By Mr. HAVENNER:
H. R. 8473. A bill for the relief of Kimiko Tomita; to the Committee on the Judiciary.
By Mr. KING:
H. R. 8474. A bill for the relief of Mrs. Shirley Safranek; to the Committee on the Judiciary.
By Mr. O'HARA of Illinois:
H. R. 8475. A bill for the relief of Forrest Y. Stearns; to the Committee on the Judiciary.
By Mr. RABAUT:
H. R. 8476. A bill for the relief of Aniela Buczek; to the Committee on the Judiciary.
By Mr. STOCKMAN:
H. R. 8477. A bill for the relief of Marcel Rene de Romanett; to the Committee on the Judiciary.
By Mr. WHITE of Idaho:
H. R. 8478. A bill for the relief of Bernard Spielmann; 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:

2117. By Mr. HESELTON: Resolutions memorializing Congress to study and review the problem of resurgent nazism and communism in Germany; to the Committee on Foreign Affairs.

2118. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging study of the problem of resurgent nazism and communism in Germany; to the Committee on Foreign Affairs.

2119. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, memorializing Congress to study and review the problem of resurgent nazism and communism in Germany; to the Committee on Foreign Affairs.

2120. By the SPEAKER: Petition of R. A. MacDonald, clerk, Council of the City of Cincinnati, Ohio, endorsing House Joint Resolution 400, which designates an official Smoke Abatement Week in October 1950; to the Committee on the Judiciary.

2121. Also, petition of Mrs. Warren S. Currier, recording secretary, National Society, Daughters of the American Revolution, Washington, D. C., transmitting resolutions adopted by the Fifty-ninth Continental Congress of the National Society of the Daughters of the American Revolution; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 11, 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:

O merciful God, whose law is truth and whose statutes stand forever, make us ready, we beseech Thee, on the threshold of each new day to go forth armed with Thy power, seeking on the high road of public office to right wrong, and to overcome evil.

Grant unto us all that, laying aside any partisan divisions, we may be given tallness of stature to see above the walls of our prideful opinions the good of the largest number. Unite our hearts and minds to bear the burdens that are laid upon us and in all things to serve Thee bravely, faithfully, joyfully; that at the end of the day's labor, kneeling for Thy blessing, Thou mayest find no blot upon our shields. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 10, 1950, was dispensed with.

CALL OF THE ROLL

Mr. LUCAS. Mr. President, before suggesting the absence of a quorum, I ask unanimous consent that the time consumed in calling the roll be divided equally between the opponents and the proponents of the pending resolution.

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

Mr. LUCAS. I yield.

Mr. TAFT. In order that we may have some order in the procedure, does not the Senator from Illinois think it would be desirable to agree that someone should allot the time on each side of the question?

Mr. LUCAS. Yes; I intend to do that as soon as we have a quorum present.

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

The Secretary will call the roll.

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

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Mundt
Brewster	Hill	Myers
Bricker	Hoey	Neely
Bridges	Holland	O'Conor
Butler	Hunt	Robertson
Byrd	Ives	Saltonstall
Cain	Jenner	Schoeppel
Capehart	Johnson, Colo.	Smith, Maine
Chapman	Johnson, Tex.	Smith, N. J.
Chavez	Johnston, S. C.	Sparkman
Connally	Kefauver	Stennis
Cordon	Kem	Taft
Darby	Kerr	Taylor
Donnell	Knowland	Thomas, Okla.
Douglas	Langer	Thomas, Utah
Dworshak	Leahy	Thye
Eastland	Lehman	Tobey
Ecton	Lodge	Tydings
Ellender	Long	Watkins
Ferguson	Lucas	Wherry
Flanders	McCarthy	Wiley
Fulbright	McClellan	Williams
George	McFarland	Withers
Gillette	McKellar	Young
Green	Malone	
Gurney	Martin	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Delaware [Mr. FREAR] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. KILGORE], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of illness in his family.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. MORSE] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

REORGANIZATION PLAN NO. 12

The Senate resumed the consideration of the resolution (S. Res. 248) disapproving Reorganization Plan No. 12 of 1950.

The VICE PRESIDENT. The Chair has received a communication from the President of the United States which he asks the clerk to read. The Chair suggests to the Senator from Ohio and the Senator from Illinois that the time consumed in reading this communication, which consists of about three pages, be equally divided.

Mr. TAFT. Mr. President, of course I do not object to the suggestion of the Chair, but it rather seems to me that the time should be charged to the opponents of the resolution. However, I shall not object.

The VICE PRESIDENT. The clerk will read the communication from the President.

The Chief Clerk read as follows:

SIGNAL CENTER,
THE WHITE HOUSE,
May 11, 1950.

From: The President.
To: The Vice President.

TEXT OF TELEGRAM TO THE VICE PRESIDENT

Understand that the Senate will shortly vote on Reorganization Plan No. 12, relating to the National Labor Relations Board.

Plan 12 will correct an administratively unworkable organizational set-up and will put the procedures of the Labor Board in line with those of all the other independent regulatory commissions. The procedures of the Labor Board are at present a glaring exception to the procedures of the other commissions.

The issues now involved in consideration of Plan 12 are not matters of personalities, neither do they go to the substance of the controversy over the Taft-Hartley Act, as opponents of Plan 12 have attempted to argue.

No group of men could efficiently operate the two-headed freak which the organization of the Labor Board now represents.

The history of this matter leads me to believe that most of the opponents of Plan 12 are more concerned with politics than with the merits of the proposal.

Last year the Senate passed a bill, commonly known as the Taft-Smith-Donnell substitute, which its sponsors said was designed to meet legitimate criticisms of the Taft-Hartley Act. Among the provisions which that bill contained, as passed by the Senate, was one to abolish the office of the independent general counsel of the Labor Board and transfer the functions of the office back to the Board itself. Thus, the Administrative Procedures Act of 1946 would have been relied upon to maintain the necessary separation of judicial and prosecuting functions of the Board. That is exactly the object of Plan 12.

On June 29, 1949, Senator TAFT made the following statement on the floor of the Senate in support of the proposal which now appears in Plan 12:

"I believe that the amendments which we have suggested are important. Perhaps the most important one is the elimination of

the independent general counsel. The difficulty which arose with the independent general counsel was that he took a different view of the jurisdiction of the Board than did the Board itself. He would bring a case which he thought was covered by the act. After a year's litigation the Board would rule that it was not covered by the act. In the last analysis the Board determined the results, but in the meantime there was confusion. There was a difference of opinion. There was difficulty in the separation of powers.

"Under the Administrative Procedures Act, which was passed since the passage of the original National Labor Relations Act, the judicial and prosecuting functions are largely separated, although not entirely so. The procedure goes back to the Board. However, we felt that on the whole that separation accomplished the purposes we were trying to accomplish in not having the same people bring the prosecution, try the case, and then judge those whom they themselves had indicted. That was one of the strong protests made by the labor unions, and we felt that it was sufficiently justified to go back to the Administrative Procedure Act and rely upon that for a fair treatment by the Board."

Nothing has happened since June 1949, when Senator TAFT made that statement, to change the need for correcting the existing unsound administrative organization of the Labor Board. In fact, the contrary is the case. The need for change is greater now than it was then.

Plan 12 is in the best interests of sound Government organization and administration. I urge that the Senate give the plan its approval.

The VICE PRESIDENT. The communication will lie on the table.

Mr. LUCAS. Mr. President, I ask unanimous consent that the time required for debate on the pending measure be controlled respectively by the Senator from Ohio [Mr. TAFT] and the Senator from Pennsylvania [Mr. MYERS].

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

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

Mr. LUCAS. I yield.

Mr. TAFT. Let me suggest to the Senator from Illinois and to all other Senators that any Senator who wishes to speak on this question should let us know as soon as possible how much time he wishes to have for that purpose. I understand that approximately 3½ hours now remain for the opponents of the resolution and nearly 5 hours for the proponents of the resolution.

The proponents of the resolution will not take more than an hour, so far as I have been able to ascertain. So I hope we may be able to reach a vote on this question not later than 4:30 or 5 o'clock this afternoon.

Mr. LUCAS. Mr. President, in reply to the Senator from Ohio, let me say that I think we can accommodate him. I have canvassed the situation among Senators on this side of the aisle, and I doubt that we shall take more than an hour and a half or an hour and three-quarters in the debate.

I do not believe it is necessary to state definitely now the exact amount of time that will be required, for no doubt that can better be determined after observing the developments which occur. However, I think a little later in the afternoon we shall be able to determine the amount of time required.

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

Mr. LUCAS. I yield.

Mr. ROBERTSON. A little later, when the majority leader ascertains more definitely the amount of time required, I should be glad to have him consider a unanimous-consent request that the Senate vote at 4 o'clock on the pending question, in order that immediately thereafter we may consider and then vote on my resolution regarding Reorganization Plan No. 1, which we are perfectly willing to submit to the Senate for debate not to exceed 1 hour in duration, with the time to be equally divided, one-half the time to be controlled by the Senator from Arkansas [Mr. MCCLELLAN] and the other half by the Senator from Connecticut [Mr. BENTON].

Mr. LUCAS. Mr. President, let me say to the able Senator from Virginia that I think we should take up that matter when we have finally disposed of the question now pending.

The VICE PRESIDENT. The Chair would suggest that all time now consumed on any subject is part of the 10 hours of debate, and is now under the control of the two Senators, respectively, who have been named as being in charge of the time.

Mr. ROBERTSON. Mr. President, I hope the minute or two we take on this matter now will save time later, because it is obvious that we face the fact that 50 Senators voted yesterday to have the Senate take up this measure, and I assume that those 50 Senators will vote in favor of the resolution of disapproval. Therefore it seems to me that any further debate on the question will not result in changing any votes. Consequently it seems rather needless to hold Senators here very long for extended debate in the Senate on this question.

Mr. LUCAS. Mr. President, I do not propose to hold any Senator longer than is necessary, but neither do I propose to enter into an agreement now which will have the result of cutting off debate on the part of some Senators who may not be on the floor of the Senate at this time.

I have canvassed Senators on this matter, and I know of five or six Senators who desire to speak on this question. There may be other Senators who will desire to speak on it.

I think that by 5 or 6 o'clock this afternoon we shall be able to determine more nearly the amount of time required.

LEAVE OF ABSENCE

Mr. TAFT. Mr. President, I allow 20 minutes to the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the Committee on Expenditures in the Executive Departments, if he wishes to use that much time.

Mr. FERGUSON. Mr. President, before the Senator from Ohio yields to the Senator from Arkansas, I wonder whether the Senator will yield to me sufficient time to permit me to request unanimous consent that my distinguished colleague the senior Senator from Michigan [Mr. VANDENBERG] may be granted unanimous consent to be absent.

Mr. TAFT. Certainly.

Mr. FERGUSON. Mr. President, I ask unanimous consent that my distinguished colleague the senior Senator from Michigan [Mr. VANDENBERG] may be excused from attendance at the session of the Senate today and for such other sessions of the Senate as he may be unable to attend because of his illness.

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

STATEMENT BY 35 SENATORS REGARDING FAR EASTERN POLICY—COMMUNICATION FROM THE PRESIDENT

Mr. WHERRY. Mr. President, will the Senator yield in order that I may make an insertion in the RECORD?

The VICE PRESIDENT. The Senator from Ohio has control of the time.

Mr. WHERRY. I understood the Senator from Ohio to yield time to the Senator from Arkansas [Mr. MCCLELLAN]. I am asking the Senator from Arkansas to yield to me.

Mr. MCCLELLAN. I yield to the Senator from Nebraska, in order that he may make an insertion only.

Mr. WHERRY. Mr. President, on May 2, 35 Senators sent to the President of the United States, in a letter addressed to him, a statement of their observations on the development of the far-eastern policy. The letter is as follows:

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

DEAR MR. PRESIDENT: We, the undersigned Members of the Senate of the United States, respectfully urge that this Government, in the development of a far eastern policy, promptly make clear:

1. We have no present intention of recognizing the Communist regime in China; and

2. We shall actively oppose the move by representatives of the Soviet Union to unseat the representatives of the Republic of China and to extend membership to the representatives of the Communist regime of that country in the United Nations.

We firmly believe that a prompt clarification of our position in this matter is in the national interest.

Sincerely yours.

PAT MCCARRAN, GUY CORDON, KARL E. MUNDT, JOHN W. BRICKER, RALPH E. FLANDERS, CHAN GURNEY, W. E. JENNER, G. W. MALONE, JAMES B. EASTLAND, HARRY DARBY, HARRY F. BYRD, FORREST C. DONNELL, HUGH BUTLER, HENRY C. DWORSHAK, EUGENE D. MILLIKIN, LEVERETT SALTONSTALL, HERBERT R. O'CONOR, CHARLES W. TOBEY, WILLIAM F. KNOWLAND, STYLES BRIDGES, OWEN BREWSTER, MILTON R. YOUNG, EDWARD THYE, EDWARD MARTIN, ROBERT A. TAFT, KENNETH S. WHERRY, ANDREW SCHOEPPEL, HARRY P. CAIN, ZALES ECTON, HOMER FERGUSON, JAMES P. KEM, ROBERT HENDRICKSON, JOSEPH R. MCCARTHY, IRVING M. IVES, JOHN J. WILLIAMS.

On May 5 the President of the United States directed to the Senator from Nebraska a short communication which I should like to read.

Mr. MCCLELLAN. Mr. President, I do not wish to yield for debate.

Mr. WHERRY. I shall need only 30 seconds to complete this matter.

Mr. MCCLELLAN. Very well.

Mr. WHERRY. The letter from the President reads as follows:

THE WHITE HOUSE,
Washington, May 5, 1950.

Hon. KENNETH S. WHERRY,
United States Senate,
Washington, D. C.

DEAR KENNETH: I received the round-table suggestion which you and your colleagues got up and signed on May 2.

It is very thoughtful of you to give me an expression of your opinion on the Chinese situation—it will be carefully considered.

I hope you will place this communication in the records so all your colleagues, who signed the round robin, may understand that I appreciate their interest in foreign affairs.

Sincerely yours,

HARRY S. TRUMAN.

Mr. President, I thank the distinguished Senator from Arkansas for yielding me these few seconds, in order that I might make this insertion in the RECORD at this time.

LEAVE OF ABSENCE

Mr. McCLELLAN. Mr. President, I desire to propound unanimous consent, first, that I be permitted to be absent from the Senate tomorrow.

The VICE PRESIDENT. Without objection, consent is granted.

ANNOUNCEMENT OF HEARINGS ON RESOLUTIONS OF DISAPPROVAL OF REORGANIZATION PLANS NOS. 17 AND 18

Mr. McCLELLAN. Mr. President, before discusing the pending question, I should like to announce to the Senate that on yesterday two other resolutions of disaproval to pending reorganization plans were filed, namely, Senate Resolution 271, submitted by the Senator from Vermont [Mr. AIKEN], to disapprove Reorganization Plan 17 of 1950; and Senate Resolution 270, submitted by the Senator from South Carolina [Mr. JOHNSTON], to disapprove Reorganization Plan No. 18. On those resolutions the Committee on Expenditures in the Executive Departments will hold hearings next Tuesday, May 16.

I am asking that all Senators who are interested—all witnesses who may be interested, and the various departments interested are being notified of these hearings—be prepared to present their testimony to the committee as quickly as possible, because I hope and expect to conclude the hearings on both the resolutions in 1 day, by holding morning and afternoon sessions.

In that connection, Mr. President, I ask unanimous consent that the Committee on Expenditures in the Executive Departments, during its consideration of reorganization plans, may be permitted to sit in the consideration of any plan at any time when the Senate is in session, for the purpose of holding such hearings.

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

REORGANIZATION PLAN NO. 12

The Senate resumed the consideration of the resolution (S. Res. 248) disapproving Reorganization Plan No. 12 of 1950.

Mr. McCLELLAN. Mr. President, as the Senate is aware, of course, the Committee on Expenditures in the Executive Departments on April 17, last, reported favorably Senate Resolution 248, which expresses disapproval of Reorganization Plan No. 12 of 1950, relating to reorganization of the National Labor Relations Board.

The membership of the committee by a vote of 9 to 4 reported favorably the resolution of disapproval which was submitted by the senior Senator from Ohio [Mr. TAFT].

The effect of the adoption by the Senate of Senate Resolution 248 will be to prevent Reorganization Plan No. 12 from becoming public law on next May 24. I have been informed the recent recess taken by the House from April 6 to April 18 extended by 11 additional days the 60-day period in which either House of the Congress may reject the plan, thus making the effective date May 24.

The action taken by the committee followed the holding of public hearings on April 4, 5, and 6. The testimony of 12 witnesses, who may be regarded as authorities upon the issues involved, was heard. Nine of the 12 witnesses strongly opposed the adoption of the plan, whereas three witnesses favored the plan.

Mr. President, I ask unanimous consent that, as a part of my remarks, a list of the witnesses who appeared, both for and against the plan, be inserted in the RECORD at this point.

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

Witnesses who opposed the plan are:

1. Hon. Robert A. Taft, United States Senator from Ohio.
2. Robert N. Denham, general counsel, NLRB.
3. Theodore R. Iserman, attorney, New York City.
4. Bethel B. Kelley, Detroit Board of Commerce.
5. James D. Marshall, Associated General Contractors of America, Inc.
6. Lambert H. Miller, National Association of Manufacturers.
7. Gerard D. Reilly, attorney, Washington, D. C.
8. Hoyt P. Steele, executive vice president, Benjamin Electric Manufacturing Co., Des Plaines, Ill.
9. Alexander E. Wilson, Jr., law firm of Wilson, Branch & Smith, Atlanta, Ga.

Witnesses who favored the plan were:

1. Paul M. Herzog, chairman, NLRB.
2. Frederick J. Lawton, director, Bureau of the Budget.
3. Paul L. Styles, member, NLRB.

1. PLAN 12 WOULD NOT ACCOMPLISH THE OBJECTIVES OF THE REORGANIZATION ACT OF 1949

Mr. McCLELLAN. The Reorganization Act of 1949, pursuant to which Plan No. 12 was submitted, had as its primary objectives the achievement of economy, efficiency, and improved management in the executive branch of the Government.

It is difficult to see how plan 12 furthers any of these purposes. It was not proved to the committee, through hearings, or otherwise, that the plan will bring about any substantial saving of money. The President, himself, in submitting the plan admitted it "may not in itself result in substantial immediate savings," but predicted "during the next years • • • a reduction in expenditures as compared with those that would otherwise be necessary." Subsequent statements by Mr. Herzog, the Chairman of the National Labor Relations Board, and the Director of the Bureau of the Budget, were equally vague as to economies which might be achieved.

It also requires considerable stretching of the imagination to conclude that greater administrative efficiency would result from adoption of the plan. It should be recalled that the Hoover Commission Task Force, which made an extensive analysis of the NLRB, reported that the chief bottleneck in case handling is the Board, rather than the general counsel or any of his operational divisions. I call attention to the fact that, notwithstanding the bottleneck, this plan would simply place a greater burden on the Board and therefore would possibly increase rather than diminish the existing bottleneck. When it is considered that the heavy burden of case handling at the initial stage will be added to the already overtaxed Board, or its chairman, as well as the supervision of an additional 800 employees of the general counsel's office, who likewise would be transferred under the plan, it is, indeed, difficult to reason that either administrative efficiency or internal management would be improved. To the contrary, it would appear that such extra burdens would produce exactly the opposite result.

No real evidence was presented that inefficiency presently exists in either the NLRB or the counsel's office. Rather the issue before the committee was that conflicts in interpretation of the basic statue, the Taft-Hartley Act, as to their respective functions is the cause of the controversy plan 12 seeks, and incorrectly seeks, to solve.

I may say that those controversies are soon to be settled by the courts. Two cases are now pending in the courts on appeal from the Board, or from the action of the general counsel, which will definitely determine the controversy with respect to the interpretation of the present law and the functions and duties of the general counsel under the law, as well as the duties and responsibilities or the jurisdiction of the Board under it. So I say, Mr. President, that what this plan would seek to correct—and as I have suggested, would seek incorectly to correct—is a problem and an issue which is now before the courts and which will soon be determined.

2. PLAN 12 CLEARLY REPUDIATES A POLICY OVERWHELMINGLY EXPRESSED BY CONGRESS AS RECENTLY AS 1947

The Taft-Hartley Act was enacted by the Congress in 1947 after lengthy debate, by overwhelming majorities in both Houses and over a Presidential veto.

Among the vital issues involved in the Taft-Hartley Act was the separation of the investigative and prosecuting functions of the NLRB from its judicial functions. As we all know, that was one of the strongest objections to the original Wagner Act and to the National Labor Relations Board created by that act. This plan simply means to revert to the

old procedure and to institute again a procedure which was condemned under that practice and under the old law.

Among the vital issues involved in the Taft-Hartley Act was a separation of the investigative and prosecuting functions of the NLRB from its judicial functions. The same issue is involved here, Mr. President. The House bill created an independent Administrator of the National Labor Relations Act, giving him all investigative and prosecuting functions. The Senate bill did not divorce the prosecuting functions from the judicial, but sought to improve the judicial functions of the Board in several ways. The conferees on House bill 3020 adopted a new section, section 3 (d) of the Taft-Hartley Act, which established the office of general counsel. This section set forth the counsel's functions in the following language:

SEC. 3. (d) There shall be a general counsel of the Board who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. The general counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to Board members) and over the officers and employees in the regional offices. He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10, and in respect of the prosecution of such complaints before the Board, and shall have such other duties as the Board may prescribe or as may be provided by law.

There was an attempt under this act wholly to divorce from the jurisdiction of the Board the prosecuting functions.

The intent of the Congress with respect to the independence of the general counsel from the NLRB was made unmistakably clear in the statement of the managers accompanying the conference report. This is what the conferees said was what they intended the law to do:

The general counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board. He is to have, in addition, such other duties as the Board may prescribe or as may be provided by law. By this provision responsibility for what takes place in the Board's regional offices is centralized in one individual, who is ultimately responsible to the President and Congress.

This conference report was accepted by the House on June 4, 1947, by a vote of 320 to 79; by the Senate on June 6, 1947, by a vote of 54 to 17.

Thus, the conviction of Congress, in enacting the Taft-Hartley Act, that the investigative and prosecuting functions of the NLRB should be distinctly separated from its judicial functions, is clear.

Plan 12—beyond successful refutation—repudiates this policy. It transfers the powers of the general counsel to the National Labor Relations Board or its Chairman, thus destroying the separation of functions which the Congress established less than 3 years ago, and it abolishes the general counsel.

Nothing has occurred in my judgment since enactment of the Taft-Hartley Act which warrants this reversal of congressional policy on such a significant issue.

As I said a moment ago, the issue will soon be settled by the courts, and thereafter both the Board and the counsel will have the guide of the judiciary as to what their respective functions are and how to proceed under them.

