recognizes the gentleman from South Carolina [Mr. **RICHARDS**].

Mr. **RICHARDS**. Mr. Chairman, in these closing minutes of debate I want to call to the attention of the House what would have happened to this world if there had not been a Marshall plan. I do not think there is any question about it. We in the Western Hemisphere would be standing alone now; communism would be master of Europe with all the tragic consequences. The United States and the ECA participating countries of Europe together produced 88 percent of the steel, 76 percent of the electric power, 80 percent of the coal, 95 percent of the automobiles, and 90 percent of the petroleum of the world. We really and truly control the world if Europe continues to be a going concern. There is no question about that. But the danger now before us and Europe is what is going to happen to the rest of the world in the future. That is the reason I think it would be tragic to turn down title 3 of the bill. I think it is one of the most important parts of this bill. Just think of it. Less than 1 percent of what we are doing in the next fiscal year in Europe under the Marshall plan will be the first-year cost of this point 4 program. It can be reasonably expected that the sum we will spend in ECA next year would finance point 4 for 75 or 100 years.

Somebody said a little while ago that this program might eventually cost billions. That is absurd. If we used all of the technicians available in the United States we could not spend over \$50,000,000 a year on this program. If we spent that much, it would prove to be a wise investment.

The **CHAIRMAN**. The Chair recognizes the gentleman from Iowa [Mr. **MARTIN**].

STRATEGIC AND CRITICAL MATERIALS

Mr. **MARTIN** of Iowa. Mr. Chairman, while ECA legislation is before Congress it is very timely to set before Congress some enlightening statements of the policies adopted and followed by ECA

in the field of exploration and development in foreign lands of the production of strategic and critical materials. In the main, these policies will be helpful to our national defense only to the extent that purely strategic materials are actually acquired and delivered to our stock pile and they should not be used to secure stock-pile materials that are highly competitive with our own mining industry or the production of which may be developed within our own land with the encouragement and assistance of our Federal Government. It is my sincere hope that a national policy may be soon established that will give our domestic mining industry consideration equal to that which the ECA policy included in the legislation now before Congress gives to the exploration and development of foreign production of strategic and critical materials.

In their discussion of the magnitude of possible imports of strategic materials, the report of the Harriman commission dated November 7, 1947, states at page 273:

With comparatively small increases in production, which in most cases would require reaching but not exceeding wartime peak outputs, strategic mineral raw materials valued at approximately \$2,231,000,000 annually could be made available.

I know that Congress will be interested in the information that commitments for strategic materials projects under our ECA program already made and projects commitments estimated through June 30, 1951, come to a total of \$68,917,000. This investment in projects has been applied only to 15 strategic and critical materials, but the striking thing to me is that 67½ percent of the estimated cost of all commitments made and planned from July 1948 to June 30, 1951, is for lead, zinc, bauxite, copper, and manganese. Less than one-third of the funds are spread among the following additional items: Cobalt, kyanite, diamonds, chrome, nickel, columbite, tantalite, pyrites, graphite, and fluorospar, and no commitments whatever have been entered into or planned to June 30, 1951, for any of the other 56 items on the strategic and critical materials list compiled by the Munitions Board. Anyone familiar with those 56 items will recognize at once that they include strategic and critical items that are most essential to our defense and that are not competitive with our own domestic mining industry.

I am quoting below several extracts from the special analysis series of ECA entitled "The Strategic Materials Program," dated February 1950:

INTERAGENCY RELATIONSHIPS

The scope of the term "deficiency materials" as used in the ECA Act is broader than the strategic and critical materials concept of the stock-piling program authorized by Public Law 520 (79th Cong.). For present purposes, however, formal implementation of ECA responsibility is limited to the commodities currently on the Munitions Board stock-pile list.

ECA consults the Munitions Board regarding its interest in strategic materials available through purchases or development, and is guided by its recommendations.

PROCEDURES

The activity of ECA with respect to strategic materials has proceeded along two courses, (1) the acquisition of commodities for the stock pile by purchase with 5-percent counterpart funds, and (2) the provision of ECA dollar and 5-percent counterpart funds for approved projects to increase the production and supply of strategic materials.

PROJECTS

The output and availability of strategic materials will be substantially increased through development and exploration projects financed by ECA with dollars and 5-percent counterpart funds. Increasing use of counterpart funds is planned for the current fiscal year and fiscal year 1951.

In addition to increasing the strategic material reserves of the United States stock pile, the economies of the participating countries will benefit when these projects are completed. The increased output will tend to make the countries more self-supporting and less dependent on outside supplies. It will also reduce the current drain on United States resources. In some cases the increased output will produce an exportable surplus which will earn dollars for the governments of the participation countries. For all of these reasons, ECA is placing increased emphasis on developmental projects.

The two lead projects call for repayment from the increased output of the mines of the amounts advanced. One, a \$3,600,000 commitment for the development of lead and zinc properties in French Morocco, calls for deliveries in repayment of the advance, plus 4 percent interest, to begin not later than January 1, 1951, and to be completed by July 1, 1957. The other, an agreement signed by ECA and the Government of Sweden, will make \$350,000 available at 2½ percent interest to finance proposed production increase at four lead mines. In addition to promising materials for the stock pile, both projects when completed will increase supplies for the participating countries and reduce the strain on the domestic resources of the United States.

The fifth project, for exploration, is to provide assistance to the United Kingdom for: an extensive survey of mineral and other resources in the British territories in Africa. A million and a half ECA dollars will be provided to pay the salaries of 58 American geologists and topographical experts for about 3 years. In return for this assistance the United Kingdom will make available to the United States Government all technical information obtained from the survey and give United States private enterprises access to mineral resources discovered as a result of the survey for 5 years after the termination of ECA. The survey should be of value in opening up some of the British overseas areas for economic development and colonization, and adding to the world's supply not only of stock-pile materials but other commodities as well.

To evaluate the opportunities for contributing to strategic materials supplies through the development of resources in the overseas territories of the participating countries, ECA officials recently made an extensive reconnaissance trip. This survey, made in company with representatives of the governments concerned and the Department of State, included most of the important mineral districts of British East Africa, Northern and Southern Rhodesia, and French Equatorial Africa. Considerable information was gathered regarding pending and possible new proposals. The various local governments were also acquainted with the provisions under which ECA assistance can be obtained and they were provided with a list of the materials most urgently needed.

PROBLEMS

The paucity of good mines and prospects which can be worked profitably without subsidies, and lack of an assured long-term market for output during the period of amortization, are the most important obstacles to the progress of the program. Also influential in retarding investment are the heavy tax burdens in some of the participating countries and the fear of excessive interference and perhaps nationalization or expropriation.

Ocean transportation has created a problem in acquiring strategic materials. The amended ECA Act requires at least 50 percent of shipments to the United States after April 3, 1949, to be transported in United States flag vessels. A few shipping firms have been persuaded to accept 5 percent counterpart funds in lieu of dollars for shipping charges. The remaining dollar requirement for ocean transportation has been partially bridged by the Federal Supply Service which has been willing, in the case of high priority commodities to make dollars available for this purpose. The 50-50 shipping rule does, however, make the use of 5 percent counterpart funds for purchases dependent on the continued availability of FSS dollars for ocean transportation. Non-availability of dollars to pay dollar shipping charges is in some cases limiting ECA negotiations for strategic materials.

The importance of capable personnel to handle all aspects of the negotiations and make technical on-the-spot investigations promptly has been emphasized by the course of negotiations to date. Full use has been made of the mineral attachés of the Department of State where available, but the necessity of maintaining negotiations simultaneously in so many widely scattered locations and the stimulation of interest in other worth-while projects has increased the difficulty.

Considerable effort has been expended in fostering a better understanding of the program and in publicizing to possible investors abroad and at home the types and terms of assistance which ECA is in a position to make. On numerous occasions, ECA has attempted to interest American mining companies in the development of foreign resources. In spite of broader guaranty arrangements and favorable terms of financial aid, only a few companies have shown interest in assuming the risks involved.

The House Select Committee on Foreign Aid in its Preliminary Report No. 10, dated November 25, 1947, contains the following statements:

We are dependent upon imports not only for metals and minerals which we do not produce in any appreciable quantity, such as flake graphite, quartz crystals, industrial diamonds, and tin, but also for nearly all of our present commercial needs of minerals like chromite, manganese, asbestos, mercury, platinum, tungsten, and antimony, for all of which we have a 4-year supply or less at the prewar rate of use. A sound conservation policy, in terms of national defense, would indicate the necessity of heavy imports of all minerals—fluorspar, copper, zinc, cadmium, lead, bauxite, and vanadium—in order to preserve and lengthen the life of our own high-grade reserves.

A. THE EXTENT OF IMPORTS OF NONFERROUS METALS

With the exception of aluminum and molybdenum, the United States is currently an importer of every major nonferrous metal. * * *

Production of aluminum in the United States at present is running 5,000 to 10,000 tons a month in excess of domestic requirements and this is available for export to

Europe. Domestic production is almost at capacity, so that the quantity available for export could not be expanded substantially without reducing the quantity available to United States consumers. * * *

B. THE NEEDS FOR NATIONAL DEFENSE

The conclusion is that a nation whose economy is primarily commercial in character must be able to depend upon "commercial reserves" in large availability, either through a combination of domestic reserves capable of quick and easy production at a stepped-up rate, and stock piles of imported reserves adequate for a war of several years' duration; or, alternatively, absolutely secure control, not only of sea access to foreign reserves, and their rail transportation to ports, but also of their procurement and production. The net conclusion is that without stock piles of those ores which are in critically short supply in terms of commercial reserves, there is no secure reliance for a nation bent upon guaranteeing its own survival by reasonable foresight.

There is a second difficulty in dependence upon low-grade reserves or substitution which needs to be recognized. It arises from the political pressure of domestic producers to block imports and to continue the drain on domestic reserves, even at uneconomic prices and costs. High tariffs have marked the mineral policy of this country in the period since 1930. The same resistance of domestic mining interests applies to the importation of stock piles that would overhang the market. It therefore needs to be met by the strongest arguments for national defense, supplemented by the fact that such imports constitute one of the few relatively painless ways of accepting payment for loans which we are making to countries that are either themselves producers of these minerals (such as Greece and Turkey) or which have colonies which are heavy producers. It must also be met by keeping our own mineral reserves in a state of readiness for national defense by adequate developmental programs.

C. BUILDING A UNITED STATES STOCK PILE OF STRATEGIC MATERIALS

* * * If, therefore, consumption continues at a high rate, it is clear that stock piles can be accumulated only by importing metals. With proper safeguards, such imports need not in any way impede the maintenance of a healthy domestic mining industry which would be available for any future emergency. * * *

Provided that necessary safeguards are established, there is no question that in the mineral field, at least American capital is available to take over or supplement European investments in many colonial areas. United States capital is already heavily invested in Rhodesian copper, Canadian nickel and aluminum, and Surinam bauxite. New lead-zinc deposits in Morocco are being developed in part with American capital. Given a stable government, American capital would probably undertake the reequipment of the important lead-zinc deposits in Burma. It is difficult to measure in terms of dollars just how far this might go, since the willingness of capital to invest in these areas depends not only on the political factors, but also on the economic values of the individual deposits. As a guess, however, in the nonferrous field alone, it is probable that American capital could be found to the extent of \$300,000,000 or \$400,000,000.

APPENDIX A

EXCESS MATERIALS AVAILABLE FOR STOCK PILING FROM THE 16 COUNTRIES OF WESTERN EUROPE (CEEC)

The production of strategic metals and minerals in western Europe is considerably

less than the over-all requirement of that area, so that little can be expected along this line if the area involved is limited to western Europe itself. If, however, the area is widened to include the colonial territories controlled by the countries in western Europe, a very respectable total can be shown. * * *

In the case of Tanganyika and Burma, it would be necessary to build plant almost from scratch, the first area being one in which a large new deposit has recently been developed, the second being one where the former producing facilities were destroyed by the Japanese. It would obviously encourage private investors to provide the facilities to equip these two properties if they had the assurance of a long-term outlet.

The question of price, as well as tonnage, is of paramount importance, and it would be necessary to work out a formula whereby, in crediting the value of strategic materials either as interest or principal against advances, the United States would establish some minimum price for each material, with some provision for fluctuation in line with market trends generally.

It may be that the aggregate amount indicated in this tabulation of approximately \$136,000,000 a year will seem relatively small. This total is for excess materials to go into stock pile only. It would seem foolish to channel the entire import of these strategic materials from the areas named into the field of repayment of any advances for assistance given, because by so doing the current dollar credits which are being earned through normal commercial activities would be reduced and the unfavorable balances of western Europe further increased. No attempt has been made to assess the current dollar value of these commercial imports from the areas affected, but it must be in the region of \$250,000,000 to \$300,000,000, the principal items being tin from the Far East; nickel, copper, lead, and zinc from Canada; manganese, chrome ore, and asbestos from South Africa; manganese and mica from India; cobalt and tin from Belgian Congo; and manganese from the gold coast.

The State Department submitted to Congress December 19, 1947, an Outline of a European Recovery Program, in which the following statement appears at pages 52, 53, and 54:

RAW MATERIALS EXPECTED TO BE IN LONG-TERM SHORT SUPPLY IN THE UNITED STATES

The United States has few or no domestic sources of certain raw materials, such as tin, industrial diamonds, natural rubber, and quinine, and has inadequate resources in other raw materials, such as manganese, chromium, copper, lead, and zinc. The United States has used substantial quantities of certain of these materials in furnishing assistance to Europe during the postwar period and it will use further quantities in furnishing assistance under the recommended program of European economic recovery. United States reserves of exhaustible natural resources are declining. It is proper that in partial return for the very considerable assistance provided them by the United States, the participating countries should give reasonable help in replenishing stocks of materials expected to be long-term short supply in the United States.

Not all of the participating countries themselves possess sources of such materials. Some among them do, however, have resources of this nature either within their own territory or that of their colonies, territories, or dependencies. In some instances present production and availability is at maximum levels without satisfying commercial demands. In other instances it appears that, under an aggressive plan of exploration, development and expansion of produc-

tive facilities, or by other actions, additional supplies could be produced or made available.

The program of European economic recovery should, therefore, provide for arrangements along the following lines. The administering agency should be authorized to help increase production. Procurement by the United States for stock-piling purposes of a fair proportion of available quantities of the materials desired by the United States should be facilitated by participating countries concerned, after taking due regard of requirements for the domestic usage and export requirements of the source country.

Therefore, (a) the administering agency should be authorized to use funds appropriated under the program to finance procurement of equipment and services required from the United States to help increase the production of such materials, (b) the local currency equivalents of grants-in-aid should be available for the financing of local currency costs in expanding the production of such materials, and (c) bilateral agreements entered into with these participating countries within whose territory, colonies, or dependencies such materials may be available, should contain provisions for facilitation of procurement for stock-piling purposes by the United States, on reasonable terms, of a fair proportion of availabilities of specified materials, after taking due regard of the reasonable requirement for domestic usage and commercial export of the source country. Such procurements would be effected through the use of funds appropriated expressly for the purchase of materials for stock-piling.

As a further possible step, in appropriate circumstances, loans made by the United States administering agency might contain a provision specifying that, in the event circumstances make the probability of repayment of the loan in dollars at its maturity date doubtful, the participating country may tender or the United States Government may require delivery of materials expected to be in long-term short supply in the United States, and available for the purpose to the participating country after taking due regard of its reasonable requirements for domestic usage and commercial export, in such amounts and at such times as are mutually agreed at the time as being equitable in full or partial fulfillment of the loan obligation.

The Economic Cooperation Administration in its report on Recovery Progress and United States Aid, dated February 14, 1949, made the following statements which appear on pages 229, 230, and 231:

In accordance with the provisions of the Economic Cooperation Act concerning materials in which United States resources are deficient or potentially deficient, the objectives of the ECA in this field have been: to promote an increase in the production of materials through exploration and development; to further the transfer of materials to the United States by purchase or otherwise; and to obtain for the United States schedules of future availabilities and increased production as well as equal rights of access to the development of such materials.

1. FACTORS AFFECTING SUPPLIES FROM PARTICIPATING COUNTRIES

In spite of its utmost efforts to accomplish these objectives, the ECA is not satisfied with the progress made by the end of 1948. The principal reasons for unsatisfactory results, it is believed, have been: (a) the lack of adequate and long-term purchasing power in any United States Government agency; (b) limited number of materials in which ERP areas as a whole have net surpluses, actual or potential; (c) lack of inventories on hand in

participating countries available for purchase; (d) time required to work out development projects; and (e) reluctance of producers, both American and foreign, to contribute to a large supply of materials that may overhang the future markets.

Despite these difficulties, four purchase agreements were executed prior to the end of 1948. All were purchases with local currency counterpart funds, in a total amount equivalent to \$21,600,000. There were in addition a number of transactions pending, involving exploration and development as well as purchases, which were in varying stages of progress at the end of 1948.

The Bureau of Federal Supply (BFS) of the Treasury Department is designated by the Strategic and Critical Materials Stock-Piling Act of July 23, 1946, as the Government agency to purchase strategic materials, and a limited amount of dollar funds have been appropriated for use by it for that purpose. The ECA has worked closely with and assisted the BFS in locating materials and arranging for their purchase. In some transactions, payment will be made partly with BFS dollars and partly with ECA counterpart funds. While ECA dollars are not available for straight purchase transactions, the use of ECA dollars is contemplated for exploration and development of production, with repayment in materials to be delivered to the BFS out of future production.

ECA activities in the strategic materials field are legally confined to the participating countries and their dependencies and China. This excludes such important sources as the British Dominions, Burma, and independent countries in Latin America and the Middle East. Southern Rhodesia has not yet acceded to the United Kingdom bilateral agreement.

Moreover, strategic materials possibilities in participating countries and their dependencies have distinct limits. These areas have actual or potential net surpluses of tropical and semitropical vegetable products, limited for practical purposes only by expectancy of market requirements. In the mineral field, however, where because of depletion the strategic interests of the United States are most vital, these areas as a group have net surpluses, based on known facts, only of tin, cobalt, diamonds, flake graphite, tungsten, mercury, antimony, bauxite, phlogopite, and possibly columbite, tantalite and corundum. In non-stock-pile items there are also fluor spar and potash. As a group the participating countries and their dependencies do not have net surpluses of petroleum, copper, lead, iron, zinc, nickel, vanadium, strategic muscovite mica, asbestos, beryl, bismuth, cadmium, zircon, barite, molybdenum, platinum, kyanite, chromite, and manganese. In the last three items there is a normal flow to the United States from dependent areas but this is due to geography and does not represent a net surplus for the group. In consonance with the spirit of the Economic Cooperation Act, it has been necessary to harmonize United States interests in strategic materials with the basic aims of the act. It would not be sound, for example, to take for stock-piling purposes materials which are urgently needed by the participating countries for recovery, thereby forcing them to dip into outside areas for their needs. In addition to increasing net transportation costs, such a course would only redistribute the trade patterns in scarce materials without necessarily adding to the total United States share of world supplies.

With respect to use of the 5-percent portion of the counterpart funds for exploration, development, and purchase, there is an important limiting factor. Any substantial transfer of materials by a participating country to the United States without payment in dollars would necessitate a recalculation of the country's requirements and additional aid to compensate for its decreased dollar earnings. Moreover, 5-per-

cent counterpart funds are available in sizeable amounts in only three of the significant sources of materials within the ERP group of countries, namely, the overseas dependencies of the United Kingdom, France, and the Netherlands. The amount of counterpart funds in Belgium is very limited and none are available in Portugal and Turkey because these countries have received no grant assistance.

In order to stimulate interest on the part of American companies in exploration and development operations, the ECA has expressed a willingness to make loans of 5-percent counterpart funds, to be repaid in production if gained.

In the opinion of the ECA it is indispensable for an effective program to increase the supply of strategic materials to the United States that there be adequate purchasing power vested in an agency authorized to place, anywhere in the world, procurement contracts continuing over a period of time sufficient at least to permit producers to amortize their investments at reasonable rates.

2. ECA OPERATIONS

The act calls for the negotiation of future schedules of minimum availabilities from ERP countries, of materials in which the United States is deficient or potentially deficient, either in percentages of production or in absolute quantities. The ECA, working with other Government agencies, has been unable thus far to determine what such schedules should be in the case of various materials produced within a participating country or its dependent territories. In order to proceed with negotiations for the purchase of deliveries of material out of increased production, it is necessary to establish quantitative goals. At the ECA's request, interdepartmental investigations are being conducted, under the auspices of the National Security Resources Board, seeking to determine future United States stock-pile requirements and the quantities that should be requested from participating countries. When this information is received, negotiations for the schedules of minimum availabilities can be started.

In order to learn the problems at first hand, to achieve some early results, and to review policies and objectives with the ECA missions, a temporary mission to Europe was organized by the ECA in mid-August 1948 consisting of the Director of the Strategic Materials Division, the Director of the Bureau of Federal Supply, a mining consultant, a transportation consultant and a member of the legal staff. This mission visited the Office of the Special Representative in Paris and the ECA missions in London, Paris, and The Hague. In each case, an investigation was made into various procurement and development possibilities in each country, in consultation with both government officials and private producers. Purchasers of rubber and sisal were arranged in the United Kingdom, and negotiations initiated toward expansion of Gold Coast manganese production. In the Netherlands, groundwork was laid for subsequent purchases of bauxite and quinidine. In France negotiation was begun toward the production and procurement of a substantial quantity of Madagascar flake graphite. Also, initial steps were taken in procuring an inventory of lead concentrate for the United States stock pile and expanding North African manganese production. With the cooperation of the United Kingdom Government and other governments concerned, arrangements were made for the purchase of chrysotile and amosite in non-ERP territory. Opportunities for American capital participation were disclosed in French North African lead mining, French Cameroon tin mining, French Congo lead-zinc mining, New Caledonian nickel development, nickel development in Celebes, and in aluminum production in Sumatra.

On pages 232 to 236 there appears their review of possible sources of strategic materials and I am including their discussion of some of the materials listed there that are competitive with our own present potential domestic production:

REVIEW OF POSSIBLE SOURCES OF STRATEGIC MATERIALS

Aluminum: Surplus production of aluminum ingot exists in Norway and may provide an opportunity to use 5 percent counterpart funds, if this can be done without dislocating trade.

Bauxite: This material is produced in the Netherlands East Indies, Gold Coast, Italy, France, British Guiana, and Surinam. There are undeveloped deposits in Malaya, Jamaica, Nyasaland and on islands off the coast of French Guinea. The European material is not suitable for American plants as presently constituted. The ECA is arranging for deliveries to the BFS, to be financed with 5 percent counterpart funds from the NEI and Surinam. Projects for development of the Jamaica and French Guinea deposits are under consideration. A proposal to dredge a channel for ocean-going ships to reach some of the British Guiana deposits is being studied. Production from British Guiana and Surinam goes principally to the United States and Canada. A large portion of the Canadian metal flows to the United States.

Copper: Although northern Rhodesia and the Belgian Congo are among the world's more important copper areas, their total supply is required for European needs. There is a relatively small deposit in Turkey, and discovery is reported in Uganda with cobalt associated with the copper. The last is said to be large but of low grade and remote from transportation facilities. Expansion programs are contemplated in Northern Rhodesia and the Congo. The ECA is trying to advance the Rhodesian project into the 1949 program of the United Kingdom, and with Commerce Department cooperation has expedited delivery of necessary equipment to the Congo producer.

Iron: Some high-grade iron ore is now being exported from Sweden and Algeria to the United States. The North African high-grade deposit is small. Lateritic iron ore carrying approximately 50 percent iron is available in Celebes and New Caledonia, but no market has been found in the United States. The ECA is also investigating a high-grade deposit in Norway.

Lead: Lead is mined in Morocco, northern Rhodesia, Italy, Greece, Turkey, France, and French Congo, the Bizone, Austria, Sweden, and Norway. Production, however, is not equivalent to European requirements. A recent discovery in Tanganyika is being developed, and a discovery has been reported in Greenland but the Greenland deposit is ice-bound until next summer. Attempts are now being made to expand production in Italy, Greece, Turkey, Bizone, France, Morocco, and Austria. An expansion is programmed for northern Rhodesia. A counterpart loan is being negotiated by the ECA to explore a promising deposit in Algeria.

Manganese: The most important source of manganese in ERP territory is in the Gold Coast. Other production exists in Morocco and the Belgian Congo. Undeveloped deposits occur in Turkey. Gold Coast production, of which the United States normally receives about 40 percent, is being maintained to the full capacity of the existent plant under current labor conditions. The Gold Coast producer has offered 200,000 tons of intermediate-grade material which although not acceptable for stock-pile purposes can be utilized by United States industry. The ECA together with other interested Government agencies is studying the feasibility and desirability of financing construction of additional plant facilities in the Gold Coast. Efforts are being made to expand

Morocco production and to investigate the Turkish deposits. The ECA is also investigating the Belgian Congo deposit.

Mercury: Italy is one of the world's two largest producers. There is substantial stock on hand in Italy and a considerable expansion of production is possible. However, the United States stock-pile position is comfortable enough to make the BFS unwilling to pay even ocean freight. The ECA is currently negotiating to purchase and ship a large quantity with counterpart funds if a satisfactory price can be reached.

Zinc: Zinc ore is produced in northern Rhodesia, Morocco, the Bizone, Austria, Italy, France, Portugal, the Belgian Congo, Sweden, and Norway. However, none of this is produced in surplus over European needs. Zinc smelting is done in Belgium, United Kingdom, France, Bizone, Italy, and Norway, the ore coming from Australia, Newfoundland, and Latin America, chiefly Mexico. Some surplus of metal occasionally comes to the United States from Belgium and Norway. The ECA is studying possibilities of production expansion of zinc ore in Austria, Bizone, and Italy. Expansion programs are projected by the producer in northern Rhodesia and the Belgian Congo.

The sixth report to Congress of the Economic Cooperation Administration for the quarter ended September 30, 1949, contains at pages 60 and 61 the following discussion of the deficiency materials program:

Purchases of materials by ECA for stockpiling purposes were limited during the quarter to 21,280 long tons of rubber in the United Kingdom at a cost, in local currency counterpart funds, equivalent to \$7,978,900 and 9,000 kilograms of beryl in Norway at a cost equivalent to \$3,300. By September 30, expenditures involved in completed purchase transactions were \$43,200,000 in the equivalent of counterpart funds. Additional counterpart has been set aside to cover possible depreciation of local currencies during the life of the purchase contracts. Further, \$21,000,000 in dollar funds had been committed for the procurement of deficiency materials and for development projects, of which \$19,000,000 were to be financed by the Bureau of Federal Supply and the balance by ECA. In addition to rubber and beryl, the commodities purchased include sisal, industrial diamonds, quinidine, graphite, tantalite, palm oil, sperm oil, platinum, mica, and lead.

Completed contracts also call for the advancement of funds to producers of cobalt, kyanite, and graphite for the procurement of facilities to make increased output possible.

As the supply of "shelf goods" in the participation countries is depleted, the acquisition of needed materials with the use of counterpart funds becomes more difficult. Surplus materials are not available in some countries where counterpart funds exist, and in others the foreign governments are reluctant to commit current output to ECA because of the impact on their anticipated dollar earnings.

In September arrangements were concluded for assistance to the United Kingdom in the exploration and survey of mineral and other resources in British overseas territories, chiefly Africa. A million and a half ECA dollars will be provided to pay the salaries of 58 American experts for about 3 years. In return for this assistance, the United Kingdom will make available to the United States Government the information gained during the survey and will also consult with this Government on the feasibility of development for mining or other purposes of any mineral deposits found during the exploration. The survey should be of value in opening up some of the British overseas areas for economic development and coloni-

zation, and adding to the world's supply not only of stock-piling materials but other commodities as well.

In September, ECA officials began a tour of East, South, and West Africa to examine various deposits and properties, and determine whether production of scarce materials could be increased so as to provide an exportable surplus to augment the United States stock pile and also produce greater dollar revenues for these countries.

At the end of the quarter, ECA had almost completed negotiations for the purchase with counterpart funds of a large amount of bauxite from the Netherlands East Indies and quantities of industrial diamonds in the Netherlands, and cryolite in Greenland.

Negotiations were also virtually concluded for the financing of development projects calling for stepped-up production of chromite in Turkey, lead and zinc in North Africa and Sweden, and bauxite in Jamaica, with repayment in materials.

In general, progress in launching development projects in the ERP countries and their overseas territories has been slower than anticipated owing to such problems as the method of channeling funds to the recipient company, terms of repayment, interest rates on money to be advanced, security requirements, fixing of a formula for determination of the value of metals turned over to the United States stock pile in repayment of advances, and the stipulation that 50 percent of the materials purchased be moved in American-flag vessels.

Emphasis has been placed by ECA in attempting to interest private American capital in exploration and development possibilities. Although some American companies have shown interest—as in Jamaican bauxite and African manganese and lead—the response has been disappointing, owing to the various risks involved and the limited number of good opportunities known at present. Some producers have been reluctant to increase their output in the absence of reasonable assurances that there will be a market for a substantial portion of the added production. ECA is unable, of course, to provide such assurance. A further deterrent is said to be the provision of the United States income-tax laws which requires majority ownership by American citizens in a foreign corporation before they can claim credit for foreign taxes paid.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I realize that probably no minds will be changed at this late hour in the debate. In the 7½ years I have been here, this is the first time I have ever spoken directly to those of my own party, but I do want to say two things to you: First, we Republicans, more than anybody else, have criticized the administration because it has usually tried to handle problems at home and abroad by Government programs of one sort or another instead of giving opportunity and encouragement to private business to do the job. Are we now to oppose title III, almost the first step that it has taken in the direction we say we want?

Second, we, more than anybody else, have criticized this administration because it has had no effective program in China and Asia—and no one more than I. This is almost the first move it has made in the direction of trying to develop a program that makes sense out of that part of the earth where half of its people live. Are we to oppose what we ourselves have been calling for just

because we do not have full confidence it will be well administered?

This is not an expensive short-range commodity program; it is an inexpensive long-range training and development program. As I said earlier, I have some doubts about some aspects of it. But that is not an adequate reason for doing nothing. Of course, there are difficulties: but if by default we allow half of the people of the world to be pulled behind the iron curtain, look at the danger in that. Believe me, the Communists have a program for those people. It is a phony and will not solve their problems, but at least it promises them something. Surely we cannot vote for no program at all for half the world. I cannot believe, if we stop to think about it, that we will reject the first major effort that has been made in the direction that we ourselves pioneered in the Eightieth Congress and have been asking the present administration for. So I urge that when we come to vote, we not strike out title III. There are risks if we make this effort to help the people of Asia and other underdeveloped areas stay free and on our side; but there are far greater risks if we make no effort whatsoever. The cost is insignificant, relatively; I do not see how it could do any harm; and the possibilities of long-range good are greater than in anything I see that our country is doing or can do.

I hope we will vote against the motion to strike out title III.

Mr. HAYS of Arkansas. Mr. Chairman, the remarks of the gentleman from Minnesota are in the spirit of the bipartisan foreign policy and constitute one of the most forceful arguments that could be advanced for its retention. The bipartisan policy needs no official formulation. It places obligations upon both the responsible party in power and the minority party in the opposition role.

It is predicated upon the idea that in the perils of the postwar period with the threatened aggressions in Europe and the Far East, there is a supreme need for utilizing the resources of both parties. The foreign policy of the United States is evolving. It should contemplate participation by Republicans and that participation does not imply that their political loyalties are diminished. They act as Republicans as well as Americans. There are evidences that the administration seeks more substantial participation by the minority and this is desirable. Cooperation between party leaders in avoiding cleavages in foreign policy during this crucial period does not anticipate agreement upon details, nor preclude the minority from vigorously pursuing a critical course as in the China decisions. When, however, the most vigorous critic of the Far East policies the gentleman from Minnesota [Mr. JUDD] speaks earnestly of the need for undertaking the plans advanced by the administration in the point 4 title, we have a perfect demonstration of the workability of the bipartisanship idea.

Point 4 is, as both friend and critic say, a bold step—fraught with some dangers of waste and of misinterpretation abroad. It is not altogether a new

idea, however. For decades American business interests and American missionaries have extended in limited areas of Asia and Africa many types of technical services. But their resources have always been painfully limited. This proposal is only a modest supplement to many types of endeavor, but considering the vast needs of troubled people in the Orient, a refusal to extend this assistance would be tragic. It will be of tremendous benefit in stabilizing social and economic conditions. Millions of people still outside the Communist sphere look hopefully to us.

It was really a form of point 4 assistance which brought the Philippines to their present relative firm position in the East. Where the farm peoples of India and other far-eastern nations have had an opportunity to apply the lessons of American agriculture, the results have been amazing. In due time a soundly planned point 4 program for the agriculture of the Far East will do for its people what the Extension Service has done for American agriculture. It must be done just as in the South American countries through the governments of the underdeveloped areas. But if cooperatively executed such plans may provide the beginning of a stabilizing process in the world that will lead to permanent peace.

Mr. BOGGS of Louisiana. Mr. Chairman, I subscribe to the remarks made by the gentleman from Minnesota, and ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, there seem to be a great many misconceptions about title III, this bill to aid in international development. This should not be, because the idea and the essential facts about it are all very simple. In the next 5 minutes I want to make five basic points.

First, this bill does not authorize a world-wide WPA, or anything like it. It does just two things: It puts the Congress of the United States on record that the development of the underdeveloped areas of the world is important to the people of the United States and the other free peoples of the world; and it authorizes the United States Government to go ahead with a program of technical assistance, a program to help the people of these areas to develop their own countries by making available to them the skills and expert knowledge of American industries, engineers, farmers, teachers, and businessmen.

Second, this is not a big-money program, and it never will be a big-money program. Let me quote what the Secretary of State said in testifying on this measure before the Senate Foreign Relations Committee yesterday morning—Thursday:

By its very nature this is not and never will be a big-money enterprise.

It is cooperative, which means that a considerable part of the expense should be borne by the countries with which we work. It involves salaries and expenses of people—not

vast purchases of machinery and raw materials.

Its objective is to show other people how to meet their own needs, not to attempt to meet those needs ourselves. For this reason the cost of technical cooperation will always be modest, compared with the cost of other types of foreign-aid programs.

Third, even though the cost of the program will never greatly exceed the sum asked for in this authorization bill, it can have the deepest and most far-reaching effect on the peace of the underdeveloped areas of the world. As this House knows, we have had 10 years of experience in this kind of expert help to our neighbors in the Americas. This work has shown us in scores and hundreds of cases how one American doctor or one American with the skill and knowledge of a county agent can materially improve the lives of hundreds and thousands of people by giving them the advantage of his modern knowledge. The people of South and Central America whom we have been helping in this way have shown their recognition of the value of this kind of cooperative self-help program by raising its share of the total cost of each year's program which they have contributed from about a tenth of the amount which the United States contributed in the first year to nearly three times the amount which the United States is contributing this year.

Fourth, funds authorized for this program will be a direct investment in the future prosperity of America. Everyone on this floor knows that the export trade of the United States accounts for the margin of difference between full employment for the American farmer and the American labor and desperate unemployment—the difference for the American businessman between operating in the black and operating in the red. Our country has a great and a growing productive capacity. To maintain this healthy condition, we must have great and growing markets abroad. You who live in the States through which run the Mississippi River and its tributaries, the Ohio, the Arkansas, and all the rest, know the products of the farms and industries which go abroad. Coming from New Orleans, the great port at the mouth of that river system. I am perhaps more conscious than some of you of the immense increases in those exports to the great continent to the south of us which have been made possible by the economic development of its countries in the last decade. I know, too, the important part which the work of the Institute of Inter-American Affairs and our other technical assistance work has played in that development and in the creation of this enormously greater market for American goods. I am confident that the extension of this kind of expert help to other underdeveloped areas of the world will bring with it the same kind of economic development and growth in the markets for American goods. The welfare of the American economy demands that we undertake this program at once.

Finally, this program is truly vital to the security of the United States. Presi-

dent Truman, in a message to the chairman of the Foreign Affairs Committee has said:

Our armed forces can afford us a measure of defense, but real security for our Nation and all the rest of mankind can come only from building the kind of world where men can live together in peace.

The people of these underdeveloped areas, in southeastern Asia and southern Asia, in Indonesia, in the Near East, in Africa, are in the throes of a great awakening. They are demanding a better life than they have now. They know that all they need is expert assistance and advice. They will get this advice and assistance wherever they can. Now, if there is anyone on this floor who thinks that the Soviet Union and the Cominform are not straining for the opportunity to become the advisers of these people, I would like to see him stand up and oppose this bill. But for the rest of us who know that the great weapon of the United States, greater than the atom bomb, greater than the H-bomb, is to give performance where the Russians and Communists give only promises, I will expect to see you stand up in favor of this bill. There has been a great deal of talk on both sides of this floor about the need to take positive steps to oppose communism in Asia. Now is the chance to act.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

(Mr. POAGE and Mr. WAGNER asked and were given permission to yield the time allotted to them to Mr. PACE.)

Mr. PACE. Mr. Chairman, I desire to join with the gentleman from Kansas [Mr. HOPE] in asking that you give your support to the amendment offered by the gentleman from Pennsylvania [Mr. FULTON], and the gentleman from North Carolina [Mr. COOLEY], striking out the Vorys amendment; and that, at the same time you reconsider your vote in adopting the Burleson amendment. Both of these amendments sought to fix definitely and tie the hands of the ECA administration with regard to the purchase of farm commodities. I hope both will be stricken from the bill, because neither of them serves a useful purpose, but each of them will, in my judgment, place the farm groups in a very bad position and make them looked upon as rather grasping and greedy in connection with some other program.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a correction?

Mr. PACE. I yield.

Mr. COOLEY. The gentleman does not mean that he would like to see the Fulton-Cooley amendment defeated, but the Vorys amendment.

Mr. PACE. I want to say clearly that we should support the Fulton-Cooley amendment which struck out the Vorys amendment, and I should like to see the Burleson amendment defeated.

Since the Burleson amendment was adopted I have made some investigation. First of all, I contacted all of the great farm organizations. Mr. John Davis of the Farm Co-op has assured me that his organization is opposed to the Vorys and the Burleson amendments.

Mr. Goss, master of the National Grange, has assured me that his organization is opposed to the Vorys and the Burleson amendments.

The National Farmers Union through both Mr. Patton and Russel Smith, its legislative representative, have asked for the defeat of both the Vorys and the Burleson amendments.

Mr. Allen Kline, whose organization's board of directors are now in session in Chicago, has authorized me to state that his organization is opposed to the Vorys and the Burleson amendments. The unanimous views of these organizations should be significant.

Mr. Chairman, I have gone further; I have contacted a man in whom I have complete confidence, Mr. FitzGerald, in the office of ECA. I presume most of you understand that Mr. FitzGerald is the man in Mr. Hoffman's office who handles the purchase of all agricultural commodities. I have confidence in his assurances and his promises. I have worked with him for years. I have here in writing the assurance which Mr. FitzGerald authorizes me to give you. Here is the statement of Mr. FitzGerald:

Certainly, no one would approve any expenditure by ECA for any purpose unless needed. It is my judgment that Europe will need over a billion dollars' worth of American agricultural commodities in the fiscal year 1951.

I give you my assurance that if this need develops as now anticipated, at least \$1,000,000,000 or more of agricultural commodities will be purchased in the United States.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. BURLESON. Then, I presume the opinion of the farm group leaders to whom the gentleman has referred, and Mr. FitzGerald's opinion have changed the gentleman's opinion with reference to my amendment.

Mr. PACE. It certainly has. It has convinced me, if the gentleman from Texas will permit, and I say this with all kindness to the gentleman from Texas, that there is no need for his amendment and the only possible result will be to put the agricultural interests of this Nation in a badly misunderstood position and will fortify the unfair charges which have been made that we are attempting to use the ECA program as a dumping ground for agricultural commodities. I think the fear is real, and I trust, in light of these assurances and in view of the fact that there exists no need for the amendment, that it will be the will of the House to strike both the Vorys amendment and the Burleson amendment which have the same general purpose.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to thank the gentleman for his statesmanlike statement because if you tie the agricultural program to the tail of a world recovery program and do not let it stand on its own feet, when the world recovery program is over so is the agricultural program.

Mr. PACE. The gentleman is exactly right. I might add in conclusion that I have never had an opportunity to visit the countries of Europe. I wish I had. But I have done the best I could to confer with those who have made those visits and they tell me that one of the principal troubles with the ECA program today is that the people in Europe think we have so much, that we are simply using the program to dispose of our surpluses, that it is not costing us therefore very much, and their appreciation is not as high as it otherwise should be.

I hope you will let the ECA program stand on its own feet and not seek to make it a dumping ground for agricultural products.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RAYBURN].

(Messrs. THOMPSON, COMBS, MANSFIELD, COOLEY, ALBERT, and BUCHANAN asked and were given permission to yield the time allotted to them to Mr. RAYBURN.)

Mr. RAYBURN. Mr. Chairman, I was very much gratified to hear the statement of the distinguished gentleman from Kansas as to what he thought the effect of this Burleson amendment might be and following that the very able statement made by the gentleman from Georgia [Mr. PACE], because I have been deeply troubled ever since that amendment was adopted day before yesterday. I have been unable to conceive how the amendment would help agriculture in the long run or how it would help the European recovery program either in the immediate future or in the distant future. So after listening to these two men, who are deep students of agriculture, who are friends of the agricultural people, make these considered statements, I feel the amendment offered by my devoted and dear friend from Texas will be defeated.

Mr. Chairman, just a word about title III in this bill. Some of you have heard me say before, but I do not tire of repeating a tragic fact, and that is, in my opinion, the people living in the democracies of this world today are living in the most dangerous era in which they have ever lived.

I do not know what kind of a world we live in, and I do not think anybody else that lives in any other democracy on the face of the earth knows, either. Nobody, at least no Democrat, can penetrate the mind of a dictator. Nobody can pierce the stony heart of people who deny liberty and who destroy democracy wherever they have the power.

There are many backward peoples in this world. We were at one time. When our forefathers came into these wildernesses and opened these prairies, they were in danger. The story of their felling the trees, fighting back the enemy, and making this country fit for us to live in, is one of the most romantic in all recorded history.

Do we need friends in the world? Do we need friends in the world? Suppose the democracies of Europe had not been able to hold back the hordes of Hitler, where would we have been? Suppose the democracies of Europe do not stand up, and they are folded within the iron cur-

tain, where will the next war be fought? Unless we have some place for a footing upon the continent of Europe, it must be fought in the Western Hemisphere. We do not want that.

When we consider the amount of money we have expended in recent years, what is asked for in title III of this bill is a paltry sum. I think it is worth while for us to take a chance and try to see what we can do. It cannot hurt. It might bring some people out and give them economic strength so that in the years to come when we need friends—God knows, we need them in every quarter of the world, and in some quarters we have but few—they will have strength to go with their courage and can stand up with us to make this world a decent place in which to live.

So I do trust that, when the vote comes on striking out title III, those who are inclined to vote for it will hesitate, remembering that the people who are underprivileged today are easy prey to any kind of nostrum or any kind of doctrine that will tell them to change their condition. That is what Russia is doing in every quarter of the earth. Hungry people, cold people, ill-clothed and ill-housed people are targets for any kind of ism that might come along. Why should not a man, with his wife and his children hungry, vote for a change? It is our duty to ourselves first and then to them that we make our allies in this world, our friends in trade and in commerce, and help them get on their feet so they can stand awhile, so that should war come they can occupy the territory and wait for us to get there.

I think I know more about this situation than the average American citizen—not you, of course—because I have been in contact with more people who know this picture the world around than the average American citizen. I say to you that we cannot as humanitarians, we cannot in our own selfish interest, fail to do the things this bill proposes, that is, to fix ourselves better so that we may protect ourselves against all enemies, foreign and domestic.

The CHAIRMAN. All time has expired.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 23, after line 2, insert the following:

"(6) Is not likely to give aid or comfort to any country or people sponsoring or likely to sponsor an attack upon this Government or any attempt to undermine it."

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, again we have heard the charge made that the President's point 4 is communistic doctrine. Again we have heard the charge made that to enact that part of the President's point 4 program which is contained within title 3 of this bill is another communistic advance.

I am certain that it is no such thing and that the charge is just a smoke screen. If those who make the charge are serious about it my amendment will eliminate their fears. If their charges are made in good faith they will support this amendment. But even without this amendment no one need fear that there is any Communist doctrine in any part of this bill.

Permit me to read to you a short editorial from the New York Herald Tribune of March 28, 1950:

WORDS, BOMBS, AND ENTERPRISE

Enactment of the point 4 program is overdue. The powerful conception underlying it has been permitted to gather cobwebs in the recesses of Congressmen's minds. Their concentration on the negative aspects of our struggle with world communism has made them overlook the grand chance lying at their fingertips to offer to the underdeveloped countries of the world something more than the dubious encouragement of words or the necessary but defensive shelter of bombs. By promptly enacting the program of technical aid for the development of impoverished nations they can illustrate the promise of democracy in the tangible ways which alone can carry meaning and hope to people who have never known it.

It is almost incomprehensible that the point 4 program has fallen to such a low level of congressional priority and public interest. Almost, but not quite. The program would cost \$45,000,000, and the justifiable concern of Congress with Federal economy has led some Congressmen to forget the true principle of economy—getting the most for every dollar spent on indispensable functions. A constructive foreign economic policy is as indispensable as any function which this Nation must perform.

The keynote of the point 4 program is its constructive character. Under it, the United States would share its management skills, its technical genius, its organizing experience in public health, agricultural improvement and industrial development with lands which must either leap over decades of slow economic evolution or leap into the despotism of protectionism of Russia.

If the point 4 program were a shrewdly refurbished WPA for the world, congressional opposition to it would be praiseworthy. The fact is that the program is admirably consistent with the worthiest traditions of American enterprise. The leading role would be played by private capital. Utmost reliance would be placed on private technicians and managers. Government's role would be enabling, not controlling. The legislation now before Congress is heavy with encouragement and protection for private investors. Doubtless there is room for disagreement over precise terms. The obligation of Congress is to modify that legislation, if necessary, to make the program conform still more closely to the capacity and ideals of American enterprise and American democracy. Congress cannot reject the program without rejecting its responsibility to fight against communism by working for democracy.

Since the accusation of guilt by association seems to be the order of the day, I, for one, am proud to plead guilty of associating with all of the supporters of this program on both sides of the aisle, and in both Houses of Congress, as well as with all of those fine, upstanding American citizens who are urging support thereof.

I listened with considerable amusement to the oration by the fine gentleman from Missouri [Mr. SHORT]. It is really too bad that instead of the theme

he used in opposition to this title, that he had not instead taken as his theme either "I am my brother's keeper" or "Do unto others as you would have them do unto you." If he had I am sure we would all have been very much impressed by his great oratorical ability.

I agree with him that he alone can do nothing about these great problems confronting the world. I am sure he will agree with me that I alone can do just as little. What we are doing by this bill, however, is urging that he and I and all of us unite, because in unison we can accomplish much for others.

So, too, if this Nation unites with other nations of good will we can do much to remedy the ills of the world. This bill is a step in that direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. JONAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONAS. Mr. Chairman, Mr. Boggs, a distinguished Member of the House from the State of Louisiana, took it upon himself to express his opinion the other day about those Members who did not concur in his views with legislation now being debated on the floor of the House, and which relates to the foreign-aid program and ECA. The distinguished gentleman made it obvious that, in his opinion, any Member who did not subscribe wholeheartedly to the ECA program, sponsored by the administration, stamped himself as an isolationist.

Let me point out to the gentleman from Louisiana that I am unalterably opposed to many phases of the legislation wrapped up and labeled as a bill for foreign aid and ECA relief. By doing that, I contend I am displaying a higher degree of patriotism and regard for my country than he or any one of the supporters of the legislation under consideration. If opposing legislation that contemplates squandering and giving away billions to Europe and broken and disorganized segments of China, is isolationism, then I plead guilty; but, by the same token, I may say that every Member who supports such legislation is an avowed internationalist.

I have no apologies to make for my position on this important legislation. I presume the word "isolationism" is to carry with it the implication that may be taken as a reflection on the patriotism of the individual who is so labeled.

I am not informed of the historical background of the distinguished Member from Louisiana; however, I do know that my forebears who came to this country about 100 years ago did not hesitate to make known their stand on loyalty and patriotism when the country of their adoption was in danger of being disrupted and destroyed by internal insurrections and rebellion. At that time my ancestors shouldered guns to protect the flag of the United States. They fought to keep it flying high, and not to have it pulled down and supplanted by a

symbol denoting rebellion and disunion. These forebears fought to keep the Union intact, and to strike from the limbs of the black man the shackles of slavery and involuntary servitude which relegated him to a degraded state, earmarked "chattels," in which status he could be bartered and sold by his owners at will on any convenient auction block.

For the foregoing reasons I can look upon the motives behind ECA legislation unbiasedly and dispassionately. I know in my own heart how I feel about my country, and I do not propose to harp upon collateral matters, including the convenient and overworked reference to communism, in order to give countenance to or bolster up any real or imaginary defense against attacks on my Americanism or patriotism.

The intent and purpose of ECA legislation as originally conceived and promulgated was most commendable. The legislation was directed toward specific activities dealing in equations of human misery and suffering. The United States did a splendid job in appropriating money to alleviate a situation superinduced by World War II. The backlash of that war brought to the people of Europe an era of suffering and devastation never before equaled in the history of civilization. Giving to the sick, the poor, the starving, the unsheltered and the unclothed, and the displaced and persecuted populace of Europe, was not only a commendable performance, but a humane and sympathetic deed that will go down in history as an example of man's humanity to man.

If the present legislation contemplated such laudable objective for the future welfare of the people of the world, as it did at its inception, I would support it wholeheartedly—but neither in substance nor in form does the present pending legislation warrant such interpretations. Today, foreign aid to Europe has disintegrated to the extent that presently it is being exploited for commercial gains and political spoils. Men in high positions and in the forefront of political favor with the present administration are wangling fat commissions out of ECA transactions which run into millions. The international bankers and certain brokers are having a field day at the expense of the taxpayers.