The clear-cut separation of the investigative and prosecutory functions from the judicial functions of the National Labor Relations Board is just as important to the welfare of the country today as it was 3 years ago. It is just as important to have those functions separated, under the peculiar working and responsibility of this agency, as it is to have those functions separated in a court of law.

No fair-minded person can contend with reason that the Hoover Commission at any place in its reports recommended abolition of the office of general counsel of the NLRB. As a member of that Commission, I can assure Senators that it was not the intent or purpose of the Commission to recommend that the office be abolished or its functions transferred to the NLRB. I also will state that had that been its purpose, or had the majority of the Commission so recommended, there would have been a most vigorous dissenting report written, and I would have written it. I do not know who else would have joined with me, but such a dissenting report would have been filed.

Aside from my firm convictions as to the Commission's purpose in that matter, we have but to refer to the recent statement by former President Herbert Hoover addressed to the author of the current resolution of disapproval, the Senator from Ohio [Mr. TAFT]. With the permission of the Senator from Ohio I shall read the statement, which is part of the committee's records:

HON. ROBERT A. TAFT,
United States Senate,
Washington, D. C.:

I have your inquiry as to the recommendations of the Commission on Organization of the Executive Branch of the Government as to the counsel of the National Labor Relations Board. So far as I recollect, this subject was never discussed by the Commission. There is no recommendation in the Commission's reports to Congress.

HERBERT HOOVER.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

Mr. TAFT. I yield five more minutes to the Senator from Arkansas.

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

Mr. McCLELLAN. I yield.

Mr. LUCAS. According to a memorandum which I have here, the Hoover Commission itself recommended that "all administrative responsibility be vested in the chairman of the commission."

Mr. McCLELLAN. Yes; that is a general recommendation, of course. As a general principle, that would be true. But I was going to comment a little further as to the telegram from former President Hoover, and my recollection of what occurred——

Mr. LUCAS. Right along that line, as I understand, the Hoover Commission also said:

The existence of such an office (i. e., the general counsel), independent both of the Federal department structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization, it may lead to a diffusion of responsibility.

Mr. McCLELLAN. That is correct; but insofar as the Hoover Commission making any recommendation about it is concerned, I say it did not. At the time it was presented in the hearings my recollection is that the Hoover Commission positively took no action. I also refer my colleague to other Senators, including the Senator from Vermont [Mr. AIKEN], who served on the Commission. Our recollection about the matter is the same, except that former President Hoover says he does not recall that it was ever discussed. I think I recall one occasion when the subject was broached. My recollection is that the Commission agreed that this was substantive law and, therefore, it involved a policy which Congress had fixed, and it was not the function or the jurisdiction of the Reorganization Commission, established to reorganize the executive branch of the Government, to try to interfere with the prerogatives of the Congress in fixing national policy.

That is the position which the Hoover Commission took, without a record vote. That is why there is nothing presented as a recommendation from the Hoover Commission on this subject. We felt that it was a law which the Congress had enacted as a policy, and, therefore, it was not within the prerogatives of the Hoover Commission to undertake to tell the Congress how to change its policy.

Most exhaustive search of the Hoover Commission's reports—both the Commission's final reports and the task force staff reports—fails to reveal any basis whatsoever for plan No. 12's major purpose, that of abolishing the NLRB general counsel. Basis exists for some other provisions of the plan, but not for abolition or transfer of the general counsel.

To the contrary, it recommended creation of a special council of labor under chairmanship of the Secretary of Labor, in which the general counsel and other Federal officials concerned with labor problems would be included.

For the reasons outlined above, and for other equally important reasons which I am certain will be forcibly presented in debate which will follow, I can reach no other conclusion than that Reorganization Plan 12 should be rejected.

Mr. President, as I conclude, I wish to invite the attention of the Members of the Senate to my thoughts about the question. The congressional-declared

purpose of the whole reorganization authorization is to bring more efficiency and greater economy into the Federal Government. It is my judgment, after study of many of the plans which are being submitted to us, that many of them tend more in the direction of centralizing power in the executive branch of the Government than they do in the direction of reorganizing the executive branch for the purpose of obtaining greater efficiency or economy. That is what this plan does. It centralizes power by placing all the investigative, prosecution, and judicial functions of a board which will have tremendous powers over the life of the economy of this Nation in one agency. The prosecuting functions and the judicial functions should be separated, in keeping with our American principles and traditions.

Mr. TAFT. Mr. President, I yield 10 or 12 minutes to the senior Senator from New Jersey.

NATIONAL SCIENCE FOUNDATION ACT OF 1950

Mr. SMITH of New Jersey. Mr. President, before I address myself to Senate Resolution 248, with the consent of the Senator from Ohio [Mr. TAFT], I wish to address myself for about a minute and a half to a matter which I think is of great importance to this body.

Yesterday the President affixed his signature to S. 247, the National Science Foundation Act of 1950. This is a matter of such importance that I desire to make a brief comment.

It is profoundly gratifying that the long effort to establish a National Science Foundation has thus been brought to a successful conclusion. This enactment is a historic milestone in the encouragement of basic scientific research, which is so vital to the welfare and safety of the American people.

Our experience during the recent war made clear the tremendous need for a larger number of researchers, and a much greater amount of first-class work, in fundamental science as distinguished from applied science. We found that while America stood unsurpassed in the application of scientific truth, and in the development of weapons and techniques, we, as a people, had never devoted a comparable effort to the search for fundamental scientific truth, from which all our techniques and machinery must be derived. The most dramatic example is atomic energy, a fantastic force for peace as well as for war, which we developed on the basis of discoveries made largely in other countries by such great scientists as Albert Einstein and Enrico Fermi. Dr. Einstein is now living in this country and is a resident of Princeton, where I live.

In my judgment this is the sort of problem which government can legitimately help to solve. The pursuit of fundamental science is not profitable from a short-range, dollars-and-cents point of view. Our universities have been doing a good deal of excellent work in these basic fields, but it is not enough because they are short of funds, and it is not well coordinated. Some Government agencies also have been doing good work, but this also is not well coordinated from the point of view of the security and welfare of the whole Nation.

The National Science Foundation Act is directly intended to meet this problem. Within a relatively small budget, it is authorized to grant scholarships and fellowships which will train young students in the basic sciences, and to let contracts for the carrying on of basic research projects by private groups such as universities, industrial concerns, and independent foundations. It is also directed to evaluate the work which is already being done both in Government and privately, and to coordinate its activities with these other projects so that the gaps will be effectively filled in. Its ruling body will consist of 24 private citizens, eminent in the sciences and in public affairs.

Except at the specific request of the Secretary of Defense, the Foundation will not engage in the development of weapons, and it is anticipated that only a very small part of its work will be of a secret nature. I wish to emphasize that in all matters where secrets may be involved the act sets up safeguards which were very carefully developed during the conference between the two Houses of Congress. I am satisfied that these safeguards will very effectively protect our national security without unduly curtailing freedom of scientific inquiry.

In a larger sense, the National Science Foundation will itself play a great part in promoting our American security, as well as our welfare. Without in any way limiting the free initiative of private citizens, it will make possible a steady advance in the search for those fundamental secrets of nature which are so important for the safety, health, and well-being of us all.

Mr. President, the Senators on both sides of the aisle with whom I had the honor to join in sponsoring S. 247 and its predecessors in the Eightieth Congress, S. 526 and S. 2385, are as follows: The Senator from Utah, Mr. Thomas; the Senator from Oregon, Mr. Cordon; the Senator from West Virginia, Mr. Kilgore; the Senator from Massachusetts, Mr. Saltonstall; the Senator from Washington, Mr. Magnuson; the Senator from Arkansas, Mr. Fulbright; and the former Senator from West Virginia, Mr. Revercomb. These Senators, along with their opposite numbers in the House of Representatives, deserve the thanks of all of us for their contribution to the advancement of science in the United States.

REORGANIZATION PLAN NO. 12

The Senate resumed the consideration of the resolution (S. Res. 248) disapproving Reorganization Plan No. 12 of 1950.

Mr. SMITH of New Jersey. Mr. President, I should like to explain why I intend to support Senate Resolution 248 disapproving Reorganization Plan No. 12 of 1950.

In the first place, this plan has been presented to the Congress under false colors as a purely administrative reform sanctioned by the report of the Hoover Commission. The fact is that the Hoover Commission made no recommendation to abolish the office of the general counsel. The Citizens' Committee for the Hoover Report has specifically and quite properly stated that plan 12 "raises issues which are not wholly organizational, but are matters of national, political, and economic policy. Any possible doubt as to whether the general recommendations of the Hoover Commission were intended to support the changes proposed by plan 12 must certainly be completely dispelled by Mr. Hoover's telegram of April 4, 1950, to the Senator from Ohio [Mr. TAFT], and by the testimony of the Senator from Arkansas [Mr. MCCLELLAN], who served as a member of the Commission, as the Senator from Arkansas has pointed out.

Mr. Hoover, in his telegram, says:

> So far as I recollect this subject was never discussed by the Commission. There is no recommendation in the Commission's report to Congress.

In the same connection, during the hearings before the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. MCCLELLAN] made the following positive assertion:

> I know that it was not the purpose of the Commission to recommend that this office—

That is, the office of the general counsel—

> be abolished.

I may add that I conferred in person with Mr. Hoover about this matter and he fully confirmed the foregoing statement. In light of these statements, I do not think there can be any further doubt on this point. We are being asked to change an existing legislative policy by the special procedures of the Reorganization Act of 1949. This, it seems to me, is entirely improper, aside from the merits of the question.

Mr. President, I am quite willing to concede that the present arrangement under the Taft-Hartley Act for the separation of functions between the general counsel and the National Labor Relations Board is not adequate and has not worked out successfully. In the dynamic and delicate field of labor-management relations we are constantly striving to find the legislative pattern which will be most conducive to industrial peace and justice. In 1947 we heard convincing testimony that under the Wagner Act the decisions of the Board were inevitably colored by the fact that the Board was responsible for directing the prosecution of the cases which, in the last analysis, it was called upon to decide. In other words, it was acting as both prosecutor and judge. We therefore worked out a separation of functions which we hoped would correct this deficiency and would bring the administration of the Labor-Management Relations Act in line with our traditional insistence that responsibility for prosecution and judgment should not reside in the same body. That is the whole issue here. Prosecution and judgment should not be vested in the same body.

It now appears that the arrangement we adopted has resulted in unfortunate conflicts between the general counsel

and the Board. There is disagreement, for instance, over the scope of the Board's jurisdiction. It has been pointed out also that the general counsel may exercise important policy-making power through his decision, from which there is no appeal, that an unfair labor practice complaint is not warranted in a specific case. I think we should correct these evils. Perhaps it would be desirable to amend the Labor-Management Relations Act to clarify the power of the Board to decide the scope of its jurisdiction, and to hear appeals from the general counsel's decision to refuse to issue an unfair labor practice complaint. In my judgment, however, in the process of correcting these defects it is both unnecessary and undesirable to throw out the window the separation of prosecuting and decision-making responsibilities that is so fundamental to the democratic process.

It also seems abundantly clear that the proper solution to these problems is not to revert back, as plan 12 proposes, to the previous set-up under the Wagner Act which the Labor-Management Act was designed to correct. We tried to correct the defects of that act. If we have not corrected them properly, let us try again to correct them.

I am convinced that as a legislative policy—and that is what we are discussing here—whatever solution is decided upon should be the result of careful consideration by the Labor and Public Welfare Committee and by the Senate as a matter of legislative policy, rather than under the cover of a reorganization plan that is clearly disowned by the very body from which it is purported to originate.

I am advised that legislation has been introduced looking to the correction of the difficulties in the present act, and I understand it will be given consideration shortly by our committee. I am very much interested in it, and I hope to have a hand in developing the right kind of set-up for the difficulties which are being encountered. The way to correct them is not to revert to the procedure provided by the Wagner Act, under which trouble arose.

In summary, Mr. President, I shall support Senate Resolution 248 disapproving Reorganization Plan No. 12 because this plan is not in accord with the recommendations of the Hoover Commission; because this plan does away with the separation of functions that is essential to the just administration of the Labor-Management Relations Act; and because any defects in this act should be corrected only after careful consideration by the proper committee and by the Senate as a matter of legislative policy.

Mr. MYERS. Mr. President, I yield 20 minutes to the senior Senator from New York [Mr. IVES].

The PRESIDING OFFICER (Mr. DONNELL in the chair). The Senator from New York is recognized for 20 minutes.

Mr. IVES. Mr. President, I regret exceedingly that I must take such sharp issue with my distinguished colleague the senior Senator from New Jersey [Mr. SMITH]. Inasmuch as my remarks are to be comparatively brief, I shall not yield until their conclusion, in the event any question may be raised by any Member of the Senate.

Whether by design or otherwise, Reorganization Plan No. 12 appears to have been the victim of a great deal of misinformation. Let me cite five conspicuous instances of the resultant misunderstanding regarding it.

In the first place, statements that plan No. 12 is an attempt to repeal the Taft-Hartley Act are utterly without foundation in fact. If adoption of this proposal were to repeal that act, then the adoption of most reorganization plans would repeal the laws to which they relate.

In the second place, while plan No. 12, as has been pointed out, is not one of the Hoover Commission recommendations, it nevertheless does not conflict with the principles and policies enunciated in those recommendations or with any of the recommendations themselves. As a matter of fact, both the staff report of the Hoover Commission's Task Force Committee on Independent Regulatory Commissions and that committee itself in criticizing the present functioning and operation of the National Labor Relations Board and the independent general counsel, have indicated the need for corrective action along lines which are not in conflict with plan No. 12. Indeed, plan No. 12 implements these suggestions by the task force committee and its staff and does conform in principle to the Hoover Commission's recommendations with respect to other regulatory agencies.

In the third place, plan No. 12 is not illegal. In his testimony before the Senate Committee on Expenditures in the Executive Departments, the distinguished Senator from Ohio [Mr. TAFT] himself stated that he did not question the legality of the plan. Furthermore, no witness appearing before the committee indicated his belief that it is illegal.

To be sure, the general counsel in his testimony expressed apprehension over the confusion which might arise if the plan were to be adopted and then subsequently thrown out by the courts. In this connection, however, I am constrained to observe that a similar situation existed when the Taft-Hartley Act was enacted and will almost surely occur again whenever there is substantial revision in our National Labor Relations law. If we are to refrain from amendment or change in the law in order to avoid litigation, then no revision worthy of the name will ever be undertaken.

In the fourth place, contrary to some allegations, under plan No. 12 all the National Labor Relations Board's power would not be concentrated in the Board's Chairman. This plan, in brief, and as has been stated in this debate, abolishes the office of the present independent general counsel and transfers his policy-making functions to the Board and his executive and administrative functions to the Chairman of the Board. That is what the plan states.

In the fifth place, during recent weeks a great deal has been written and said about the judge-jury-prosecutor functions in the Taft-Hartley Act, and one might be led to believe that these constitute all of its functions. Actually in this act there is comparatively little of the judge-jury-prosecutor relationship.

As many know, the act provides for a Labor Relations Board of five members and an independent general counsel. The function of the Board is to handle representation cases, sometimes involving elections, and to render final decisions in unfair-labor-practice cases which are appealed to it after the presentation of the facts by the general counsel. The function of the general counsel is to issue complaints in such unfair-labor-practice cases as he believes involve a violation of the law.

In the matter of representation cases, the Board's jurisdiction is final and its action in refusing to consider these cases in the first instance is also final. Insofar as unfair-labor-practice cases are concerned, the action of the general counsel in refusing to consider such cases in the first instance is final. There is no appeal from either of these agencies of Government in these particular circumstances.

The only instance where the judge-jury-prosecutor situation arises is in the matter of appeals to the Board from decisions in which complaints have been issued by the general counsel after the general counsel has agreed initially to prosecute the cases. This area of relationship between the two, although it has attracted considerable attention because of a number of controversies which have arisen, is comparatively limited.

The fact of the matter is that the general counsel himself, in his decision to prosecute, or to refuse to prosecute, unfair-labor-practice cases, as an individual is exercising much more completely and to a far greater extent the judge-jury-prosecutor function than is evidenced in the relationship between himself and the Board. And as for the Board, this body in turn in its own decisions regarding the consideration of representation cases is also exercising much more extensively the judge-jury-prosecutor function than is evidenced in its relationship with the general counsel. In fact, all this talk about the transcendent importance of the judge-jury-prosecutor functions as they pertain in the relationship between the Board and the general counsel is an enormous exaggeration.

These are among the reasons why in 1947 the labor relations bill originally passed by the Senate did not provide for this kind of separation of activity, but called instead for such segregation of functions as might be necessary to conform to the provisions of the Administrative Procedure Act of 1946. This act requires the separation of functions in all administrative agencies to prevent a violation of the judge-jury-prosecutor principle.

Indeed, never has the Senate passed a labor relations bill of its own which provided for any such separation of powers as is required by the Taft-Hartley Act.

It may be recalled that the Taft bill, which was passed by the Senate last June, contained no such separation and its provisions dealing with this matter were very similar to those in the Senate bill of 1947. In truth, the procedures which would have been adopted by the Board under the terms of either the 1947 Senate bill or the 1949 Taft bill almost surely would be the same as those which would be adopted by the Board under the terms of Reorganization Plan No. 12.

What is at stake in this particular controversy over plan No. 12 is not the reduction or the elimination or the abolition of functions. Neither is it primarily a question of the separation of powers by statute. This plan is aimed to correct a very unfortunate condition occasioned by very poor draftsmanship in the Taft-Hartley Act, which was the product of conference action in 1947 and which, due to its ambiguity and inadequacy, has occasioned a great deal of confusion and conflict between the National Labor Relations Board and the general counsel and—most unfortunate of all—in the minds of the parties coming before the Board or the general counsel.

It happens that, in his selection of a general counsel, the President named a person who has appeared sometimes to be more friendly to management than to labor. But there is no assurance that another general counsel would not be friendly to labor and hostile to management. As a matter of fact, it seems to me that the personality of the present general counsel is among the least important of the factors in the consideration of plan No. 12.

Criticism has been directed against the present Labor Relations Board set-up because of its dual-headed nature. From the standpoint of efficient and effective administration, the justification for this criticism would appear to be obvious.

As I see it, however, the idea of dual-headed administration in this particular agency is most undesirable for reasons of far greater consequence than is the matter of administration itself. The whole concept of thus separating the prosecuting and adjudicating functions of the National Labor Relations Board—even to the limited extent to which the judge-jury-prosecutor relationship exists at the present time—is fundamentally hostile to the attainment of sound and satisfactory labor relations. By this process, labor and management are automatically set apart by law as naturally antagonistic forces in a set-up which legalizes their status of litigants in all labor-relations controversies. This separation of functions by inviting formal litigation acts to cripple the very force in labor relations which can contribute most to their improvement—the force of mediation.

This is one of my chief reasons for objecting to the present National Labor Relations establishment. It is one of my chief reasons for favoring Reorganization Plan No. 12. It is one of my chief reasons for objecting to the two-headed agency which would be created under the terms of S. 3339, which has been introduced by the distinguished senior Senator from Ohio [Mr. TAFT].

If, as permanent policy, we are to accept the idea that there must be perpetual conflict between management and labor—which I deny—then neither the present set-up in the National Labor Relations Board nor the proposal offered by the Senator from Ohio is suitable. If in this country we have reverted to a condition where, insofar as the attainment of a happy relationship between labor and management is concerned, we must despair, then a system of labor courts with all the attendant prosecuting and other essential machinery and procedures should be established.

Right now, in the attitude of many opposed to plan No. 12, is evidenced at least a subconscious feeling that a basic antagonism and conflict between labor and management must be permanent. The very thought, as expressed by some, that the adoption of plan No. 12 would be a victory of labor over management is preposterous. I deplore this attitude. It augurs no good for the future of labor relations in our country.

For all of these reasons I favor Reorganization Plan No. 12 and oppose Senate Resolution 248.

Mr. MYERS. Mr. President, I yield 15 minutes to the junior Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The junior Senator from New York is recognized for 15 minutes.

Mr. LEHMAN. Mr. President, I strongly oppose the pending resolution to set aside Reorganization Plan No. 12. In my opinion plan No. 12 provides the best immediate method for putting an end to the unique administrative chaos in which the National Labor Relations Board is now operating.

The sponsors of the pending resolution would have the Senate believe that plan No. 12 is an exceptional plan, designed to set aside the expressed will of the Congress. Actually plan No. 12 is merely one of the seven proposed by the President to increase the administrative efficiency of the seven principal regulatory commissions of the Federal Government. The changes proposed for the National Labor Relations Board are admittedly more sweeping than those proposed for the other commissions, but that is only because the need is greater. A stronger remedy is required because the disease of administrative disorder is more serious in the National Labor Relations Board than in any of the other commissions and boards.

Four years' experience as lieutenant governor and 10 years as Governor of New York have taught me that efficient government management is possible only when the government structure is so arranged as to reduce to an absolute minimum the sources of internal friction and to establish clear lines of authority and responsibility within every administrative agency.

The hearings before the Committee on Expenditures are replete with evidence that the split in functions at the National Labor Relations Board has magnified many times the already great difficulties of administering the Taft-Hartley Act.

The question of sound administration has nothing to do with the substantive provisions of the present act. This same chaos would exist if the present administrative arrangement had been part of the original Wagner Act. Indeed the administrative monstrosity inherent in dividing the responsibility between the office of the general counsel and the Board, itself, is an evil separate and distinct from the question of the wisdom or lack of wisdom in all the other provisions of the Taft-Hartley Act.

It has been asserted in some quarters that President Truman's action in proposing plan 12 is motivated, not by his interest in governmental efficiency, but by a desire to satisfy the criticism that labor organizations have directed at the present incumbent in the office of general counsel. Such an argument strikes me as very naive. It seems clear to me that the President has shown a deep sense of obligation to the responsibilities of his high office by proposing plan 12 at this particular time. If he had any motive other than the improvement in general administrative efficiency—if his motives were political—the President's easiest course would have been to leave the present structure exactly as it is, so as to permit existing resentment against the Taft-Hartley law to increase between now and November.

But President Truman has not permitted such considerations to affect his judgment. Instead, by proposing structural changes which will immediately increase efficiency in the administration of a statute which he has never favored, he has met his obligations as President, letting the political chips fall where they may.

Had the President failed to propose plan 12, he would indeed have been subject to criticism for leaving the National Labor Relations Board out of a reorganization program which he has proposed for every other important regulatory commission. He would then have disregarded the basic recommendation of the Hoover Commission that the structure of all commissions be changed so that "all administrative responsibility be vested in the Chairman."

This arrangement proposed by the Hoover Commission cannot be achieved at the National Labor Relations Board, as it can at the other commissions, by simply transferring to the Board Chairman those administrative and housekeeping functions now vested in the Board as a whole. Many of the existing functions of the independent general counsel of the National Labor Relations Board must also be transferred—the substantive functions to the Board as a whole, and the purely administrative ones to the Chairman—before there can be achieved a sound administrative structure.

Of course this involves a substantial reorganization of the National Labor Relations Board. But what is the purpose of the Reorganization Act, under which we are now considering plan 12, if it is not to reorganize?