Big business is not against the present ECA, because financially it, too, has a foot in the door. No loyal American, in my opinion, is adverse to supporting a cause that will tend to stop the spread of communism in Europe and China, or curb and check communistic leaders in their drive for more territorial gains and dictatorial powers. Therefore, any sound argument or competent evidence bearing on the expansion or holding in check the present march of communism, should commend itself to all the people of our country.

But the difficulty lies in that those who profess to be most alarmed and concerned about communism do not practice what they preach. We are told that ECA will stop the spread of communism and its leaders from aggression against little countries. Let us examine the facts.

What little countries are free from communistic taint today? Virtually every country in Europe today has dominion exercised over it by rulers or groups committed to communistic or socialistic philosophies. Since the first ECA legislation was voted, Russia has extended her empire from Berlin to Shanghai and from the North Pole to India. China, in spite of the billions that we poured into that country, to help the Nationalists repel the communistic hordes, is completely under the rule and power of Soviet Russia.

Under the present ECA legislation we are still sufficiently gullible to agree to pour additional millions into a segment of the empire of China, known as Korea. It is urged that a continuation of the ECA plan is assurance of ultimate world peace, and thereby stop bloody and destructive wars. If there was any evidence to back up this argument, there would be merit to these assertions, but unfortunately the facts point clearly to a contrary situation. If distributing money under the ECA plan would provide so much as implied proof of ultimate peace throughout the world, I would gladly support any legislation designed to bring about this lofty purpose. But a review of events shows that much of this is double-talk.

We are presently living and moving in an atmosphere of war hysteria. The appropriations for defense and war material for 1950 is the biggest in peacetime history. We are spending billions developing weapons of destruction, including the atom bomb. The world is still in a state of unrest, uncertainty and upheaval; I do not urge that the United States should let down one minute its activities dealing with adequate military preparations. We cannot trust Stalin of Russia, or anybody else, for that matter, among the nations of Europe. They are all looking out for themselves.

England pretends to side with us in our fight to prevent Russian aggression and the spread of communism, and then turns about and signs a 30-year trade treaty with the Chinese Communists, who are a byproduct of Russian despotism.

Much-needed war materials and machinery and supplies of various classifications furnished to European countries are openly or surreptitiously finding their way into the Russian market—and all this takes place at the very hour when we are spending billions to curb communism and stop Stalin from further ravishing and enslaving those countries in Europe not yet under communistic rule.

After pouring billions into the European and Asiatic coffers with an eye, as the internationalists say, to improving conditions and assuring the countries of Europe not yet under Soviet control that they may safely strive for self-government and the preservation of personal freedom, we find that about one-half of the countries whom we financed are seething and teeming with internal rebellion and political disturbances. This is true in Belgium, France, Italy, and not excepting China and parts of the Holy Land. Not a single nation, when assured autonomy, patterned its government

after that of the United States. Their governments now are neither democracies nor republics. None of the countries or nations, big and small, are ruled by individuals or groups whose concept of freedom and democracy is reflected in the principles of self-government and freedom, but in the philosophy of socialism or communism, both of which prevent government from remaining in the hands of the people.

The ECA legislation contains a provision for financing a program to exploit undeveloped areas, regardless of where the same may be located. The money necessary for this purpose is to be taken from the American taxpayers, no matter how badly we need our taxpayers' money at home. Have not we sufficient problems here right at home, unsolved and hanging fire, to plague us without resorting to unbalanced and ephemeral schemes of throwing money away on something that is highly speculative, and in the final analysis will avail us nothing?

I challenge the tax squanderers and their allies, the international bankers and their satellite brokers, if it is not a fact that in many sectors of the United States extricating taxes from the people has just about reached the saturation point? Consequently, the revenue to be obtained from taxes in such areas is definitely fixed, and the authorities have no further means available for levying or collecting additional taxes.

In some instances this condition works a real hardship upon the people, especially in large metropolitan areas. Chicago, my home city, is the victim of Government-inflicted restrictions dealing with onerous and unjust taxes. People in Chicago are paying the greater part of the \$3,767,000,000-plus which Uncle Sam took out of Illinois in the form of income taxes in 1949, and pays the greater part of the State sales and gas taxes called for by local legislation. Regardless of all of this, Chicago is in a bad fix financially. It has taxed about everything that can be taxed under the guise of home rule, and yet it does not meet budget requirements.

The FBI, in a recent report, noted that Chicago, among all large cities in the United States, has had the sharpest uptrend in crime during the past year. I answer that charge by saying if this is true, it is due to the fact that we need at least 2,000 additional policemen because the city presently is woefully understaffed with police officers because there are no funds available to pay for additional men to be added to the force. This is why crime is on the increase in Chicago.

We need 45 or 50 new schools to take care of the educational demands of the thousands of children who are presently denied the opportunity, or are compelled to carry on in school houses that are antiquated, and with facilities that are entirely inadequate. All of this may be attributed to the fact that Chicago has not the funds to build new schools or to pay the teachers' salaries necessary to staff them.

Chicago was caricatured the other day in the public press and labeled as the "Holey city" because its streets and

boulevards are pock-marked and shot through with unsightly holes and depressions. Why? Because we do not have the money to repair our streets. It is also true that many highways throughout the State are in a dilapidated condition and sadly in need of repairs.

State institutions are woefully lacking in space and requirements necessary to take care of the underprivileged and unfortunates. We lack hospital space, both private and public, to take care of the sick and indigent.

All of the foregoing is not attributable to the lack of civic pride or interest in the city of Chicago by the people who inhabit it, but is definitely due to the lack of funds which cannot be procured by additional local taxation. If the proportionate share of the \$3,000,000,000 that ECA collects from Chicago, and which will be given away to Europeans and Asiatics and every other Hottentot with his hand out, were retained in the United States, it would prevent the taking of about \$50 from the pockets of every man, woman, and child in Chicago, and thus make available \$100,000,000 to finance the projects which Chicago so badly needs right now.

We are called upon to pay for the mistakes of world power politics and to finance the pet projects of internationalists, Communists, Socialists, and one-worlders, who, if called upon to expend their personal funds, would not finance a peanut band. England is in the forefront by helping to dictate our foreign policies, amply assisted by the local gentry, who are getting this country deeper and deeper in debt, without any relief in sight for the already overburdened taxpayer who must earn every dollar of the taxes demanded through the sweat of his brow.

England not so long ago shipped arms to the Arabs and supplied them with war materials to fire on the Israelites in Palestine. When the United States protested and gave England to understand that there would be no more ECA funds unless she refrained from doing what she was accused of doing and comply with the mandate of the United Nations, a stop was put to these underground tactics, and within a short time thereafter the Israelites defeated the Arabs and proceeded to organize and activate their country. Now they are saddled with thousands of refugee Arabs as war prisoners and cannot afford to care for or transport them out of the country. England is originally to blame for this condition but proceeds to shift the burden to us, and under the ECA legislation we agree to spend \$27,000,000 to take over and care for the Arab prisoners. I do not attribute any blame to the Israelites for taking the position that they are taking. That country is doing a fine job whipping itself into shape as a self-sustaining nation. It has established a line of credit and is working to build a nation that can provide and care for millions of people of the Jewish race. Fundamentally, the Arab problem is not their problem, or ours, but should be laid in the lap of England.

We are pressured by the administration to close 12 veterans hospitals as an economic measure, and at the same time

give away billions to foreigners and Asiatics. We cut appropriations for flood control 25 percent as an economy measure. This appropriation contemplates improvements that stop the ravages of disastrous floods and thereby assures the saving of lives and property of untold value. We deny the American people the opportunity to obtain decent homes and housing because of lack of funds. Consequently, scores of innocent men, women, and children have met with death in flash fires that consume their inadequate and makeshift homes due to the lack of better accommodations, and due to the fact that they were compelled to live in firetraps.

At the same time the international money gougers are plucking at their heartstrings because the Chinese in Korea have not a modern and up-to-date water system, and some people in Europe must put up with overcrowded living quarters. Hence, the appropriation of billions for their relief, including expenditures on peanut farms in Africa and financing of other private experiments. At the same time many people at home are unemployed; their demands go unanswered and their needs are neglected. The wage earner must spend every last dollar to live and exist and is taxed and taxed to the extent that 60 days out of every 300 in the year he works exclusively for the tax collector. The net result of this international set-up will ultimately spell our economic ruin.

On the important question of whether we should continue to spend billions in Europe, as is outlined in the pending legislation, there are two schools of thought. I have allied myself with those who believe that it is not too late to save the United States from moral and financial bankruptcy due to our promiscuous spending and squandering of our natural resources, as well as our current income. Those who are not in accord with this line of reasoning might give serious consideration to the statement made by Nicolai Lenin before he died. He said, "Some day we shall force the United States to spend itself into destruction." Nicolai Lenin is dead, but his prophecy goes marching on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 131, noes 171.

Mr. SMITH of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SMITH of Wisconsin and Mr. RICHARDS.

The Committee again divided; and the tellers reported that there were—ayes 141, noes 189.

So the amendment was rejected.

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: On page 16, line 11, after the word "interest", insert the following: "As well as for the religious, cultural, and moral standards and customs."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 51, noes 97.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 31, after line 10, insert the following: "Title IV, section 401. No money under any of the previous titles of this bill, or any of the acts amended by this bill, shall be granted, lent, or used directly or indirectly, and no assistance provided for, shall be made available to, for, or in any country which violates any provisions of the Charter of the United Nations, or directly or indirectly engages in acts of aggression as determined by proclamation of the President of the United States of America, or by the United Nations, so long as such acts continue, nor to, for, or in any country which directly or indirectly sells, gives, or ships any material to any country to which American nationals cannot obtain licenses for the sale, gift, or shipment of similar materials unless the consent of the President shall have first been obtained."

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. The gentleman from New York offers an amendment, which has just been read, and the gentleman from Mississippi makes the point of order that the amendment is not germane to the bill.

The language of the amendment relates to a title of the bill.

The point of order is overruled.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, the purpose of this amendment is to put in stronger language the purpose and intent of the Congress that none of the moneys authorized by this bill, or by any of the laws amended by it shall get behind the iron curtain. It makes clearer that no country getting aid under this bill shall use its own money to acquire products of any kind that may be sent behind the iron curtain. It is specifically aimed at keeping strategic materials away from Soviet Russia and her satellites. Many of the Members, during the course of the debate, have said that they were opposed to this bill because countries receiving Marshall-plan aid, while not using that aid directly to send strategic materials behind the iron curtain, accomplished the same result by using their own funds for that purpose, and the deficits in their own budgets thereby created are made up by Marshall-plan aid. This amendment would put a stop to that.

The amendment also accomplishes one further purpose. We have heard a great deal about British arms being sent into Egypt; arms that are not necessary for the internal security of Egypt; arms that can be only used, because of their type,

size, and caliber, for offensive warfare. Jet-propelled planes and the like are not needed for the internal security of any country.

On Thursday, March 23, 1950, Gen. Dwight D. Eisenhower said:

When even one major power, surreptitiously or flagrantly, builds and maintains a military machine beyond the recognized needs of reasonable security, a war of aggression is a constant threat to peaceful nations. At the very least, these armaments become the gangster's gun—a notice that might and might alone shall serve as judge and jury and sheriff in the settling of international dispute. That is the only realistic interpretation, since no government otherwise would squander its revenue or exhaust its economy on so sterile an enterprise. It is clear that international disarmament is essential to a stable, enduring peace.

Those words are particularly applicable to the situation in Egypt and the sooner we put a stop to the shipment of arms to Egypt the more likely we are to have peace in that part of the world. This amendment will put a stop to that kind of activity.

You will note that there is no attempt here to hamstring the administration of the program. There is no attempt to put the Administrator in the position of passing upon what our national security requires. That problem is one for the President and this amendment keeps the responsibility in the hands of the President and solely in his hands. Under the law as it exists, the only time such a matter is presented to the President for his determination is when there is a difference of opinion between the State Department and the Administrator. If they are in agreement as to what should be done, the matter never gets to the attention of the President.

Those of my colleagues who are urging opposition to this bill on the ground that it will aid our enemies or our potential enemies can eliminate that objection by supporting this amendment.

This amendment in substance is the same as that which I offered 2 years ago, and is substantially the same as my bill H. R. 1769, which I introduced on January 24, 1949.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

THIS EXPENDITURE OF \$3,500,000,000 IS TOO MUCH

Mr. REES. Mr. Chairman, earlier in the week I called attention to the fact that this authorization for the expenditure of \$3,500,000,000 is in addition to approximately \$10,000,000,000 already expended under the so-called Marshall plan. It is in addition to \$33,000,000,000 overseas expenditures since the close of hostilities. I am not on this occasion, criticizing those past expenditures, under the Marshall plan. Undoubtedly, a considerable amount of good has been accomplished in rehabilitating war-devastated countries by reason of that expenditure.

I would like to say further, that if it is shown there is need of funds to buy food or clothing, or medical supplies for people who are suffering, I would not have

objection to expenditure required to alleviate that situation.

Let me point out a few facts. The billions of dollars in this bill are not itemized except in general terms. Some Members have suggested that as much as one third of the fund may be used for agricultural products, including more than two hundred million for tobacco. The remainder goes for heavy machinery and various kinds of equipment for building plants, and for building reservoirs in those countries. It goes only to certain countries included in the program. The share of funds for food, clothing, and supplies, does not go direct to the people who use them, as many of our people think. The funds go to the governments of those countries who buy the products with the funds and then sell the products to the citizens at a market price. The foreign countries put the money in a so-called counterpart fund.

Right here, seems to be an interesting situation. The foreign countries under this legislation, have at the present time, \$2,500,000,000 of counterpart funds in their possession. So you have this amount of \$3,500,000,000 allocating today together with the two and a half already in their possession of ECA funds, being a total of \$6,000,000,000 for foreign assistance. Incidentally, members of this great committee have told us in the last few days crop production in countries being assisted under this legislation, was greater last year than any year prior to the war. They also say production is almost on par with other years. Let me say again. Very little of this assistance goes to help starving people of the world. Those people do not get much out of this program.

As I said at the outset, I would not have objection to the expenditure of funds that go direct to the relief of needy people, but we also have needy people in America. You might think of that, too.

Mr. Chairman, \$3,500,000,000 is a tremendous amount of money to be expended under policies laid down by the officials in the State Department. Of course, you have a different agency but it will be required to operate in conjunction with the Department of State. Strange no one seems to be willing to consider loaning, instead of giving part of the funds used for permanent improvements in those countries.

Of course, there would be no objection, as I have said before, to this expenditure, or more if doing so would prevent another world catastrophe. We have spent billions already trying to do that. More than \$1,000,000,000 was spent only recently to buy arms for other countries. More will be spent in the future.

It is claimed huge expenditures will help prevent spread of communism abroad. We might consider saving part of it to help prevent spread of it in America.

Mr. Chairman, this is too much of an expenditure, with too much guesswork as to how it will be spent. Do you realize our country is in greater debt than all other countries in the world combined.

The already, overburdened and over-taxed taxpayers of this country should

not, under the circumstances, be burdened with this further obligation of \$3,500,000,000. It is too much.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to extend my remarks following the last statement by the gentleman from Minnesota [Mr. JUDD].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7797) to provide foreign economic assistance, pursuant to House Resolution 518, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. KEE. Mr. Speaker, I demand a separate vote on the Burleson amendment, also on what is known as the Fogarty amendment.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. VORYS. Mr. Speaker, I demand a separate vote on the Fulton amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 5, line 15, insert a period after the letter "(b)" and delete the remainder of page 5, all of pages 6 and 7, and extending through line 3 on page 8, and insert in lieu thereof the following:

"(3) Renumbering subsections (e), (f), (g), (h), (i), (j), and (k), as (c), (d), (e), (f), (g), (h), and (i), respectively.

"(4) Adding a new subsection (j) to read as follows: 'Notwithstanding any other provision of law wherever wheat or wheat flour is procured under this title for transfer to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchase thereunder, the President, acting through the Commodity Credit Corporation, is authorized to make available, or cause to be made available, such wheat or wheat flour at the applicable price provided in that agreement.'

"(5) Renumbering subsection (l) as (k) and striking out the following therefrom: '(other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law).'

Page 8, line 4, redesignate subsection (e) as (d).

Page 8, line 12, strike out "\$1,950,000,000" and insert in lieu thereof "\$2,700,000,000."

Page 10, line 4, redesignate subsection (f) as (e).

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. Vorys) there were—ayes 254, noes 38.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: Page 8, line 13, insert after the word "sum" the following: "a. Not less than \$1,000,000,000 shall be available solely for the procurement of agricultural commodities and products thereof produced in the United States, its Territories and possessions: *Provided*, That no part of such funds shall be available for the procurement of any agricultural commodity or product thereof in the United States, its Territories and possessions, with respect to which the Secretary of Agriculture determines that the supply thereof is inadequate to meet the needs of American consumers; *And provided further*, That this subsection shall not prohibit the authorization of any such funds for the procurement of canned agricultural products acquired by the United States in connection with the program for the control and eradication of foot-and-mouth disease conducted pursuant to the provisions of Public Law 8, Eightieth Congress, and b."

The SPEAKER. The question is on the amendment.

Mr. BURLESON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 70, noes 198. So the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY:

On page 10, line 4, after the word "particulars", insert the following:

"(1) In subsection (b) after the figure (1) insert the following: 'withholding any assistance under this act, where it appears that any participating country is impairing, in whole or in part, its economic recovery by reason of the expenditure of any portion of its funds, commodities, or services in the maintenance or subsidization of any dependent country, which naturally is, or should be, an integral part of some other participating country, until such time as such participating country shall sever its control of, and refrain further from maintaining or subsidizing such dependent country; (2)' and by renumbering accordingly the subsequent paragraphs of subsection (b)."

On page 10, line 5, strike out the figure "(1)" and insert the figure "(2)."

The SPEAKER. The question is on the amendment.

Mr. O'HARA of Minnesota. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota) there were—ayes 60, noes 226.

Mr. ROONEY. Mr. Speaker, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SMITH of Wisconsin moves to recommit the bill H. R. 7797 to the Committee on Foreign Affairs with instructions to report the bill back forthwith with instructions to strike out title III.

The SPEAKER. The question is on the motion to recommit.

Mr. SMITH of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 150, nays 220, not voting 61, as follows:

[Roll No. 124]

YEAS—150

- Abernethy, Allen, Calif.; Allen, Ill.; Allen, La.; Andersen, H. Carl; Anderson, Calif.; Andresen, August H.; Arends; Barrett, Wyo.; Bates, Mass.; Beall; Bennett, Mich.; Bishop; Blackney; Boggs, Del.; Bramblett; Brehm; Brown, Ohio; Byrnes, Wis.; Case, S. Dak.; Chipperfield; Clevenger; Cole, Kans.; Cole, N. Y.; Colmer; Coudert; Cunningham; Curtis; Dague; Davis, Ga.; Davis, Wis.; D'Ewart; Dolliver; Dondero; Ellsworth; Elston; Engel, Mich.; Fenton; Fisher; Gamble; Gathings; Gavin; Gillette; Golden; Goodwin; Gossett; Graham; Gross; Gwinn; Hagen; Phillips, Tenn.; Pickett; Plumley; Potter; Rankin; Reed, Ill.; Rees; Regan; Rich; Rogers, Mass.; Sadlak; St. George; Sanborn; Saylor; Scott, Hardie; Scrivner; Scudder; Shafer; Short; Simpson, Ill.; Simpson, Pa.; Smith, Kans.; Smith, Va.; Smith, Wis.; Stefan; Stockman; Sutton; Taber; Tackett; Talle; Taylor; Teague; Tolfelson; Van Zandt; Velde; Vursell; Wadsworth; Weichel; Werdel; White, Calif.; White, Idaho; Whitten; Wigglesworth; Williams; Willis; Wilson, Ind.; Wilson, Tex.; Winstead; Withrow; Woodruff

NAYS—220

- Abbt; Addonizio; Albert; Andrews; Aspinall; Auchincloss; Baring; Barrett, Pa.; Bates, Ky.; Beckworth; Bentsen; Biemiller; Blatnik; Boggs, La.; Bolling; Bolton, Md.; Bolton, Ohio; Bonner; Bosone; Breen; Brooks; Brown, Ga.; Bryson; Buchanan; Buckley, N. Y.; Burke; Burleson; Burnside; Burton; Byrne, N. Y.; Camp; Canfield; Cannon; Carlyle; Carnahan; Case, N. J.; Chatham; Chelf; Christopher; Chudoff; Clemente; Combs; Cooley; Cooper; Corbett; Cotton; Cox; Crook; Crosser; Davenport; Davies, N. Y.; Davis, Tenn.; Deane; DeGraffenried; Delaney; Denton; Dingell; Dollinger; Donohue; Doyle

- Durham; Eberharter; Elliott; Engle, Calif.; Evins; Fallon; Feighan; Fernandez; Flood; Fogarty; Forand; Ford; Frazier; Fugate; Fulton; Furcolo; Garmatz; Gary; Gordon; Gore; Gorski; Granahan; Granger; Green; Gregory; Hardy; Harris; Hart; Harvey; Havenner; Hays, Ark.; Hays, Ohio; Heffernan; Heller; Herlong; Herter; Heselton; Hinshaw; Hobbs; Hollifield; Hope; Howell; Huber; Irving; Jackson, Calif.; Jackson, Wash.; Jacobs; Javits; Johnson; Jones, Ala.; Jones, Mo.; Jones, N. C.; Judd; Karst; Karsten; Kean; Kee; Kelly, N. Y.; Kennedy; Keogh; Kerr; Kilburn; King; Kirwan; Klein; Lane; Lanham; Lesinski; Lind; Linehan; Lodge; Lyle; Lynch; McCarthy; McCormack; McDonough; McGrath; McGuire; McKinnon; McSweeney; Mack, Ill.; Madden; Magee; Mahon; Mansfield; Marsalls; Marshall; Merrow; Miller, Calif.; Mills; Mitchell; Monroney; Morgan; Morrison; Morton; Moulder; Multer; Murdock; Noland; Norblad; Norrell; O'Brien, Ill.; O'Brien, Mich.; O'Hara, Ill.; O'Neill; O'Sullivan; O'Toole; Pace; Patman; Patten; Perkins; Peterson; Pfeiffer; Joseph L.; Poage; Polk; Poulson; Preston; Price; Priest; Quinn; Rabaut; Rains; Ramsay; Redden; Rhodes; Richards; Rodino; Rogers, Fla.; Rooney; Roosevelt; Sasser; Scott; Hugh D., Jr.; Secret; Shelley; Sikes; Sims; Spence; Steed; Sullivan; Tauriello; Thomas; Thompson; Thornberry; Trimble; Underwood; Vinson; Vorys; Wagner; Walsh; Whittington; Wickersham; Widnall; Wier; Wilson, Okla.; Wolverson; Woodhouse; Worley; Yates; Young; Zablocki

NOT VOTING—61

- Angeli; Bailey; Barden; Battle; Bennett, Fla.; Boykin; Buckley, Ill.; Bulwinkle; Burdick; Carroll; Cavalcante; Celler; Chesney; Crawford; Dawson; Doughton; Douglas; Eaton; Fellows; Gilmer; Grant; Hale; Hébert; Hedrick; Hoffman, Ill.; Hull; James; Kelley, Pa.; Kruse; Kunkel; Lichtenwalter; Lovre; McGregor; Macy; Miles; Murphy; Nelson; Nixon; Norton; O'Konski; Pfeiffer; William L.; Powell; Reed, N. Y.; Ribicoff; Riehlman; Rivers; Sabath; Sadowski; Sheppard; Smathers; Smith, Ohio; Staggers; Stanley; Stigler; Towe; Walter; Welch; Wheeler; Whitaker; Wolcott; Wood

- Mr. Angell for, with Mr. Buckley of Illinois against; Mr. Hull for, with Mr. Bennett of Florida against; Mr. James for, with Mr. Hébert against; Mr. McGregor for, with Mr. Hedrick against; Mr. Cavalcante for, with Mr. Whitaker against; Mr. Sadowski for, with Mr. Walter against; Mr. Powell for, with Mr. Dawson against; Mr. Stanley for, with Mr. Bailey against; Mr. Rivers for, with Mr. Ribicoff against.

Until further notice:

- Mr. Smathers with Mr. Nelson; Mr. Sheppard with Mr. Kunkel; Mr. Stigler with Mr. Nixon; Mr. Gilmer with Mr. Wolcott; Mr. Miles with Mr. Fellows.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Before the vote is taken, the Chair desires to announce that the resolution from the Committee on Rules taking up the so-called gas bill and concurring in the Senate amendment will be considered immediately following the roll call.

Mr. CROSSER. How much time is allotted for that, Mr. Speaker?

The SPEAKER. Under the rule, it is 1 hour.

The question was taken; and there were—yeas 287, nays 86, not voting 58, as follows:

[Roll No. 125]

YEAS—287

- Abbt; Addonizio; Albert; Allen, Calif.; Anderson, Calif.; Andrews; Arends; Aspinall; Auchincloss; Baring; Barrett, Pa.; Bates, Ky.; Bates, Mass.; Beall; Beckworth; Bentsen; Biemiller; Blackney; Blatnik; Boggs, Del.; Boggs, La.; Bolling; Bolton, Md.; Bolton, Ohio; Bonner; Bosone; Boykin; Breen; Brooks; Brown, Ga.; Bryson; Buchanan; Buckley, N. Y.; Burke; Burleson; Burnside; Burton; Byrne, N. Y.; Camp; Canfield; Cannon; Carlyle; Carnahan; Case, N. J.; Chatham; Chelf; Christopher; Chudoff; Clemente; Cole, Kans.; Cole, N. Y.; Colmer; Combs; Cooley; Cooper; Corbett; Cotton; Coudert; Cox; Crook; Crosser; Cunningham; Dague; Davenport; Davies, N. Y.; Davis, Ga.; Davis, Tenn.; Deane; DeGraffenried; Delaney; Denton; Dingell; Dollinger; Dolliver; Donohue; Doyle; Durham; Eberharter; Elliott; Elston; Engel, Mich.; Engle, Calif.; Evins; Fallon; Feighan; Fernandez; Fisher; Flood; Fogarty; Forand; Ford; Frazier; Fugate; Fulton; Furcolo; Gamble; Garmatz; Gary; Gathings; Goodwin; Gordon; Gore; Gorski; Gossett; Granahan; Granger; Green; Gregory; Hall; Edwin Arthur; Leonard W.; Halleck; Hardy; Hare; Harris; Harrison; Hart; Harvey; Havenner; Hays, Ark.; Hays, Ohio; Heffernan; Heller; Herlong; Herter; Heselton; Hinshaw; Hollifield; Holmes; Hope; Horan; Huber; Irving; Jackson, Calif.; Jackson, Wash.; Jacobs; Javits; Johnson; Jones, Ala.; Jones, Mo.; Jones, N. C.; Judd; Karst; Karsten; Kean; Kearney; Kearns; Keating; Kee; Kelly, N. Y.; Kennedy; Keogh; Kerr

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

- Mr. Smith of Ohio for, with Mr. Eaton against; Mr. Lichtenwalter for, with Mr. Carroll against; Mr. Crawford for, with Mr. Hale against; Mr. Reed of New York for, with Mrs. Douglas against; Mr. Hoffman of Illinois for, with Mr. William L. Pfeiffer against; Mr. Riehlman for, with Mr. Kelley of Pennsylvania against; Mr. Macy for, with Mr. Kruse against; Mr. Lovre for, with Mr. Murphy against; Mr. Towe for, with Mr. Welch against; Mr. O'Konski for, with Mr. Battle against; Mr. Burdick for, with Mr. Celler against; Mr. Wheeler for, with Mr. Staggers against; Mr. Wood for, with Mr. Chesney against.

Kilburn	Morton	Sadiak
Kilday	Moulder	St. George
King	Multer	Sasscer
Kirwan	Murdock	Saylor
Klein	Murray, Tenn.	Scott, Hardie
Lane	Nicholson	Scott,
Lanham	Noland	Hugh D., Jr.
Latham	Norblad	Scudder
LeCompte	Norrell	Shelley
LeFevre	O'Brien, Ill.	Sheppard
Lesinski	O'Brien, Mich.	Sims
Iind	O'Hara, Ill.	Smith, Va.
Linehan	O'Neill	Spence
Lodge	O'Sullivan	Steed
Lucas	O'Toole	Stigler
Lyle	Face	Sullivan
Lynch	Patman	Talle
McCarthy	Patten	Tauriello
McConnell	Patterson	Taylor
McCormack	Perkins	Teague
McDonough	Peterson	Thomas
McGrath	Pfeifer,	Thompson
McGuire	Joseph L.	Thorntberry
McKinnon	Philbin	Toilefson
McMillan, S. C.	Pickett	Trimble
McMillen, Ill.	Plumley	Underwood
McSweeney	Poage	Van Zandt
Mack, Ill.	Polk	Vinson
Mack, Wash.	Poulson	Vorys
Madden	Preston	Wadsworth
Magee	Price	Wagner
Mahon	Priest	Walsh
Mansfield	Quinn	Whittington
Marsalis	Rabaut	Wickersham
Marshall	Rains	Widnall
Martin, Mass.	Ramsay	Wier
Marrow	Redden	Wigglesworth
Michener	Regan	Wilson, Okla.
Miller, Calif.	Rhodes	Wilson, Tex.
Miller, Md.	Richards	Wolverton
Mills	Rodino	Woodhouse
Mitchell	Rogers, Fla.	Worley
Monroney	Rogers, Mass.	Yates
Morgan	Rooney	Young
Morrison	Roosevelt	Zablocki

NAYS—26

Abernethy	Hand	Sanborn
Allen, Ill.	Harden	Scrivner
Allen, La.	Hill	Secret
Andersen,	Hoeven	Shafer
H. Carl	Hoffman, Mich.	Short
Andersen,	Jenison	Sikes
August H.	Jenkins	Simpson, Ill.
Barrett, Wyo.	Jennings	Simpson, Pa.
Bennett, Mich.	Jensen	Smith, Kans.
Bishop	Jonas	Smith, Wis.
Bramblett	Keefe	Stefan
Brehm	Laucade	Stockman
Brown, Ohio	Lemke	Sutton
Byrnes, Wis.	McCulloch	Taber
Case, S. Dak.	Marcantonio	Tackett
Chipperfield	Martin, Iowa	Velde
Clevenger	Mason	Vursell
Curtis	Meyer	Weichel
Davis, Wis.	Miller, Nebr.	Werdel
D'Ewart	Morris	White, Calif.
Dondero	Murray, Wis.	White, Idaho
Ellsworth	O'Hara, Minn.	Whitten
Fenton	Passman	Williams
Gavin	Phillips, Calif.	Willis
Gillette	Phillips, Tenn.	Wilson, Ind.
Golden	Potter	Winstead
Graham	Rankin	Withrow
Gross	Reed, Ill.	Woodruff
Gwinn	Rees	
Hagen	Rich	

NOT VOTING—58

Angell	Hébert	Reed, N. Y.
Bailey	Hedrick	Ribicoff
Barden	Hoffman, Ill.	Riehlman
Battle	Hull	Rivers
Bennett, Fla.	James	Sabath
Buckley, Ill.	Kelley, Pa.	Sadowski
Bulwinkle	Kruse	Smathers
Burdick	Kunkel	Smith, Ohio
Carroll	Lichtenwalter	Staggers
Cavalcante	Lovre	Stanley
Celler	McGregor	Towe
Chesney	Macy	Walter
Crawford	Miles	Welch
Dawson	Murphy	Wheeler
Doughton	Nelson	Whitaker
Douglas	Nixon	Wolcott
Eaton	Norton	Wood -
Fellows	O'Konski	
Gilmer	Pfeiffer,	
Grant	William L.	
Hale	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:
 Mr. Angell for, with Mr. Wheeler against.
 Mr. Eaton for, with Mr. Smith of Ohio against.
 Mr. Hale for, with Mr. Crawford against.
 Mr. Carroll for, with Mr. Hull against.
 Mr. Battle for, with Mr. Hoffman of Illinois against.
 Mr. James for, with Mr. Macy against.
 Mr. Celler for, with Mr. Wood against.
 Mr. Lichtenwalter for, with Mr. Sadowski against.
 Mr. Riehlman for, with Mr. O'Konski against.
 Mr. Kelley of Pennsylvania for, with Mr. Reed of New York against.
 Mr. Stanley for, with Mr. Towe against.
 Mr. Gilmer for, with Mr. Burdick against.
 Mr. Dawson for, with Mr. McGregor against.
 Mr. Hébert for, with Mr. Lovre against.
 Mr. Walter for, with Mr. Powell against.
 Mr. Ribicoff for, with Mr. Cavalcante against.

Until further notice:

Mr. Welch with Mr. Funkel.
 Mr. Whitaker with Mr. Fellows.
 Mrs. Douglas with Mr. Wolcott.
 Mr. Bailey with Mr. Nelson.
 Mr. Chesney with Mr. Nixon.

Mr. SIKES changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ADJOURNMENT OF THE HOUSE FROM APRIL 6, 1950, TO APRIL 18, 1950

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Con. Res. 193) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives, (the Senate concurring), That when the House adjourns on Thursday, April 6, 1950, it stand adjourned until 12 o'clock meridian, Tuesday, April 18, 1950.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LIQUIDATION OF TRUSTS—STATE RURAL REHABILITATION CORPORATIONS

Mr. COOLEY submitted a conference report and statement on the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes.

AMENDING THE NATURAL GAS ACT APPROVED JUNE 21, 1938, AS AMENDED

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 531 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended, with Senate amendment thereto, be, and the same is hereby taken from the Speaker's table to the end that the Senate amendment be, and the same is hereby, agreed to.

Mr. LYLE. Mr. Speaker, certain members of the Rules Committee have instructed me to ask for the unanimous consent of the House for an additional 1 hour in which to discuss this measure. I now make that unanimous-consent request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. TACKETT. Mr. Speaker, I object.
 Mr. LYLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, while the procedure under this resolution is not unusual it becomes necessary in the face of the objections to the request by the gentleman from Arkansas [Mr. HARRIS] to take from the Speaker's table H. R. 1758 and to agree to the Senate amendments.

H. R. 1758 was passed by this House after several hours of debate last fall. After many hours of full and complete debate it passed the Senate. The amendments of the Senate do not in any degree change the basic principle of this bill. In fact, the only change of consequence is to improve the bill by providing for a continuing study of the problem of production, sale, and use of gas by the Federal Power Commission.

No purpose could be served—none at all—in sending the bill to conference.

Mr. Speaker, not 25 Members of this body would vote against this resolution or this bill if the Members of this body individually had the time to study the issue. It is simple, fair, and in the tradition of the American system of free enterprise.

Unfortunately, no measure that I can remember has ever been so falsely and maliciously and deliberately misrepresented.

In the very short time that I shall take, I can, I am sure, dispel much of the artificial fog that has been thrown up in an effort to cover up the real issue. Time does not permit, nor is it necessary. I am sure, for me to argue at length. I shall make categorical statements. I can and I do back them up. I know the issues involved. I know this legislation, its history and intent. I know the gas industry and all of its phases. I have no interest other than that of a legislator and approach this matter with entire objectivity.

The measure passed by the House and Senate does not change the intent of the original Natural Gas Act as it was passed in 1938 and subsequently amended.

This measure does not affect the legal authority of the Federal Power Commission as it has existed during the past 12 years.

This measure does not take away any power or authority that has ever been granted the Federal Power Commission by statute.

This measure will not result in any new philosophy in the relationship of

the Federal Government to the producer or users of natural gas.

This measure does not exempt any company or individual that is presently subject to the regulation of the Federal Power Commission by statute.

This measure does not grant new freedom to the producers and gatherers of natural gas.

This measure does not affect the price of natural gas sold by independent producers.

This measure does not have as its intent nor as its purpose the increase of cost of gas to the consumer.

This measure will not result—and I state this advisedly—will not result in an increase in cost of gas to the consumer.

Why then, Mr. Speaker, am I here asking this body to approve this legislation? I am here because a creature of this body, the Federal Power Commission, through some of its members, has threatened to change the law of the land without benefit of Congress and to extend its authority and operation and its control in direct contravention of the statutory law. This Congress has the sole authority under the Constitution to make the laws of this land. With you, I am jealous of that right and with you I fight to protect it against the insidious encroachment of any board, bureau, or official.

I am here because the courts of this land have recommended that the Congress state clearly the authority of the Federal Power Commission. I am here because the Federal Power Commission itself, in writing, requested similar legislation with the O. K. of the President of the United States. I am here because you and I know that we cannot long retain our system of government unless we protect the dignity and power and authority of the legislative body.

Mr. Speaker, this measure does one thing and one thing only—it says in clear and unmistakable language that the provisions of the Natural Gas Act of 1938 which specifically exempt the independent producers and gatherers of gas from the control and regulation of the Federal Power Commission meant what it said.

It was the intent of Congress then; it is the intent of Congress now. It was and has been the law and will remain the law until changed by Congress.

Mr. Speaker, this issue is as simple as I have stated it. I would not mislead this body. The most unfortunate thing, Mr. Speaker, about this entire measure is the good, sound-thinking people who have been misled by lies and misrepresentations that have been deliberately planted by paid propagandists, as vicious and unscrupulous and as untrustworthy as those writing for any Russian news agency. It is always sad and disillusioning to see good men fall for false bait and to see them in all sincerity take on the responsibility of repeating the misinformation and false conclusions that have been maliciously and cunningly planted in their minds.

Sir, no one can deny, who will take the trouble to read this legislation, that it but reiterates and affirms that which has been the law of the land for 12 years, and under that law, during the past 12 years, the cost of natural gas to the consumer has gone down 12 percent while

the cost of coal was going up 200 percent.

Who then, Mr. Speaker, could question the soundness of a law that has brought cheap fuel to millions of consumers?

I say to you with all of the sincerity that I have, with a lifetime of study of this problem, that the passage of this measure will permit the industry to continue to supply millions of more people at rates considerably below that which they are today.

It not only will not increase the cost to the consumer but it will reduce the cost to the consumer.

The House has passed upon this issue favorably, as has the Senate. Let us now send it to the President's desk for his signature.

Mr. Speaker, I sincerely want, and hope that I have, the respect of this body. I hope that the members believe me. But if they do not, then I sincerely request that they talk with and listen to the great Speaker of the House, who in all of his many years of glorious service has had but one thing to offer to the American people—that is, clean, honest service and a mind dedicated to the public interest. Or, if they do not care to listen to him, then the able minority leader who served with such distinction as Speaker of this House, or to the able majority leader or majority whip or the minority whip, or to the able gentleman from Arkansas [Mr. HARRIS].

This measure is fair; it is right, it is in the American tradition and it can but result in good for all of the people involved.

Mr. LYLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. YATES. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, under the terms of this rule we are asked to approve an amendment which has been added by the other body. Is it in order to request that that amendment, which has not been read to the House, be read at this time?

The SPEAKER. It may be done by unanimous consent.

Mr. YATES. Mr. Speaker, I ask unanimous consent that the amendment added by the other body be read to the House at this time.

The SPEAKER. That will come out of the time of the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. I yield for that purpose, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is amended (1) by inserting after the word 'but' the words 'except as provided in subsequent sections of this act,' and (2) by inserting before the period at the end there-

of the following: 'or to any arm's length sale of natural gas made by one producer or gatherer to another producer or gatherer or made at or prior to the point of delivery of such gas into interstate transmission facilities (of a natural-gas company) or to incidental transportation of natural gas necessary for delivery of such gas to such other producer or gatherer or into interstate transmission facilities (of a natural-gas company): *Provided*, That such arm's length sale and incidental transportation are by a producer or gatherer not otherwise engaged in and not controlled by or controlling a person otherwise engaged in the transportation or sale of natural gas for resale in interstate commerce.'

"Sec. 2. Section 1 of such act is amended by adding after subsection (b) thereof the following new subsection:

"(c) It shall be the duty of the Commission to assemble and keep current pertinent information relevant to determination of whether, by reason of lack of effective competition among producers or gatherers of natural gas, the flow of natural gas into interstate commerce is being or will be unduly retarded or interfered with or the price of natural gas sold in interstate commerce for resale is being or will be unduly affected. If, at any time, the Commission shall so determine, it shall report to the President and to the Congress its conclusions, together with the data upon which its conclusions are based, and its recommendations, if any, for remedial action.'

"Sec. 3. Subsection (6) of section 2 of such act is amended by inserting before the first word thereof the following: 'Subject to the limitations of section 1 (b).'

"Sec. 4. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(10) A sale shall be deemed to be at "arm's length" unless (1) it is by a person who is in such relation to the buyer by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be an absence of independent bargaining between them, or (2) the sale is, in fact, not arrived at by independent bargaining between the buyer and seller."

Mr. ALLEN of Illinois. Mr. Speaker, it is rather difficult to follow my good friend from Texas [Mr. LYLE], because when he makes a presentation it is so clear, so sound, so logical it leaves little for the rest of us to say. I concur in everything he said. This resolution provides to take the bill H. R. 1758 from the Speaker's table and concur in the Senate amendments. The other method, of course, would be to appoint conferees and have a conference between the House and the other body.

As you have listened here to the amendments of the other body, I know you will all agree there is little change in those amendments from the original bill which we passed here last year by a vote, I believe, 183 to 131.

I say these amendments are merely to clarify the bill which we passed last fall. Of course you know just recently the other body passed this bill by a fairly large vote.

This bill would ban the price-fixing of gas down at the source. If it is not enacted the situation would be comparable to the people of Texas saying to the shoe merchants and manufacturers of Massachusetts, for example, "We would like to fix the price of shoes. We think we are paying too much. We think some commission in Washington should

fix the price of the thing that you produce." For one, I believe in free private enterprise, free competition, not price fixing.

This only affects the independent producers. In other words, the Federal Power Commission will have control and they will still regulate your National Gas Association, or anyone affiliated with the National Gas Association.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. DONDERO. I come from the industrial area of Detroit, Mich. We use a great deal of gas, both in industry and for domestic consumption. Will this change made by the other body increase the cost of gas to our people and to our industries in Michigan?

Mr. ALLEN of Illinois. In answer to the gentleman from Michigan, may I say it is really an oddity, but the facts are clear, that during the past 10 years the price of gas has decreased. It is the only commodity I can think of where that has happened. While coal and oil have increased, as well as everything else that the gentleman probably buys, the fact is undisputed that during the past 10 years the price of gas has come down and these people, upon whose judgment I rely, contend that in the event of the passage of this bill it will be an incentive to sell more gas and that therefore the production being greater, it is only logical that the price of gas would come down.

Mr. DONDERO. Then the answer to my question is that it is your opinion gas in Michigan and other States far removed from the gas fields will not cost more to the consumer?

Mr. ALLEN of Illinois. My opinion is that that is the case, because I rely upon the judgment of certain people. That is my authority for saying that; and also the additional fact that it is clear they will sell more gas and naturally with a larger production the inclination will be for the prices to come down.

I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. I challenge that statement that this is not going to affect the price of gas. You can stake your lives on it, that if this goes through, and I hope it does not, it is going to raise the price of gas in Detroit and in every other consumer area because just as sure as God made green apples, when you permit Texas and Oklahoma utilities commissions to regulate the basic rates for the consumer in Michigan, New York, or elsewhere, they are going to raise it and not lower it.

Standard of New Jersey and of Indiana and Phillips and all the rest of them will see to that.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MICHENER. To boil it all down, then, is this not what it means? That under existing law if the Federal Power Commission has the authority to fix prices, then the Congress has something to say about it. If this bill is passed, if this resolution is agreed to, the rate which we pay for gas in Michigan and every other State in the Union

will be fixed by the State where the gas comes from. I challenge anyone to deny that.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. HARRIS. I should like to challenge the statement made by the gentleman from Michigan [Mr. MICHENER]. I wish the gentleman would listen to me. The States do not at this time have any authority, nor have they exerted any authority whatsoever, over the rates of gas by producers and gatherers. There has been only one attempt, and that was in the case of the Oklahoma situation, which is presently in the Supreme Court of the United States. Throughout the history of the industry, no State at any time has controlled the rates at the well-head and the gatherers.

Mr. MICHENER. I went along with the gentleman when this matter was before the Congress before.

Mr. HARRIS. And I appreciate it.

Mr. MICHENER. I gave the matter some consideration. I listened to what the gentleman said, and I believed it. My later investigation has convinced me that there is a difference between wholesale prices and, second, between retail prices of gas, and where the price is fixed in the State where produced and the place where sold. I am convinced—I may be wrong—I never attempt to speak with finality on any subject, but when I find I am wrong in my own mind I do not hesitate to change. I agreed with the gentleman when this bill was before us. I disagree with him today, and I shall vote against this resolution. I do not like to have the producers in oil States fix the price in the consuming States.

Mr. HARRIS. Mr. Speaker, will the gentleman yield for one further observation?

Mr. ALLEN of Illinois. I yield.

Mr. HARRIS. I should like to say that the States do control the distributing end, and the rates with reference to the distributors. The Federal Power Commission controls the wholesale rate for resale.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. YATES. With reference to the prices that the gentleman has been talking about, I have here some statistics that were brought out in the debate in the other body. In 1944 the weighted average price at the well-head in the Southwest was 4.3 cents per thousand cubic feet. In 1946 the weighted average cost had risen to 5.2 cents. In 1947 it was 6.4 cents. For 1948 the weighted average rate for new contracts was increased to 7.2 cents. In 1949 it was 8.4 cents, and the first 2 months of 1950 the average of the new contracts was 9.9 cents. In face of that, how do you say that prices have not gone up?

Mr. ALLEN of Illinois. I do not know where the gentleman got those figures, but I have taken the word of the whip on the majority side, the gentleman from Arkansas [Mr. HARRIS] and others.

Mr. HARRIS. The consumer has paid less than they paid in 1945.

Mr. ALLEN of Illinois. I cannot yield any further. I do not have the time.

In conclusion, Mr. Speaker, I would say this: We have had quite a fuel crisis this last year. The people in New England know the situation. We do not know when we will have another one. As far as I am concerned, I want to see any uncertainty and confusion taken away from the people who are distributing gas, especially when they are reducing prices. As they extend out more and more, the price is going down. So I particularly want to call attention to the fact that we are safeguarding the consumers and the people of this Nation in regard to another coal crisis, if we take away this confusion and uncertainty by passing this resolution.

In conclusion, Mr. Speaker, I think that the Members here who want their constituents to have an ample supply of gas should eliminate these uncertainties; that is the least Members representing such districts can do in order for their constituents to obtain the desired gas.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I am against this bill.

Mr. Speaker, it is my hope that the House will not agree to consider the Kerr bill which passed the Senate last Wednesday and is now before us. We should not take H. R. 1758 from the Speaker's desk and we should not accept the Senate amendment.

This bill is in violation of the Democratic platform because it is not in behalf of the welfare of the American people. It will prevent the Federal Power Commission from fixing the price on gas delivered to pipe lines for interstate transportation by so-called independent producers. These so-called independent producers include some of the largest oil companies in the United States. If this bill becomes a law it will mean that American consumers will shell out more than \$100,000,000 a year above what they are now paying and this money will go into the pocketbooks of a very few corporations—the chief beneficiaries of this bill.

The choice, in the Kerr bill, is between exorbitant profits for a few producers with drastically increased prices to northern and western consumers and, if defeated, reasonable profits for producers and comparatively low prices benefiting millions of American consumers.

Let us defeat this bill, while there is still time, so that the best interests of the American people may be served.

Mr. LYLE. Mr. Speaker, I yield 6 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, this legislation calls for the amendment of the Natural Gas Act which was passed in 1938. If enacted into law, it will create an unregulated monopoly on the production and price of natural gas to the consuming public throughout the country.

When our Government turns over our natural resources, without restrictions, to a monopoly, it will be a serious step toward jeopardizing free enterprise generally. The sponsors of this legislation admit that the distribution of electric power should be supervised by the Federal Power Commission. Electric power and natural gas are synonymous. This bill aims to make an exception of the natural-gas industry. Opponents of this bill, both in the House and in the other body, conservatively estimate that its enactment would cost the gas consumers of this country over \$100,000,000 a year.

Radio commentators and newspapers throughout our land have in the last few days conveyed the facts about this legislation to the American public. I have in my hand a news item from the Chicago Sun Times of yesterday, March 30, deploring the bill's passage in the other body on Wednesday of this week. In this article, Benjamin Adamowski, Chicago corporation counsel, estimated that if the Kerr bill becomes a law, Chicago gas rates probably would rise at least \$4,000,000 a year. A similar yardstick can be used in measuring the annual public blunder this legislation would inflict to every gas-consuming city, town, village, hamlet, and farm throughout America.

Sponsors of this bill say that regulation exemption would only apply to independent gas producers who are not now regulated under the Gas Act and that this bill would merely continue a hands-off policy. Now who are those so-called independent gas producers who are so anxious to be released from Federal price regulation? Eighty percent of the Nation's gas reserves are controlled by the so-called independent producers. Independent gas companies are simply companies which do not operate their own pipe lines. That list includes Phillips Petroleum, Humble—which is the Standard Oil of New Jersey; Magnolia—Socony-Vacuum; Stanolind—Standard Oil of Indiana; Gulf, Tide Water, Sun Oil, Conoco, Sinclair, Texaco, Shell, and Cities Service. Ten companies in 1947 sold half of the gas piped out of Texas, Louisiana, Kansas, Arkansas, and Oklahoma. The price of gas per thousand cubic feet has already more than doubled in 3 years. It has increased from less than 5 cents in 1947 to as high as 11 cents in 1950. The sole and only reason for the Kerr bill is that producers would like to profit from the growing demand for gas without fear of regulation from the Federal Government.

A gas company controlling a pipe line to a city or to a certain area throughout the country has a complete transportation monopoly of gas to that certain locality. Once a pipe line is laid, a city or a community cannot go elsewhere for gas and must pay the price regardless of the unreasonable heights a gas monopoly may demand of the consumer if our Federal Government loses its regulation thereof.

The construction and operation of gas pipe lines are controlled by the Federal Government; the gas company of a city is regulated by a public utilities commission; why is it that the gas monopolies

now want to be rendered free without restriction on the price of gas at its point of origin?