It is true, of course, that the Hoover Commission did not specifically recommend the elimination of the office of general counsel of the National Labor Relations Board. But neither did the Hoover Commission make such specific recom-

mendations with respect to any regulatory commission or any Government department. The affirmative proposals of the Hoover Commission—and I am proud to be a member of the advisory board of that Commission—are largely general. The important fact remains, and it cannot be successfully denied by those who seek to complicate the issue, that the reorganization measures set forth in plan 12 will bring the National Labor Relations Board in line with the other Federal commissions. Thus plan 12 is entirely consistent with the basic purposes of the Hoover Commission recommendations.

The Hoover Commission task force headed by an outstanding citizen of my State, Mr. Owen D. Young, was extremely critical of the position of the independent general counsel. Following is what the task force says in its discussion of this subject:

> Another problem that has caused us considerable concern is the position of the general counsel. As indicated above, he is a prosecutor, an administrator, a policy maker. The incumbent, Mr. Robert Denham, has noted that his powers "are broad and absolute and his authority final to an outstanding degree seldom accorded a single officer in a peacetime agency." (Quoting from a speech of General Counsel Denham before the American Bar Association in 1947.)
>
> The existence of such an office, independent both of the Federal departmental structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization, it may lead to a diffusion of responsibility.
>
> Such an official is in a peculiarly exposed position. In view of the wide powers of the office, it is inevitably subject to heavy pressure from all sides, and lacks the protection of either a multiheaded agency or an executive department in resisting such pressures.

Later in its report, the task force states that—

> Our conclusion is that the present position of the general counsel is an unstable one.

Indeed, Mr. President, in June of last year, as has been repeatedly pointed out, the United States Senate, under the strong urging of the able and distinguished senior Senator from Ohio [Mr. TAFT], approved a bill which would have abolished the independent office of the general counsel of the National Labor Relations Board. The senior Senator from Ohio did not, at that time, regard this particular change in the Taft-Hartley Act as an incidental or improper one. In describing the changes he proposed at that time, he said:

> Perhaps the most important one is the elimination of the independent general counsel.

Mr. President, events in recent months, as recounted in detail by the five National Relations Board members in testimony before the Committee on Expenditures in the executive departments, and as summarized in the minority views of the committee, make it perfectly clear that the situation on the National Labor Relations Board has grown progressively worse. No one, including the general counsel himself, has offered any testimony to show that these difficulties have been eliminated.

Differences between the National Labor Relations Board and the general counsel concerning the exercise of Federal jurisdiction over small business, differences over the processing of cases in the courts, and over the supervision of Board personnel, have grown sharper during recent months. Surely this is not the time for the Senate to recede from a position which it took less than a year ago.

Although the President submitted plan 12 as one of a series of proposals to reorganize the executive branch of Government, the opponents of this plan have seen fit to debate this issue as if it were an isolated attack on the office of the general counsel of the NLRB. The junior Senator from New York is ready to argue the case on that basis, too. It is clear, Mr. President, that this is not a partisan issue. The stand of my colleague from New York [Mr. IVES] and of other Senators on both sides of the aisle bear witness to this fact.

On this issue, I ask the Members of the Senate why the elimination of the independent office of the general counsel, which was thought so suitable in 1949, should not be viewed with equal favor in 1950. Can it be because last year this change was recommended by the Senator from Ohio, whereas this year it is proposed by the President of the United States?

Mr. President, the real issue today is the attitude of Congress on the administrative process itself, a process which has been endorsed by the people of the United States ever since the Interstate Commerce Commission was established in 1887. One witness who opposed plan No. 12 before the Committee on Expenditures was frank enough to declare that this was the issue.

I agree with him that congressional endorsement of present administrative arrangements at the National Labor Relations Board would be an open invitation to chip away at the administrative process throughout the Federal Government. This witness, representing the National Association of Manufacturers, said with commendable candor, that—

> The present separation at the National Labor Relations Board could stand as a testimonial for its extension throughout Government agencies.

Does Congress wish to give such testimonial, Mr. President?

The junior Senator from New York certainly does not. He prefers to take his stand with Monsignor John P. Boland, whom he had the honor to appoint as the first chairman of the New York State Labor Relations Board in 1937. Commenting upon similar proposals for splitting the functions at the State board, Monsignor Boland said, in addressing the Holy Name Society in March 1942:

> When my colleagues and I were appointed to administer the Labor Relations Act, we were appointed to do just that: to administer the Labor Relations Act. By now it should be clearly understood that we were not appointed to prosecute or to judge employers or unions. There was a time when some persons misconceived our function. Ignoring realities, they imagined that the Board combined the functions of prosecutor and judge and declared that these functions should not be combined in a single agency.
>
> Actually, it is not possible for the Labor Relations Board to be both prosecutor and judge, for the simple reason that it is neither prosecutor nor judge. It is only one of many administrative agencies. It merely enforces a public right, because the State legislature has found that there is a paramount public interest in collective bargaining which cannot be either adequately protected by private lawsuit or wisely encouraged by criminal prosecution.

That is my attitude on this question, Mr. President. I think the present setup at the National Labor Relations Board is impossible administratively and dangerous in principle. It is a threat to orderly government. It represents total misinterpretation of the functions of the NLRB and of its general counsel. The function of the National Labor Relations Board, under even the Taft-Hartley Act, is theoretically to stabilize relations between labor and management. The effect of this arrangement is to provide, within the same act, two separate bodies with two separate and conflicting purposes. Let us reject the pending resolution and give our endorsement to plan 12.

Mr. MYERS. Mr. President, I yield 15 minutes to the junior Senator from Connecticut [Mr. BENTON].

The PRESIDING OFFICER. The junior Senator from Connecticut is recognized for 15 minutes.

Mr. BENTON. Mr. President, as all of us in this Chamber know, the report of the Hoover Commission on the Reorganization of the Executive Branch of the Government has almost universal popular support. Indeed, almost all Members of the Congress have pledged themselves to support it. Almost all of us have said that we would work for reorganization.

Former President Hoover has, I think, performed a great service by making government reorganization respectable—at least, respectable with the public, Mr. President.

The Hoover recommendations seem to me to be not only clear and unequivocal on the question of vesting administrative responsibility in the Chairman of the National Labor Relations Board, but, more important—indeed, far more important—these recommendations seem to me valid and sound.

The task force report says that the position of the general counsel has caused them "considerable concern." They quote Mr. Denham's statement that his powers are—quoting now from the task force report—"broad and absolute and his authority final to an outstanding degree seldom accorded a single officer in a peacetime agency."

Mr. President, the very persons who have organized to bring pressure upon us to defeat this proposed reorganization plan, claim they fear a grant of power far less than this to the Chairman and the Board.

When I was appointed to the Committee on Expenditures in the Executive Departments, I looked forward to the opportunity to vote for the various reorganization plans because I felt that their adoption would clear up some of the chaos and confusion. I thought

there was a determination in the Congress to eliminate at least some of the inefficiency of the executive branch of the Government.

I have now discovered, of course, that this broad support seems to be limited to the general principle only. It bogs down—as the senior Senator from Ohio [Mr. TAFT] is so well demonstrating—when our pet projects are touched.

Of the 21 plans submitted by the President to Congress, at least 12 are being opposed by special-interest groups. Those of us who serve on the committee are seeing a veritable parade of pious witnesses adopting the line of—

We are all in favor of reorganization, yes. Go on out and reorganize everybody—everybody except me.

Of course the Congress knew when it passed the Legislative Reorganization Act that many groups would descend upon it to demand changes in the reorganization proposals, in line with their own selfish interests as they saw them. During its work, the Hoover Commission itself was subject to such pressures. It is to the great credit of ex-President Hoover that his firm leadership withstood these pressures. Today it is our turn, here in the Senate, to stand up and be counted. Yesterday ex-President Hoover expressed to us his deep alarm. Today we are voting on a reorganization plan which has been considered fully by ex-President Hoover's Commission. Pages 134 to 141 of the task-force report on regulatory agencies make this very clear. I shall, of course, support Reorganization Plan No. 12, as I shall support every one of the present 21 reorganization proposals.

I digress to salute the New York Board of Trade, Mr. President, and the Junior Chamber of Commerce of Connecticut and elsewhere, as outstanding examples of business groups which have understood the issues, which have withstood the internal pressures upon them from their own members and their own staffs, perhaps, and have recommended just such a course—the support of the 21 proposals.

Mr. President, I desire to give an example, which I think is very illuminating, of a great and powerful trade organization opposing one of the reorganization proposals. I refer to the National Association of Manufacturers. I shall not discuss its attitude on Reorganization Plan No. 12, which is well known. I shall however quote from testimony, in which I participated, on Reorganization Plan No. 5, dealing with the Department of Commerce.

The 15,000 members of the National Association of Manufacturers pay a very high percentage of the high cost of Government inefficiency. I am told that President Hoover once made a general estimate of this cost as being between $3,000,000,000 and $4,000,000,000. It is the National Association of Manufacturers, it is its membership, which contributes a high percentage of the taxes which pay the bills. It is the heads of the 15,000 companies constituting that organization who should understand better perhaps than any other group in the country the principles involved in Government reorganization, and in the case I am about to cite, affecting the reorganization of the Department of Commerce, with its 46,000 employees and its budget of more than $600,000,000, they should have a special interest.

I shall read from the testimony and comment on it as I go along. I refer now to the testimony of George E. Folk, adviser to the committee on patents and research of the National Association of Manufacturers, who was an examiner in the Patent Office for 7 years, beginning in 1898, and who was general patent attorney for the American Telephone & Telegraph Co. until retired 12 years ago. In his testimony Mr. Folk says:

During the last 12 years—

That is, "since I have retired from the American Telephone & Telegraph Co."—

more as a hobby than anything else, I have been patent adviser to the National Association of Manufacturers. * * * I am speaking today for that association, a voluntary organization of more than 15,000 manufacturers.* * * The National Association of Manufacturers urges adoption of Senate Resolution 259, which declares that the Senate does not favor the President's reorganization plan—

For the Department of Commerce.

When I had a chance to question Mr. Folk, near the end of his testimony, I asked him several questions. I shall read these questions and his replies, as taken from the printed testimony:

Mr. BENTON. These manufacturers who are among our biggest taxpayers * * * how may of them * * * had the other side of the case presented to them before agreement was reached on this statement which you submitted in the name of the National Association of Manufacturers?

Mr. FOLK. I can only say that I was authorized by the National Association to take the position I have taken.

Mr. BENTON. How many of the 15,000 members that you list on the first page of your statement have approved this statement?

Mr. FOLK. * * * of course, it was practically impossible, it would be impossible, to do that. I did submit these views to our committee on patents and research of the National Association of Manufacturers. A committee of more than 100 * * * constitute that committee.

Mr. BENTON. You think perhaps those 100 men have been exposed to the memorandum you presented today?

Mr. FOLK. They have not seen the memorandum, but it is the position NAM would take concerning the reorganization plan.

Not even the 100 men, Mr. President, had seen the memorandum.

Mr. BENTON. If they have not seen the memorandum, would you think it is a fair assumption to say that they have not been exposed to the kind of presentation or arguments presented by Secretary Sawyer, Mr. Fleming, and Mr. Lawton this morning which present the arguments demonstrated, according to those who have studied most thoughtfully, why this particular plan is in the interest of efficiency and economy and the best conduct of this Government?

Mr. FOLK. I did not see the arguments of the Secretary of Commerce, Mr. Sawyer, myself, until today. So I dare say the members of the association did not have any more information than I had.

Mr. President, here there is presented a picture of a great, powerful, rich, and influential trade association at work, and seemingly, as I interpret this testimony, largely in the hands of this staff representative. To begin with, how many of the 15,000 members of the NAM are interested in patents? Surely only a segment. Surely the group is larger which is interested in efficiency in Government, and particularly in efficiency in the Department of Commerce. Suppose there are 1,000 of them interested in patents. Who are the 100 men they put on their patents and research committee? I telephoned this morning and secured the names of some of them. The chairman of the committee is Albert E. Noelte, treasurer of the Priscilla Braid Co. The vice chairman is Merwin F. Ashley, manager of the patent department, United Shoe Machinery Corp. Other members of the patents and research committee are Robert Gottschalk, assistant manager, development and patent department, Standard Oil Co.; Leslie R. Groves, vice president, Remington Rand, Inc.; Richard O. Loengard, president, United Chromium, Inc.; and Randolph T. Major, vice president and scientific director, Merck & Co., Inc.

The great corporations which are interested in patents and which belong to the NAM and pay their dues, put on the patent committee of the NAM their representatives who are charged with the duty of considering patents and who are interested in patents. But did these 100 men, these 100 subordinates, meet and consider Mr. Folk's memorandum? No, they did not meet or consider it. Who did approve it? Was it a subcommittee? Was it three or four men in New York, who operate in the name of the committee? Was it two or three members of the staff of the National Association of Manufacturers? Who is it that is responsible for this attitude on the part of the NAM? I know it is not the presidents and heads of the constituent 15,000 companies. I know that those men, hundreds of whom are within my own circle of personal acquaintances, would approve the principles advocated by former President Hoover and his Commission as recommended in these reorganization proposals.

I shall speak later on today, Mr. President, about Reorganization Plan No. 1. It looks as if the first two plans to come before the Senate will be bowled over like tenpins, and some of the great business and trade associations undoubtedly will carry an important part of the responsibility. I exclude, of course, the New York Board of Trade and certain other organizations which have courageously spoken in favor of these recommendations.

I, of course, thought this question of reorganization was not a party issue. It is not a party issue to the presidents of the 15,000 companies which I have mentioned.

The Republican Party, in its 1948 platform, pledged itself to support measures to provide for the more efficient assignment of functions within the Govern-

ment. The plan we are now considering is an important step in that direction. In opposing it, the Republican leadership is running counter to their own platform, as well as running counter to efficiency in the Government. I do not, of course, claim, Mr. President, that this is a unique procedure, but I think it should at least be pointed out to the country.

The Taft-Hartley Act introduced a new concept into the sphere of Government management by creating a double-headed monstrosity for the administration of a single statute. Such a concept is contrary to every principle of sound administration, whether in Government or in private industry.

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

Mr. BENTON. I shall be glad to yield to the Senator from Ohio.

Mr. TAFT. With reference to double-headed monstrosities, what is the difference between putting all the administrative and executive functions in one man and putting all the judicial functions in a board of five of which he is one member? Is there not as much a diffusion of responsibility there as there is between the board and the separate general counsel?

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. MYERS. I yield the Senator from Connecticut two additional minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for two additional minutes.

Mr. BENTON. One monstrosity in these marble palaces on the Potomac does not justify another monstrosity. I reject wholly and totally the implications of the question of the distinguished Senator from Ohio.

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

Mr. BENTON. I shall be glad to yield to the Senator from Louisiana.

Mr. LONG. I missed a portion of the Senator's speech. I wonder if, in summing up, he will point out exactly what the Hoover Commission has recommended dealing with this particular problem. The Senator has stated that the Hoover Commission recommended the type of reorganization which is contained in the plan.

Mr. MYERS. Mr. President, I yield five additional minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for five additional minutes.

Mr. BENTON. The Hoover Commission's proposals have been unequivocal, as I have read and studied them. They place as their very first recommendation among their general over-all recommendations the following:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

That is all we are talking about today. It is as simple as that, and it is as direct as that.

On page 139 of the task-force report on regulatory commissions it is contended:

> The existence of such an office—

The office which is under debate today, that of the general counsel—

> independent both of the Federal departmental structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization, it may lead to a diffusion of responsibility.

The very thing we have to have in order to assure efficient administration is fixed responsibility. That is what we do not have here now in the case of the National Labor Relations Board. The act which established the National Labor Relations Board failed to provide the responsibility of which we are now speaking, and we are seeking to secure effective administration through this reorganization proposal.

Mr. President, I hope the Senate will have the courage, as well as the good judgment, to defeat the resolution which is now pending. I am confident that if the Chamber were full and the Members were exposed to these issues and had an opportunity to consider them and to consider the elements involved in the opposition to this reorganization plan, the Senate would reject the resolution. Its defeat will be a heartening development to friends of good government, not only at the national level, but, more important than that, at the State and community level as well. The adoption of the resolution, Mr. President, will encourage every privileged group with selfish interests to move in against the other plans which are yet to come before the Senate, and to bludgeon their own selfish views upon the United States Congress.

Mr. President, I yield the floor, though I do not see the majority leader present at the moment.

The PRESIDING OFFICER. The Chair will state that the acting majority leader has informed the Chair that 20 minutes' time is yielded to the senior Senator from Utah, who is now recognized.

Mr. THOMAS of Utah. Mr. President, I rise in opposition to Senate Resolution 248. As a preface to my remarks I desire to read two quotations. The first is taken from Chairman Herzog's report, and it answers one of the questions which has been asked:

> The plan is the President's plan. It was proposed so that the National Labor Relations Board would not continue to be the only regulatory commission whose administrative structure would be different from the one recommended, without exception, by the Commission on Organization of the Executive Branch of the Government. Second, the plan was proposed by the President because it will make for sound and efficient administration, not only of the present statute but of any regulatory statute, whether concerned with labor relations or with any other policy of Congress. We support it for the same reasons, and for these reasons alone.

Those are the words of Mr. Paul M. Herzog, Chairman of the National Labor Relations Board.

Mr. President, I now quote the words of the task force with regard to the general counsel:

> Another problem that has caused us considerable concern is the position of the general counsel. As indicated above, he is a prosecutor, an administrator, a policy maker. The incumbent, Mr. Denham, has noted that his powers "are broad and absolute and his authority final to an outstanding degree seldom accorded——

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

Mr. THOMAS of Utah. I yield for a question.

Mr. LONG. Whom is the Senator quoting?

Mr. THOMAS of Utah. I am quoting the task force report to the Hoover Commission. The quotation last made would be a quotation within a quotation. It is a quotation from Mr. Denham in speaking before the labor committee of the American Bar Association in 1947. The quotation begins with these words:

> "are broad and absolute, and his authority—

Referring to the general counsel—

> "final to an outstanding degree seldom accorded a single officer in a peacetime agency."
>
> The existence of such an office, independent both of the Federal departmental structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization, it may lead to a diffusion of responsibility.
>
> Such an official is in a peculiarly exposed position. In view of the wide powers of the office, it is inevitably subject to heavy pressure from all sides, and lacks the protection of either a multiheaded agency or an executive department in resisting such pressures.

Mr. President, I should like to say here that during all the hearings upon the amendments to the Taft-Hartley Act, time and time again witnesses, including Mr. Denham himself, emphasized the point that the power reposed in him was really and truly so overpowering that at times he himself wondered about it. So, it is perfectly proper that the task force would wonder about giving him those great powers.

> Experience during the first year indicates a tendency to develop close working relations with the joint congressional committee established by the act. To the extent that this has involved advice and suggestions with respect to interpretation of the act and its application to specific situations, the practice seems doubtful and likely to blur the desirable separation between the legislature and administration.

I should like to add, Mr. President, that while I was not a member of the subcommittee, which was called the watchdog committee, during the first year, if one member of an administrative authority and a committee of Congress do not agree, there cannot help being a division of opinion which, if carried to an extreme, must work disastrously in the administration of law. I do not say that it was carried to an extreme, but I should like to point out that a device was set up by law which might make administration itself a very doubtful proposition, and might not only throw the general counsel against the

Board, but might actually throw a committee of Congress in favor of either the Board or the general counsel when a situation might arise, as one did arise.

But the administrative position of the general counsel is also anomalous. Thus the field offices under his supervision are engaged partly in representation work which is the direct responsibility of the Board, and partly in investigating, issuing, and prosecuting complaints, on which the general counsel has final authority. Under the act, the Board has the authority to appoint the regional directors and other employees. In part, as has been seen, the work of the general counsel is essentially prosecution of violations of specific offenses under the act. But insofar as his actions establish policy, they are of the kind frequently assigned to an independent commission.

The unusual position of the general counsel has given rise to several internal administrative problems. One is significant enough to be noted here: In unfair-labor practice cases, regional directors issue complaints, though only with the approval of the general counsel in some types of cases. The finality of refusal to issue a complaint has led to demands for an appeal; and it has been further urged that an appeal to the same unit in the counsel's office whose advice was followed in the original refusal is illusory, and that the appeal should be to an independent body. This problem highlights the nature of the authority the general counsel is exercising.

Our conclusion is that the present position of the general counsel is an unstable one. Various proposals have been made for integrating the position more securely into the Government structure. Some have suggested assigning him to the Department of Labor or of Justice, but each has serious draw-backs as the preceding discussion of his functions should indicate.

Mr. President, I imagine that the President of the United States, in making his recommendation, undoubtedly followed the philosophy as expressed by the task force.

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

Mr. THOMAS of Utah. I yield.

Mr. TAFT. The Senator has read all the task force report except the recommendations, which are absolutely contrary to the President's proposed plan No. 12. It seems to me that the Senator should read the last two paragraphs, which suggest that there should be some changes made, but absolutely different from those recommended by the President.

Mr. THOMAS of Utah. I understand that. However, I do not have the other paragraphs before me, so that I cannot read them. If the Senator from Ohio wishes to have them in my remarks, I am agreeable that he read them at this point.

Mr. TAFT. The last two paragraphs read:

Our staff recommends the creation, by Executive order, of a council of labor under the chairmanship of the Secretary of Labor, and including the general counsel and other Federal officials concerned with labor problems. The functions of the council would be to coordinate Federal labor policy and to advise the President of appropriate action. This represents a compromise between the present independent status of the general counsel and his subordination to a department head.

Others have strongly urged that the office should again be placed under the Board. To this the objection is made that the prosecuting functions should be separate from the hearing of complaints. But as has already been indicated, only in part are his present duties genuinely prosecution; some parts are administrative and parts a species of rule or policy making. It may be that the administrative and policy-making functions could be subordinated more clearly to the Board's control while still maintaining an adequate separation of the truly prosecuting activities.

So the one thing the report does not do is recommend the abolition of the general counsel.

Mr. THOMAS of Utah. I think that was covered to my satisfaction, at least, in my remarks in the last paragraph, which I quoted. I quote it again to show that there is no difference of opinion on that point:

Our conclusion is that the present position of the general counsel is an unstable one.

That is a criticism, Mr. President. It is the type of criticism which I show in my few remarks.

Various proposals have been made for integrating the position more securely into the Government structure.

Which is another criticism of the way in which the general counsel is operating.

Some have suggested assigning him to the Department of Labor—

To which an answer is indicated in the paragraph which the Senator from Ohio read—

or of Justice—

Which is also answered—

but each has serious draw-backs as the preceding discussions of his functions should indicate.

Mr. President, because the issues raised by Senate Resolution 248 threaten to be obscured, I feel compelled to take up the time of the Senate in order to define those issues in such a manner as to make them unmistakable. I undertake this duty, Mr. President, with considerable reluctance because it was my hope that the President's Reorganization Plan No. 12 would receive the support of the large majority of the Senate. This hope was based upon the action of the Senate in passing only last session that provision of S. 249, which eliminated the general counsel's office.