This rule should be defeated, not simply because it would raise the price of gas, but because it would exempt from regulatory control what is, in fact, a natural monopoly of the distribution of a public natural resource in which every citizen of our country has an ownership. I believe the Members of this Congress now should come to the rescue of over 40,000,000 gas consumers instead of giving to the gas monopoly authority to raise prices at will.

In November 1948 Mr. E. De Golyer, who is frequently a spokesman for gas industry, said:

Gas, which only a few years ago could not be sold at the wells for 1 cent a thousand cubic feet, is now bringing prices as high as 8 to 15 cents a thousand cubic feet. What other industry has enjoyed such a price increase for its product with an ever-increasing demand which should at least insure maintenance of existing price levels for years to come?

Why is it that natural-gas companies stock has increased in great strides and today are blue chips on the stock market? It is contended that under the 1938 act, so-called independent companies were exempt from Federal regulation. If their contention is true, why has so much time been taken up by Congress with the so-called Kerr bill? I believe that if the attorneys for the oil and gas companies really felt that the Federal Government did not possess this power of regulation, they and the oil lobbies would not spend so much time and money toward the enactment of this bill. This bill is before us now because the proponents of the bill and the lawyers for the great oil and gas companies know that as the Natural Gas Act now stands, the Federal Power Commission does have the power of regulation. And these attorneys also know that the Supreme Court, by its unanimous decision in the Interstate Gas case, very definitely held that in order to avoid exorbitant charges by a producer in interstate commerce, was the reason the Natural Gas Act was passed.

This bill is a kindred bill and has the same monopolistic potentialities as the Moore-Rizley bill which was before the Eightieth Congress, and every Member on the floor knows that the consumers in America rose up in such opposition to the Moore-Rizley bill that even the Eightieth Congress refused it as being "too hot to handle." Is the Eighty-first Congress going to go on record as inaugurating an unrestricted gas monopoly which the Eightieth Congress refused and tossed out the window?

The sponsors of this bill are shedding crocodile tears over small independent producers who they say should be unregulated. I have already narrated the names of a few independent gas producers which included subsidiaries of Standard Oil of Indiana and Standard Oil of New Jersey and others of similar magnitude.

Mr. Speaker, the small independent producer is merely incidental in gas production capacity and is serving as a smoke screen to hide the big gas and oil

producers. If this bill is enacted into law the merriment of the small producer out in the fields will be but ripple compared with the white-capped waves of jubilation in the board of directors offices of the big oil and gas companies on LaSalle and Wall Streets.

How and why a special-interest bill laden with so much political dynamite has succeeded in passing both Houses and is now at the conference committee threshold is more than I can understand.

The American people have become aroused and are demanding the defeat of this rule.

Mr. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Missouri.

Mr. SULLIVAN. Mr. Speaker, I, too, oppose this bill. The gentleman from Indiana has made a very fine speech.

This bill to amend the Natural Gas Act brings to my mind the flying saucer: A silvery, disk-shaped object flying at high speed, powered by invisible forces, and leaving a faint trail of vapor.

This "flying saucer" bill has sped through the House and Senate powered by invisible forces and leaving a trail of gas that smells heavily of oil.

It presents to the big oil companies on a silver platter the opportunity to charge whatever the traffic will bear for the natural gas now flowing through the pipe lines in ever-increasing quantities to the consumers in the large cities.

Whole communities have been changed over from the use of artificial gas to complete use of natural gas.

If this amendment becomes the law, there will be no regulation at the entrance to the pipe line of the price of gas for resale in interstate commerce. The consumer thousands of miles away from the producing field will be at the mercy of the producer.

Should the producing States undertake to regulate the price, then the people of consuming States would be at the mercy of regulatory bodies of producing States. And the experience with the price-fixing commissions of Oklahoma and Kansas has been that they fix the prices on an upward scale. Only Federal regulation of the price of gas in interstate commerce can bring the producing States and consuming States into proper balance on a public utility.

The proponents of this bill frankly admit the producers of natural gas are prospering. They admit just as frankly that the real object of preventing Federal regulation is to permit the producer to charge as much as possible. Yet they also say that they are doing the housewife a favor by this bill. The favor is hard to understand when it will result in a cost of millions of dollars annually to the consumer and all of the poor.

This "flying saucer" bill sped through the House last year. It was reported from the Committee on Interstate and Foreign Commerce on July 19, 1949; House Report filed July 28, 1949, and rule was granted same day. On August 5 this bill was brought up under limited debate and passed the House August 5, 1949, by a vote of 183 to 131, a Friday afternoon. This highly controversial

bill was brought up on a Friday, which is not the usual practice. It may easily be seen from the close vote that there was no widespread demand for its passage.

The passage of this flying saucer bill scarcely made a ripple in the news. But those of us who opposed it set about the task of arousing the public to the threat to their living costs contained in this legislation. The press and radio and magazines took it up and the consuming public now know what it means. The vote in the Senate confirms this statement, 44-38, passed by a mere six votes on March 29, 1950.

This flying saucer legislation sped back to the House. Unanimous consent to agree to amendments was objected to. Rules Committee met almost immediately, granted a rule for limited debate and once again on a Friday afternoon we are considering the proposal which will permit imposing an even heavier burden on the helpless and unprotected consumer.

The impact of this legislation will not be felt immediately. But when the escalator clauses in the bill get to working and advantage is taken of the unilateral agreements, then will the weight of the increased burden come upon the consumer.

I long labored under the delusion that this legislative body of our democratic Government must, of necessity, by its very nature move ponderously and slowly.

But the speed of this flying saucer legislation through the Congress has removed that delusion. Jato tied to it. Jato, that is used to help a heavily loaded plane get off the ground, when it needs superpower.

Now, I hope we can pass some legislation beneficial to the consumer with the same high speed.

Let us show the same rush in passing legislation relieving the taxpayers from their burdens. Let us have some action on those bills. It is later than we think.

From the very first minute I realized that the amendments to the Natural Gas Act would mean increased and unnecessary cost to the consumer. I opposed it. I still oppose it and will continue my opposition.

Mr. MADDEN. Mr. Speaker, I thank the gentleman for his observation.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Indiana has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 8 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I trust that we can have a little light on this measure as well as heat.

First, may I say that a bill similar to this, except the opponents of this bill say it went much further, was passed in the Eightieth Congress. It did not come to passage in the other body.

This bill is almost identical with a bill introduced by the gentleman from Tennessee [Mr. PRIEST] in 1947 which was approved by the unanimous vote of the Federal Power Commission. It was approved by the Department of Defense. It was said by the Commission to be in line with the President's program.

In this Congress, the Eighty-first Congress, that bill was introduced by the gentleman from Arkansas [Mr. HARRIS]. It was reported by the great Committee on Interstate and Foreign Commerce on which it was my privilege to serve some years ago. The bill was passed by the House of Representatives and went to the other body where an amendment has been put on, that again may I say quite respectfully from the standpoint of the opponents of the measure should make the bill better rather than worse.

What is the situation that is now before us? Simply this: Shall we adopt the amendment that was agreed to in the other body and be done with this matter or shall it go on to conference? I say that under the circumstances certainly there is no reason that I can see why anyone who supported the bill before should not support it now.

Now, what are the circumstances back of this legislation? In 1938 legislation for the regulation of the transportation of gas in interstate pipe lines was introduced and brought to passage. I was on the committee at the time. I am making these brief remarks here because of the participation I had in that debate at that time. Here is what I said in connection with that legislation:

In the past few years the interstate transportation of gas in large pipe lines at high pressure had been growing by leaps and bounds. Gas is brought from the producing areas in these pipe lines and sold at the city gates to the public utilities which distribute the gas to the consumers. It is obvious the distribution of the gas by the local distributing company is subject to State regulation and the interests of the consumers are protected by State regulation. However, the transportation of gas in interstate commerce in the pipe lines and its sale to the distributing companies for resale is not subject to State regulation, and as a result we have had a situation under which the price charged the distributing company at the city gate has been fixed wholly by the judgment, discretion, or action of the interstate company. It is charged that in many cases that price is excessive. This bill seeks to regulate those prices.

That is the reason I supported the legislation. Now, then, specifically the question is, Shall the Federal Power Commission extend its control to the production and gathering of gas? May I say at that point that if such control could be so extended, might it not as logically be said that the production and gathering of oil shall be controlled by the Commission as a public utility? Might it as well not be said that the production of coal in the mines shall be controlled by the Federal Power Commission as a matter of controlling a public utility?

The bill that we passed in 1938 specifically exempted by its terms the production and gathering of gas, written in after careful consideration.

A specific question was put to the great chairman of our committee, Mr. Lea, of California, who voluntarily retired from this body a year or so ago. He was asked specifically if it was designed to apply to the production and gathering of gas, and he said this: "The bill does not apply to the production and gathering of gas."

The Commission, may it be understood, has in the 12 years that this law has been on the books never asserted the right to control the production and the distribution of gas. No one ever thought they had any such power under the legislation. I do not think they have now, but as sometimes happens, there was a case in the Supreme Court a few years back, and there were certain words used in the opinion that were outside of the necessities of the decision that seemed to indicate the possibility that the Commission might have the power to invade this entirely local field, or such field as has heretofore been said by the Congress to be local, and assert the right to control the production and gathering of the gas. That is the situation that gave rise to the introduction of legislation similar to this in the Eightieth Congress. It is the situation that has given rise to the introduction of this legislation in this Congress, yes, to the adoption of the legislation by the House and the adoption of the legislation with one amendment that I have already referred to by the Members of the other body.

Now then, I have beyond all of that, may I say, Mr. Speaker, a deep conviction, as I am sure all of you who have served with me know, that if, for instance, the right to regulate the production and gathering of gas at the source is to be invested in the Federal Power Commission, the Congress of the United States ought to make that decision. That power should be granted by the Congress of the United States. It is quite obvious it could not be obtained from any other source rightfully, and to attempt to apply the statute in a way that I say strains the statute is, in my opinion, not the way that the affairs of government should be administered.

The gas is produced and gathered at the source, even as oil is produced or coal is produced. Then a pipe-line company buys it at arm's length from competing producers and puts it into the pipe lines. If it goes across State lines it is then in interstate commerce.

Until we passed the act of 1938 there was no power anywhere to regulate the price to be charged for that gas moving in interstate commerce, so to fill that gap, and that gap only, the Congress enacted this legislation.

Carried with that is the right in the Federal Power Commission to control the price of gas at the city gate, to see to it that the city is not charged too much for the gas. Then the matter of fixing the rate to the consumer as he pays it to the distributing company becomes a matter of local regulation. That is all there is to this whole business.

I say again, the Federal Power Commission never asserted this right. As a matter of fact, it specifically disclaimed it in 1947. The Court has not specifically held that it has the right. So I say again, it is simply a matter of clarification and a definite delineation of what was obviously the purpose and intent of the Congress of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I take this time to ask some Member, perhaps the

gentleman from Texas, why in the State of Iowa gas to industrial consumers costs 57 cents per 2,500 cubic feet while residential consumers pay more than \$4 per 2,500 cubic feet.

Mr. LYLE. That is because the Iowa State commission is permitting it and not the Federal Power Commission. The Federal Power Commission has not a thing in the world to do with what they charge those consumers in Iowa. The producer in Texas is not getting more than a cent and a half to 5 cents a thousand cubic feet for the gas for which the people of Iowa are paying the rates the gentleman has stated. The Iowa State commission is responsible.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. YATES. As a matter of fact, you have two schedules of rates. You have one for your industrial consumers and one for your domestic consumers, the home users. You have regulation by two agencies. You have regulation not only by the Iowa State Public Utilities Commission but also by the Federal Power Commission. What this seeks to do is take away whatever power the Federal Power Commission now has to curb the rise in rates in the flow of natural gas in the producing States. In addition, if this power is taken away, the price will go even higher than it is now.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman is in error. He is wrong, I know honestly and sincerely, but he is just as wrong as he can be.

Mr. GROSS. In what respect?

Mr. HARRIS. The Federal Power Commission does not in any way regulate or control the rates to industrial users. Therefore, you have cheaper gas. The Federal Power Commission does not and never has controlled or regulated the rates on gas at the well or the gathering point, but it controls it for resale for wholesale purposes.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remaining time to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Speaker, in the 3 minutes allotted to me I could not hope to present this body with what I believe to be the hidden dangers and pitfalls in this legislation. I said it was poor and questionable legislation when it was here last summer. I say it is bad and dangerous legislation this afternoon.

Under the circumstances when it is brought onto the floor with a "jato take-off" to be voted upon with no real study, I defy any of the Members to say that he has seen these Senate amendments or to say that he knows what is in them.

In two particular instances there has been language eliminated by the other body which can carry tremendous implications. There is a new study body set up here for some reason—no one knows why. No one has discussed these amendments and I doubt if anyone will, or can. I suggest when you are asked to consider this thing at 20 minutes past 6 and

have it rammed down our throats, we had better stop, look, and listen, and consider what is going to happen.

Why all this pressure for instant action? Must we yield our right to the usual conference and then a report with a full statement of reasons for agreeing or disagreeing to amendments? We have just finished a long session on a difficult bill. Yet we are faced now with a vote within a few minutes which will surely have far-reaching effects. To say the least, these are strange tactics if the proponents of this bill are as confident as they appear to be that the amendments are meritorious and that the bill in its final form can pass on its merits.

The vote on August 5, 1949, was 183 to 131. If the vote this evening lessens the margin, the President will have one of the most difficult decisions he has ever had before him. I understand he has signed the peanut-cotton bill this afternoon. That will be bad enough when the consumers get the bill for that. But it will truly be peanuts compared to the blackjacking they will get if he approves this bill.

I want to call your attention to a witness I think will not be disputed by any proponent of this bill, the Wall Street Journal. The Wall Street Journal recently declared that the Panhandle East Pipe Line Co.—that is going into New England, into New York, New Jersey, and all the Northeast and into the Midwest—"is going to ask for an increase of between 5 and 6 cents per thousand cubic feet. Based on the company's 1948 sales for resale deliveries, this will mean approximately \$8,000,000 a year."

None of us think that they are going to absorb that. They are not in the business of philanthropy. You know, and I know that the 40,000,000 consumers of this natural gas in our communities are going to be made to pay the bill. To vote for this rule this afternoon is a vote to increase the gas bill of each and every consumer in the country. That is the only interpretation they are going to put on such a vote and they will be eternally right.

The cost of field gas has gone up and not down. From 1944, when it was 4.3 cents per thousand cubic feet, in the first 2 months of 1950 the average of new contracts was 9.9 cents. Do you think that 100-percent increase is going to be absorbed by these 35 giants in this field? Do not be under any illusions. The people who want this are the people who are making generous profits now and are going to further profit enormously by it. They are going to raid the pocket-books of the American consumers. Do not make any mistake about it. A vote for the rule will clear the way for that outrageous raid. You can only join in that with your eyes wide open fully conscious of the consequences.

Mr. KEEFE. Mr. Speaker, I associate myself with the remarks just made by the distinguished gentleman from Massachusetts. He is 100 percent right, and we ought to defeat this resolution.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.]

Two hundred and forty-nine Members are present, a quorum.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. CROSSER].

STOP THE GRAB OF NATURAL RESOURCES BY OIL AND GAS INTERESTS

Kerr Gas Bill

Mr. CROSSER. Mr. Speaker, if it were not for the gravity of this situation, I would yield back the 5 minutes that have been allotted to me for this discussion. To have so little time allotted for the discussion of a question of such tremendous importance and of such tragic concern to the American people constitutes a travesty on justice.

Involved in this measure before the House today is as serious a question as has confronted the American people for generations. It is proposed that we permit the bounty of the Creator, which He has placed here for the benefit of His children, for the use of all the people, to be grabbed by a special-privilege few; a very, very small number, to be utilized for their special advantage. My friends, such high-handed tactics must not, and cannot, be ignored by us. I feel that I must protest as vigorously as possible.

People have warned us that powerful interests and influential persons who are involved will make wholly futile any protest or opposition by me.

Friends have commented on the denial of the Interstate Commerce Committee's usual privilege of considering the Kerr bill before it was rushed to a vote in the House with practically no opportunity for explanation. As to the lack of observance of official amenities and official niceties, let me say real men do not allow themselves to be disturbed. The cause, however, is highly important to all of the American people, calls for courage, and justifies great sacrifice. I say therefore that clad in the armor of a righteous cause, the humblest citizen in the land is greater than all of the hosts of error. And now, my friends, while we have only 3 or 4 minutes to say a few words, let us speak those words earnestly and most emphatically.

Members of the House of Representatives, the wrath of the American people will rise to plague those who have served so earnestly in assisting the minions of privilege, who have been skulking for many moons in the shadows of the Capitol, frantically striving to secure for their employers the prize which they so greatly covet.

The American people, sooner or later, will discover the true nature of this situation. I shall not indulge in meaningless squabble about the so-called independents' willingness to be regulated by so-called State authority. It is strange how they really love and crave the iron hand of State regulation. Inexorable logic and principle give the clear and unanswerable solution to the problem presented by the maze of logical inconsistencies advanced to support the claim of the great oil and gas companies to operate without interference by real regulatory authority.

From the American Government, representing the American people, were derived the titles to all the privately owned lands and their natural resources

within the territorial limits of the United States. Since the United States is the source of all ownership of land and its resources within its territorial limits, it is then by every principle of logic and justice the proper authority to regulate the use and terms for the use of land and its resources when necessary.

Now, to discuss this obnoxious measure more in detail. The proposed amendments to the Natural Gas Act, now before us in the form of the Kerr bill, are fraught with the gravest consequences to the people of our Nation. With the most earnest conviction, I say to you that these allegedly innocuous amendments, if they become law, will perpetrate a most outrageous injustice on the American people.

An important, in fact the most important principle of political economy is involved in this bill. The question is whether or not we shall permit a small handful of persons, a very small group indeed, to grab, to seize the resources of the earth, for its selfish interests, its special benefit, and in utter disregard of the welfare and rights of the great mass of citizens, of substantially all the people of this country. Shall we permit these individuals to appropriate for their own benefit a great natural resource, not an atom of which was created by their physical labor or their intellectual efforts? No! Let our answer be an emphatic "No!" Let us not surrender to this pressure group our birthright. No man of real stature will ever willingly yield a cause so sacred, so all-important, so meaningful to the welfare of the Nation as the cause which would be involved in such a surrender.

This bill would exempt from Federal regulation all sales of natural gas, by so-called independent producers and collectors to interstate pipe-line companies for the purpose of resale. The advocates of the bill tell us in a very innocent way that it is merely a clarifying amendment for the benefit of the Federal Power Commission. Its purpose, they say, is to set the Commission straight in its thinking as to the intent of the Congress 12 years ago when it passed the Natural Gas Act.

My friends, Congress passed the Natural Gas Act in 1938 because it recognized the urgent necessity for Federal regulation of natural gas in interstate commerce for the protection of consumers from rapacious and merciless exploitation. Section 1 (a) of the act reads:

It is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

The proposed legislation would nullify the Federal Power Commission's authority with respect to field sales of natural gas in interstate commerce by so-called independent producers. The Commission would be deprived of authority over the charges for gas at the point where it enters into an interstate pipe line. This would make futile any effort of the Commission to regulate the price of gas to the ultimate consumers.

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If the field prices collected by the large independent producers are freed from Federal regulation, there is no doubt that the price of natural gas to the ultimate consumer will rise. Such rise has already occurred to a great extent. Had it not been for the regulatory powers of the Federal Power Commission, the prices paid by the public would be far higher than they are today.

Because of the execution in recent years of new contracts, there has been a substantial increase in the average prices paid for gas at the well. Current prices at the well mouth, under new contracts, are double the average price of 1947, and they are still going up. It has been estimated by competent authority that a 5-cent increase per thousand cubic feet in the average 1947 price of gas purchased from independent producers would, on the basis of the expected 1952 volume of consumption, increase the gas bills of the people of the United States by \$132,000,000 in that year, and even more in subsequent years.

Proponents of this bill have tried to argue that consumers are already protected from increases in the field price of gas by existing contracts between the independent producers and the interstate transmission lines. What they fail to mention, however, is the fact that nearly all contracts contain a number of clauses which make it possible to increase the price of gas during the life of the contract, which is usually from 20 to 25 years. Most contracts contain so-called escalator clauses which specify that gas prices in the field must rise at fixed intervals. A large proportion of contracts also contain so-called most-favored-nation clauses, which provide that if the contracting pipe-line company pays to any other supplier of gas in the field a higher price, then the price specified in such contracts will automatically rise to said higher level. Furthermore, should a pipe-line company wish to increase its supply of gas, it usually has to negotiate a new contract at a higher price. These clauses in gas-purchase contracts are of recent origin. They point to higher field prices in the future which inevitably can only mean higher costs for natural gas all along the line to the ultimate consumer.

Nor can we rely, my friends, upon competitive forces as a regulator of the field prices of natural gas. The bulk of gas purchased by interstate pipe lines is controlled by a relatively few so-called independent producers, which are mostly the big oil companies. In 1947, 62.5 percent (116,235,819 acres) of all the oil and gas acreage in the United States was held in lease and fee by 33 large oil companies, and 53 percent of the United States total was owned or controlled by 14 of the aforesaid 33 companies. An analysis of recent gas purchase contracts shows that the first 10 out of a total of 133 producers contracted to furnish more than half of the annual total of almost 2,000,000,000,000 cubic feet of gas covered by these agreements.

The dependence of interstate gas pipe lines upon gas purchased from independent producers is growing constantly. In 1947, these so-called inde-

pendents furnished 53 percent of the total requirements of the interstate pipe lines. By 1952 these independents will be called upon to furnish up to 70 percent of the total of such requirements. Thus, the interstate gas lines are finding themselves more and more at the mercy of the so-called independent producers.

The tremendous increase in the volume of gas consumption, coupled with price increases, has swelled the profits of these independents beyond expectation. The proposed legislation would further increase their profits at the expense of the some 40,000,000 consumers of natural gas in this country.

The following table shows the income available for common stock as a percent of common stock and surplus of 21 large oil and gas companies from 1946 to 1948. Each company shows a tremendous increase in its profits over the 3-year period.

Income available for common stock as percent of common stock and surplus of oil and gas companies selling large volumes of natural gas to interstate pipe lines

Company	1946	1947	1948
Barnsdall Oil Co.....	17.8	25.6	31.6
The Chicago Corp.....	10.4	11.9	21.0
Continental Oil Co.....	12.8	18.4	25.8
Gulf Oil Corp.....	12.0	17.6	20.0
Humble Oil & Refining Co.....	14.7	22.2	27.7
Ohio Oil Co.....	15.0	20.9	28.4
Phillips Petroleum Co.....	8.9	11.9	18.7
Plymouth Oil Co.....	17.6	28.7	37.9
Pure Oil Co.....	12.1	13.8	23.6
Republic Natural Gas Co.....	18.6	26.0	27.4
Shamrock Oil & Gas Co.....	18.5	28.9	41.8
Seaboard Oil Co. of Delaware.....	19.3	31.0	29.6
Shell Union Oil Corp.....	11.6	19.5	29.5
Sinclair Oil Co.....	8.9	14.1	21.2
Skelly Oil Co.....	13.3	22.3	30.4
Sun Oil Co.....	9.1	13.2	19.4
Superior Oil Co.....	6.3	14.7	31.9
The Texas Co.....	10.5	12.3	17.4
Tidewater-Associated Oil Co.....	11.2	15.4	18.0
Union Oil Co. of California.....	5.7	10.7	16.3
Warren Petroleum Corp.....	6.6	27.0	28.2

¹ 1948 earnings were estimated based on data reported by Moody's Financial Service.

Source: Hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, 81st Cong., 1st sess., on S. 1498, a bill to amend the Natural Gas Act, approved June 21, 1938, as amended.—May 17, 18, 24, 26, and 31, and June 7 and 8, 1949, p. 366.

The drive to amend the Natural Gas Act is fostered by the big oil companies who demand freedom from Federal regulation. These companies desire Congress to grant them the right of unregulated, uncontrolled profits, notwithstanding the fact that they are participants in rendering a public-utility service.

On the other side of the scale are more than 40,000,000 people of the Nation, who now receive natural-gas utility service. It is essential that their rights be protected and that no legislation be enacted which would result in unreasonable prices for this very necessary service.

Natural gas is a wonderful resource of nature which has come into great demand since World War II. It is one of the bounties furnished by the Creator for the benefit of all the people who are His creatures, His children. We must not permit its great value, created in large measure by the demand of the people themselves, to be appropriated by

monopolies through unreasonable, unjust charges. Reason and justice require that the sales of natural gas to interstate pipe lines for ultimate public consumption be subject to Federal regulation in order to make certain that independent producers receive no more than reasonable prices to meet their legitimate costs, including the market rate of interest on the capital prudently invested in plant and equipment. In the supplying of natural gas to a utility market these producers are not entitled to exact "what the traffic will bear," for the public is itself entitled to the benefits which this great natural resource offers after paying the reasonable costs of labor, including just wages of management and capital required to make it available.

My friends, the issue presented on this ominous occasion is whether or not we shall make a living reality of Jefferson's famous saying "Equal rights for all, special privileges for none." The supporters of the oil and gas companies' cause chirp about free enterprise and individual initiative, and yet if their proposition were carried to its logical conclusion, it would be absolutely impossible for real individual initiative to develop, or for genuinely free enterprise to exist. When we give a great part of the natural resources of our country to a few people to do with as they like, it is as clear as sunlight that others, however capable, but without such resources, cannot compete with the possessors of special privilege.