I find now that what we thought last session was a recognition of the lesson of experience was merely an offer of compromise. And so we are now faced with a withdrawal of that offer when the issue of the continuation of the general counsel's office is again presented to us.

At the time the Taft-Hartley Act was passed, both supporters and opponents recognized that the act created powers of extraordinary scope in the field of labor-management relations—for the act sought to prescribe rules which covered a wide and important area of industrial relations. Responsibiilty for the administration of a large portion of those powers was vested in the statutory office of the general counsel.

The issue which is here presented is whether these extraordinary powers shall continue to be vested in a single individual, or whether the exercise of those powers shall be subject to the collective wisdom of five Board members whose administration would be properly safeguarded by the provisions of the Administrative Procedure Act of 1946. This is the issue—one-man rule versus the collective wisdom of a regulatory body of five.

Mr. President, I am as sure as I can be that when the Taft-Hartley bill was discussed on the Senate floor and was originally passed, no one, no matter how much he supported the bill, expected to see the general counsel assume the authority he has assumed, and carry on in the way in which he has carried on. It was not opposition to the Taft-Hartley law in and of itself, it was opposition to the way in which the general counsel administered his office, that undoubtedly caused even the supporters of the Taft-Hartley law to recommend the type of amendment which was recommended and caused the Senate of the United States to accept the recommendation, as it did accept it when it passed the amendatory measure last year.

I should think that there could be only one answer for the Members of the Senate—the elimination of the general counsel's office, and the return of the National Labor Relations Board to the family of regulatory agencies subject to the uniform scheme of organization prescribed by the Administrative Procedure Act.

There have been many charges leveled against the present incumbent of the general counsel's office. I do not desire, at the present time, to pass judgment on these charges. But the Members of the Senate must recognize that the powers of the general counsel's office are such that if an incumbent has any predisposition toward unreasonableness or arbitrariness, that office lends itself to the unfettered expression of such tendency. This is the danger of vesting extraordinary powers in the hands of a single individual.

Mr. President, I should like here to quote again the very words of the general counsel himself, where he points out that his powers are broad and absolute. That is what Mr. Denham thinks of his own job, that the powers are absolute. Those are words which are not very often used in connection with an official of the Government of the United States. His authority, says Mr. Denham, is to an outstanding degree authority seldom accorded a single officer in a peacetime agency.

Mr. President, it is that against which I am talking, it is that which the President of the United States is trying to correct. That affords the reason why I urge the Senate to vote against the pending resolution.

The issue, I repeat, Mr. President, is not the substantive rules governing labor-management relations, but whether a substantial responsibility for the administration of those rules is to be vested in one man or in the collective

judgment of five. Here is a test for those Members of the Senate who declared when they supported the Taft-Hartley Act in 1947 that they recognized that it had defects and would, when given the opportunity, vote to remedy those defects. The Senate did vote to remedy the defect in regard to this condition.

The choice, I emphasize, Mr. President, is not between the separation of functions prescribed in the Taft-Hartley Act and no separation. The choice is between the discord breeding organization of the Taft-Hartley Act and the structure prescribed by the Administrative Procedure Act. The latter act represents the considered and informed judgment of the Congress respecting the problem of mingling of functions in administrative agencies and ensures fair administrative procedure.

The Congress, when it enacted the Administrative Procedure Act, chose one particular method, out of several possible ones, for meeting the problem of separation. In general this method was to provide detailed and carefully thought out basic procedures for the conduct of hearings and formulation of decisions (sections 7 and 8); to provide for a complete internal separation in the administrative agencies of personnel who participate in the investigation or prosecution of particular cases from those who participate in or are consulted respecting the decisions of such or related cases.

Mr. TYDINGS. Mr. President——

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

Mr. THOMAS of Utah. My time is about up.

The PRESIDING OFFICER. The Senator from Utah has approximately 1 minute more.

Mr. MYERS. I yield the Senator from Utah three additional minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for three additional minutes.

Mr. TYDINGS. Mr. President, I have to attend to some duties at another place, as a member of a subcommittee, and, therefore, my time is very limited. My reason for asking the Senator to yield is that I desire to ask the able Senator from Ohio a question.

Mr. THOMAS of Utah. I yield.

Mr. TYDINGS. My recollection is that when we had before us the Taft-Hartley law amendments the Senator from Ohio offered an amendment dealing with the particular phase of the matter we are now discussing. Am I wrong about that?

Mr. TAFT. Mr. President, I expect to speak on that later. I agreed, in a series of amendments, to an amendment which returned the general counsel's power to the general power of the Board. The plan now being discussed turns his powers over to the Chairman of the Board, and makes the Chairman of the Board, in my opinion, an infinitely more powerful figure than the general counsel has ever been. At the time the amendments were considered, I, myself, did not agree with that change, but I finally consented, as a matter of compromise, in connection with the entire amending bill we then had before us.

I have introduced a bill to correct one or two of the particulars in which I think the present system is wrong. I think that bill should be considered by the Committee on Labor and Public Welfare at this session, and should be passed, in order to eliminate some of the proper criticisms which are made against the present system. In my opinion, what I agreed to was very different from what is proposed in the pending plan.

Mr. TYDINGS. I thank the Senator. If the Senator from Utah will bear with me for a moment more, I recall the situation, but I was not sure as to the form in which the amendment was offered.

May I ask the Senator whether he does not think that if the proposal he has suggested were so couched that the general counsel would be responsive to the whole Board, rather than independent, it would be a better proposal than the one we are about to vote on?

Mr. TAFT. It would be better than the one we are about to vote on, but I do not think it would be the best, because it would subordinate the general counsel to the Board, and I think he ought not to be subordinated. When he is under the entire Board, it is true that as a practical matter he is fairly independent. If he is under one man, he has to consult him on every question and every proposal. I think it is far better to have him completely separated. The bill I have introduced separates him completely. It undertakes to define clearly what he shall do and what the Board shall do, so as to eliminate the uncertainty of the present law, as well as the difficulty which has arisen, namely, a case being brought, and then a year later the Board saying they think the counsel made a mistake about the jurisdiction. That is taken care of in my new bill by providing that there may be an immediate appeal on the question of jurisdiction of the Board, so that that question may be settled at once, before the case goes any further.

I myself would be opposed to doing what with a great deal of reluctance, as I indicated on the floor of the Senate I agreed to do last year, because I do not think it is the best method of dealing with the situation. We did not have time last year to work the matter out properly. I have now done so, at least to my own satisfaction, and have introduced a bill which is before the Committee on Labor and Public Welfare. I think the way to deal with this question is before that committee.

Mr. TYDINGS. Mr. President, my reason for asking the Senator the question is that I think, without looking at the RECORD, that I supported the Senator last year.

Mr. TAFT. That was only one of some 28 amendments to the law, to meet particular criticisms, and I tried to compromise the whole suggestion, and agreed to some things I did not care particularly to agree to. But I think that was better than the plan now proposed.

Mr. TYDINGS. I thought the Senator proposed to deprive the counsel of his completely independent status. I think there was a yea-and-nay vote, and I believe that on the vote I supported the Senator from Ohio on that proposal.

Mr. TAFT. There was no separate vote on that item. It was one of 28 amendments embodied in the substitute bill.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. MYERS. Mr. President, I yield five additional minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for five additional minutes.

Mr. THOMAS of Utah. Mr. President, I am glad the discussion has taken place. It has in a sense greatly clarified what I wished to bring before the Senate. It has brought into focus what I wished to present. A condition now exists which no one likes. The Senate has actually passed a measure which showed that the Senate did not like the condition which exists. Yet there has been no reformation. Now a suggestion of a change is made. If the resolution now before the Senate is adopted, Mr. Denham will have two declarations on the part of the Senate of the United States which, to his way of thinking, his notion, sustain him in his belief in his absolute power, his absolute authority.

Mr. President, in the light of what has taken place heretofore, in the light of the present discussion, in the light of the amendments of the Senator from Ohio, in the light of the remarks made by the Senator from Ohio today in response to the remarks of the Senator from Maryland [Mr. TYDINGS], I doubt very much whether any Senator present can stand here and say that a vote to sustain the pending resolution is not a vote to tell Mr. Denham that his method of administration, his ideas of his absolute authority, his ideas respecting his authoritarian powers, his ideas of his completely independent status so he can act as he pleases, are correct, and that he may continue to do as he has done, and not be checked.

Mr. President, I believe that never has the Senate had before it a more practical proposal on which to act than the one now pending. The Senator from Ohio tells the Senate that he has another amendment to the law to submit, a different amendment. The Senator from Ohio tells us that the plan submitted by the President will give the Chairman of the Board too much authority. Perhaps it will. The Chairman can never argue a case against himself and become a prosecutor against himself. The other members of the Board will see to it that he can never do so.

We are considering a situation which ought to be remedied, yet it seems that some Senators are now opposed to remedying the very bad situation.

Mr. President, I had previously said that the Congress, when it enacted the Administrative Procedure Act, chose one particular method, out of several possible

ones, for meeting the problem of separation. In general this method was to provide detailed and carefully thought out basic procedures for the conduct of hearings and formulation of decisions—sections 7 and 8; to provide for a complete internal separation in the administrative agencies of personnel who participate in the investigation or prosecution of particular cases from those who participate in or are consulted respecting the decisions of such or related cases—section 5 (c); to give hearing officers a more important role than that of merely sitting to conduct a hearing and receive evidence, by requiring that they make either the initial or recommended decision of the cases on which they sit; and to insure that the hearing officers' decisions reflect their genuinely independent views, by giving hearing officers security of tenure and salary during good behavior, protected by the Civil Service Commission, and independent of the recommendations or ratings of the particular agencies to which they might be attached—section 11.

Mr. President, if we vote to sustain the resolution and if the office of the general counsel remains as it is, we vote against ourselves again, and we vote against the philosophy of the Administrative Procedure Act.

I think the decision to be made is clear. It was indicated by the action of the Senate when it unanimously passed the Administrative Procedure Act in 1946. It was confirmed by the Senate when it approved S. 1126, the Taft bill, in 1947 which made no provision for a separate office of the general counsel. And it was reinforced by the action of the Senate when it voted only last year to eliminate the office of the general counsel.

Mr. President, I for one will heed the call of experience and vote in support of the President's Reorganization Plan No. 12 and in opposition to Senate Resolution 248.

Mr. TAFT. Mr. President, I yield 10 minutes to the Senator from Louisiana [Mr. ELLENDER].

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, until today I have not voted against any reorganization plan which the President of the United States has submitted to the Congress pursuant to the so-called Hoover Commission reports.

As I understand, this plan is not in accord with the recommendation of the Hoover Commission, as the report of the Commission itself shows that that body at no time recommended that the separation of judicial and prosecuting functions, which I consider one of the major reforms of the Taft-Hartley Act, should ever be done away with so far as procedure before the National Labor Relations Board was concerned.

Although this statement has been challenged, all that any Senator who has any doubts on the subject need do, is to look at the text of the Hoover Commission report. Moreover, Mr. Hoover himself has removed any possible doubt on this score by his telegram in which he stated that at no time had the question of merging the prosecuting and judicial functions of the Labor Board ever been considered or acted upon by the Commission.

What we are voting on today, Mr. President, is really a substantive amendment to the Taft-Hartley Act, an amendment which, to my mind, goes to the very core of the act. The Congress is being asked to do indirectly what it refused to do directly during the first session of the Eighty-first Congress.

My position on the Taft-Hartley Act is well known. I was a member of the Labor Committee which reported the bill, and was appointed by the minority as one of the conferees. In my judgment, a vote for Reorganization Plan 12 is a vote to repeal a substantial portion of the Taft-Hartley Act under the false guise of improving the efficiency of the Labor Board.

It is a strange paradox, Mr. President, to find that the Members of this body who were most vociferous last year in insisting upon the repeal of the act are now the ones who profess the greatest concern with what they claim to be a breakdown in the efficiency of its administration. They tell us that because the general counsel has independent authority to initiate all prosecutions under the act and that because the Board disagrees with him on some cases, the provisions and policies of the act could be more efficiently carried out if all power were concentrated again in the Board, as was provided for in the lopsided Wagner Act which Congress repealed two sessions ago.

What the proponents of Reorganization Plan 12 fail to say, however, is that the area in which the Board and the general counsel are in disagreement is with respect to cases in which the general counsel has taken a position in favor of vigorous enforcement of the act. But it is in those very few cases that the Board is refusing to carry out the mandate of Congress by giving full effect to the provisions of the new law to the extent that it modified the one-sided character of the Wagner Act.

Let me give the Senate one illustration:

One of the major provisions in the Taft-Hartley Act is the section which denies the facilities of the Labor Board to labor organizations or any organizations affiliated with them unless all the officers file affidavits disclaiming membership in or sympathy with the Communist Party.

The enactment of this section was intended by Congress to put a stop to the dangerouse infiltration of labor unions by Communist leaders. Its purpose was to put the Communists and fellow travelers of Communists on the spot with the overwhelmingly patriotic rank and file membership of the major labor unions in this country, for if they refused to sign the affidavits it would be clear to the members of unions that they were in effect Communists. Thus the membership could wield their power to drive them out of union office.

When the act went into effect, Mr. Denham, the general counsel of the Board, ruled that the requirement for signing Communist disclaimers applied not only to the officers of particular unions but to all officers of the AFL and CIO. Indeed, it is difficult to see how he could have made any other ruling, since there are scores of Labor Board decisions holding that the AFL and CIO are themselves labor organizations.

Shortly after that the AFL, meeting in convention, instructed all its officers to sign these affidavits. The Board, however, reversing Mr. Denham, held in the Northern Virginia Broadcasters case that this requirement applied only to constituent unions of the AFL and CIO and not to the top officers.

As a result, many CIO unions were permitted to file charges and petitions for election with the Labor Board even though the top officialdom of the CIO, until 3 or 4 months ago, were not in compliance with the act.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. TAFT. I yield two additional minutes to the Senator from Louisiana.

Mr. ELLENDER. I thank the Senator.

Mr. President, in one of these cases involving an employer in Texas, the Postex Co., this ruling was carried to the circuit court of appeals. Last week in New Orleans the court of appeals held that the Board had no jurisdiction to take the case and that the Board erred in overruling Mr. Denham. In other words, the court found that Mr. Denham, not the Board, was giving effect to the statute. The result of this decision, of course, is that the validity of hundreds of orders and certifications which were issued by the Board in the last 2 years has now in effect been invalidated, and the labor situation in these companies is chaotic, to say the least.

It is true that the Board itself favors return to the old system under the Wagner Act about which the Senate Labor Committee heard so many complaints for many years. Such an attitude is hostile to our whole judicial system. Indeed, the logic of the Board's position would recommend a future reorganization plan to eliminate any judicial review of their own orders, if that were possible, so as to achieve the highest degree of administrative efficiency.

The Congress separated the Board's prosecuting and judicial authority because it lacked confidence in the form of organization which combined them. Circumvention of the statute is now proposed under the guise of mere executive reorganization. The Board members' unseemly grasp for power and their avowed will to personal domination of our labor policy do not persuade that Congress was wrong. Reorganization Plan No. 12 should be rejected. Accordingly, I propose to vote for the pending resolution.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

If he does not care to use time at this point, the Senator from Pennsylvania is recognized.

Mr. MYERS. Mr. President, I yield 5 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the remarks which I shall make at this time may appear in the RECORD at the conclusion of the proceedings in connection with the pending question.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Under the foregoing order, Mr. FULBRIGHT's remarks appear in the RECORD following the proceedings on Senate Resolution 248, under the heading "Steps toward federation of the western European countries.")

Mr. MYERS. Mr. President, I yield 10 minutes to myself.

Mr. President, I have no intention of making a detailed analysis at this time of Reorganization Plan No. 12 and the circumstances which render the adoption of this plan a necessity if we are to have efficient, just operation of the Labor-Management Relations Act of 1947.

However, I should like to make a few comments in regard to the disturbing manner in which the plan has been attacked. As the senior Senator from New York [Mr. IVES] so well put it when he announced, a while back, his support of this plan:

> One might gather that this plan, if allowed to become effective, would destroy the Taft-Hartley Act and constitute a great victory for labor over management. These implications * * * are unjust and unfounded. * * * They reflect a state of mind and attitude which can never produce a sound and equitable labor relations statute in this country.

Mr. President, I have quoted those words from the speech delivered by the senior Senator from New York.

So, Mr. President, in view of all the confusion which prevails, I think it is highly important to make clear just what this plan does not do, because I think some statements have been made on the floor of the Senate today which might mislead Senators. If such statements are misleading, I know it is not intentional. Nevertheless, if accepted in toto, I think they would mislead Senators.

In the first place, Reorganization Plan No. 12 does not assign to the Chairman of the National Labor Relations Board all the powers now held by the general counsel.

I recall that the Senator from Ohio, in response to a question asked by the senior Senator from Maryland [Mr. TYDINGS], stated that this plan differs from the provision contained in the amendment to the Taft-Hartley Act; and it is my recollection that just a few moments ago the Senator from Ohio said that this plan assigns to the Chairman of the National Labor Relations Board all the powers now held by the general counsel.

Mr. President, that simply is not so. The Chairman of the Board would take over only the executive and administrative functions of the Board, including, specifically, functions with respect to, first, appointment and supervision of personnel; second, distribution of business among personnel and among administrative units; and, third, the use and expenditures of funds. Even in carrying out these purely "housekeeping" duties the Chairman is to be "governed by the general policies of the Board and by such regulatory decisions, findings, and determinations as the Board may by law be authorized to make."

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

Mr. MYERS. I am happy to yield, of course.

Mr. TAFT. What powers are there other than the administrative and executive powers except judicial and legislative powers?

Mr. MYERS. I am coming to that point now.

Mr. TAFT. Does not plan No. 12 propose to give to the Chairman of the Board complete power, including something which the general counsel does not have now, namely, the right to employ all personnel?

Mr. MYERS. Mr. President, Mr. Herzog in his testimony on Reorganization Plan No. 12 had something to say on that subject. He said—and I quote now from page 114 of the hearings before the Committee on Expenditures in the Executive Departments, held on April 4, 5, and 6, 1950:

> It has become essential, at the outset, to correct one complete misconception of the plan which appears in recent statements by Senator TAFT, a misconception which he says has influenced his own change of position since 1949. He evidently believes that plan 13 vests many prosecutory and policy-making powers in the Chairman of the Board, and adds that he would not "object to the plan so much" if these powers were transferred to the Board as a whole. A reading of the plan itself should allay the Senator's fears, and any which his statement may have generated in others.
>
> The facts are as follows: The only additional functions the plan assigns to the Chairman of the National Labor Relations Board, whether now vested in the general counsel or in the Board members, are the purely administrative and housekeeping ones assigned to the Chairmen of all seven Commissions covered by plans 6 to 13. The very wording of the plan itself makes it clear, that all investigatory and regulatory functions will be vested at this Board—precisely as they will continue to be vested at the other Commissions—not in one man, but in the five men who comprise the entire Board.
>
> Section 3 of plan 12 transfers "all functions of the general counsel" to the full Board, except for those purely "executive and administrative functions," which are transferred to the Chairman for purposes of convenience and efficiency.

I think a smoke screen has been thrown up, Mr. President, perhaps a sort of little iron curtain, which it is a bit difficult to pierce.

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

Mr. MYERS. I am happy to yield.

Mr. LUCAS. Perhaps the Senator has elaborated upon this query, but why is it that this one Commission is selected, as it is, under the resolution offered by the Senator from Ohio, while every other commission of the Government operates in exactly the way the President of the United States is trying to have the National Labor Relations Board operate under the reorganization plan? Can the Senator tell me the reason for that?

Mr. MYERS. Really I can see no logical reason for it, because that which is attempted and which has been accepted in respect to other commissions is practically the same as in plan No. 12. Whether pride of authorship has anything to do with it, frankly I am at a loss to say.

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

Mr. MYERS. I am happy to yield.

Mr. LUCAS. How far does the Senator from Pennsylvania think we would get, or any Senator would get, if he offered a resolution doing to the other seven Government commissions what is sought to be done to the National Labor Relations Board?

Mr. MYERS. He certainly would not get very far.

Mr. LUCAS. We would be the laughing stock of the country if we were to attempt to do that.

Mr. MYERS. So I repeat that under section 3 of the reorganization plan all functions of the general counsel not transferred by provisions of section 1 are transferred to the Board. Functions thus going to the entire Board would include, I repeat, the investigatory or the complaint-bringing operations of the present general counsel's office. We would then no longer be operating under a labor relations setup which gives one man, as the senior Senator from New York mentioned earlier today, "broad and absolute powers" and "authority, final to an outstanding degree, seldom accorded a single officer in a peacetime agency." The above description of the present duties of the general counsel is his own, Mr. President. That is, it is the opinion of the general counsel, as stated in an address before the American Bar Association.

There are other things the reorganization plan does not do. It does not revise or do away with or weaken any of the provisions of the Labor-Management Relations Act of 1947, which were aimed at regulating union activity. There, again, there has been much propaganda, Mr. President, and much mail coming to the offices of Senators, because some employers have been misled and have been misinformed by certain organizations and groups as to the end effect of this reorganization plan. It would still be an unfair labor practice for a union to engage in a secondary boycott. It would still be necessary, if this reorganization plan were accepted, for unions to give 60 days' notice before going on certain strikes. It would still be necessary for union officials to sign non-Communist affidavits. It would still be unlawful for a labor union to make contributions to political campaigns.

There has been a great deal of discussion in connection with Reorganization Plan No. 12 regarding the dangers of having the same group act as judge and as prosecutor. I am convinced that the operation of the Administrative Procedure Act will prevent any injustice along those lines.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. MYERS. I yield myself five more minutes, Mr. President.

I think it cannot be emphasized too strongly that we cannot handle labor-management relations as we handle criminal prosecutions. We are not seeking convictions, I hope, Mr. President. We are aiming at a peaceful relationship between the forces of labor and the forces of business.

Let me read to the Senate a portion of the testimony of Paul Styles, newly appointed member of NLRB, given in support of this reorganization plan. Mr. Styles has had many years' experience in this field as a regional attorney, both under the Wagner Act and under the Taft-Hartley Act. He says:

I do not think a legalistic, prosecuting approach to labor relations is the approach intended by Congress. * * * One of the great weaknesses of the general counsel concept has been the difficulty of administration at a regional level, because people wanted to litigate; people said, "This is a statute under which you prosecute. Now get out there and prosecute."

The whole approach of the Board in the past, of all its regional offices, was, "Let's get the public," the employer back in those days, "to comply with the law. Let us talk him into complying with it. Let us settle these cases if we can."

I noticed in my own regional office that the minute the new act was passed, there was a tendency on the part of everyone, not confined only to attorneys who ordinarily like to go to court * * * but the field examiners themselves, the people who really do the work of the Board, to say, "Let us litigate." They dropped their settlement efforts to a large degree.