When gigantic companies are allowed to take possession of great natural resources without proper official control and regulation as to what may be charged the people for what they consume, it is easy to see that such companies will be able to demand and collect excessive prices and to make enormous profits because of a monopolistic control of what the public needs. The question clearly is whether the birthright of the people is to be lost without receiving in exchange even the trifle mentioned in the Bible as "a mess of pottage," or if we, as trustees of our children and children's children, are to muster the courage needed to face special privilege in its worst form, a monopoly of gigantic proportions. Surely, we would not be willing to surrender weakly. Let us in thunderous tones send on to generations yet unborn the message: "We have not failed you! We here today, as trustees of the benefits provided for you by the Creator, have stood up and fearlessly defied the enemy, and have struggled courageously for the sacred cause of justice!"

Mr. DINGELL. Mr. Speaker, will the gentleman yield for an observation?

Mr. CROSSER. I yield.

Mr. DINGELL. I just want to say this to my friends in the House, that Leland Olds, of the Federal Power Commission, was crucified for trying to protect the rights of the people; and I say further that Texas and Oklahoma horse thieves were hanged for lesser crimes than this resolution seeks to legalize.

Let me say further as an observation that the consumers may as well be in hell without a fan if they look to the Texas Public Utilities Commission and

the Oklahoma Utilities Commission for the regulation of their rates at the well.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield very briefly.

Mr. PLUMLEY. A lot of the Members of this House do not know that when my father left this House years ago he said: "If my boy ever comes down here, which he ought to know enough not to do, but if he ever does, he should see Old Man Crosser." So the gentleman from Ohio has been my father-in-law. I rise from the other side of the aisle to suggest to some of you folks something that you ought to remember. I do not know whether you are going to thank me for it or not, for the fact is much as I would like to help out my friend from Ohio I shall vote for the bill. If I were allowed more time I might say more. The bill will be passed, I am sure. I could say a lot about how it came here. Nevertheless, I shall vote for it.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, yesterday I objected to action that would have ratified this bill, and then I appeared before the Committee on Rules to oppose this resolution and I begged that committee to at least hold up action on this resolution so as to afford the opponents of this legislation an opportunity to be heard.

You may not realize it, but we are called upon to agree to a most unusual procedure. Ordinarily, a bill of this kind would be sent to conference.

Question No. 1: Why is it not being sent to conference? It is not being sent to conference because they are afraid that public opinion is becoming so aroused that this bill would never get through the Senate in the form of a conference report. This maneuver is to by-pass a conference; this maneuver is intended to by-pass the resentment that public opinion is generating and which is being felt in the Senate.

Why the hurry? Why bring this up here at such a late hour after we have been hard at it all day on an important piece of legislation? They do not want the force of public opinion felt on this bill; they want to get it out of the way and get it out of the way fast before the resentment of the American people makes itself felt, and it will be felt by the membership of this House and particularly by the membership of the Senate.

I do not think it is necessary for me to belabor the fact that this bill is going to cost the consumers of this country over \$100,000,000.

Mr. CROSSER. It will cost them \$130,000,000.

Mr. MARCANTONIO. And another thing, since when—and I challenge any committee chairman present here on the floor of the House to deny what I am about to say—since when is an application made to recede and concur in a Senate amendment without first convening the committee that has had that bill and having that committee deter-

mine by a majority whether or not that action is to be taken? I want the chairman of any committee to contradict the statement I am making. Never did the committee which has jurisdiction over this bill meet and agree to this kind of action.

What a Congress. First it is the Steel Trust that is given more profits with the basing-point bill, now it is the oil outfit with a gas bill, then next week it will be the tidelands oil bill. They said the Eightieth Congress was bad. It is obvious that the Eighty-first has certainly caught up with it.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LYLE. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. BIEMILLER].

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks and include the minority report on the pending bill by members of the Committee on Interstate and Foreign Commerce.)

Mr. BIEMILLER. Mr. Speaker, I rise today in indignant protest.

I regard the natural-gas legislation now before us as one of the greatest consumer gouges ever proposed to a Congress of the United States.

The consumers of my home State of Wisconsin will be among the principal victims of the multi-billion-dollar special-interest legislation.

This bill does not make sense in any but the most narrow and selfish terms. It is a rejection of statesmanship, not for cheap and petty politics, but for some of the most expensive politics in which this body could indulge.

The proponents of this measure say it is designed to free the so-called independent producers and gatherers of natural gas from the control of the Federal Power Commission.

Now, most of these producers are not really independent in the usual sense of that word. At least 70 percent of the total natural-gas production is in the hands of such companies as Standard of New Jersey, Standard of New York, Standard of Indiana, Gulf, Shell, Sinclair, Phillips, Texas, and Cities Service. They are independent because they sell to pipe-line companies but are not affiliated with them. That is the beginning and end of their independence.

The 24 big producers of this type seeking what they term "relief" from proposed regulation, and, needless to add, not distressed companies in need of succor from the consumer in the form of higher prices.

Their total assets were \$14,000,000,000 in 1948 and their profits averaged 24 percent after taxes. They are the benefactors of the 27½-percent depletion allowance, regarded by many as a major tax loophole. They have already doubled and sometimes tripled prices since 1945. The price increases which they seek, if FPC control is removed, will bring them another \$130,000,000 to \$550,000,000 annually.

Under their announced plans, such freedom will cost consumers a total of \$4,000,000,000 to \$16,000,000,000 during the next 30 years.

All this is possible because there is not sufficient competition among natural-gas producers to hold the price at reasonable levels. The bill's proponents will say there are 2,300 natural-gas producers who sell to interstate pipe-line companies. That is true. It is equally true that 3 percent of their number make 70 percent of the sales.

There has been a long and revealing debate on the version of this bill approved in the other body. That same debate has provoked an ever-growing flood of consumer interest and protest against this measure. If we had another few days before considering this resolution, you would be amazed at the protests which would roll into your offices.

I think there is now no alternative but to dispose of the bill on its demerits and get on to the real business of this Congress.

Let us review just what this bill does and what end results its passage will have.

The measure removes the so-called independent producers of natural gas from the control of the Federal Power Commission. It seeks to reverse by legislation a 1947 decision by the Supreme Court in the interstate case that sections of the Natural Gas Act of 1938 give the FPC power to regulate the prices of such producers. It seeks to do so at the time the FPC is proceeding for the first time to prevent an exorbitant increase in natural-gas prices. It seems to do so at the very time the FPC is considering the effort of the Phillips Co.—hardly the picture of a small, independent producer—to approximately double contract rates with the Michigan-Wisconsin Pipe Line Co.

Just to pin all this down to one clear example—let us look at the situation I know best, the case of the Michigan-Wisconsin Pipe Line's contract with Phillips. In 1945, the Michigan-Wisconsin entered into a contract with Phillips at a price of 5 cents per 1,000 cubic feet. Then pipe-line construction began. Shortly afterward the contracts were renegotiated and additional contracts signed increasing the minimum price to 8.5 cents, with some gas selling at 10 and 11 cents. Unless the FPC steps in to end this kind of accelerating-rate increase, consumers will be helpless. Wisconsin is served by one pipe line belonging to the Michigan-Wisconsin. Once having converted to natural gas there is only one pipe line to which a consumer can look. And in turn, the owners of the pipe line have committed themselves to a single field of supply by construction of their line, in this case the Phillips field. If the FPC cannot control the price of gas at the wellhead, no one can. The pipe line will pass added costs on to the helpless consumer right along with the gas.

If the FPC is told by Congress that it cannot move to offset this exorbitant increase it will cost the natural-gas consumers of Wisconsin \$5,000,000 more in the first year of operation and ultimately much more than that.

Now there are a good many other arguments on this subject, but they all come back to this central situation. If the FPC cannot control the producers of

gas, nobody can. And there is every indication that the producers are in urgent need of control to prevent unreasonable increases in the price of natural gas. Natural gas is exactly the same as water or electricity for the consumer. It should be regulated as such.

And let us not pretend that such regulation will cripple or damage small, struggling companies. This bill to remove regulation is rather designed to help big companies. Consider these estimates of the percentages of business to be done by concerns in 1952:

Phillips, 12½ percent; the Chicago Corp., 7 percent; Standard Oil of Indiana, 6 percent; Republic, 4 percent; Shell, 3½ percent; Humble and Magnolia, both Standard subsidiaries, 3½ percent each; Sun Oil, 3 percent, and so on. The first 12 companies will sell 50 percent of all the gas; the first 35 companies 72 percent. All the rest will get 28 percent, those truly small producers in whose name the 35 push this bill.

I might add that the immense reserves of natural gas in this country are even more concentrated than the 1952 production estimates I have just cited.

Now I am not criticizing the biggest natural-gas producers just because they are the biggest. I am questioning their continuing attempt to take ever more and more profits. For instance, the Phillips concern which is jacking up Wisconsin prices reported almost \$73,000,000 profit last year. And others made similar or greater sums.

The situation in summary is this: The natural gas producers are not suffering, are, on the other hand, making higher profits than are generally permitted other natural monopoly utilities in this country.

Natural gas is a public utility. The ridiculous comparison made by the gentleman from Indiana simply will not stand up. Gas is not like oil, gas is not like coal. In oil and coal you have competing outlets to the consumer. You have competition. To the consumer there is no competition in natural gas. There is one pipe line comes into a metropolitan community—one and only one. That pipe line has to buy its gas from the people in Oklahoma and Texas and the other areas that produce gas. It is at that point that we want the Federal Power Commission to have regulatory powers, and we make no bones about that. That is exactly what we are after. We do not want to see an exorbitant rise in profits.

I repeat that we have these huge groups, 35 companies out of 2,300, handling 72 percent of the natural gas production in this country—35 out of 2,300. They are the ones who are supposed to be the poor little independents. In our committee, in the House and on the Senate side, amendments were offered in good faith to exempt practically 95 percent of the producers of natural gas, these really little, small independents. Those amendments were turned down. Why, I ask you? Because here you have the 35 big giants who are trying to hide behind the honest small producer. But why were those amendments turned down? Because these big companies are not con-

tent with their 24-percent profit. They want to boost their profits.

Under a Supreme Court opinion, the 1938 Natural Gas Act gives the Federal Power Commission power to regulate the producers' rates when they get too far out of line. They have begun to get too far out of line and the FPC is acting to protect the consumer.

It is now proposed that Congress step in and take the power away from the FPC so the consumer will have no protection from the big natural-gas producers.

In those terms, it is easy to see where congressional duty lies. We must leave intact the FPC's authority to save the consumers of this country between \$4,000,000,000 and \$16,000,000,000 in the next 30 years.

It was correctly said of the cooperative housing measure the other day that it will be a live issue this fall. I think most of you will find that passage of this bill will give you an issue that is not only live, but extremely warm. This is a bad piece of legislation which should be turned down here and now.

I am proud that last July along with some of my colleagues on the Interstate and Foreign Commerce Committee I signed a minority report urging this bill be defeated. I insert the report at this point:

MINORITY VIEWS

The bill which the majority report represents as a simple clarifying amendment to the Natural Gas Act approved June 21, 1938, as amended, is in actual effect upon the public interest a matter of grave consequence. The proposed legislation, by exempting from Federal regulation sales of natural gas by producers and gatherers at arm's length to purchasing natural-gas companies for transportation and subsequent sale in interstate commerce, would create a serious gap in State and Federal regulation of gas-utility service.

The drive to amend the Natural Gas Act in this fashion is fostered by the big oil companies who demand freedom from Federal regulation, knowing full well that under the Constitution their interstate sales in the gas fields cannot be regulated by the States. These companies desire Congress to grant them the right of unlimited profits though they are participants in rendering a public-utility service.

On the other side of the scale are the more than 40,000,000 people of the Nation who now receive natural-gas utility service. It is essential that their rights be protected and that no legislation be enacted which would result in unreasonable prices for this necessary utility service.

It will be our aim in this report to analyze the effect of the proposed legislation upon the public interest and to show why we should be opposed to its enactment.

THE ORIGINAL INTENT OF CONGRESS

The majority contends that it was the intent of Congress when it enacted the Natural Gas Act in 1938 to exclude arm's-length sales of natural gas by independent producers and gatherers to interstate pipe-line companies from regulation. They urge that the exclusory clause in section 1 (b) of the act, reading "but shall not apply . . . to the production or gathering of natural gas," was broad enough to provide for such exemption.

This clause has been interpreted by the courts¹ as relating to the physical activity

¹ *Canadian River Gas Company v. Federal Power Commission* (324 U. S. 581).

of production and gathering. This would include the acquisition of leaseholds, exploration work, drilling of wells, well spacing, oil-gas ratios, allowable production, location of gathering system, waste of gas, the correlative rights of landowners and royalty interests, and related activities. Most of these activities are subject to regulation by the States for they are intrastate functions. The record shows that the Federal Power Commission has never asserted that it had any jurisdiction whatsoever respecting the physical activities of production and gathering. There is no intention on the part of those of us who oppose this bill to change this situation in any way. The bill would not serve to clarify or strengthen the present exemption from the act of the physical activity of production and gathering, nor is such legislation necessary.

The courts have specifically held that the exemption provided by the exclusory clause does not include sales in interstate commerce. The Court of Appeals for the Fifth Circuit in the *Intrastate* case² said:

"We think that petitioner's difficulty in construction and interpretation arises out of the fact that, treating unlike things as alike, it tries to read the exception with respect to production or gathering as an exception with respect to sales. There is no warrant in the act for so doing."

This interpretation clearly follows the views of the House Committee on Interstate and Foreign Commerce in reporting the bill which became the Natural Gas Act of 1938.³ We then said:

"The States have, of course, for many years regulated sales of natural gas to consumers in intrastate transactions. The States have also been able to regulate sales to consumers even though such sales are in interstate commerce, such sales being considered local in character and in the absence of congressional prohibition subject to State regulation. (See *Pennsylvania Gas Co. v. Public Service Commission* (1920), 252 U. S. 23.) There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be not local in character and, even in the absence of congressional action, not subject to State regulation (see *Missouri v. Kansas Gas Co.* ((1924), 265 U. S. 298), and *Public Utilities Commission v. Atleboro Steam & Electric Co.* ((1927), 273 U. S. 83)). The basic purpose of the present legislation is to occupy this field in which the Supreme Court has held that the States may not act."

It is clear that in 1938 Congress intended to subject to regulation all sales in interstate commerce for resale which were beyond the reach of the States, and thus to close the gap in regulation. As stated by Representative WOLVERTON during the 1937 debate⁴ on the bill which became the Natural Gas Act:

"It is, therefore, the purpose of this legislation to close the gap now existing between Federal and State regulation and control and confer upon the Federal Power Commission the right, duty, and authority to exercise such regulatory power in fixing a fair and reasonable rate for gas that is a part of interstate commerce. It seeks to give similar power to regulate and control interstate com-

merce in gas as now exists in State regulatory bodies with respect to transactions entirely within the States."

Representative WOLVERTON had previously pointed out that jurisdiction over such rates, coming within the field of interstate commerce, "is denied entirely to the State regulatory bodies and lodged completely in the Federal Congress."

NONEXERCISE OF REGULATORY POWER BY COMMISSION

The supporters of the bill lay stress upon past administrative practices and actions of the Federal Power Commission as supporting their opinion that clarifying legislation is necessary to end the confusion and uncertainty which is alleged to prevail in the minds of independent producers and gatherers.

The supporters of the bill cite the Columbian Fuel Corp. decision by the Commission in 1940 (2 FPC 200) as indicating that sales of natural gas as an incident to and immediately upon completion of production and gathering were not intended by Congress to be subject to regulation. Not only was that opinion not unanimous, but the majority was not certain that the question of its jurisdiction had been finally decided, for it said:

"Further experience with the administration of the Natural Gas Act may reveal that the initial sales of large quantities of natural gas which eventually flows in interstate commerce are by producing or gathering companies which, through affiliation, field agreement, or dominant position in the field, are able to maintain an unreasonable price despite the appearance of competition. Under such circumstances, the Commission will decide whether it can assume jurisdiction over arbitrary field prices under the present act or should report the facts to Congress with recommendations for such broadening of the act and provision of additional machinery as may appear necessary to close this gap in effective regulation of the natural-gas industry."

The supporters of the bill cite the action of the Commission in recommending in June 1947 enactment of legislation which would have exempted these producer sales; its adoption of order No. 139 in August of that year; and the subsequent realignment of Commission membership whereby the majority of the Commission now opposes the exemption of such sales, as a basis for Congress resolving the differences in favor of the proponents of the bill. But the courts have spoken. The Commission's authority is not in question, although some have not accepted the question as decided and seek to have legislation expressly enacted for the purpose of nullifying the interpretation of the act by the Supreme Court in the *Interstate* case.

Great stress has been laid upon the fact that during the 11 years since enactment of the Natural Gas Act, the Commission has not subjected independent producers and gatherers to regulation with respect to their arm's length sales of natural gas, and that, in spite of this, all has gone well with the Commission's efforts to protect the rate payers so far. But this is a specious argument that completely ignores the significant change which the record shows has taken place in the natural-gas situation within the last 2 years.

Back in 1947, during the consideration of amendments to the Natural Gas Act, all the information bearing on the subject was not available as it is today. The Federal Power Commission's reports on its natural-gas investigation (FPC Docket No. G-580) were not available. In fact, the Commission repeatedly urged that no legislation be enacted until it had reported to Congress the results of that investigation. When the Priest bill (H. R. 4099) was finally proposed as a substitute for the more drastic Moore-Rizley bill (H. A. 4051), many believed that the

results and recommendations of the investigation would support the conclusion that competition among producers in the future, as it had in the past, would maintain field prices at reasonable levels. It was that same belief that persuaded the majority of the Commission to adopt order No. 139.

When the Commission's G-580 reports were received by Congress early in 1948, there appeared a division among the Commissioners. Commissioners Draper and Olds held that jurisdiction over sales by producers should be retained by the Commission. Commissioners Smith and Wimberly took the position that such jurisdiction did not exist and in fact was unnecessary. These respective positions were maintained before the Senate Interstate and Foreign Commerce Committee in February 1948 and have continued to the present.

Congress has before it, in both the House and Senate, a comprehensive record consisting of reports and testimony on proposed amendments to the Natural Gas Act. There is available in considerable detail, current statistics and information on the natural-gas industry and future trends. The record shows that under present conditions in the industry large producers are in such a dominant position and are so powerful as to require the exercise of jurisdiction over producer sales if the public interest is to be properly protected. For that reason, we do not consider it necessary to dwell further on past history of the legislative intent or the administrative actions of the Federal Power Commission. At this point it matters little who was right and who was wrong in interpreting the Natural Gas Act.

The real issue for Congress to decide is whether or not regulation of the sales of natural gas by producers to purchasers for transportation and sale in interstate commerce for ultimate public consumption is in the public interest. The issue is of vast importance as a matter of principle.

PROTECTION OF CONSUMERS

The plain intent of the Natural Gas Act is to protect consumers of natural gas from exploitation at the hands of the natural-gas companies. This was the conclusion of the United States Supreme Court in passing upon a case in which the legislative history of the act had been fully presented by the Hope Natural Gas Co. and the Federal Power Commission.⁵

Congress itself had made its position clear when it declared in unambiguous language in section 1 (a) of the act "that the business of transporting and selling natural gas for ultimate distribution to the public is affected with the public interest and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest."

It would be contrary to the expressed purpose of the act to exempt one class of interstate sales from regulation, thus destroying the regulatory safeguards enacted by the Seventy-fifth Congress for the protection of consumers of natural gas. For, as emphasized by the United States Supreme Court in its unanimous opinion in the *Interstate* case, supra, the power to regulate this class of interstate sales is indispensable to the purpose of the Natural Gas Act and for the protection of the public. In that opinion, referring to wholesale sales in interstate commerce at the conclusion of production and gathering, the Court said:

"It cannot be doubted that their regulation is predominantly a matter of national, as contrasted with local, concern * * *. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent

⁵ *Federal Power Commission v. Hope Natural Gas Co.* (320 U. S. 591).

² *Interstate Natural Gas Co., Inc. v. Federal Power Commission* (156 F. 2d 949). See also *Interstate Natural Gas Company, Inc. v. Federal Power Commission* (331 U. S. 682); *Peoples Natural Gas Co. v. Federal Power Commission* (127 F. 2d 153, certiorari denied, 317 U. S. 700).

³ H. Rept. No. 709 (H. R. 6586), 75th Cong., 1st sess.

⁴ CONGRESSIONAL RECORD, vol. 81, pt. 6, p. 6723.

purchasers of gas including the ultimate consumers. It was to avoid such situations that the Natural Gas Act was passed."

The contention of the majority that the company involved was, in terms of other transportation and sales, a natural-gas company, is irrelevant to the issue. The language of the Supreme Court runs to a principle of general applicability. Whether the wholesale marketing in interstate commerce at the conclusion of production and gathering was by a corporation which was only a producer and gatherer or by a producer and gatherer which was also a pipe-line company, the regulation of that sale would be "predominantly a matter of national, as contrasted with local, concern" and "unreasonable charges exacted at this stage of the interstate movement" would inevitably "become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of gas including the ultimate consumers."

The proposed legislation would sacrifice this very important regulatory principle to the demands of the oil industry for unrestricted profits on their sale of a limited natural resource in interstate commerce to utility markets. If a majority of Congress is willing to turn loose, for exploitation, wholesale quantities of natural gas by independent producers who by 1952 will control at least 70 percent of the total supply of interstate pipe lines, they should not hesitate to grant the same exemption from regulation to the interstate pipe-line companies and their affiliated producing companies which will control only 30 percent of the total.

But, as the record before this committee so clearly shows, the latter is reserved for another day, because the proponents admit that the Congress would not swallow in one gulp the whole legislative program of the oil and gas industry. Instead, the program in the Eighty-first Congress calls for amending the Natural Gas Act in piecemeal fashion, with the oil industry's proposal obtaining the inside track.

These legislative proposals are in direct conflict with the purposes of the Natural Gas Act. If this important regulatory principle is sacrificed, it will reduce the ostensible protection which the remaining regulation offers the consuming public to what is little better than a fraud.

PROTECTION OF CONSUMERS AGAINST MONOPOLY PRICES MUST NOT BE IMPAIRED

The evidence of concentration of ownership of the country's gas reserves in the hands of a few oil and gas companies emphasizes the importance of preserving the full regulatory controls set up in the Natural Gas Act. For, if the prices charged by large independent producers are freed from regulation by enactment of the proposed amendments to the Natural Gas Act, such concentration of control as the record reveals will lead inevitably to monopoly prices for the gas supplies required by expanding interstate pipe lines.

The greater portion of the Nation's gas reserves (86 percent) is controlled by the so-called independent producer and by 1952 such producers will be supplying at least 70 percent of interstate pipe-line gas. In that year, however, more than two-thirds of this "independent" gas supply will come from 35 of the 2,300 producers making sales to interstate pipe lines. In 1947 10 producers sold approximately one-half of all the gas supplied to such pipe lines by the five southwestern States of Texas, Louisiana, Kansas, Arkansas, and Oklahoma, in which 85 percent of the gas reserves are located.

These figures reflect the concentration of ownership of natural-gas acreage. Thus, more than three-quarters of the acreage in the great Panhandle and Hugoton fields of Texas, Oklahoma, and Kansas, representing one-quarter of the country's entire reserves of natural gas, is controlled by 25 companies

while 10 of these companies control three-fifths of the acreage. Taking the country as a whole, 33 oil companies held in lease or fee five-eighths of the total oil and gas acreage, with more than half the acreage in the hands of 20 companies.

In the face of this situation, it is clear that the majority can place no dependence upon free competition among producers to assure reasonable prices. In fact, the proponents of this legislation have failed to establish the existence of such competition, for the evidence reveals that the effective competition today is between buyers seeking natural-gas supplies from producers rather than between producers seeking a market. For example, Mr. B. H. Hardey, an independent oil and gas operator, under examination by Representative HALE,⁶ testified that there is active competition between competing pipe-line companies to get the gas "and sometimes the prices on individual contracts are boosted up as a result of that competition."

Similar testimony is to be found in the record of the Senate committee hearings on S. 1498. A forceful statement of how competition between buyers is bidding up the field price of gas in the Carthage, Tex., field is found in the testimony of Mr. E. Buddrus, president of Panhandle Eastern Pipe Line Co., in the House hearings on H. R. 2185 (p. 270), during the first session of the Eightieth Congress.

If the pipe-line company finds that it is being held up for too high a price, it cannot, for example, move its line from the Gulf coast fields of Texas and Louisiana, to the fields of Kansas, Oklahoma, or Wyoming, but is forced to continue to buy gas in the general area where it first secured its gas supply. It cannot go shopping around elsewhere for cheaper gas. The freedom of purchasing from many competing dealers available to purchasers of coal or oil, for example, is very much restricted if not completely absent in the case of natural-gas companies.

Consumers at one end of the pipe line are wholly dependent for their gas supply on producers at the other end of the line, perhaps a thousand or more miles away. Because of that relationship and the tying down of a pipe-line company to a particular supply area, competitive forces are weak and monopoly forces strong, thus governmental regulation is required for protection of the public.