So, Mr. President, let me point out that this plan was in effect approved in both the majority report and in the views of the minority members of the Committee on Labor and Public Welfare last year. Notwithstanding the statement of the Senator from Ohio which was made a little earlier, every member, as I recall, with the exception of the senior Senator from Missouri [Mr. DONNELL], who stated he was reserving his opinion on this point, voted for such a change in functions and such a change in administrative organization.

Reorganization Plan No. 12 has unfortunately become a much befogged issue.

The PRESIDING OFFICER (Mr. DONNELL in the chair). Will the Senator, in view of the fact that he has mentioned the senior Senator from Missouri, permit the Chair to state that he thinks the senior Senator from Missouri reserved the right to present an amendment embodying the views to which the Senator has referred?

Mr. MYERS. I knew the Senator reserved the right, and I believe all the other members, both minority and majority members of the committee, approved of the plan.

Reorganization Plan No. 12 has unfortunately become a most befogged issue. But I feel certain that if the Members of the United States Senate really understand the issues that are involved here—the efficient and just administration of our Labor-Management Relations Act—we will approve the President's plan.

Then, too, Mr. President, the senior Senator from Arkansas [Mr. MCCLELLAN] read into the RECORD a telegram addressed to the Senator from Ohio [Mr. TAFT] by former President Hoover, himself, Chairman of the Hoover Commission. In that telegram, former President Hoover said:

So far as I recollect, this subject was never discussed by the Commission.

Mr. President, I am at a loss to understand why the Commission never discussed this subject, which was such an important subject, and to which the task force devoted eight pages of its report. Former President Hoover may not have any recollection of it, but I feel certain the Hoover Commission considered the task-force recommendations. They may have been a little too hot for the Commission. There may have been some reason for their doing nothing about them. They certainly did not disapprove the task-force recommendations, although they did not approve them; they merely let them alone. But it seems to me strange that the Commission would never even consider the study which had been made by its own task force.

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

Mr. MYERS. I yield.

The PRESIDING OFFICER. The Chair advises the Senator from Pennsylvania that his time is up.

Mr. MYERS. I yield myself three more minutes.

The PRESIDING OFFICER. The Chair makes allowance for the few seconds during which the Chair interrupted the Senator.

Mr. LUCAS. Is it not more strange, when the Senator thinks of the extensive debate which took place in the Senate and in the House upon this question in the past, and the debate we are having now, that the Hoover Commission never even gave it consideration?

Mr. MYERS. It is strange, indeed, very strange, and I hope the Citizens' Committee for the Hoover Commission report will watch these votes, and will see just what is being done to emasculate and destroy to some extent many of the recommendations of the Hoover Commission, which the President himself has submitted to the Congress.

Mr. President, I should like to close by inserting at this point in my remarks an editorial from the Washington Post, dated April 19, 1950, entitled "NLRB's Split Personality." It is an excellent editorial, and it closes with this paragraph:

In our opinion, the proposed plan entails no changes in the present set-up that cannot be justified as a proper exercise of the authority given the President by Congress to reorganize the executive establishments. This reform is imperatively needed to eliminate the friction, uncertainty, and delays resulting from the present two-headed administration of the law.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point in my remarks.

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

NLRB'S SPLIT PERSONALITY

Last week the Citizens Committee for the Hoover Report withheld endorsement of Reorganization Plan No. 12 abolishing the office of general counsel of the National Labor Relations Board and assigning his functions to the Board and its Chairman. Now the Senate Committee on Expenditures has rejected the plan. The citizens committee said that the plan to abolish the office of general counsel raises issues that are not wholly organizational, but are matters of national, political, and economic policy.

Others argue that the latter proposal entails changes in the Taft-Hartley Act which the administration has vainly tried to repeal. This objection seems far-fetched, although Mr. Denham's supporters have, no doubt, used it to good effect in their effort to discredit the plan. Even Senator TAFT admits that the present arrangement is defective. Last year he voted for an amendment to the act bearing his name that would have returned to the Board the powers exercised by the general counsel, although he is now opposing the reorganization plan. Furthermore, he concedes that there is no direct legal objection to the proposed shift of functions.

The existing extreme separation of functions has given rise to friction between the Board and the general counsel and has seriously interfered with effective enforcement of the law. In unfair labor practice cases, for example, the general counsel alone determines whether to issue a complaint, and in determining whether or not to do so he need not be guided by the Board's previous rulings. Chairman Herzog says that cases have been sent to the Board by the general counsel with the full knowledge that he would dismiss them later. The result is that both labor and management are confronted by a double standard, the work of the Board is needlessly increased, and litigation before the courts is encouraged. The Board also charges that employees in its regional offices under the supervision of the general counsel have been gradually losing their identity as agents of the Board even in handling representation cases.

The present set-up of the NLRB was a laudable attempt to separate the prosecuting from the judging functions of the agency. In practice, however, this division of functions has done infinitely more harm than good. Under the reorganization plan internal adjustments would prevent any official from acting as both prosecutor and judge. The chief difference would be that the Board would be in a position to exercise general supervisory powers over prosecuting activities, and prevent conflicts that impair its efficiency as a regulatory agency.

In our opinion, the proposed plan entails no changes in the present set-up that cannot be justified as a proper exercise of the authority given the President by Congress to reorganize the executive establishments. This reform is imperatively needed to eliminate the friction, uncertainty, and delays resulting from the present two-headed administration of the law.

The PRESIDING OFFICER. In order that there may be no misunderstanding, the Chair would like to read from page 91 of the minority views, report 99, part 2, with reference to Senate bill 249:

My concurrence in the above minority views is subject to the fact that (a)—

That has no application to the present matter—

and (b) may conclude to present an amendment providing for appointment by the President, with confirmation by the Senate, of a general counsel, defining his duties and powers with possibly some limitation, not found in the Taft-Hartley law, as to said powers.

That is signed "FORREST C. DONNELL."

Mr. MYERS. Mr. President, I merely mentioned the name of the Senator from Missouri because I had indicated that

both the majority and the minority had favored the amendment, but the senior Senator from Missouri did not give it his complete blessing and reserved the right to offer an amendment or to vote against it.

The PRESIDING OFFICER. The Chair appreciates the courtesy of the Senate in permitting the Chair to read the quotation which he read for the purposes of absolute accuracy.

Mr. MYERS. Mr. President, I now yield 15 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, ever since the Hoover Commission made its report, I have been giving consideration to what we should do as to the recommendations made by that Commission. I have studied the plans and the recommendations of the Hoover Commission. I have studied the recommendations made by the Citizens' Committee. As a result I have decided to vote against the pending resolution and in favor of Reorganization Plan No. 12. I may say that my thought along this line was somewhat fortified when I read in the CONGRESSIONAL RECORD of June 29, 1949, something which has been referred to and quoted previously, but I want to read it again. It is a part of a speech by the very able senior Senator from Ohio [Mr. TAFT]. I read his language, as follows:

> I believe that the amendments which we have suggested are important. Perhaps the most important one is the elimination of the independent general counsel. The difficulty which arose with the independent general counsel was that he took a different view of the jurisdiction of the Board than did the Board itself. He would bring a case which he thought was covered by the act. After a year's litigation the Board would rule that it was not covered by the act. In the last analysis the Board determined the result, but in the meantime there was confusion. There was a difference of opinion. There was difficulty in the separation of powers.
>
> Under the Administrative Procedures Act, which was passed since the passage of the original National Labor Relations Act, the judicial and prosecuting functions are largely separated, although not entirely so. The procedure goes back to the Board. However, we felt that on the whole that separation accomplished the purposes we were trying to accomplish in not having the same people bring the prosecution, try the case, and then judge those who they themselves had indicted. That was one of the strong protests made by the labor unions, and we felt that it was sufficiently justified to go back to the Administrative Procedures Act and rely upon that for a fair treatment by the Board.

Mr. President, exactly what the senior Senator from Ohio was arguing for less than a year ago is what Reorganization Plan No. 12 seeks to provide. Under the influence of the soothing persuasiveness of the distinguished Senator from Ohio, the Senate passed the Taft bill to take the place of the Taft-Hartley Act. One of the provisions of that bill, as I have pointed out in his remarks on the Senate floor, abolished the office of general counsel of the National Labor Relations Board and restored to the Board a large part of the powers and responsibilities which it had before the Taft-Hartley Act was passed.

We have before us today a similar proposal, this time in the form of a reorganization plan submitted by the President under the Reorganization Act of 1949, under which executive and administrative functions of the National Labor Relations Board and of the general counsel relating to the appointment and supervision of personnel, the distribution of business among personnel and administrative units, and use and expenditure of funds would be transferred to the chairman of the Board. Under this plan, all other functions of the general counsel of the Board would be transferred to the Board, and the office of the general counsel would be abolished.

Mr. President, in talking about the office of general counsel and about the disagreements which arose between the general counsel and the National Labor Relations Board, I should like to point out that to my mind the greatest disagreement grew up over something as to which everyone ought to be greatly concerned, and particularly those of my colleagues who come from the South and who believe so strongly in States' rights.

The general counsel insisted upon bringing in the corner drugstore, the filling station, the little bakery, and the little laundry, whereas the Board ruled that those were matters of no great consequence; they were small businesses, local in their nature, and should be left to the States to handle. Time after time the Board refused to act upon or to approve the action which had been taken by the general counsel in relation to those small local businesses. In spite of that, the general counsel would insist on taking action, so that he was carrying on a constant harassment of small businesses all over the country, businesses which the Board continued to say it should not give attention to, that they should be left to the States to handle.

On April 15, 1949, the general counsel brought in a drugstore located, I believe, in Denver, Colo. The case was dismissed, but in spite of that, on October 31, 1949, the general counsel brought in exactly the same corner drugstore, and the Board again dismissed it.

There have been many such cases, Mr. President. In the short time allotted to me I cannot name all the cases, but I should like to mention just a few. I hope Senators will listen to the names of these cases, because even the names themselves indicate the littleness and the local nature of the businesses. Hom-Ond Food Stores. Matter of Sta-Kleen Bakery, Inc., Matter of Fehr Bakery, Co., Purity Creamery Co., Matter of Creamland Dairies. Mr. President, I could go on and on with similar cases. They are small, local businesses, which the general counsel has insisted on bringing in. As a result there has been created needless friction with the National Labor Relations Board.

Mr. President, I ask that there may be inserted in the RECORD at this point, as part of my remarks, a memorandum relating to these particular matters and listing several of the cases, as well as giving quotations relating to each of them.

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

DOCUMENTATION OF DISAGREEMENT BETWEEN THE NATIONAL LABOR RELATIONS BOARD AND THE GENERAL COUNSEL, R. N. DENHAM

1. CASES OF DISAGREEMENT BETWEEN NLRB AND GENERAL COUNSEL

Disagreement between the NLRB and the general counsel had its major effects on the question of exercising jurisdiction over small businesses. The question arose in both representation (election) cases and unfair labor practice cases. The dispute was particularly marked in unfair labor practice cases because of the petition of the general counsel that among other reasons the Board had no authority under section 3 (d) of the Taft-Hartley Act to refuse to exercise jurisdiction over an unfair labor practice case once the general counsel had determined to issue the complaint. The general counsel's position was based on the language of section 3 (d) to the effect that "He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints [in unfair labor practice cases] * * *."

The disagreement in this area arose over the exercise of jurisdiction over businesses "essentially local in character" (as the NLRB described them) such as drug stores, grocery stores, dairies, bars, and restaurants and other local businesses. The general counsel insisted that the Board should exercise jurisdiction where at least part of the products sold by these businesses, although sold entirely within the State, originated from out of State. The Board, on the other hand, early established a policy of not exercising its jurisdiction in such cases, on the ground it would not effectuate the policies of the act to do so, since the businesses were essentially local in nature.

(a) Representation cases: The Board first established the policy of refusing to exercise jurisdiction over so-called local businesses, in a line of decisions dismissing petitions in representation cases.

Hom-Ond Food Stores (May 13, 1948, 77 NLRB 647).

Matter of Sta-Kleen Bakery, Inc. (July 30, 1948, 78 NLRB 798).

Matter of Fehr Bakery Co. (Sept. 2, 1948, 79 NLRB 440).

Purity Creamery Co. (Sept. 28, 1948, 79 NLRB 1042).

Matter of Creamland Dairies (Nov. 8, 1948).

The Board found these businesses to be "esentially local in character" and therefore decided that it would not "effectuate the statute's policies to assert jurisdiction."

In spite of this established policy the general counsel on November 23, 1948, issued G. C. Field Letter No. 52 (revised) in which he instructed the regional offices to disregard these decisions and to proceed to process such local cases. The field letter stated:

"Where representaton cases involve different parties, but industries similar to those with respect to which the Board, notwithstanding the existence of statutory jurisdiction, may have denied the processes of the act because, 'it would not effectuate the policies of the act,' such cases will be processed at the regional level in regular manner." [See Hearings on S. 249, Committee on Labor and Public Welfare, 81st Cong., 1st sess., pp. 138–141 and 175.]

The Board, in an exchange of memoranda with the general counsel late in 1948 attempted to straighten out this disagreement. This exchange appears in the record of the hearings noted above. But the general counsel continued so to instruct regional office personnel with regard to representation cases until September 1949. (See statement of Paul M. Herzog, Chairman, NLRB, April 6, 1950, Hearings on Reorganization Plan No. 12,

Committee on Expenditures in the Executive Departments, United States Senate, 81st Cong., 2d sess., at p. 11.)

(b) Unfair-labor-practice cases: The conflict on the issues of jurisdiction still continues in unfair-labor-practice cases. (See statement of Paul Herzog noted above, at p. 11.)

The Board first asserted its power to refuse to exercise jurisdiction for policy reasons in an unfair-labor-practice case in—

A–1 Photo Service Co. (May 13, 1949, 83 N. L. R. B. No. 86, 24 L. R. R. M. 1106). The opinion in this case clearly points out the nature of the disagreement between the Board and the general counsel on this issue:

"The general counsel, on the other hand, contends that once he has issued a complaint in an unfair-labor-practice case, the Board members have no authority to decline to assert jurisdiction on policy grounds, if jurisdiction in fact exists. For the reasons given below, we find no merit in this contention.

"Under section 10 of the act, as amended, the Board is empowered to prevent any person from engaging in any unfair labor practice affecting commerce, but it is not directed to exercise its preventive powers in all such cases. From this, we believe it reasonable to infer, in the absence of any convincing evidence to the contrary, that Congress intended the Board to continue to have discretionary authority to decline to exercise these powers in appropriate cases, as it had under the Wagner Act. The Board can now exercise this discretionary authority only by dismissing a complaint. We have, therefore, dismissed complaints—as we have declined to proceed with representation cases—when, in our opinion, the assertion of jurisdiction would not effectuate the policies of the act (Matter of *Walter J. Mentzer* (23 L. R. R. M. 1570)).

"For the above reasons, we find, contrary to the general counsel's contention, that the Board has discretionary authority to dismiss complaints for policy reasons, even though commerce is affected."

The general counsel, however, has continued to assert his conflicting views and to instruct regional offices accordingly, even so far as to process unfair-labor-practice cases involving the very same employer over whose business operations the Board had earlier, in a representation proceeding, refused to exercise jurisdiction.

Haleston Drug Stores, Inc., et al. (Apr. 15, 1949), a representation case dismissed by the Board (82 N. L. R. B. 1264).

Haleston Drug Stores, Inc. (Oct. 31, 1949), an unfair-labor-practice case dismissed on same jurisdictional grounds over the opposition of the general counsel (25 L. R. R. M. 1040).

See also general counsel's G. C. Field Letter No. 52 (revised) of November 23, 1948:

"The fact that the Board has dismissed a representation case because, in its view, 'it would not effectuate the policies of the act' to process it even though legal jurisdiction exists, will not bar the acceptance and processing of a meritorious [unfair labor practice] charge involving the same parties or any of them." (Hearing on S. 249, Senate Committee on Labor and Public Welfare, 81st Cong., 1st sess., p. 175.)

The general counsel is now refusing to represent the Board's point of view in the courts in two of these cases, the A–1 Photo Service case and Haleston Drug Stores, Inc., which are pending for review in the court of appeals at Denver. In the statement Mr. Denham said:

"The general counsel, however, cannot be expected to urge the courts to approve the Board's incursion into his own area of statutory responsibility or to accept the Board's delegation to him of this type of assignment."

(See public statement of General Counsel Denham, issued the first week in March 1950, announcing his refusal to submit to the Board's restriction of his authority in a revision of a 1947 memorandum delegating certain powers to the general counsel (25 L. R. B. 242, Mar. 6, 1950.)

The general counsel also informed the Board officially that he might wish to state his contrary views to the court in the Haleston case by a brief amicus in opposition to the Board. (See exchange of memoranda between the Board members and the general counsel, hearings, House Committee on Expenditures, March 23, 1950, p. 123).

2. GENERAL COUNSEL'S STATEMENT REFUSING TO SUBMIT TO NLRB'S RESTRICTION ON HIS AUTHORITY

The Board on February 28, 1950, issued a revision of a 1947 memorandum delegating certain powers to the general counsel (13 F. R. 654). In the revision the Board—

(a) Instructed the general counsel that he must obtain advance Board approval before he may appoint, transfer, discipline, or discharge any regional or subregional director.

(b) Directed the general counsel to act "in full accordance with the directions of the Board" when he is representing the Board in the lower courts. Previously the general counsel was merely required to act "upon direction" of the Board in these matters.

(c) Directed the general counsel when processing petitions for collective-bargaining elections, to do so in accordance "with the decisions and instructions of the Board."

Within a few days General Counsel Denham issued a public statement, took exception to these changes and announced his "refusal to submit" to these instructions. (See statement noted above.) In addition to refusing to defend in the courts the Board's position on jurisdiction (see discussion above on A–1 Photo case), the general counsel in his statement said that the Board's instructions on the employment of regional directors violated the "intent of Congress." He interpreted the conference report as indicating that it was the intent of Congress to place final authority over employment of a regional director in the general counsel.

3. VESTING OF "HOUSEKEEPING" FUNCTIONS IN NLRB CHAIRMAN

Reorganization Plan No. 12 provides for the transfer from the Board and the general counsel to the Chairman of "the executive and administrative functions of the Board and of the general counsel, including their functions with respect to (1) the appointment and supervision of personnel, (2) the distribution of business among personnel and among administrative units, and (3) the use and expenditure of funds." All other functions of the general counsel are transferred to the full Board, and the appointment by the Chairman of the heads of major administrative units under the Board shall be subject to approval of the Board.

Paul M. Herzog, Chairman of the Board, stated to the Senate Committee on Expenditures during the hearings on plan No. 12, that these functions transferred to the chairman are the purely administrative and housekeeping ones assigned to the chairman of the other six commissions covered by Reorganization Plans No. 6 through 11, and that all investigatory and regulatory functions are vested in the full Board.

This is in line with the Hoover Commission recommendation with regard to regulatory commissions in general that the chairman be made expressly responsible for administration. The task force report on regulatory commissions stated that this recommendation is designed to center the administration in one member, responsible to the Commission or Board, to relieve the other member of these duties, and "to assure effective supervision essential for expedious handling of cases and orderly dispatch of business." (See p. 32).

This is what Reorganization Plan No. 12 seeks to accomplish. It abolishes the present split in administration between the Board and the general counsel's office which does not make for efficient administration and which leads to a diffusion of responsibility. Efficient administration is not possible without a single and direct line of authority, whether in a regulatory commission or an executive department. The Taft-Hartley Act split the administration of the act between the Board and the general counsel. Shortly after passage of the act, the Board felt it necessary for reasons of economy and sound management to delegate to the general counsel complete responsibility for the hire and discharge of all personnel in the regional offices. This resulted in the loss by the regional employees of their identity as agents of the Board, as illustrated in the jurisdictional dispute discussed above, and in the disagreements on policy issues.

The administrative functions are placed in the chairman, rather than the full Board in order to prevent the absorption of all the commissioners in administrative details at the expense of the substantive work, the chairman should be specifically designated as the person responsible for administration within the Commission.

DUTIES

In practice his duties in this respect should include:

1. Supervision of the various bureaus and divisions from the administrative point of view, such as their workload, backlog, progress, and programs.

2. Direction of the administrative divisions of the Commission—those dealing with the budget, personnel, management analysis, and office and miscellaneous services.

3. Analysis of the administration and procedures of the Commission for proposing changes to improve administrative efficiency and to provide more systematic supervision.

RELATION TO COMMISSION

On routine supervision and appointments, the Chairman should merely report periodically to the Commission. But the Chairman's primary responsibility for administration should not supplant the ultimate authority of the entire Commission on matters which are of major significance to the agency. For example, the Commission should approve appointments of bureau or division chiefs, or major reorganizations of the staff. On such matters, the Chairman should have the responsibility for taking the initiative in spotting and analyzing the problems, developing data, and submitting proposals to the Commission. (See Task Force Report on Regulatory Commissions, pp. 46, 47.)

Mr. SPARKMAN. Mr. President, I wish to take a few minutes more to discuss the proposal in light of the Hoover Commission report. While I was at home last December, I attended a dinner given by the State chamber of commerce in Birmingham. They had had an all-day business session which was closed with a dinner that evening. My friend and distinguished colleague the junior Senator from Florida [Mr. HOLLAND] was the speaker on that occasion. During the dinner it was announced they had one item of business to attend to. They had been in business session all day. That item of business, Mr. President, was a report of the resolutions committee. The

chairman of the resolutions committee rose up and said:

We boast of the fact that we are presenting one resolution, and this is it: "We wholeheartedly endorse and recommend that the Congress of the United States approve the recommendations of the Hoover Commission report."

That is the only resolution which was adopted during that day's business session of the State-wide Chamber of Commerce of the State of Alabama. I looked over that group and the thought that went through my mind was: How easy it is to recommend a general, overall program. I wondered how many of those people would communicate with me and protest against some particular plan submitted under the Hoover Commission report.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. SPARKMAN. I yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Alabama if he knows that even Mr. Denham was against the division of authority when it was put into effect.

Mr. SPARKMAN. I do not know that he was against it when it was put into effect, but I do know that in a speech Mr. Denham said it had created an impossible situation. I do not remember his exact words, but, in substance, they were to that effect.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator if he recalls having read a letter which Mr. Denham wrote to the Senator from Missouri [Mr. DONNELL], dated February 21, 1947. The full text of the letter is printed in the report of the hearings before the Senate Committee on Labor and Public Welfare on Senate bill 249, at page 1130. I should like to read the following excerpt from Mr. Denham's letter:

The provision for dividing the functions of the Board between the Department of Justice and the present Board savors of the wisdom of Solomon in dividing the child. It simply will not work. The administration of labor relations at the source involves much more than the trial and determination of adjudications. More than 90 percent of the matters which might develop into litigations are disposed of administratively in the regional offices. These dispositions must be coordinated to the same general policy that influences the final determination of the litigated cases. This proposed division would only create additional confusion with policy emanating from two independent and uncoordinated sources. If this is to be done, however, then the judicial side of the Board should be set up as a regular labor court with all the powers of the circuit courts of appeals and with the present position of trial examiner converted into that of judge with all the powers of a district judge. I would wholly approve of such a change, for it would concentrate the decisions in one body and do away with the diversity of opinions now coming from 10 circuit courts of appeal, which makes their decisions almost valueless as precedents until they have been passed upon and reconciled by the Supreme Court.