Since the dominant position of a few large producers in the ownership of gas reserves enables them to charge what the traffic will bear, regulation of the subsequent transportation and sale by the Federal and State commissions would be rendered wholly ineffective if the bill is enacted. The monopoly prices which producers would be able to charge under such conditions would result in fantastic profits from the sale of a limited natural resource. The insatiable desire for higher and higher profits, in fact, provides the mainspring for these efforts of the oil and gas industry to avoid or destroy governmental regulation which would in any way limit such swollen profits.

RECORD REVEALS SHARP INCREASE IN FIELD PRICES

The record shows that the field prices which prevailed during the years 1939-47 were, in general, determined when there was actual competition among producers and that they closely approximated the reasonable cost level which the Commission has determined in rate cases for gas produced by interstate pipe lines from their own reserves. During that period the prices paid independent producers in the southwestern area remained remarkably stable. Since 1947, however, the rapidly expanding pipe-line market has given those who dominate the country's gas reserves their opportunity and field prices have increased at a rapid rate.

⁶ House hearings on H. R. 79 and H. R. 1758, 81st Cong., 1st sess., p. 51.

An excellent portrayal of this changed situation is found in the comments of E. DeGolyer, a leading geologist and director of Republic Natural Gas Co., a large independent producer, who said in November 1948:

"Gas, which only a few short years ago, could not be sold at the wells for 1 cent a thousand cubic feet, is now, bringing prices as high as 8 to 15 cents a thousand cubic feet. What other industry has enjoyed such price increases for its product with an ever-increasing demand which should at least assure maintenance of existing price levels for years to come?"

This general view of the rapid upward trend of natural-gas field prices was described by Mr. E. Buddrus in the hearing on H. R. 2185 before this committee in April 1947. He said that up to the last few years before the war there was a normal demand for natural gas and the "pipe-line boys" were buying it for 3, 4, or maybe 5 cents. He continued: "Since that time the expansion program has been going on and that price is going from 5 to 6, to 7 or 8 cents at the mouth of the well." Similarly, Mr. O. C. Bailey, chairman of the Arkansas Oil and Gas Commission, testified in the hearings on the present bill that, since the long distance pipe lines have come in and have been bidding for gas, the price of sweet gas has increased to around 8 cents at the wellhead.

Testimony before the Senate committee considering S. 1498 (81st Cong.) is to the effect that the price of gas at the wellhead would continue to increase. Thus, Jeff A. Robertson, chairman of the Kansas Corporation Commission testified:

"The cost of gas is steadily rising. I am familiar with asking prices at the wellhead of 10, 11, and 12 cents per thousand cubic feet by various producers."

The prices named in recent contracts for purchase of gas reflect these large increases in field prices. Current prices are more than twice the average well-mouth price of 1947. But there is evidence that prices will not stop there for these same contracts contain escalator clauses providing for automatic price increases in the future. They also contain renegotiation clauses which require the pipe-line company to pay the current field price but not less than the contract price after a period of years has elapsed. Furthermore, many of the new contracts contain so-called favored-nation clauses requiring an increase in the contract price should the pipe-line company pay a higher price to another producer, or some other purchaser within the same district offer a higher price for gas.

These clauses in gas-purchase contracts are of recent origin. They point to higher field prices in the future which can only mean higher costs for natural gas all along the line to the ultimate consumer.

The recent sharp upward trend in field prices serves to emphasize the need for regulation of interstate sales by independent producers. In view of this new situation no significance should be attached to the fact that the Commission has not hitherto found it necessary to exercise jurisdiction over such sales.

INCREASED COST OF GAS TO CONSUMER WILL RESULT FROM LEGISLATION

We believe that enactment of the proposed legislation would, over the years, seriously affect the cost of gas to the consumer. The producers clearly evince the desire to bring the field price of gas to a level where this cost, plus the cost of transportation, would approach the price of other fuels on an equivalent heat-value basis at the market end of the pipe line.

The record shows that if the gas consumers had been charged in 1947 on a comparative heating-value basis with oil they would

⁷ House hearings on H. R. 2185, 80th Cong., 1st sess., p. 264.

have paid an additional \$500,000,000 for natural gas. A 5-cent increase in the average price of gas purchased from independent producers on the basis of 1947 consumption would have amounted to \$65,000,000. On the basis of estimated purchases in 1952 the increase would be \$132,500,000, annually, as such purchases will double during this 5-year period.

Specific evidence is available that increases in field prices will increase the cost of gas to the consumer. During the last 2 years the Oklahoma Corporation Commission and the Kansas Corporation Commission have entered orders fixing the minimum well-head prices of 7 and 8 cents, respectively, per thousand cubic feet for natural gas taken from the Hugoton field. Several interstate pipe-line companies would have their cost of purchased gas increased twofold by this action.

The pipe-line companies are contesting the actions of the two State commissions in the courts on constitutional and other grounds. They are contending, among other things, that the orders will force an increase in the price of gas to the consumers in the two producing States, as well as in other States. As expressed by one company, in its protest and petition to intervene—"the action of the (Kansas Commission) . . . would automatically force an increase in the price of gas to the ultimate consumer in Kansas, and in other States."

The order of the Kansas Commission has already resulted in an increase in rates to the Nebraska industrial customers of one pipe-line company. The increase in the price of gas in the Hugoton field by the two State commissions will add an additional \$8,000,000 a year to the cost of gas to these pipe-line companies. The gas companies claim that these increases would be passed on to the consumers.

Thus it is clear that these field prices are matters of national, rather than local interest, requiring Federal regulation to protect millions of consumers in the States dependent upon large imports of gas for the maintenance of this essential utility service.

The majority, apparently recognizing that the price increase possibility cannot be ignored, cite the fact that the average price paid by interstate pipe lines to independent producers in the southwestern-producing States is about 4.6 cents per thousand cubic feet, while the domestic consumer in the District of Columbia now pays about \$1.51 per thousand cubic feet, implying that the field price is only a minor factor in the cost of gas to the ultimate consumer. The comparison is not representative. For, when all utility sales of natural gas are considered, the field price represents a significant portion of the 34-cent average cost of gas to the ultimate consumer. In fact, the field prices being currently asked in the Southwest would represent more than 25 percent of that figure and approximately 50 percent of the combined average price charged utility industrial customers.

The majority speaks of vague fears having been expressed that sometime in the future a situation might conceivably arise when it would be desirable for the Commission to exercise this authority and indicates that the situation could be met at that time by appropriate action by Congress.

But the record is clear that the time for action is now at hand. The current field-price situation demands regulatory attention. Requests for rate increases by pipe-line companies because of the increased cost of gas in the field are inevitable. The sponsors of the legislation readily admit their interest in higher field prices.⁸ Surely it would

be folly for Congress to enact this legislation exempting these sales from regulation and then turn around and pass new legislation which would give the Commission the same jurisdiction it now has.

SMALL PRODUCERS COULD BE EXEMPTED WITHOUT SACRIFICE OF PUBLIC INTEREST

The Federal Power Commission, in its report on H. R. 1758, indicated "that no occasion would ever arise to regulate the small producer." At the hearings a representative of the Commission stated that "by rule or statute or otherwise" it would be feasible "to fix a maximum amount of sales in interstate commerce before jurisdiction would attach." This would relieve the small independent producer of all regulatory requirements. The fact that a relatively few major oil and gas companies control the greater portion of the country's gas reserves and make most of the sales of natural gas to interstate pipe lines suggests that such exemption of small producers would not adversely affect the public interest.

Subsequent to the hearings, at the request of the chairman of this committee, language was drafted which would exempt from Federal regulation small producers and gatherers whose total annual sales in interstate commerce are less than 2,000,000,000 cubic feet and the Commission reported favorably thereon. We attach the draft of this language as exhibit A to this report.

It appears that the language proposed in exhibit A would exempt from regulation 97 percent, or approximately 2,230 of the 2,300 producers and gatherers of natural gas making sales to interstate pipe-line companies and yet would leave subject to regulation more than 70 percent of the gas sold by so-called independent producers to natural-gas companies. Further, it appears that such classification would be constitutional as similar classifications and exemptions have been upheld under the rule laid down by the United States Supreme Court in *Wilson v. Neb.* (243 U. S. 332).

We are convinced that the enactment of this proposed language in lieu of the bill reported by the majority would make certain that dominant producing interests, primarily the major oil companies of the Nation, would not be able to assert their monopolistic position in the control of gas reserves to the detriment of the public interests. At the same time it would relieve from regulation the little well owners for whom Speaker RAYBURN evinced concern in opposing the enactment of H. R. 4051 (Moore-Rizley bill) in the Eightieth Congress, when he indicated a desire to vote for that part of the bill "that will really give relief to these little well owners and take them out of interstate commerce."

CONCLUSION

The bill recommended by the majority would nullify the Federal Power Commission's authority with respect to field sales of natural gas in interstate commerce by producers and gatherers, thus eliminating regulation which the Congress and the courts have recognized as essential for the protection of consumers from exploitation. The bill is one segment of the over-all plan of the oil and gas industry, embodied in the Moore-Rizley bill of the Eightieth Congress, designed to destroy effective Federal regulation of interstate commerce in natural gas.

The bill, by freeing a large segment of the industry from regulation, would benefit primarily a few large corporations which, because of their monopolistic control of gas reserves in the Southwestern States, would

be interested in higher field prices of natural gas." Senator KERR interjected at this point with the remark: "That will be admitted." (Hearings on S. 1498, a bill to amend the Natural Gas Act, 81st Cong., 1st sess.)

have almost unfettered power to fix the price of gas entering interstate transmission lines.

As the price of gas entering the pipe lines is a determinative factor in the price at the market end of the line, the bill, if enacted, would destroy protection which the act affords the consumer.

The rapid increase in field prices of natural gas, which can be expected to continue and which competition is unable to control, requires the continuation of the power to regulate interstate sales of natural gas by independent producers and gatherers.

There is no doubt that, over the years, enactment of the bill would increase the cost of gas to the ultimate consumer by many millions of dollars. It is likewise indisputable that the objective of the proponents is higher prices. It is unquestionably for this reason that the cities which originally were numbered among the most vigorous supporters of the bill which became the Natural Gas Act are now, through the National Institute of Municipal Law Officers, opposed to this bill.

Natural gas is a wonderful resource of nature which has come into great demand since World War II. It was given to us by our Creator for the benefit of all of our citizens. We must not permit its great value, created in large measure by the demand of the people themselves, to be appropriated by monopolies through inflated profits. Reason and justice require that the sales of natural gas to interstate pipe lines for ultimate public consumption be subject to Federal regulation in order to assure that independent producers and gatherers ask no more than reasonable prices to meet their legitimate costs, including the market rate of interest upon the capital prudently invested in plant and equipment. In the supplying of natural gas to a utility market these producers and gatherers are not entitled to exact "what the traffic will bear," for the consuming public is itself entitled to the benefits which this great natural resource offers after paying the reasonable costs of labor and capital required to make it available for use.

For all of the reasons herein set forth we recommend that H. R. 1758 be rejected by the vote of the House and be not enacted into law, and further recommend that any amendment relating to the authority of the Federal Power Commission over sales in interstate commerce by producers and gatherers of natural gas shall be in accordance with the amendment proposed in the draft attached hereto as exhibit A.

By such action the Congress can dispose of the differences that now exist and at the same time assure the consumers of natural-gas protection against unreasonable rates.

ROBERT CROSSER,
GEORGE G. SADOWSKI,
JOHN B. SULLIVAN,
ANDREW J. BIEMILLER,
ARTHUR G. KLEIN,
NEIL J. LINEHAN.

EXHIBIT A

AMENDMENT TO H. R. 1758, EIGHTY-FIRST CONGRESS

On page 1, line 1, strike out all after the enacting clause and insert the following:

"That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is hereby amended by eliminating the period at the end thereof, and adding the following: 'or to any sale of natural gas in interstate commerce at or prior to the conclusion of production or gathering by a person whose total sales of natural gas in interstate commerce individually or in the aggregate with affiliated producers and gatherers do not exceed on an annual basis 2,000,000,000 cubic feet computed at 14.65 pounds per square inch absolute at 60 degrees Fahrenheit provided such person is neither a natural-gas company by reason of other activities nor affiliated with a natural-gas company.'"

⁸ During hearings on S. 1498, introduced by Senator KERR as the companion bill of H. R. 1758, Commissioner Olds stated, in part: "Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are

Mr. LYLE. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, because several references have been made throughout the debate in this Chamber last year and in the other body to the Priest bill, references showing that the Priest bill of 1947 is rather largely the same as the bill now pending with the exception of the Senate amendment providing for continuation of a study, I want to take a few minutes to point out one or two important considerations in connection with this bill.

Reference was made by my colleague, the gentleman from Massachusetts [Mr. HESLTON], I believe it was, to the Rizley bill that was before the Eightieth Congress. The Rizley bill was before the Committee on Interstate and Foreign Commerce for quite a while. Extensive hearings were held. I was not for that bill; I thought it went too far. At that time the Federal Power Commission came before the Committee on Interstate and Foreign Commerce. They came to my office and requested me to introduce a bill as a substitute for the Moore-Rizley bill. That request came also from the White House.

In a letter to the then chairman of the Committee on Interstate and Foreign Commerce, the gentleman from New Jersey [Mr. WOLVERTON] the Federal Trade Commissioner said this:

This is in response to your request of July 9 for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman Priest, of Tennessee.

The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and non-controversial matter.

The last paragraph of the letter reads:

I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that the bill that passed the House last August, H. R. 1753, and the amendment that was passed by the Senate and sent over here, which is before the House at this time, is exactly the same thing and has for its purpose the exemption of independent producers and gatherers of natural gas where the sales are at arm's length.

Mr. PRIEST. Exactly, and that is the law as it has been in effect since 1938. This makes no change whatsoever. It says that a law which has been in effect for 12 years, during which time the retail price of natural gas has declined 12 percent, shall continue to operate on that same basis.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that if a driller were drilling for oil and found gas, that he would inadvertently find himself in the public-utility business?

Mr. PRIEST. Assuming that the Commission has the jurisdiction which some claim it does, but which the law does not give it, and which was made perfectly clear in all of the legislative history of the act.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. YOUNG. Mr. Speaker, passage of this bill would over the years cost the consumers of this Nation billions of dollars. I assert this is a billion-dollar steal. I voted against this bill in the last session. I oppose this resolution today.

Natural gas is a wonderful resource of nature. The Almighty has given this to us for the benefit and general welfare of all of our citizens. Let us not permit this great natural resource so important to so many of our people to be appropriated by monopolies through inflated profits. Reason, justice, common sense, and the general public welfare require that the sales of this precious product of nature to interstate pipe lines for public consumption be subject to Federal regulation to insure protection for the consumers and assure that independent producers secure reasonable prices and make reasonable profits. I oppose this resolution as a billion-dollar steal. I am certain in my own mind if this resolution is adopted our consumers will pay "through the nose" to the extent of \$100,000,000 each year. We should not barter away this bounty of nature given us by God to a favored few.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Speaker, I submit the following reasons why the Kerr bill should be rejected:

First. The United States Supreme Court has held in the Interstate Natural Gas case that it was not the original intent of Congress to exempt interstate sales of natural gas by independent producers.

Second. The United States Supreme Court has also held that States may not regulate interstate sales for resale—*Missouri v. Kansas Gas Co.* (265 U. S. 298 (1924)); *Public Utilities Commission v. Atleboro Steam & Electric Co.* (273 U. S. 83 (1927)).

Third. Regulation of initial sales of gas in the field is necessary if the price to the consumer is to be kept down. Unreasonable charges exacted at the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers, including consumers.

Fourth. Independent producers control 86 percent of the gas reserves of the Nation, and sell 70 percent of the interstate pipe line gas; thus the largest part of this limited resource would be exempted from effective regulation by the Government through the FPC.

Fifth. Protection of natural resources for the benefit of the whole Nation is important to our national defense. Seven States—Texas, Oklahoma, Kansas, Arizona, Louisiana, Mississippi and Arkansas—control 83.8 percent of the gas reserves of the Nation; it should not be left to the discretion of this small minority of States to decide what disposition of gas is in the best interest of the Nation as a whole.

Sixth. Competition among independent natural-gas producers is almost nonexistent, since 72 percent of the gas sold to pipe lines comes from the 35 largest producers.

Seventh. Competition is stifled because once pipe lines are laid to a field, it is too expensive to tear them up and lay new ones even though gas might be obtained more cheaply elsewhere.

Eighth. Prices of gas will go up because long-term contracts do not bind producers to a fixed price. The majority of contracts contain escalator clauses, favored-nation clauses, renegotiation clauses, and cancellation clauses. It is estimated that the increased cost to consumers will be about \$200,000,000 a year.

Ninth. Gas is in short supply, the total reserves being limited, and this being the cleanest and most convenient of all fuels. Since demand outruns supply the producers are able to get an exorbitant return on their investment and operative expenses, unless controlled. Consumers, as well as producers, are entitled to share the economies of using natural gas, and should not be compelled to pay more simply because oil and coal cost more.

Tenth. Passage of the Kerr bill would result in preferential treatment of independent producers as compared with pipe-line companies who produce gas. The pipe lines are and would be limited to a 6-percent return on actual cost, while the independents have been earning and would continue to earn from 15 to 30 percent on investment and surplus. There is no rational basis for making this distinction in view of the fact that the commodity each type of producer sells is the same and should have the same value.

Eleventh. The bill, if passed, would take away jurisdiction which the FPC already has and give it to utilities commissions of seven States which control the gas reserves of the country. Recently the utilities commissions of the States of Kansas and Oklahoma have taken it upon themselves to grant price increases to producers selling gas in interstate commerce.

The legislation is against the public interest in that it would remove governmental jurisdiction by FPC which already exists.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, with my long record in this House of Representatives, starting way back, being a

member of the subcommittee that wrote the Federal Power Commission Act, being a member of the subcommittee that wrote the Federal Trade Commission Act, and being the author of the Securities Act of 1933, of the Stock Exchange Regulation Act of 1934, and of the Utilities Holding Company Act of 1935, I do not think I could be accused of having any great desire to serve the interests over the people.

If I felt as my distinguished and beloved friend from Ohio [Mr. CROSSER] has indicated he feels, that the Federal Government should own and control all the natural resources of this country, then my position on this and much other legislation would certainly be changed.

We have been going along the other line for more than a century and a half, and our country has grown to be the greatest and the most prosperous country in the history of the world.

The difference between this amendment and the bill we passed in the House is simply this, practically nothing more or nothing less: As a concession to some people who said they wanted to carry on this thing and not make this final, the Senate amendment in which we are seeking to concur today, in addition to the bill that passed the House, says, "We are going to pass this legislation but we want to carry on the study to see whether or not in passing this legislation we have done the proper thing."

In being for this bill, as I was when it originally passed the House and as I am now in favoring concurring in the Senate amendment, I have some pretty good company. The Federal Military Establishment was asked about this bill, and this is the guts of what they said, after all elements of the Department of Defense has studied it:

Enactment of the bill will remove uncertainties now existing as to the extent of the application of the Natural Gas Act and will clarify its terms. Its effect should be to encourage the development of oil and gas resources and thus would be of benefit to the national security.

That is what our whole Military Establishment says about this legislation.

This bill simply says that the little fellow, who goes out and strikes some gas, is not going to be hauled up to Washington and tried before the Federal Power Commission, and that the independents in gathering, not in the transportation in interstate pipe lines or anything of the sort, shall not be placed under regulations that they would be in interstate commerce.

In my opinion—and I state this to you deliberately; I would not deceive you; you know that—this will not raise the price of natural gas to any consumer in the United States 1 red penny. I think this thing should be gotten out of the way. We should concur in this Senate amendment and then have this study and see where we go from there.

Mr. PRICE. Mr. Speaker, I am opposed to the so-called Kerr bill, H. R. 1758, to amend the Natural Gas Act, in any form. It is strictly an effort on the part of operators to avoid regulation by the Federal Power Commission to permit them to increase rates.

Eventually this legislation will mean that the gas bill for Illinois users of natural gas will be increased over \$4,500,000 annually. It means that in the neighboring State of Missouri the users of this fuel will have more than \$3,500,000 added to their annual bill.

I think it is the duty of Congress to protect the consuming public from such raids on their pocketbooks. It has been an age-old fight on the part of Government to protect the public from overcharges in all public-utility fields. We have made some progress, but if Congress falls into this trap, it will indicate a high degree of negligence on the part of those charged with protecting the public interest.

I sincerely hope my colleagues in the House this afternoon will be able to see this and that they will vote against this measure. I voted against this legislation in the Eightieth Congress. I voted against it in the first session of the present Congress, and I will vote against it again today. The House has the opportunity to kill this bill today, and I trust my colleagues will act wisely.

Mr. KARST. Mr. Speaker, I wish to go on record as vigorously opposing the Kerr amendment to the Natural Gas Act, and to express my reasons for this objection.

As I see it, this bill, which amends the Natural Gas Act, will exempt natural-gas producers from Federal regulations, thus permitting the producers to set their own prices for their product. This can only mean an eventual increase in cost to consumers, among whom will be the people I represent. If such a measure is allowed to become effective, not only will my constituents suffer, but the same ill effects will be felt by consumers all over the country. And who will benefit? Only those States and localities where the natural gas is produced, which at best will bring increased revenue to only some three or four States.

I understand if this bill is passed, the cost per thousand cubic feet may be increased by as much as 5 cents, resulting in an increase of \$5,000,000 per year from the pockets of our people in the State of Missouri alone. However, the revenue derived by our State from this increased cost to the consumers of natural gas will be nil, the bulk of the increase going, of course, to the localities where the gas is produced or where the well heads exist.

In conclusion, may I state that I opposed a similar House bill when it was before me on the floor of the House in the last session, and I will continue to oppose the passage of this bill now. I feel that as Members of the House of Representatives, elected by the people to represent the people of their districts, all Representatives of all States other than the producers of natural gas, should vigorously oppose this bill and join me in killing this amendment that will eliminate such utilities from the jurisdiction of the Federal Power Commission in their operations and in their charges.

Mr. TAYLOR. Mr. Speaker, I wish to call the attention of the House to a telegram which I have received from an eminent engineer, Dr. Roland F. Beers, on this very subject which we are now debating.

His learned views concerning this legislation could well be considered by the membership of the House:

HON. DEAN P. TAYLOR,
House of Representatives,
Washington, D. C.:

Enactment of the Kerr-Thomas bill will inevitably result in discovery and development of new gas reserves, lower prices to consumers, and adequate supplies to support the rapidly expanding demand. Under Federal regulation there would be no incentive to exploration and development and therefore a shortage of supply would follow. Natural competition of other fuels will automatically regulate consumer prices to the lowest levels consistent with a healthy fuel economy for our Nation.

ROLAND F. BEERS,
Head, Department of Fuel Resources,
Rensselaer Polytechnic Institute,
Troy, N. Y.

Mr. KARSTEN. Mr. Speaker, this legislation would take from the Federal Power Commission the authority to regulate the initial sale of gas from the producer to the pipe-line company. Under this bill any Federal regulation of natural gas would be ineffective. The inevitable result is an increase in the price of natural gas.

I opposed this legislation in the House when the natural-gas bill was considered last summer. It was apparent then, as well as now, that this is not legislation for the 24,000,000 consumers of natural gas, but rather a bill to promote the gas business. The hearings brought out that there are some thirty-odd companies which produce about 86 percent of the gas sent over interstate pipe lines. This bill will mean huge profits for them at the expense of the consumers and industrial users of gas.

The people of my city feel that gas rates are high enough now but if this bill passes there will be further increases in their monthly gas bills. In fact, it has been estimated that this bill would take \$200,000,000 annually from the pockets of the American consumers. In Missouri alone the increase in gas costs might initially amount to more than \$3,000,000 annually if this bill becomes law.

In the St. Louis area there are thousands of families who will be adversely affected by this legislation. There are thousands of industries which now rely on natural gas. They are all opposed to this bill.

I have studied the legislation for over a year and my conclusion is that this is a fight between the people of our country and a handful of wealthy oil and gas companies. I hope the people will win. They will win if we defeat this bill.

Mr. O'SULLIVAN. Mr. Speaker, as I have stated on other occasions when this bill was being considered by the Eighty-first Congress, I am unalterably opposed to the passage of this legislation, H. R. 1758. It is a selfishly bad bill. Regardless of what the claims of others more trusting may be, as to its pretended merits, the only purpose which it will serve in fact really is to increase the earnings of superlatively unjust and greedy men. The big financial institutions of the Nation in New York, Boston, Pittsburgh, and Chicago, and avaricious men will be permitted to raise the price

of gas at the well site, and perhaps by Texas, Oklahoma, and Kansas, and other State authorities, and thus increase the cost of natural gas to the pipe lines and thus to the consumers of the Nation. Anyone who knows anything knows that you should not permit these alleged small gas gatherers, and by the way one of the subsidiaries of the Standard Oil Co. and every other big oil producer, are among these small gas gatherers, to be removed from even the threatened regulatory authority of the Federal Power Commission. Like the removal of rent control the price to the pipe-line companies will be increased by these so-called small gas gatherers at the well site and the cost to the consumer will be increased not to the same extent but perhaps many-fold.