Does the Senator know that such a letter is in the record?

Mr. SPARKMAN. I had not seen the letter, and I appreciate the Senator's calling it to my attention. I know that since then Mr. Denham has made speeches in which he has said the division presented an impossible problem.

Mr. President, if we are to do anything with reference to streamlining the Government and getting a more efficient operation of the Government, and making it possible to effectuate some of the savings which the Hoover Commission said we could make, we must begin to put into effect some reorganization plans. I do not intend by that statement to announce that I shall support every single plan, but I do say that I shall resolve any doubts in favor of these reorganization plans. That is exactly what I am doing with plan No. 12.

The citizens committee has pointed out that a great part of this plan as recommended does conform to the Hoover Commission's report. They say it does not entirely do so, but a great part of it does. Mr. President, I have studied it. I have studied the various recommendations. I have come to the conclusion that it does conform materially with the Hoover Commission's report. They say it ought to be approved. It is for those reasons, Mr. President, that I shall vote against the pending resolution.

Mr. President, there are other issues involved in Reorganization Plan No. 12 of 1950. One of the issues we have to decide is whether we are going to single out the National Labor Relations Board as a board requiring wholly special treatment. Alone among the regulatory boards and commissions, the National Labor Relations Board was singled out in 1947 for a statutory separation of prosecuting and judicial functions. Alone among the regulatory boards and commissions, the National Labor Relations Board was burdened with a heavy superstructure of dual personnel, dual policy making, and dual administration. Only the good sense of the National Labor Relations Board, which has striven to reduce the confusion resulting from this action to the minimum, has prevented wholesale disruption of the operations of the National Labor Relations Board since the enactment of the Taft-Hartley Act in 1947.

The National Labor Relations Board has pointed out to the Committee on Expenditures in the Executive Departments, which held hearings on the resolution of the senior Senator from Ohio to disapprove Reorganization Plan No. 12, that—

The splitting of responsibility has caused friction within the agency, and confusion among management and labor unions, as to the coverage of the Labor Management Relations Act.

It has projected uncertainty and litigation.

It has been characterized by simultaneous policy determinations which were contrary to each other.

It has impeded enforcement of the public policy in the courts.

Continuation, or accentuation, of the split in authority will constitute a continuing threat to effective enforcement of the law, no matter what the law's substantive provisions may be.

These unanimous conclusions are based on five men's experience as administrators under an experiment of divided authority and separated functions.

The members of the National Labor Relations Board are by no means always unanimous in their decisions. The records of the Board are replete with instances of sharp differences of opinion over issues raised by the complex and intricate provisions of the Taft-Hartley Act. On the problem of administration raised by the existence of the statutory office of general counsel, however, all five members of the Board, whatever their views of the scope and meaning of the act's provisions may be, are in agreement that the existence of this office hampers effective administration and results in confusion and uncertainty for all persons, employers and unions, who are affected by the provisions of the Taft-Hartley Act.

There is one final point I would like to make, Mr. President. We should not be misled into thinking that the issue before us is whether we will have separation of prosecuting and judicial functions in the National Labor Relations Board, or no separation of prosecuting and judicial functions. While the Administrative Procedure Act exempted a number of our regulatory boards and commissions from the effect of its provisions, it did not exempt the National Labor Relations Board. Under the provisions of that act, the Congress has provided sound procedures to assure proper separation of prosecuting and judicial functions within an agency. The real issue, Mr. President, is not, I repeat, whether there should be separation of prosecuting and judicial functions in the operations of the National Labor Relations Board—and the Administrative Procedure Act assures us that there will be—but rather whether there will be in the structure of the National Labor Relations Board a statutory office of general counsel, with authority independent of that of the Board itself, which can frustrate and hamper the effectuation of our national labor relations policies and activities.

Because I am convinced, Mr. President, that the existence of the general counsel's office as a statutory agency, independent of that of the Board, does hamper sound effectuation of the policies written into our Federal labor relations law, I feel that Reorganization Plan No. 12 of 1950 is a sound plan and should receive the approval of the Senate. If we believe that the recommendations of the Hoover Commission are sound, we must agree with many provisions of this plan. If we feel that it is important to provide for constructive and harmonious carrying out of the policies of our principal national labor relations statute, we must support the abolition of the general counsel's office—the existence of which clearly makes the realization of this objective impossible.

It is my firm belief, Mr. President, that Reorganization Plan No. 12 of 1950 should be approved and that Senate

Resolution 248, the 1950 embodiment of the views of the senior Senator from Ohio on this matter, should be rejected.

Mr. TAFT. Mr. President, may I ask whether any other Senator intends to speak in opposition to the resolution? I know that no one except myself intends to speak in favor of the resolution.

Mr. LUCAS. I understand that all Senators who are opposed to the resolution offered by the Senator from Ohio have spoken with the exception of the Senator from Illinois.

Mr. TAFT. Mr. President, I yield myself 25 minutes. I may speak for a few minutes after the majority leader has spoken in opposition if I believe that something he said requires a reply.

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

Mr. TAFT. I yield.

Mr. WHERRY. Does the Senator wish to have a quorum call? I should like to suggest the absence of a quorum.

Mr. TAFT. I yield for that purpose.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Mundt
Brewster	Hill	Myers
Bricker	Hoey	Neely
Bridges	Holland	O'Conor
Butler	Hunt	Robertson
Byrd	Ives	Saltonstall
Cain	Jenner	Schoeppel
Capehart	Johnson, Colo.	Smith, Maine
Chapman	Johnson, Tex.	Smith, N. J.
Chavez	Johnston, S. C.	Sparkman
Connally	Kefauver	Stennis
Cordon	Kem	Taft
Darby	Kerr	Taylor
Donnell	Knowland	Thomas, Okla.
Douglas	Langer	Thomas, Utah
Dworshak	Leahy	Thye
Eastland	Lehman	Tobey
Ecton	Lodge	Tydings
Ellender	Long	Watkins
Ferguson	Lucas	Wherry
Flanders	McCarthy	Wiley
Fulbright	McClellan	Williams
George	McFarland	Withers
Gillette	McKellar	Young
Green	Malone	
Gurney	Martin	

The PRESIDING OFFICER. A quorum is present.

The Senator from Ohio [Mr. TAFT] is recognized for 25 minutes.

Mr. TAFT. Mr. President, Reorganization Plan No. 12 proposes to abolish the office of the general counsel of the National Labor Relations Board, and to transfer—not to the Board, but to the Chairman of the Board—all the executive and administrative functions of the Board and of the general counsel. The general counsel, so far as I can see, never has had anything except executive and administrative functions. Obviously the plan would transfer all those to the Chairman of the Board. It would concentrate in the Chairman of the Board almost all the powers of the Board except judicial powers.

The Office of the general counsel—which is the prosecuting and administrative end of the National Labor Relations Board—today has about 1,200 employees. The Board as a judicial body has about 200 employees altogether. Under Reorganization Plan No. 12 all the 1,200 employees, and their appointment, which is now under the Board, according to the original law, would be transferred to the Chairman of the Board.

The suggestion has been made that the general counsel is an all-powerful dictator, with all sorts of power. However, Mr. President, Reorganization Plan No. 12, if put into effect, will give the Chairman of the National Labor Relations Board twice the power the general counsel has ever had.

I wish to point out that the plan now submitted to Congress is not the original plan. The original plan was for a Board; and under the Board there was to be a general counsel with a line of prosecuting duties; and there was to be an office of examiners, and so forth, to handle the judicial duties. The duties in that connection were fairly well distributed.

However, under the plan now submitted, the prosecuting and judicial functions, by being vested in one man on the Board, would be concentrated, it seems to me, far more than even in the set-up in the National Labor Relations Board which was so widely criticized, which was changed by the Taft-Hartley law, and was twice attempted to be changed before that time by the House of Representatives.

There is some claim of justification for the transferral of these powers back to the Board; but I cannot see any justification for doing that. We are told that the performance of these duties is a policy-making function, but certainly the fact that it is a policy-making function does not mean that it is not an executive function. All the functions and powers of the President are executive functions and powers, and they include a number of policy-making functions and powers.

So it seems to me that probably this plan is far worse than the original plan which was changed by the Taft-Hartley law.

In the first place, Mr. President, the plan now submitted does not conform to the Hoover Commission's recommendations. I have in my hand Mr. Hoover's own telegram, addressed to me, as it appears on page 15 of the printed hearings. It reads as follows:

The Honorable ROBERT A. TAFT,
United States Senate,
Washington, D. C.:

I have your inquiry as to the recommendations of the Commission on Organization of the Executive Branch of the Government as to the counsel of the National Labor Relations Board. So far as I recollect, this subject was never discussed by the Commission. There is no recommendation in the Commission's reports to Congress.

HERBERT HOOVER.

Mr. President, the distinguished Senator from Arkansas [Mr. MCCLELLAN] who was a member of the Hoover Commission, states that he thinks the question did once come up before the Commission, but that when it came up, it was at once agreed that it was not within the general functions of the Commission, that it was not merely an improvement of administration, but was a substantial change of the substance of a law which recently had been enacted by Congress, and that therefore the Commission should not make any recommendation regarding it.

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

Mr. TAFT. I yield to the Senator from Vermont, who was also a member of that Commission.

Mr. AIKEN. Mr. President, I would corroborate the statement of the Senator from Arkansas to the effect that this question did come up for consideration before the Hoover Commission at one time. It was decided that it was a matter for the Congress to determine. There is nothing in the Hoover Commission recommendations to the effect that the move now proposed by the President to be taken should be taken.

On the other hand, there is nothing in the recommendations to prohibit such a move, so far as I know.

However, the question did come up, and the Hoover Commission felt it was outside its own jurisdiction.

Mr. TAFT. I thank the Senator from Vermont.

Mr. President, it is suggested that the task force in some way recommended this proposal. That is not true in any sense, Mr. President.

A reading of the task-force report shows that while the task force criticized the present setup—and I am quite free in admitting that it is subject to criticism, for reasons which I shall mention—yet the task force did not recommend at any point the abolition of the general counsel or his subordination to the Board or to the Chairman of the Board.

In fact, what the task force said, after criticizing the present setup, was:

> Our staff recommends the creation, by Executive order, of a council of labor under the chairmanship of the Secretary of Labor, and including the general counsel and other Federal officials concerned with labor problems.

Their recommendations therefore contained the recommendation that the general counsel should continue as an officer sitting in on the determination of major policy matters.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield.

Mr. LUCAS. In that recommendation they did not say that the general counsel should remain independent, as he is at the present time, and as the pending resolution seeks to continue him; did they?

Mr. TAFT. They did not recommend plan No. 12, nor did they recommend at any point the abolition of the general counsel, as plan No. 12 would do.

In fact, by recommending that he be a member of the proposed new labor council, they deliberately took exactly the opposite position from that taken in plan No. 12, which recommends the abolition of the general counsel.

Mr. LUCAS. But is it not a fact that the task-force report says that is a complete departure from administrative practices and that the office of the general counsel should not be left in charge both of the Board and of the executive functions or agencies of the Board?

Mr. TAFT. The task-force report states:

> Others have strongly urged that the office should again be placed under the Board. To this the objection is made that the prosecuting functions should be separate from the hearings of complaints. But as has already been indicated, only in part are his present duties genuinely prosecution; some parts are administrative and parts are a species of rule or policy making. It may be that administrative and policy-making functions could be subordinated more clearly to the Board's control while still maintaining an adequate separation of the truly prosecuting activities.

In other words, the task force itself, so far as it takes any definite position, recommends the continuation of the general counsel and recommends that his prosecuting functions at least be independent of the Board.

So there is nothing in either the Hoover Commission's report or the report of the task force to support the proposal set forth in plan No. 12 that all the general counsel's powers be transferred to the Chairman of the National Labor Relations Board and that the office of the general counsel be abolished.

Mr. President, there is another reason why it seems to me the action proposed by plan No. 12 should not be taken by this particular method under the Reorganization Act. The Reorganization Act was intended to reorganize the executive departments. It was not intended as a means of changing major policies established by the Congress.

When Congress determined a definite policy—as Congress did in 1947—certainly Congress was not granting to the President, by means of this rather curious semilegislative, semiexecutive procedure, the right to reverse major policy decisions made by the Congress in recent years. Certainly that is not the purpose of the Reorganization Act.

The attempt to repeal a major policy established by the Congress is not properly within the scope of a reorganization plan.

If the President finds that by this means he can repeal laws which Congress has enacted, we shall find all kinds of reorganization plans being submitted to us, because it would be far easier for the President to proceed by this method under which his proposals can only be vetoed by the affirmative votes of 49 Members of the Senate or 218 Members of the House of Representatives, rather than to ask Congress to pass laws in the usual way.

So I say this is an improper use of the reorganization plans, and we should not approve any such procedure.

Mr. President, to my mind the plan itself is completely unsound. We have had a long history of confusion as between the prosecuting and the judicial functions. It seems to me very clear that where there is anything in the nature of a serious question of prosecution, those functions should be separated. The same man, the same board, should not be the prosecutor and then the examiner and then the jury, in effect, and then the judge who will determine questions of fact and questions of law.

The man who finally decides, the man who passes on the question of whether a person should or should not be prosecuted and the question of whether a person has violated a law, whether he has engaged in an unfair labor practice, naturally looks into the question and halfway makes up his own mind. As a rule, he would not recommend the prosecution unless he thought the prosecution was justified. Certainly it is wrong, then, that the case should come before him as a judge, because when it does come before him as a judge, his mind is already made up, and he is disposed to vote to support his original administrative decision.

On that principle, it was felt for years that the National Labor Relations Board was a peculiar example of unfair and unjudicial procedure.

I sat in the hearings in the Senate Office Building in 1939 and heard William Green and William Padway denounce the procedures of the National Labor Relations Board before 1939 as the most outrageous perversion of justice this country had ever seen, because the Board decided first what it wanted to do, and then brought the prosecution, and then assumed the judicial function. Since usually there were questions of fact, it was very difficult indeed to get a court ever to reverse their decision.

Mr. Green said the Board set out deliberately to put a CIO union in every plant in the United States, and in every case where there had been a question between the CIO and the AFL, he said the decision was always in favor of the CIO. Mr. Roovevelt let the terms of the members of the Board expire, and he appointed members who were more satisfactory to the AFL. In time the complaint of the AFL was cured. But the procedure was the same, and in most cases, the new Board was just as unfair to the employer on the other side, as had been the original Board. So that when the question again arose, we decided the functions ought to be separated, and we tried to do so.

I do not think the present separation between the general counsel and the Board is entirely satisfactory. There are two difficulties. The law is not very clear as to exactly how their functions are divided. In one respect, a serious complaint was made that the general counsel would bring a case and decide that it was properly within the jurisdiction of the Board, and then a year later the Board would decide it was not within its jurisdiction. The general counsel was disposed to press the idea of interstate commerce further than I would press it, and, on the other hand, the Board took the position, which would seem to me equally wrong, that only large cases should be considered and not small cases. In any event, a difference developed, and the general counsel might bring a case, and a year later the Board might throw it out. In my opinion, that situation can be dealt with.

I have introduced a bill which is now pending in the Committee on Labor and Public Welfare, to deal with those two faults. The bill makes it perfectly clear who appoints the personnel, who has the function of deciding whether to bring a prosecution or not, and, on the other hand, deciding that if the prosecution is brought and the Chairman thinks there is no jurisdiction, it will be possible to obtain immediate ruling from the Board, so that if the Board decides it is not a proper case, the case can be dismissed at once without going through the long procedure of an actual trial. I think that bill should be considered by the Committee on Labor and Public Welfare and worked out on the basis of the evidence, to accord with the basic theory of the Taft-Hartley law, that there should be a separation of prosecuting and judicial functions.

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

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

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio contend that the investigatory and regulatory functions are vested in the Chairman of the Board, or in the Board itself?

Mr. TAFT. I would think that the investigatory functions, from the point of view of determining whether a case should be brought and prosecuted are vested in the Chairman. It seems to me very clear that that is an executive or administrative function—probably an executive function. I have no question that it is vested in the Chairman. The Chairman testifies he thinks it is not. I think he is simply wrong. He would like to have the plan adopted of course. He is in a somewhat prejudiced position, and naturally he is interested. I think it is perfectly clear what is an administrative and what is an executive function. So far as regulatory functions are concerned the general counsel has no regulatory rights. So far as I know, he cannot issue a regulation, today. I do not know what the Senator means by a regulatory function.

Mr. LUCAS. I am referring primarily to the investigatory power, which is the principal thing the Senators are talking about, because, involved in that, is the prosecution. The Senator from Ohio contends one thing with respect to where that power is lodged, yet the Chairman of the Board, who has to administer the act, definitely says in the hearings before the committee that it is absolutely lodged in the Board itself, not in the Chairman.

Mr. TAFT. Let me read the words:

> There are hereby transferred from the National Labor Relations Board, * * * and from the general counsel of the Board, to the Chairman of the Board, * * * the executive and administrative functions of the Board and of the general counsel, including their functions with respect to (1) the appointment and supervision of personnel, (2) the distribution of business among personnel and among administrative units, and (3) the use and expenditure of funds.

The Chairman of the Board appoints every one of the 1,200 people engaged in prosecution, expressly. It seems to me, certainly, if he does not have the right

to decide how they shall act, he can at least tell them how they should act, because he has the appointment and supervision of those men. Under the original plan, they were appointed by the Board; at least one man did not have the appointing power. If we return this to the Chairman of the Board, it seems to me that whoever administers the prosecuting function is going to consult the chairman about every major question of policy. He is bound to. He is not going to do something to get himself in wrong with the man who appointed him and the man who can remove him from office. In the old days, toward the end, the Board did not interfere much with prosecuting, because, after all, it is pretty hard for 5 men to pass on cases of that kind. But when it is transferred to the Chairman of the Board, the Chairman of the Board it seems clear to me is going to be the one who actually, in practice, decides whether a case shall be brought, and who then sits as head of the board which finally decides the case. So the plan it seems to me is very much worse than the original law.

The President and others have criticized me because, last year, in a long substitute bill which made some 20 changes in the Taft-Hartley law, I agreed to return these powers to the Board itself. I have tried to point out that I think it is very much worse to return them to the Chairman of the Board than to the Board. I said on the floor of the Senate at that time that I did that with great doubt. I was endeavoring to get general agreement among all those who were in favor of a substitute bill, instead of the repeal of the Taft-Hartley law, and I agreed somewhat further than I thought was desirable. I know also that the House would go into the question, and that they would study very carefully the problem of how, in particular, we should meet defects which had been shown in the present law. And so I have introduced a bill which is now pending, as I say, before the Committee on Labor and Public Welfare, and which attempts to meet those particular difficulties. I am rather amused that the President refers to the fact that the Senate passed the bill amending the Taft-Hartley Act, because as soon as it got over to the House he sat on it, and all of his instructions were to sit on it. The labor people sat on it, and they killed the bill entirely. If they are willing to take the whole bill, with all the other things in it, I think I might be willing even to make the compromise I made last year. But this plan goes even a good deal further than that compromise. This plan, it seems to me, sets up a real labor dictator, a man in whose single, individual decision is to be vested finally the determination of the labor policy between employer and employee in the United States.

Mr. DOUGLAS rose.

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

Mr. DOUGLAS. I should like to ask the very able senior Senator from Ohio whether it is not true that, while the Hoover Commission made no particular recommendation concerning the distribution of powers inside the National Labor Relations Board, in the case of other regulatory bodies, such as the Federal Trade Commission, the Federal Power Commission, and so forth, they did advocate a general distribution of powers almost identical with the changes recommended for the National Labor Relations Board by plan No. 12, namely, to transfer the appointive and administrative work from the Commission as a whole to the Chairman; and second, to put the counsel under the Chairman. As a matter of fact, I think that condition already exists in virtually all the regulatory commissions, and we do not propose to disturb it. I should like to ask the very able Senator whether my statement is not correct.

Mr. TAFT. The only recommendation is that all administrative responsibility be vested in the chairman of the commission. I think, as I read the report of the task force, that what they meant was a kind of housekeeping function. But plan No. 12 goes further. It provides that all executive functions and the administrative functions shall be transferred.

Mr. DOUGLAS. What is the difference between executive and administrative duties?

Mr. TAFT. I think "executive" is a broader term. It covers everything the President does. He is the Executive of the United States. All his powers are executive powers. It is a broader term than "administrative." The latter word relates to the carrying out of details proposed by others.

Mr. President, I doubt the wisdom of the whole plan. I think I shall vote for most of the other plans, but I do question the wisdom of this one, unless it is confined to housekeeping powers, namely, to the business of keeping accounts and operating the routine daily business of the Board. I would agree to that; but when the plans go further and try to make the Chairman of the Board the boss of the whole show, taking orders from the President who appoints him, and then directing or trying to direct the action of the Board as an executive policy, I think they go too far, if that is what they do, and I am afraid that is what they do.

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

Mr. TAFT. I yield.

Mr. DOUGLAS. I am very glad the able and distinguished Senator from Ohio has made that statement, because I think it is the position to which he is logically going to be driven. The proposals with reference to the National Labor Relations Board, in Reorganization Plan No. 12, do not differ, so far as I can see, from the plans dealing with the Federal Power Commission, the Securities and Exchange Commission, the new Maritime Commission, and so forth. So, if the Senator from Ohio rejects this principle in the case of the National Labor Relations Board, he will be driven, as a logical and consistent man, to oppose all the Hoover reorganization plans for independent commissions.

Mr. TAFT. Mr. President, I want to say this as to the general question of separating judicial and prosecuting functions: It is far more necessary to separate them in the case of the Labor Board than it is in the case of any other board. The truth is that the Government commissions are all very different; their functions are different; their actions are different; they deal with different questions. In the labor field the Board deals with a very touchy subject in which there is intense feeling, in which there is always a controversy on one side or the other. It is peculiarly necessary that the Government be a judicial arbiter between labor and management. The Labor Board should be so set up that no one can doubt its acting in a judicial sense, that it is not deliberately favoring labor, as a matter of policy, as was the case under the Wagner Act, and that it does not favor management. So, the reasons for keeping the functions separate in the case of the National Labor Relations Board are far greater than in the case of any of the other regulatory commissions of which I know. Its function is not so much the trial of cases; it does not depend so much on a lot of facts disputed vigorously on both sides; it depends rather on an administrative study of the entire problem. In this case I would say it is necessary to keep the functions separate.

The whole purpose of the Taft-Hartley law is to put the Government in a position in which it is fair as between labor and management, in which it tries to hold the scales even, so that the parties, when they meet, can feel that they can deal on a fair and equal basis across the bargaining table.

Mr. President, that brings me to my last point, and that is that it seems to me, looking at the present position, that it is to a large extent part of a political policy. It seems to me perfectly clear that the President is determined, if he can, first, of course, to repeal the Taft-Hartley law; if that is not done, then to take such action as to nullify many of its provisions.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. TAFT. I yield myself 10 more minutes, Mr. President.

What struck me very clearly is that the President seems to have entirely missed the point of having an impartial Board. In connection with the recent appointment to the National Labor Relations Board, Mr. Gordon Gray, who had been appointed by the President 3 years ago, came up for reappointment, his term having expired. It was said that he was favorable to management. He sometimes, I think, perhaps more than did other members of the Board, voted on the side of management or voted more against labor. I could not find that his differences were anything more than anyone might have who deals with rather complicated problems arising under the law. As his term approached its end the press reported a determined labor opposition to his reappointment. He was not reappointed. The position remained unfilled for several months while the President sought an appointee who would be acceptable both to the CIO and to the A. F. of L. The White House

announced that the vacancy would not be filled until after consultation with labor organizations. Significantly, there was no mention of consulting with management organizations.

The President apparently feels that it is a Board which is supposed to crusade on the side of labor. I cannot help thinking that this particular plan is a part of that general program. Mr. Denham is more friendly to management, apparently, than are the Board's decisions. I do not find any prejudice shown in what he has done. I do not always agree with him. I think some of his opinions about jurisdiction are incorrect, but I cannot see that he has favored labor or management in any of the decisions he has made. But he is regarded by labor as being not favorable enough to labor, or as being antilabor.

I cannot help thinking, Mr. President, that the main purpose of the plan is to follow out the general program of the administration to make the National Labor Relations Board a labor agency and to destroy the basic principle of the Taft-Hartley law, which is to have an impartial board deciding cases on the basis of justice and holding even the scales between the contesting parties.

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

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask the Senator from Ohio, in regard to the appointment of Mr. Styles to the Labor Board as the successor of Mr. Gray, whether it is a fact that Mr. Styles was unanimously approved by the members of the Committee on Labor and Public Welfare.

Mr. TAFT. I have no criticism to make of Mr. Styles. I only know that before he was appointed he had to be approved by the American Federation of Labor and the CIO. I know he was himself a union member. Personally, I have no objection. He may turn out to be the most impartial member the Board ever had. I only suggest that the policy of the administration in refusing to reappoint Mr. Gray and seeking labor endorsement for another appointee shows a determination to nullify the spirit and the provisions of the Taft-Hartley law.

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

Mr. TAFT. I yield.

Mr. LEHMAN. The junior Senator from New York understood the Senator from Ohio to say, a few minutes ago, that if there were a transfer of functions to the Board rather than to the Chairman of the Board, he would not have any serious objection.

Section 1 of the act recites:

> There are hereby transferred * * * to the Chairman of the Board * * * the executive and administrative functions of the Board and of the general counsel, including their functions with respect to (1) the appointment and supervision of personnel, (2) the distribution of business among personnel and among administrative units, (3) the use and expenditure of funds.

Those are the usual duties which are assigned to the chairman of a board of this character, and certainly they are functions recommended by the Hoover Commission.

Mr. TAFT. I have already dealt with that whole question. I would rather not deal with it over again.

Mr. LEHMAN. Yes, I know that.

Section 3 pertains to the matter I brought out in the beginning of my remarks. I read:

> Transfer of functions to Board: All functions of the general counsel of the Board not transferred by the provisions of section 1 of this reorganization plan are hereby transferred to the Board.

Mr. TAFT. I cannot think of any functions exercised by the general counsel today which are not executive or administrative functions. So I should say that they are all transferred to the Chairman of the Board under the exact provisions of the plan.

Mr. LEHMAN. Virtually every function of a board, save those of a judicial character, is executive in nature. I know of very few exceptions, if any.

Mr. TAFT. They are either executive or judicial. However, the Board is primarily a judicial body, and most of its functions are judicial. I might add one other thing, Mr. President, from the report of the task force, which has not been referred to. The report says:

> The chief bottleneck is the Board, rather than the general counsel or any of his operational divisions.

So that it seems perfectly foolish to transfer an additional workload on the Board, which is already the bottleneck in the whole set-up.

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

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. With respect to the workload, the Senator from New York would like to inquire of the able Senator from Ohio if he did not note, in the event that he has read the testimony taken at the hearings, the testimony with respect to the duties, functions, and activities of the Board? The Chairman of the Board indicated at that time that the so-called housekeeping functions which have been referred to were the ones which had always taken up a great share of the time of the Board, and that under an arrangement whereby such functions would be left to the Chairman such a condition would not obtain. Furthermore, far from causing an increase in the amount of work of the Board, such an arrangement would actually reduce the amount of work of the Board as a whole.

Mr. TAFT. Obviously it would reduce the amount of work of the other members of the Board, but it would probably triple or quadruple the work of the Chairman of the Board. He would have the job of appointing 1,200 personnel throughout the entire United States. He would have the job of supervising and bossing them. I do not see how anyone would be able to perform all the duties which would be put on the Chairman of the Board by this reorganization plan. More than half the duties would be executed by him, and the remainder by the whole Board.

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

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. Did not the Senator note also that the Chairman of the Board at the same time pointed out that he would be perfectly willing to undertake the additional functions; that although the performance of the extra functions might take some extra time, he would be perfectly agreeable to assuming those extra functions.

Mr. TAFT. Mr. President, I have never seen any man who, when a legislative body decided to confer upon him arbitrary or dictatorial powers, was not willing to assume them. Of course, he is willing to undertake them. Oh, he thinks he is going to execute them mildly and justly, and act as a benevolent dictator would act under the circumstances. However, I have never yet known of a man who has refused such powers on the ground that it would make him too powerful. I have no doubt whatever that the Chairman is in favor of plan No. 12.

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

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. The Senator from New York would like to remind the able Senator from Ohio that, regardless of his own implication as to the purpose the Chairman may have had in making the statement, the fact remains that the Chairman did not imply that purpose in his remarks when he commented upon the proposal. His statement referred exclusively to the actual activities which would be assigned to him and to his ability to perform the functions required of him in handling those activities.

Mr. TAFT. Mr. President, I am about to conclude my remarks. In addition to the general method by which the President has handled the appointments to the Board, I wish to point out that the Department of Justice also, it seems to me, has in effect sabotaged the act in many respects. The Department of Justice has almost nullified the provision regarding the welfare fund. Its decisions have extended the checkoff provisions to initiation fees and assessments, which I believe was never intended when the act was passed. It has had referred to it 23 cases of persons signing non-Communist affidavits.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. TAFT. I assign myself five more minutes.

The Department considered 23 Communist cases and has not brought a single prosecution. A representative of the Department made the statement to the press recently that the reason why action was not taken was that the affidavit said, "I am not a Communist on this date." Therefore, the Department could not prosecute the man, because they could not prove he was a Communist on that date. That is what all Federal employees prove. I would not be in favor of requiring an affidavit which said "I

have never been a member of the Communist Party," because a man may change in good faith. Probably it would be unconstitutional. The Supreme Court recently upheld the constitutionality of the anti-Communist oath. In the past few months every Communist has signed an anti-Communist oath, and the Department has failed to enforce the law, as I think it failed to enforce the law in the coal case.

Mr. President, plan No. 12 is a part of a general plan to nullify the provisions of the Taft-Hartley Act. It is an attempt to nullify it indirectly by a method which I feel was never intended. I feel confident that if this matter is left to Congress we can work out such a statute which would fix in detail the powers of the general counsel and the Board and which will meet the basic principle of the law. The desire of Congress, I am certain, is to have the National Labor Relations Board operate as a judicial body holding evenly the scales of justice between those with whose activities it is concerned.

Mr. LUCAS. Mr. President, I assign myself such time as I shall need.

Mr. President, it is not only interesting but it is amazing that the able Senator from Ohio should close his very able argument on the note that Reorganization Plan No. 12 is nothing more or less than a plan to repeal the Taft-Hartley Act. It is amazing in view of what happened on the floor of the Senate last May. As everyone knows, the Taft substitute, which prevailed on the floor of the Senate by a vote of 46 to 40, as I remember, provided for the abolition of the office of general counsel of the National Labor Relations Board. The reorganization plan submitted by the President of the United States contains a similar provision. It is difficult for me to understand what all this shouting is about in view of the previous firm and strong position which the distinguished Senator from Ohio took only a year ago.

Mr. President, in order to shift from the position which the Senator from Ohio took a year ago, he now construes and interprets Reorganization Plan No. 12 as entirely opposed to the purposes of the bill which was submitted as the Taft substitute in 1949. We have the testimony of the man who is sworn to administer the law, namely, the Chairman of the Board. He cannot do other than administer the act as it is written. The distinguished Senator from Ohio disagrees with what the Chairman of the Board said. Surely what the Chairman of the Board testified to before the committee as to his interpretation of Reorganization Plan No. 12 with respect to his duties, powers, and prerogatives ought to be final.

This is what he said:

> It has become essential at the outset to correct one complete misconception of the plan which appears in recent statements by Senator TAFT, a misconception which he says has influenced his own change of position since 1949.

Of course, the Senator from Ohio had to change since 1949. He had to find some way to get out from under the position he took in May 1949, when 47 or 48 other Senators supported him, in connection with this very important piece of legislation.

I quote further from what the Chairman said:

> He evidently believes that plan 12 vests many prosecutory and policy-making powers in the Chairman of the Board, and adds that he would not "object to the plan so much" if these powers were transferred to the Board as a whole. A reading of the plan itself should allay the Senator's fears, and any which his statement may have generated in others.

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

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

Mr. TAFT. The Senator remembers that this is a part of the substitute bill offered in place of a bill to repeal the entire Taft-Hartley law, does he not?

Mr. LUCAS. Of course, I remember that very well, but that does not change one iota the principle which the Senator from Ohio and the Senator from Illinois both have fought for, the abolition of the office of general counsel of the National Labor Relations Board. The Senator from Ohio gave his arguments then as to why we should abolish the office of general counsel. They were cogent arguments; they were plausible arguments; and they do not square with the arguments made by the able Senator from Ohio on the same proposal today.

The Chairman of the Board, Mr. Herzog, proceeded further:

> The only additional functions the plan assigns to the Chairman of the National Labor Relations Board, whether now vested in the general counsel or in the Board members, are the purely administrative and housekeeping ones assigned to the Chairmen of all seven commissions covered by plans 6 to 13.

Mr. President, I ask in all good faith, why do we here in the Senate make an exception of this particular agency? We are giving the others, seven in number, different treatment than we are giving to the National Labor Relations Board. A sound and plausible argument cannot be made for that type and kind of discrimination.

The Senator from Ohio talks about the delicacy of this matter, he speaks of the emotionalism being engendered in labor-management relations. One of the reasons why we have had so much emotionalism, so much trouble in labor disputes, is because of the arbitrary power which has been lodged in the general counsel for the National Labor Relations Board; and he has said so himself.

I quote further from the Chairman of the Board:

> The very wording of the plan itself makes it clear that all investigatory and regulatory functions will be vested in the Board—

Mark the word, "investigatory." That is the important part; that is where the prosecution lies, in the investigatory part. The prosecuting power does not lie in the Chairman, according to the Chairman himself. I quote:

> The very wording of the plan itself makes it clear that all investigatory and regulatory functions will be vested at this Board—precisely as they will continue to be vested at the other Commissions—not in one man, but in the five men who comprise the entire Board.

I ask how a Senator can discriminate and give the other seven commissions certain powers and duties, and yet deny the National Labor Relations Board the same kind of treatment.

Mr. Herzog said further:

> Section 3 of plan 12 transfers all functions of the general counsel to the full Board, except for those purely executive and administrative functions which are transferred to the Chairman for purposes of convenience and efficiency.

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

Mr. LUCAS. I yield.

Mr. TAFT. What is a purely executive function? Is not practically every function exercised by every President of the United States and every other officer an executive function?

Mr. LUCAS. The Senator from Ohio has been talking about investigatory power; he has been talking about regulatory power. His contention is that under the reorganization plan all those powers have been lodged in the Chairman of the Board. That is what I deny. I challenge that statement, and I am contending now that the Chairman of the Board, Mr. Herzog, who will administer the Board if Reorganization Plan No. 12 is agreed to, is correct in his interpretation; and after he has gone on record before a committee on the statements I have been reading to the Senate, he would not dare interpret it otherwise than he has in his statements which I have been reading.

Mr. President, to all intents and purposes, there is no difference between the plan submitted last year by the Senator from Ohio in what was called the Taft substitute for the Taft-Hartley law, and Reorganization Plan No. 12.

The Taft substitute, passed by the Senate in 1949, contained all of the language of sections 3 and 4 of the Taft-Hartley Act, except that section 3 (d), providing for the independent office of general counsel, was completely omitted.

On the single issue of the abolition of the office of general counsel, the Taft substitute bill and Reorganization Plan No. 12 are identical, except that under the Taft bill all administrative or other functions of the general counsel would have gone to the Board as a whole, while under Reorganization Plan No. 12 the purely administrative and housekeeping functions of the general counsel are transferred to the Chairman of the Board, in accordance with the Hoover recommendation. Even in the exercise of these functions the Chairman is to be governed by the general policies of the Board. Since the Taft substitute bill retained the language from the Taft-Hartley Act which made procedural changes, and since the reorganization plan will not affect this language in any particular, the Senator from Ohio in 1949 was supporting exactly what is being accomplished by this reorganization plan.

The Senator from Ohio has been arguing that this plan is not the same as what he proposed last year. He claims that this plan will merely transfer the

power from the general counsel to the Chairman of the Board, that this is a political use of the Hoover Commission recommendations, and that it makes a substantive change in the law. He further says that this is an improper use of the functions of the reorganization plan.

When the Senate or the House of Representatives passes upon this plan, it will either become a law or will not become a law. In other words, if we are changing substantive law, the Senate is changing it. The argument made here seems to me to be fallacious and unsound.

Although the Chairman of the Board will exercise the administrative and housekeeping functions for the entire Board, he is still subject to the general policies of the Board, and there is not an independent office such as the office of general counsel which now exists. The bifurcation, with its split authority, will be done away with, just as in the Taft substitute.

It is clear from the reorganization plan that all the investigation and prosecution functions will be vested in the Board as a whole, and not in the Chairman. That is the real distinction, so far as the Senator from Ohio is concerned.

The Senator from Ohio is adopting a strained construction of the reorganization plan. This is not the interpretation made by the Chairman of the NLRB, who will actually put the plan into operation, as I have stated.

On May 4, 1949, the Senator from Ohio inserted in the body of the RECORD a list of the proposed changes from the Taft-Hartley law made by his bill. The fifth point was the following:

> The independent general counsel provision is eliminated so that the Board will be governed hereafter by the provisions of the Administrative Procedure Act, except that we have retained certain of the procedural reforms made in the Taft-Hartley law.

Mr. President, that is exactly what is done by Reorganization Plan No. 12.

In the debate on this measure on June 29, 1949, the Senator from Ohio outlined the confusion which had arisen because of the separate office of general counsel, and extolled the virtues of the Administrative Procedure Act which would be applicable under his bill, as well as under Reorganization Plan No. 12. He said:

> I believe that the amendments which we have suggested are important. Perhaps the most important one is the elimination of the independent general counsel. The difficulty which arose with the independent general counsel was that he took a different view of the jurisdiction of the Board than did the Board itself.

He did so upon not one but upon hundreds of complaints which came before that group. Mr. President, talk about chaos and confusion. Talk about questions being of a delicate nature. Talk about questions that cause emotionalism and bitterness to arise. How could they help but arise under the operations of such a monstrosity as this, a general counsel who has arbitrary and dictatorial powers, and who is in constant conflict with the members of the Board? Is there any wonder the National Labor Relations Board has not done its work as well as it should have done?

I continue to quote the Senator from Ohio:

> He would bring a case which he thought was covered by the act. After a year's litigation the Board would rule that it was not covered by the act.

Can one imagine anything more silly than that? Here is a counsel who has the power under the present law to bring in a case, and he rules it is covered by the act. Then the Board says it is not covered by the act. Yet, Mr. President, there is presumed to be harmony and cooperation in the Board.

I continue to read from the Senator from Ohio:

> In the last analysis the Board determined the result, but in the meantime there was confusion. There was a difference of opinion. There was difficulty in the separation of powers. Under the Administrative Procedure Act, which was passed since the passage of the original National Labor Relations Act, the judicial and prosecuting functions are largely separated, although not entirely so.

This is the Senator from Ohio talking to the Senate 1 year ago. It is not the Senator from Illinois or any other Senator talking. It is the Senator from Ohio talking to the Senate 1 year ago, the same Senator who now says that he wants to leave the situation just as it is, after the Senate passed the substitute measure last year abolishing the general counsel's powers.

The Senator from Ohio continued:

> The procedure goes back to the Board. However, we felt that on the whole that separation accomplished the purposes we were trying to accomplish in not having the same people bring the prosecution, try the case, and then judge those who they themselves had indicted. That was one of the strong protests made by the labor unions, and we felt that it was sufficiently justified to go back to the Administrative Procedure Act and rely upon that for a fair treatment by the Board (CONGRESSIONAL RECORD, June 29, 1949, p. 8586).

On June 30, 1949, the Senator from Ohio made the following statement with respect to this issue:

> The amendments which we have suggested are important ones. The most vigorous protest was directed against the operation of the independent general counsel. While there was some doubt on my part, we agreed that provisions should be eliminated and that we should return to the administrative procedure of the National Labor Relations Board. It is a great improvement over the original procedure, although it does not completely separate the prosecuting and judicial functions (CONGRESSIONAL RECORD, June 30, 1949, p. 8712).

Mr. President, let us note the difference between the position of the Senator a year ago and his position now. What has changed the opinion of the Senator from Ohio with respect to this very important matter?

When the Senator from Ohio says "It is a great improvement over the original procedure," he is referring to the minor procedural changes made by the Taft-Hartley Act, which he says are an improvement over the original act.

This plan would reorganize the NLRB so that it would conform to the general pattern of good organization recommended by the Hoover Commission for regulatory commissions. The Hoover Commission itself recommended that "all administrative responsibility be vested in the chairman of the commission." That is the purpose of Reorganization Plan No. 12.

The task force of the Hoover Commission responsible for studying the regulatory commissions commented on the anomalous organization of the NLRB. The task-force report said:

> The existence of such an office (i. e., the general counsel), independent both of the Federal department structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization it may lead to a diffusion of responsibility.

In its conclusions the task force recommended that a review of the NLRB should consider four factors. The fourth of these was:

> The office of general counsel should not be left independent of both the Board and the executive departments but should be integrated more closely into one or the other according to the functions to be performed.

Reorganization Plan No. 12 eliminates a confusing, inefficient, and probably dangerous method of organization.

The incumbent general counsel, Denham, has said that his powers—listen to his statement—"are broad and absolute and his authority final to an outstanding degree seldom accorded a single officer in a peacetime agency"—Senate hearings, page 6.

We hear much said about the granting of powers to the executive branch of the Government. We hear constant discussion and debate with respect to the granting of dictatorial and arbitrary power. Listen to what Mr. Denham himself says about the power he has. He said before the Senate committee, and it appears in the Senate hearings on page 6, that his powers "are broad and absolute and his authority final to an outstanding degree seldom accorded to a single officer in a peacetime agency."

Mr. President, to me it appears extremely dangerous that such a grant should be made. I care not who is granted such power; it is dangerous. It is dangerous to the country that such power should be put into the hands of any one man, whether he be Mr. Denham or whether he be Mr. Herzog, or someone else. Mr. Denham admitted boldly before the committee that he has more authority—more power—than any single officer has ever been granted at any time past.

This dual administration of one law has resulted in many conflicts:

First. The general counsel has interpreted the Taft-Hartley Act so that his jurisdiction is practically unlimited. The NLRB itself has refused to act where the amount of interstate business is insubstantial. These two conflicting interpretations of the jurisdiction granted

by the Taft-Hartley Act cause confusion and waste.

Second. The Board's orders must be enforced in the courts, but no provision is made for a legal staff with which to perform this function. Think of that, Mr. President. All the lawyers of the NLRB are under the supervision of the general counsel. Experience shows that in some instances the general counsel has refused to permit his legal staff to enforce the orders in the courts.

Does confusion, does chaos exist in the Board? Yet, when we have an opportunity, under the Reorganization Plan No. 12, to end the confusion, some wish the situation to continue as it is. Some Senators are going to vote to continue the abominable situation which exists today.

Third. The general counsel has unlimited discretion to refuse to issue a complaint. Yet it is this choice of cases in which to proceed that in a large measure determines administrative practice.

Reorganization Plan No. 12 preserves all the safeguards essential to due process and provides for a workable separation of the functions of investigation and prosecution on the one hand and decision on the other within the framework of the single agency organization.

Under the Administrative Procedure Act of 1946, regulatory commissions are to separate the prosecution and decision functions. This means that organizationally and administratively the Commission is organized as a single unit, but within that organization certain individuals will handle the investigation and prosecution, while others will make decisions on cases presented. That is the way it should be.

Mr. President, this is the general pattern of the organization of the other regulatory Commissions, such as the Interstate Commerce Commission, the Federal Trade Commission, the Federal Communications Commission, and others. Reorganization Plan No. 12 will conform the NLRB to this pattern. The Administrative Procedure Act has proved workable in separating the prosecution of cases from the decision of cases without introducing the confusing and wasteful practice of establishing separate offices for general counsels.

Mr. President, in conclusion I say that if the Senate of the United States really desires to do something in the way of encouraging good labor-management relations, now is the time to act so such relations may be encouraged, by adopting the Reorganization Plan No. 12 submitted by the President of the United States. If the plan is not adopted, the situation will remain as it is, with all the conflicts that exist, with all the confusion that exists, and which has existed ever since the Taft-Hartley Act has been the law of the land. How any United States Senator can put the Federal Trade Commission, the Interstate Commerce Commission, the Federal Communications Commission, and other commissions in one category, giving them the power they ought to have, and the diffusion of power they ought to have, and yet hamstring the National Labor Relations Board, is more than I can understand.

It seems to me that, definitely, it is a penalty on labor's head, and would impede what labor is trying to do, by refusing to permit this kind of an organization to go into effect, an organization by means of which we shall have some order, instead of the chaos and the confusion which have existed since the beginning of this act.

Mr. TAFT. Mr. President, do I correctly understand that if I yield the remainder of my time, the Senator will yield the remainder of his?

Mr. LUCAS. Yes.

Mr. TAFT. Then, Mr. President, I yield the remainder of my time.