It is said that the Senate amendment provides for a study board to be set up after the law is passed, to determine whether a mistake was being made in releasing the alleged small, independent gas gatherers from the yet undetermined control of the Federal Power Commission. It occurs to me that if there is such apparent doubt about this matter the bill should not become law first, but on the contrary the study should be made first by the board.

The same people who own the large coal mines are interested also in oil as a fuel, and natural gas as a fuel, and private electric power which also in some instances has a fuel value and is a substitute for coal, oil, and gas in generating steam, and one of the for-sure thoughts behind the people outside of this House who schemed up this legislation is to render natural gas noncompetitive with coal, oil, and electric current as far as possible. It is indeed disheartening to realize that a great drive was made to have cities and people convert to natural gas and scrap their gas-manufacturing plant. When all these cities and people are now entirely at the mercy of natural-gas suppliers, this trick is taken out of the old gas bag and the price to the consumers will be raised as sure as God made little green apples. Already Omaha, Nebr., is facing an increase in gas rates by its natural-gas server.

Nebraska, my State, is a consumer State and I cannot go along with this bill and shall vote against this proposed resolution.

It might be interesting to some people to know that gas pipe-line companies transmitting gas in interstate commerce may act as producers, wholesalers, retailers, and common carriers. No outsider can make them carry gas in their lines even though they have the right in most States to exercise one of the rights of sovereignty, to wit, eminent domain. Someone in the interests of the people should make them confine their activities to that of common carriers alone, and I shall introduce a bill next week in this House to do that very thing. Let us make these pipe-line companies common carriers in interstate commerce only just like transportation companies, such as railroads, trucking line, bus companies, and other interstate carriers.

Mr. YATES. Mr. Speaker, I am sorry to leave the leadership of my party on this most important issue, but I must. This is one bill on which I am convinced the leadership is completely wrong and I shall oppose this bill.

I subscribe completely to the remarks just made by my friend the gentleman from Massachusetts [Mr. HESLTON]. Why this unseemly haste in forcing this bill to a vote before this House, with no opportunity to debate it thoroughly? The bill is one of the greatest importance to the millions of consumers in the Nation, and here under this rule we are given no opportunity to even discuss its provisions.

As a matter of fact it is a different bill than the one approved by the House last year. Provisions have been changed, new ones have been added. The other body thought the changes of sufficient significance to demand a conference and appoint conferees to negotiate and iron out the differences in the bill. Yet, without more ado, we are requested to give approval to such changes without even considering them and if I had not demanded that the Senate amendment be read, we would have not even known what we were voting upon. Is this the manner in which the greatest deliberative body in the world should operate?

The gentleman from Texas [Mr. LYLE] referred to the need for this bill and stated that the Federal Power Commission had usurped the functions of the Congress. How ironical, how paradoxical it is, then, that he rises to support the Senate amendment which grants additional powers to the Federal Power Commission. But you will notice that the grant of power he approves are not those which can be used to restrain the predatory practices of the big producers he is so worried about.

The bill we now have before us is not the bill we passed last year. This one is worse. It confuses and confounds the supervisory jurisdiction of the Power Commission and the Federal Trade Commission. Do you know which one has the job of preventing monopolistic practices in the gas industry? I do not, nor does anyone here. This bill tries to give it to the Power Commission, but does not quite succeed, and nobody knows what the new section means. We are acting in haste; we will surely repent in leisure.

Mr. Speaker, this is a special interest bill. It will take millions of dollars from the pockets of the consumers and give it to the industries already making enormous profits. It goes against the principles of the Democratic Party, it goes against our campaign pledges. I urge as vehemently as I can that it be defeated.

The SPEAKER. The question is on the resolution.

Mr. BIEMILLER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered. The question was taken; and there were—yeas 176, nays 174, answered "present" 2, not voting 79, as follows:

[Roll No. 126]

YEAS—176

Abernethy
Albert
Allen, Calif.
Allen, Ill.
Allen, La.

Anderson, Calif. Beall
Andrews Beckworth
Arends Bentsen
Barrett, Wyo. Blackney
Bates, Ky. Boggs, La.

Bolton, Ohio
Bonner
Boykin
Bramblett
Brehm
Brooks
Brown, Ga.
Brown, Ohio
Burlison
Byrnes, Wis.
Camp
Carlyle
Chatham
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cooper
Cotton
Cox
Curtis
Dague
Davis, Tenn.
Deane
DeGraffenried
D'Ewart
Dolliver
Elliott
Ellsworth
Fernandez
Fisher
Frazier
Fugate
Gamble
Gathings
Gavin
Gillette
Goodwin
Gore
Gossett
Graham
Gregory
Gwinn
Hall
Leonard W.
Halleck
Hardy
Hare
Harris
Harrison
Hays, Ark
Herlong
Herter

Hill
Hinshaw
Hoffman, Mich.
Hope
Horan
Jenison
Jenkins
Jennings
Jensen
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kearns
Kerr
Kilburn
Kilday
Larcade
Latham
LeFevre
Lucas
Lyle
McConnell
McCormack
McCulloch
McKinnon
McMillan, S. C.
McMillen, Ill.
Mahon
Martin, Iowa
Martin, Mass.
Merrow
Meyer
Miller, Md.
Miller, Nebr.
Mills
Monroney
Morris
Morrison
Moulder
Murdock
Murray, Tenn.
Nicholson
Norrell
O'Hara, Minn.
Pace
Passman
Pajman
Patten
Peterson
Phillips, Calif.
Pickett
Plumley
Poage
Poulson
Preston

Priest
Rains
Rankin
Reed, Ill.
Rees
Regan
Rich
Richards
Rogers, Fla.
Rogers, Mass.
Sanborn
Scott, Hardie
Scott,
Hugh D., Jr.
Scrivner
Scudder
Secret
Shafer
Sheppard
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Va.
Steed
Stigler
Stockman
Sutton
Tackett
Taylor
Teague
Thomas
Thompson
Thornberry
Trimble
Underwood
Vinson
Vorys
Vursell
Wadsworth
Welch
Werdell
Whitten
Whittington
Wickersham
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Worley

NAYS—174

Addonizio
Andersen,
H. Carl
Aspinall
Auchincloss
Barrett, Pa.
Bates, Mass.
Bennett, Mich.
Biemiller
Bishop
Blatnik
Bolling
Bolton, Md.
Bosone
Breen
Bryson
Buchanan
Buckley, N. Y.
Burke
Burnside
Burton
Canfield
Cannon
Carnahan
Case, N. J.
Case, S. Dak.
Chief
Christopher
Chudoff
Clemente
Corbett
Crook
Crosser
Cunningham
Davenport
Davies, N. Y.
Davis, Ga.
Davis, Wis.
Delaney
Denton
Dingell
Dollinger
Dondero
Donohue
Doyle
Eberharter
Elston
Engel, Mich.

Fallon
Feighan
Fenton
Flood
Fogarty
Forand
Ford
Fulton
Furcolo
Garmatz
Gary
Golden
Gordon
Gorski
Granahan
Granger
Green
Gross
Hagen
Hand
Harden
Hart
Harvey
Havenner
Hays, Ohio
Heffernan
Heller
Heselton
Hobbs
Hoeven
Hollifield
Holmes
Howell
Huber
Irving
Jackson, Wash.
Jacobs
Javits
Johnson
Jonas
Judd
Karst
Karsten
Kean
Kearney
Keating
Keefe
Kelly, N. Y.

Kennedy
Keogh
King
Kirwan
Klein
Lane
Lanham
LeCompte
Lemke
Lesinski
Lind
Linehan
Lodge
McCarthy
McDonough
McGrath
McGuire
McSweeney
Mack, Ill.
Mack, Wash.
Madden
Magee
Mansfield
Marcantonio
Marsalis
Michener
Miller, Calif.
Mitchell
Morgan
Morton
Multer
Murray, Wis.
Noland
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Neill
O'Sullivan
O'Toole
Patterson
Perkins
Pfeifer,
Joseph L.
Philbin
Phillips, Tenn.
Polk
Potter
Price

Quinn	Sims	Wagner
Rabaut	Smith, Wis.	Walsh
Ramsay	Spence	White, Calif.
Rhodes	Stefan	Widnall
Rodino	Sullivan	Wier
Rooney	Taber	Withrow
Roosevelt	Talle	Woodhouse
Sadlak	Tauriello	Yates
St. George	Tollefson	Young
Saylor	Van Zandt	Zablocki
Shelley	Velde	

ANSWERED "PRESENT"—2

Jackson, Calif.	Wigglesworth
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NOT VOTING—79

Abbt	Fellows	O'Konski
Andresen,	Gilmer	Pfeiffer,
August H.	Grant	William L.
Angell	Hale	Powell
Bailey	Hall,	Redden
Barden	Edwin Arthur	Reed, N. Y.
Baring	Hébert	Ribicoff
Battle	Hedrick	Riehlman
Bennett, Fla.	Hoffman, Ill.	Rivers
Boggs, Del.	Hull	Sabath
Buckley, Ill.	James	Sadowski
Bulwinkle	Kee	Sasser
Burdick	Kelley, Pa.	Smathers
Byrne, N. Y.	Kruse	Smith, Ohio
Carroll	Kunkel	Staggers
Cavalcante	Lichtenwalter	Stanley
Celler	Lovre	Towe
Chesney	Lynch	Walter
Chiperfield	McGregor	Welch
Coudert	Macy	Wheeler
Crawford	Marshall	Whitaker
Dawson	Mason	White, Idaho
Doughton	Miles	Wolcott
Douglas	Murphy	Wolverton
Durham	Nelson	Wood
Eaton	Nixon	Woodruff
Engle, Calif.	Norblad	
Evins	Norton	

Messrs. WILSON of Indiana, SHAFER, LATHAM, and MOULDER changed their votes from "nay" to "yea."

Mr. WIGGLESWORTH. Mr. Speaker, I have a live pair with the gentleman from South Carolina, Mr. RIVERS. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. JACKSON of California. Mr. Speaker, I have a live pair with the gentleman from California, Mr. ENGLE. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The SPEAKER. On this roll call the yeas are 176 and the nays are 174, with 2 present.

Mr. MARCANTONIO. Mr. Speaker, I ask for a recapitulation.

The SPEAKER. The Chair will announce that on recapitulation votes cannot be changed.

The Clerk will call the names of those voting in the affirmative.

The Clerk called the names of those voting "yea."

The SPEAKER. Is there any Member voting "yea" who is incorrectly recorded? [After a pause.] The Chair hears none.

The Clerk will call the names of those recorded as voting "nay."

The Clerk called the names of those voting "nay."

The SPEAKER. Is there any Member voting "nay" who is incorrectly recorded? [After a pause.] The Chair hears none. So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Walter for, with Mr. Carroll against.
Mr. Jackson of California for, with Mr. Engle of California against.

Mr. James for, with Mr. William L. Pfeiffer against.

Mr. Reed of New York for, with Mr. Mason against.

Mr. Gilmer for, with Mr. Welch against.

Mr. Wheeler for, with Mr. Chesney against.

Mr. Bennett of Florida for, with Mr. O'Konski against.

Mr. Battle for, with Mr. Buckley of Illinois against.

Mr. Whitaker for, with Mr. Kruse against.
Mr. Stanley for, with Mr. Staggers against.

Mr. Rivers for, with Mr. Wigglesworth against.

Mr. Redden for, with Mr. Ribicoff against.

Mr. Hébert for, with Mr. Hull against.

Mr. Macy for, with Mr. Dawson against.

Mr. Grant for, with Mr. Burdick against.

Mr. Wood for, with Mrs. Douglas against.

Mr. Abbt for, with Mr. Celler against.

Mr. Durham for, with Mr. Kelley of Pennsylvania against.

Mr. Evins for, with Mr. Murphy against.

Until further notice:

Mr. Baring with Mr. Angell.

Mr. Powell with Mr. Boggs of Delaware.

Mrs. Norton with Mr. Crawford.

Mr. Hedrick with Mr. Smith of Ohio.

Mr. Bailey with Mr. Towe.

Mr. Barden with Mr. Woodruff.

Mr. Kee with Mr. Riehlman.

Mr. Sabath with Mr. Wolverton.

Mr. Lynch with Mr. Hoffman of Illinois.

Mr. White of Idaho with Mr. Edwin Arthur

Hall.

Mr. Sadowski with Mr. Eaton.

Mr. Miles with Mr. Chiperfield.

Mr. Doughton with Mr. Kunkel.

Mr. Sasser with Mr. H. Carl Andersen.

Mr. Marshall with Mr. Coudert.

Mr. Cavalcante with Mr. Hale.

Mr. Byrne of New York with Mr. McGregor.

Mr. Smathers with Mr. Lichtenwalter.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to inquire as to the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Will the gentleman from Tennessee tell the House what we may expect for next week?

Mr. PRIEST. Monday is Consent Calendar day. Following the Consent Calendar on Monday, general debate will begin on H. R. 7786, the general appropriation bill for 1950.

On Tuesday, the Private Calendar will be called; and following the Private Calendar general debate will be resumed on the general appropriation bill. That will carry on through Wednesday.

Thursday has previously been designated as Pan-American Day. After the ceremonies incident to Pan-American Day have been concluded, general debate will continue on the general appropriation bill.

Mr. MARTIN of Massachusetts. Is the gentleman going to ask unanimous consent that we adjourn over until Monday?

Mr. PRIEST. I am.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday and Wednesday next, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks and include a statement from the Veterans' Administration.

Mr. McCORMACK asked and was given permission to extend his remarks and include a letter with an enclosure from William Green.

Mr. MARTIN of Iowa asked and was given permission to revise and extend his remarks and include extraneous material.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. JENNINGS asked and was given permission to extend his remarks.

Mr. PATTERSON asked and was given permission to extend his remarks and include newspaper articles.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include an item appearing in the Wall Street Journal.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include two newspaper articles.

Mr. ELLIOTT asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. ADDONIZIO asked and was given permission to extend his remarks and include an editorial.

Mr. TAURIELLO asked and was given permission to extend his remarks in two instances, in one to include a résumé of a meeting held with the Secretary of State, a list of Members who attended, and a letter, and in the other an editorial.

Mr. LYLE. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD at the proper place on the resolution just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KARST asked and was given permission to extend his remarks and include an excerpt from a St. Louis newspaper.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include statements and excerpts.

Mr. MULTER asked and was given permission to revise and extend his remarks made in Committee of the Whole on the bill H. R. 7797 and include an editorial.

Mr. KLEIN asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. McDONOUGH asked and was given permission to extend his remarks and include a statement by Mr. Vicente Villamin.

Mr. HOPE asked and was given permission to extend the remarks he made in Committee of the Whole by including two telegrams, and further to extend his remarks in the Appendix of the Record.

Mr. JAVITS asked and was given permission to extend his remarks and include extraneous material.

Mr. TAYLOR asked and was given permission to extend his remarks and to include a telegram.

Mr. LODGE asked and was given permission to extend his remarks in three instances and include extraneous material.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. HEDRICK, for an indefinite period, on account of official business.

To Mr. CHESNEY, for an indefinite period, on account of official business.

To Mr. COUDERT, for week of April 3, on account of illness of a member of family.

To Mr. HULL, for 14 days, on account of illness in family.

To Mr. ANGELL (at the request of Mr. MARTIN of Massachusetts), on account of illness in family.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 29 minutes p. m.), under its previous order, the House adjourned until Monday, April 3, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1347. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 3, 1950, submitting a report, together with accompanying papers and an illustration, on a review of reports on Shilshole Bay, Seattle, Wash., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 536); to the Committee on Public Works and ordered to be printed, with one illustration.

1348. A letter from the Secretary of the Interior, transmitting a report on the initial stage of the North Fork Kings River development, recommending authorization for construction as a part of the North Fork Kings unit, Kings River division, Central Valley project, California (H. Doc. No. 537); to the Committee on Public Lands and ordered to be printed.

1349. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 30, 1950, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of Atlantic City, N. J., made under the provisions of section 2 of the River and Harbors Act approved on July 3, 1930, as amended and supplemented (H. Doc. No. 538); to the Committee on Public Works and ordered to be printed with illustrations.

1350. A letter from the Secretary, Department of Agriculture, transmitting a draft of

a proposed bill entitled "A bill to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes"; to the Committee on Public Lands.

1351. A letter from the Attorney General of the United States, transmitting drafts of two proposed bills entitled "A bill to prohibit transportation of gambling devices in interstate and foreign commerce" and "A bill to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities"; to the Committee on Interstate and Foreign Commerce.

1352. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Virgin Islands Company for the fiscal year ended June 30, 1949, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 539); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1353. A letter from the Acting Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to provide for sundry administrative matters affecting the Department of Defense, and for other purposes"; to the Committee on Armed Services.

1354. A letter from the Chairman, Munitions Board, transmitting the Second Annual Report on the National Industrial Reserve, pursuant to section 12 of the National Industrial Reserve Act of 1948, Public Law 883, Eightieth Congress; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 7219. A bill to authorize acquisition by the Administrator of General Services of certain land and the improvements thereon in the District of Columbia; with amendment (Rept. No. 1864). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. S. 930. An act to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; (Rept. No. 1865). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ANGELL:

H. R. 7950. A bill to provide for the acquisition of a site and preparation of plans and specifications for a new postal building in the Piedmont district, in Portland, Oreg., and for other purposes; to the Committee on Public Works.

By Mr. CLEMENTE:

H. R. 7951. A bill to establish an Armed Forces College and an Air Force Academy; to the Committee on Armed Services.

By Mr. AUGUST H. ANDRESEN:

H. R. 7952. A bill to extend until July 1, 1952, import-control powers with respect to fats and oils and rice and rice products; to the Committee on Banking and Currency.

By Mr. COUDERT:

H. R. 7953. A bill to provide for the acquisition and preservation of certain historic property north of Washington Square in New York City, and for other purposes; to the Committee on Public Lands.

By Mr. JONAS:

H. R. 7954. A bill to authorize the commercial operation of certain vessels on the

Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. PACE:

H. R. 7955. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Adjustment Act (of 1933), as amended and as reenacted by the Agricultural Marketing Agreement Act of 1937; to the Committee on Agriculture.

By Mr. VURSELL:

H. R. 7956. A bill to provide for posthumous award of the Military Order of the Purple Heart in the case of certain individuals who served in wars prior to World War II; to the Committee on Armed Services.

By Mr. KENNEDY:

H. R. 7957. A bill to provide for the utilization as a national cemetery of surplus Army Department-owned military real property at Fort Devens, Mass.; to the Committee on Public Lands.

By Mr. KEE:

H. R. 7958. A bill to extend certain privileges to representatives of member states on the Council of the Organization of American States; to the Committee on Foreign Affairs.

By Mr. MULTER:

H. J. Res. 448. Joint resolution to establish a Joint Committee on International Economic Development; to the Committee on Rules.

By Mr. KEATING:

H. Res. 533. Resolution to encourage a peaceful, prosperous, and united Ireland, but without imposing any particular form of political or economic association upon its people; to the Committee on Foreign Affairs.

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 California, memorializing the President and the Congress of the United States to aid in securing the return of abducted Greek children to their native land; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. FALLON:

H. R. 7959. A bill for the relief of Ulo Erelman; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 7960. A bill for the relief of Al-Shen Miles Lee; to the Committee on the Judiciary.
H. R. 7961. A bill for the relief of Chiyoko Yano; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 7962. A bill for the relief of Mrs. Jadwiga Danuta Kantor; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 7963. A bill for the relief of Pearl Monczyk; to the Committee on the Judiciary.

H. R. 7964. A bill for the relief of the estate of Francis A. Waldron; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 7965. A bill for the relief of Emanuele Lo Castro; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 7966. A bill to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806; to the Committee on the District of Columbia.

By Mr. O'KONSKI:

H. R. 7967. A bill for the relief of Mrs. Mook Myong Boon Schandorf; to the Committee on the Judiciary.

H. R. 7968. A bill for the relief of Mrs. Zenaida A. Shengelia; to the Committee on the Judiciary.

H. R. 7969. A bill for the relief of Mrs. Helina W. Czuajewski Visger; to the Committee on the Judiciary.

H. R. 7970. A bill for the relief of Regina Watanabe (Mrs. Regina Anderson); to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 7971. A bill for the relief of Cesare Buia, Gabriella Buia, and Daniela Buia; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 7972. A bill for the relief of Joseph Girardi; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 7973. A bill for the relief of John Cardillo and Philip Cardillo; to the Committee on the Judiciary.

H. R. 7974. A bill for the relief of Jacob Reder and Erna Marcelina Frenkel Reder; to the Committee on the Judiciary.

By Mr. WERDEL:

H. R. 7975. A bill to provide for the admission of Misses Janet and Daisy Wong to the United States; to the Committee on the Judiciary.

By Mrs. WOODHOUSE:

H. R. 7976. A bill for the relief of Lillian M. Lanphear Collier; 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:

2041. By Mr. GOODWIN: Resolution of the Board of Aldermen of the City of Somerville, Mass., approving the liberalization of social-security benefits; to the Committee on Ways and Means.

2042. Also, resolution of the Board of Aldermen of the City of Somerville, Mass., favoring Federal legislation to aid education which will not exclude parochial-school children; to the Committee on Education and Labor.

2043. By Mr. PHILLIPS of Tennessee: Petition of the Corporation of Sevierville, Sevier, Tenn., requesting that April 11, 1951, and every 50 years thereafter be designated as a legal holiday and named Half-Century Day; to the Committee on the Judiciary.

SENATE

MONDAY, APRIL 3, 1950

(Legislative day of Wednesday, March 29, 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 God, maker of all things, judge of all men, solemnize our hearts with reverential, penitential awe as in these holy days over which is the shadow of a cross we follow the wounded footsteps of man's best man, of love's best love. Teach us anew, as we look on Him in whose face Thy glory is revealed, the pretense of pride, the hollowness of ambition, the vanity of power, the deceit of riches, the disillusionment of fame. In the set and steadfast face of that servant of all, who rides on to die, may we see anew the might of love, the royalty of self-giving, the majesty of meekness. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of Friday, March 31, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that on March 31, 1950, the President had approved and signed the following acts:

S. 609. An act for the relief of Mrs. Bertie Grace Chan Leong;

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act; and

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended.

The message also announced that the House had passed a bill (H. R. 7797) to provide foreign economic assistance, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 193) providing for adjournment of the House until April 18, 1950, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. McFARLAND, and by unanimous consent, the Committee on Expenditures in the Executive Departments was authorized to hold hearings at any time during this week and next week during the sessions of the Senate.

On request of Mr. McFARLAND, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Gillette	Langer
Anderson	Green	Lehman
Brewster	Gurney	Lodge
Bricker	Hayden	Long
Butler	Hendrickson	McCarran
Byrd	Hickenlooper	McClellan
Cain	Hill	McFarland
Capehart	Hoey	McKellar
Chavez	Holland	McMahon
Connally	Humphrey	Magnuson
Cordon	Hunt	Malone
Darby	Ives	Martin
Donnell	Jenner	Maybank
Douglas	Johnson, Colo.	Millikin
Dworshak	Johnson, Tex.	Mundt
Eastland	Johnson, S. C.	Murray
Ecton	Kefauver	O'Connor
Ellender	Kerr	O'Mahoney
Ferguson	Kilgore	Robertson
Flanders	Knowland	Russell
George		Saltonstall

Schoeppel	Taylor	Wiley
Smith, Maine	Thomas, Utah	Williams
Smith, N. J.	Thye	Withers
Sparkman	Tydings	Young
Stennis	Watkins	
Taft	Wherry	

Mr. McFARLAND. I announce that the Senator from Connecticut [Mr. BEN-
TON] is necessarily absent.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. GRAHAM], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are absent because of illness.

The Senator from Delaware [Mr. FREAR] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate on official business.

The Senator from Illinois [Mr. LUCAS] is unavoidably detained on official business.

Mr. SALTONSTALL. I announce that the senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Wisconsin [Mr. McCARTHY] is absent because of a temporary illness.

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

The VICE PRESIDENT. A quorum is present.

EASTER RECESS

The VICE PRESIDENT laid before the Senate a concurrent resolution (H. Con. Res. 193), which was read, as follows:

Resolved, etc., That when the House adjourns on Thursday, April 6, 1950, it stand adjourned until 12 o'clock meridian Tuesday, April 18, 1950.

Mr. McFARLAND. Mr. President, I move that the Senate concur in the House concurrent resolution.

Mr. WHERRY. Mr. President, will the acting majority leader tell us—

The VICE PRESIDENT. The concurrent resolution is not debatable. It is a concurrent resolution providing for a House recess.

Mr. WHERRY. Does it provide only for a House recess?

The VICE PRESIDENT. It does.

Mr. WHERRY. It has nothing to do with the Senate?

The VICE PRESIDENT. Not a thing in the world, except that the Senate has to agree to it.

Mr. WHERRY. Mr. President, will the acting majority leader yield for a question?

The VICE PRESIDENT. The concurrent resolution is not debatable.

Mr. WHERRY. I have no objection to the consideration of the concurrent resolution.

The VICE PRESIDENT. Without objection, the concurrent resolution is agreed to.

Mr. WHERRY. Mr. President, will the acting majority leader yield?

Mr. McFARLAND. If I have the floor.