Mr. LUCAS. I yield the remainder of the time allotted to this side.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Hayden	Martin
Anderson	Hendrickson	Maybank
Benton	Hickenlooper	Millikin
Brewster	Hill	Mundt
Bricker	Hoey	Myers
Bridges	Holland	Neely
Butler	Hunt	O'Conor
Byrd	Ives	Robertson
Cain	Jenner	Saltonstall
Capehart	Johnson, Colo.	Schoeppel
Chapman	Johnson, Tex.	Smith, Maine
Chavez	Johnston, S. C.	Smith, N. J.
Connally	Kefauver	Sparkman
Cordon	Kem	Stennis
Darby	Kerr	Taft
Donnell	Kilgore	Taylor
Douglas	Knowland	Thomas, Okla.
Dworshak	Langer	Thomas, Utah
Eastland	Leahy	Thye
Ecton	Lehman	Tobey
Ellender	Lodge	Tydings
Ferguson	Long	Watkins
Flanders	Lucas	Wherry
Fulbright	McCarthy	Wiley
George	McClellan	Williams
Gillette	McFarland	Withers
Green	McKellar	Young
Gurney	Malone	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to Senate Resolution 248.

Perhaps the Chair will be permitted to make this statement, in the interest of clarity:

The resolution is in negative form:

Resolved, That the Senate does not favor the Reorganization Plan No. 12 of 1950 transmitted to Congress by the President on March 13, 1950.

Therefore, those who do not favor Reorganization Plan No. 12 of 1950 will vote "yea." Those who do favor Reorganization Plan No. 12 of 1950 will vote "nay."

The Parliamentarian informs the Chair of the fact that at least 49 votes are required in order to adopt this resolution.

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Delaware [Mr. FREAR], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of illness in his family.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. MCMAHON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. PEPPER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. MORSE] is absent by leave of the Senate and is paired with the Senator from Michigan [Mr. VANDENBERG] who is also absent by leave of the Senate. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Michigan would vote "yea."

The yeas and nays resulted—yeas 53, nays 30, as follows:

YEAS—53

Brewster	Fulbright	Millikin
Bricker	George	Mundt
Bridges	Gillette	O'Conor
Butler	Gurney	Robertson
Byrd	Hendrickson	Saltonstall
Cain	Hickenlooper	Schoeppel
Capehart	Hoey	Smith, Maine
Chapman	Holland	Smith, N. J.
Connally	Jenner	Stennis
Cordon	Johnson, Tex.	Taft
Darby	Kem	Thye
Donnell	Kerr	Tydings
Dworshak	Knowland	Watkins
Eastland	McCarthy	Wherry
Ecton	McClellan	Wiley
Ellender	Malone	Williams
Ferguson	Martin	Young
Flanders	Maybank	

NAYS—30

Aiken	Johnson, Colo.	McFarland
Anderson	Johnston, S. C.	McKellar
Benton	Kefauver	Myers
Chavez	Kilgore	Neely
Douglas	Langer	Sparkman
Green	Leahy	Taylor
Hayden	Lehman	Thomas, Okla.
Hill	Lodge	Thomas, Utah
Hunt	Long	Tobey
Ives	Lucas	Withers

NOT VOTING—13

Downey	McMahon	Pepper
Frear	Magnuson	Russell
Graham	Morse	Vandenberg
Humphrey	Murray	
McCarran	O'Mahoney	

The VICE PRESIDENT. On this vote there are 53 yeas, 30 nays. A majority of the authorized membership of the Senate having voted in the affirmative, the resolution is agreed to.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Is a motion to reconsider in order?

The VICE PRESIDENT. It is not. Under the act and the rule, it is not in order.

STEPS TOWARD FEDERATION OF THE WESTERN EUROPEAN COUNTRIES

(By unanimous consent, the following remarks by Mr. FULBRIGHT, delivered during the course of the proceedings on Senate Resolution 248, were ordered to be printed at this point in the RECORD:)

Mr. FULBRIGHT. Mr. President, I was pleased, indeed, to read in the morning newspapers about the proposal of the French Government to combine the French and German coal and steel industries. I regard this as an extremely important proposal. If it is carried through successfully, it will be a large and an important step along the road toward federation of the western European countries.

For more than 3 years I have done everything I could to persuade our Government to promote the unification of Europe. Except for the recent activities of Mr. Paul Hoffman, of the ECA, our Government has taken the attitude that we should not interfere in this matter, not even to the extent of suggesting it.

Now that the French Government has taken the lead, I think our Government ought to give the proposal wholehearted and enthusiastic support. Secretary Acheson is now in Europe, and I urge him to take the proposal seriously and to pledge our support and cooperation in every possible way.

There are, of course, many difficulties involved in the scheme. It will undoubtedly meet with much opposition from local interests. It is already suggested in the press that Great Britain is not enthusiastic about it.

Mr. President, with regard to practically all other suggestions concerning European unification, the present Labor Government of Great Britain has been reluctant to lend its support. I sincerely hope that in this instance that government will consider most seriously the possible consequences of rebuffing this courageous and far-sighted leadership on the part of the French Government.

Many of us, including myself, have been losing our enthusiasm for the Marshall plan because of the apparent impossibility of making any progress toward European federation. If none is made, I believe the British must assume much of the responsibility, and I believe the consequences will be very serious indeed.

Mr. President, I wish to congratulate the French Government for having the imagination and the courage to make this proposal. We have heard a great deal recently to the effect that the French Government is politically weak, being torn by the Communists. However, this proposal would indicate that the French Government has a considerably greater amount of strength than I had thought or that the press had indicated it had, because the Communists have traditionally, for many years, opposed any step toward the unification of Europe.

Mr. President, in order that the RECORD may be as informative as possible, I now ask unanimous consent to have included at this point in the RECORD as a part of my remarks the text of the proposal of the French, as it appears in the New York Times of May 11.

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

TEXT OF THE FRENCH COAL-STEEL POOL PLAN

The peace of the world can only be preserved if creative efforts are made which are commensurate, in their scope, with the dangers which threaten peace.

The contribution which an organized and active Europe can make to civilization is indispensable for the maintenance of peaceful relations. France, by championing during more than 20 years the idea of a united Europe, has always regarded it as an essential objective to serve the purposes of peace. Because Europe was not united, we have had war.

A united Europe will not be achieved all at once, nor in a single framework: it will be formed by concrete measures which first of all create a solidarity in fact. The uniting of the European nations requires that the age-old opposition between France and Germany be culminated; the action to be taken must first of all concern France and Germany.

ASKS ACTION ON GERMANY FIRST

To that end, the French Government proposes that immediate action be concentrated on one limited, but decisive point:

The French Government proposes that the entire French-German production of coal and steel be placed under a joint high authority, within an organization open to the participation of other European nations.

The pooling of coal and steel production will immediately assure the establishment of common bases for economic development, which is the first state for a European federation, and will change the destiny of these regions which have long been devoted to the production of arms to which they themselves were the first to fall constantly victim.

The community of production which will in this manner be created will clearly show that any war between France and Germany becomes not only unthinkable, but in actual fact impossible. The establishment of this powerful production unit, open to all countries that wish to participate in it, will give a real foundation to their economic development, by furnishing on equal terms to all countries thus united the fundamental elements of industrial production.

This production will be offered to the entire world, without distinction or exclusion, as a contribution to the raising of living standards and to the progress of world peace. Europe, with its resources thus increased, will be able to pursue one of its essential tasks—the development of the African Continent.

This will quickly and easily bring about the fusion of interests which is indispensable to the establishment of an economic community and introduce a leaven of broader and deeper community of interest between countries which have long been divided by bloody conflict.

By pooling basic production and by creating a new high authority whose decisions will be binding on France, Germany, and the other countries who may subsequently join, this proposal will create the first concrete foundation for a European federation which is so indispensable for the preservation of peace.

In order to pursue the objectives so defined, the French Government is prepared to initiate negotiations on the following bases:

The functions entrusted to the joint high authority will be, as quickly as possible, to modernize production and improve its quality; to supply coal and steel on equal terms to the French and German markets as well as to those of the member countries; to develop joint exports to other countries; to improve and equalize conditions of life and work in these industries.

In order to reach these objectives in the light of the disparate conditions of production prevailing in the member countries, certain transitional measures must be taken involving the application of a production and investment plan, the institution of a mechanism for equalizing prices, and the creation of a reconversion fund to facilitate the rationalization of production. The flow of coal and steel between member countries will be immediately exempted from all customs duties and may not be subject to freight differentials. In this way conditions will be progressively created which will automatically insure the most effective rationalization of production on the basis of the highest level of productivity.

CALLED UNLIKE A CARTEL

Unlike an international cartel whose purpose is to divide up and exploit national markets through restrictive practices, and the maintenance of high profits, the projected organization will insure the fusion of markets and the expansion of production.

The principles and the essential undertakings defined above will be the subject of a treaty between the states to be submitted to parliaments for ratification. The negotiations required to work out the details of implementation will be conducted with the assistance of jointly designated arbiter. The latter's duty will be to see that the agreements conform with the principles and, in the event of final disagreement, to determine the solution to be adopted.

The joint high authority charged with the operation of the entire system will be composed of independent personalities chosen on a basis of equality by the governments; a president will be chosen by the governments by common agreement; his decisions will be enforceable in France, Germany, and the other member countries. Appropriate measures will assure the necessary channels of appeal against the decisions of the high authority. A representative of the United Nations near the authority will be charged with making a public report to UN twice a year on the functioning of the new organization, particularly with respect to protecting its peaceful aims.

The setting up of the high authority in no way prejudices the question of ownership of the enterprises. In the exercise of its mission, the joint high authority will take into account the powers conferred on the international Ruhr authority and the obligations of every kind imposed on Germany as long as they are in existence.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article pertaining to this proposition, by Mr. Walter Lippmann, appearing in this morning's newspapers. As everyone knows, Mr. Lippmann has for many years almost alone among the columnists supported vigorously the movement and the idea of European federation.

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

TODAY AND TOMORROW

(By Walter Lippmann)

A MOST IMPORTANT EVENT

The French proposal to Germany, announced Tuesday evening by Mr. Schuman, has taken the world by surprise. But it is a very pleasant surprise. The French Government has proposed to the German nation much more than concessions on this and that. The French have proposed that they take the first but also by all odds the most important step toward a final liquidation of the Franco-German conflict in Europe.

The essence of the proposal is that the big industries of western Europe, fundamentally coal and steel, which are in Germany, in France, in the Saar, in Luxemburg, and Belgium, shall all be brought under the same—a common—system of industrial law and regulation. The operating conditions, the trading rights and arrangements, the labor standards are to be made approximately equal despite the fact that the industrial region is under four—or if one counts the Saar, five—different political governments.

The French Government has thus made a fundamental change in its attitude toward Germany. In place of dismemberment and prolonged inequality M. Bidault and M. Schuman are offering Germany full equality and a full Franco-German partnership in European affairs. This is the boldest, the wisest, the most far-reaching, and constructive act of statesmanship since the end of the war. Chancellor Adenauer was quick to see the immense significance of the French proposal. If that proposal can be consummated, then in the Franco-German partnership there will come into existence the nucleus of a European power—of that "third force" which is so indispensable to the stabilization of Europe and to peace in the world.

No project of this magnitude can be carried through without a struggle against vested interests of many kinds—in every country immediately concerned and in other countries as well. There ought to be no hesitation, it seems to me, on the part of the American Government in giving the proposal its full and active support in Bonn, in Brussels, in London, and elsewhere. For this is a bus which we simply cannot afford to miss.

The terms of the partnership will have to be worked out by the French and the Germans. Our first role in the business is to do what we can to see to it that there is no interference from the outside. Then it is our right as an occupying power and our interest in the broadest sense to encourage the Germans and the French to believe that the risks will be less and the prizes will be greater if they are bold and magnanimous. For France and for Germany, after the terrible war and in the face of a war that would be so much more terrible, there is no safety now except in audacity.

The French proposal is bold and it is magnanimous. Only 5 years have passed since the end of the cruelist and most degrading of all the Franco-German wars. It is a bold and magnanimous act on the part of the French Government, which is among the victors, to propose to its hereditary enemy, which is defeated, that they enter into a full and equal, and indeed an intimate, partnership in European affairs.

In taking the decision to make the proposal the French Government must have realized that this meant the revival of the political and economic influence of Germany in Europe. In any such equal industrial regime as the French are offering, the Germans are bound by their technological and administrative gifts and discipline to play a leading part.

Moreover, the French cannot have had the illusion—which is entertained by many in Washington and in London—that this resurgent and powerful Germany can be enmeshed or integrated into being a useful, reliable secondary ally of Britain and of the United States. In a Franco-German partnership the Germans will acquire such independent power that they can have a foreign policy of their own.

What will that policy be? Some among us hope and believe that the Germans, having achieved full equality with the West, will therefore turn their backs on the East. I believe this to be a miscalculation. The Germans, living as they do in the middle and not on the western fringe of Europe, will have—as they have always had throughout their history—an eastern as well as a western policy. My own belief is that a Franco-German understanding would on the part of the Germans be followed by something like—at the least—a Bismarckian policy of reinsurance with the East. But within the framework of the Bidault-Schuman policy it would be possible, indeed necessary, for France to participate as an equal and fully informed partner in any German negotiations with the East.

One of the prime facts of European life, which is not always fully appreciated in London and in Washington, is that Germany must have relations to the east. She can wage war to the east. She can make deals with the East. But what is impossible for Germany is to have no relations with the East.

We can get along without relations with eastern Europe and with Russia. Britain can get along. But not Germany. And any conception of European and German policy which assumes the contrary is sure to lead to disappointment and to failure.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent, in further elucidation of the same point, to have inserted at this point in the RECORD the leading editorial of this morning's New York Times.

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

ANOTHER BOLD NEW PLAN

When the Big Three foreign ministers meet in London today to buttress the bulwarks of the Atlantic world against the menace of Russo-Communist imperialism, they will have before them what is by all odds the boldest and most dramatic European proposal toward that end advanced thus far. This proposal, if carried out, would rival in ultimate significance both the Marshall plan and the North Atlantic Pact itself. It is the French proposal for pooling the basic coal and steel industries of Europe and putting them under a common international high authority. The plan would begin with the coal and steel industries of France and Germany, but it would be open to other European countries willing to join. Under this plan the participating nations would undertake to subordinate their own sovereignty in respect to these industries to the high authority, in order to establish a common market for their products, break down customs and other trade barriers and embark upon a common development program as a first but concrete step toward both the European economic integration urged by the United States and the European federation demanded by growing numbers of the Europeans themselves as their last hope of salvation.

The political and economic implications of this plan are so momentous—and the practical difficulties of giving effect to it are so enormous—that further study and further elucidation of its many ramifications will be necessary before final judgment can be passed on all of its phases. But one point is clear. This move represents a far-reaching French initiative toward a sweeping economic partnership between France and Germany designed to end the age-old rivalry between these two countries and to rivet the new Germany firmly to the western community of nations. As such, it has already been hailed as a generous gesture by German Chancellor Adenauer, who has made numerous similar proposals in the past, and who on the strength of this plan is now proceeding immediately to effect Germany's entrance into the Council of Europe, which was likewise a French idea. Both French Foreign Minister Schuman and Mr. Adenauer agree that the implementation of this project, even between France and Germany alone, would make future war between them materially impossible. And if that is so—if French fears of a reviving Germany can be permanently allayed—then a Franco-German partnership is capable of opening up new vistas leading not only toward a stronger and better Europe but also toward a firmer peace.

It is from this point of view that Secretary Acheson has welcomed the far-reaching intent of the plan, pending final analysis of details, with sympathy and approval. As he told a London audience, for better or for worse the people of Western Germany are "part of our company," and the reestablishment of Germany in the family of western civilization must be a cooperative enterprise in which the risks and responsibilities must be shared by all, including the Germans themselves.

As in all matters of European political or economic integration, the British reaction has been more hesitant, partly because Britain believes in a step-by-step approach to difficult problems rather than in grandiose concepts, partly because the French plan does not fit the Socialist program of the Labor government (on which point it is supported by all European Socialists, including the German) and partly because Britain looks askance at possible competition from a continental bloc. But the French, who still oppose closer political association with Germany unless Britain joins as a counterweight, obviously have now decided to break the log-jam of British hestitation by moving for a continental economic unification from which Britain can absent herself only at considerable risk. For whether Britain joins or not, it is more than likely that if the Franco-German partnership becomes a reality other continental countries will find it to their advantage to join. Moreover, if such a partnership is effected in coal and steel it is inevitable that it will soon be extended to other industries, until full economic integration has been achieved.

One danger facing the plan is that it may be diverted into a new kind of cartel arrangement, for which its "price-equating" provisions could provide a basis. But this danger is small because the plan would be operated not by private industry but by a public international authority reporting to the United Nations. If that danger can be avoided, the new plan is bound not only to command American moral and financial support but also to exert a powerful attraction on nations now being exploited by the Soviets behind the iron curtain.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of March

1950 (with an accompanying report); to the Committee on Agriculture and Forestry.

STRENGTHENING UNEMPLOYMENT INSURANCE

A letter from the Secretary of Labor, transmitting, for the information of the Senate, conclusions to a report prepared by the Federal Advisory Council on Employment Security on "Strengthening Unemployment Insurance" (with an accompanying paper); to the Committee on Finance.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the Senate of the State of Connecticut; to the Committee on Finance:

" 'Senate Resolution 5

" 'Memorializing Congress concerning the importation of rubber and other products

" '*Resolved by the Senate,* That the Congress of the United States be urged to take whatever action is necessary and suitable to regulate the importation of rubber goods and other manufactured products into this country, such action to be undertaken to protect this country's manufacturers from loss of contracts and the resulting loss of employment opportunities for the working people of the Nation.'

"STATE OF CONNECTICUT,
"Senate, May 2, 1950.

"STATE OF CONNECTICUT,
"Office of the Secretary, ss:

"I, Winifred McDonald, secretary of the State of Connecticut and keeper of the seal thereof, and of the original record of acts and resolutions of the general assembly of said State, do hereby certify that I have compared the annexed copy of Senate Resolution No. 5, memorializing Congress concerning the importation of rubber and other products, with the original record of the same now remaining in this office and have found the said copy to be correct and complete transcript thereof

"And I further certify that the said original record is a public record of the said State of Connecticut, now remaining in this office.

"In testimony whereof I have hereunto set my hand and affixed the seal of said State, at Hartford, this tenth day of May, 1950.

"WINIFRED MCDONALD,
"Secretary."

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the problem of resurgent nazism and communism in Germany; to the Committee on Foreign Relations.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE] on May 10, 1950, p. 6766, CONGRESSIONAL RECORD.)

A resolution adopted by the Federation of Woman's Clubs of Cumberland County, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Fifty-ninth Continental Congress, National Society, Daughters of the American Revolution, Washington, D. C., relating to American education and other matters pending before the Congress; to the Committee on Education and Labor.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 2496. A bill to authorize contributions to Cooperative for American Remittances to Europe, Inc.; without amendment (Rept. No. 1553).

By Mr. KEFAUVER, from the Committee on Armed Services:

H. R. 7635. A bill to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies; without amendment (Rept. No. 1554); and

H. R. 7708. A bill to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.; without amendment (Rept. No. 1555).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. FERGUSON:

S. 3572. A bill for the relief of Mrs. George (Wong Tze-yen) Poy; to the Committee on the Judiciary.

By Mr. TYDINGS (by request):

S. 3573. A bill to relieve persons in the military service from refunding to the United States the amount of life-insurance premiums, and interest thereon, guaranteed under the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Labor and Public Welfare.

By Mr. LEHMAN (for himself and Mr. IVES):

S. 3574. A bill authorizing the Housing and Home Finance Administrator to release the trustees of Columbia University, in the city of New York, and the Citizens' Veterans Homes Association of Rockland County, Inc., from obligations under their contracts for operation of veterans' temporary housing project, NY–V–30212; to the Committee on Banking and Currency.

By Mr. KNOWLAND (for himself and Mr. DOWNEY):

S. 3575. A bill to confer jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 3576. A bill authorizing the issuance of a patent in fee to Jessie Pleases Herself; to the Committee on Interior and Insular Affairs.

By Mr. MYERS:

S. J. Res. 179. Joint resolution to correct the service records of Navy veterans of the War with Spain; to the Committee on Armed Services.

ADDITIONAL POWERS FOR SELECT COMMITTEE ON SMALL BUSINESS

Mr. SPARKMAN submitted the following resolution (S. Res. 272), which was referred to the Committee on Rules and Administration:

Resolved, That the Select Committee on Small Business, created by Senate Resolution 58, agreed to February 20, 1950, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words.

SEC. 2. A majority of the members of the committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

SEC. 3. The committee shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duties, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949 for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

SEC. 4. Until an appropriation shall be made for payment of expenses of the committee, such expenses, in an amount not to exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

HOUSE BILL REFERRED

The bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

THE PRESIDENT'S SPEECHES AT BURLINGTON, OTTUMWA, CRESTON, AND PACIFIC JUNCTION, IOWA

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD the speeches delivered by the President at Burlington, Ottumwa, Creston, and Pacific Junction, Iowa, on May 8, 1950, which appear in the Appendix.]

COMMENTS BY SENATOR WHERRY ON STATEMENTS BY THE PRESIDENT

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio address delivered by him on May 9, 1950, commenting on the statements made by President Truman during his present western tour, which appears in the Appendix.]

ADDRESS BY SENATOR MARTIN BEFORE PRESBYTERIAN CHAPLAINS DINNER

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address delivered by Senator MARTIN before the Presbyterian chaplains dinner of the Military Chaplains Association of the United States, held at the Shoreham Hotel in Washington, on Tuesday, May 9, 1950, which appears in the Appendix.]

THE FARMERS' INTEREST IN THE KERR GAS BILL—STATEMENT BY SENATOR KERR

[Mr. KERR asked and obtained leave to have printed in the RECORD a statement prepared by him concerning the farmers' interest in the Kerr gas bill, which appears in the Appendix.]

ADDRESS BY MRS. OVETA CULP HOBBY AT ANNUAL JOURNALISM BANQUET, UNIVERSITY OF MISSOURI

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an address delivered by Mrs. Oveta Culp Hobby at the annual journalism banquet at the University of Missouri, which appears in the Appendix.]

IMPLICATIONS OF THE HISS CASE—ARTICLE BY MARK SULLIVAN

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Hiss Case Said To Have Aroused Irate Demand for Full Spy Story," written by Mark Sullivan and published in the New York Herald Tribune of May 10, 1950, which appears in the Appendix.]

THE PRESIDENT'S WESTERN TOUR—EDITORIAL FROM THE CONCORD DAILY MONITOR

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "The 'Nonpolitical' Tour," published in the Concord (N. H.) Daily Monitor of May 5, 1950, which appears in the Appendix.]

UNITED JEWISH APPEAL—EDITORIAL FROM THE NEW HAMPSHIRE MORNING UNION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "United Jewish Appeal," published in the New Hampshire Morning Union of May 9, 1950, which appears in the Appendix.]

ELECTRICAL CARTELS IN POSTWAR EUROPE—ARTICLE FROM THE NEW YORK TIMES

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article entitled "Sweden Uncovers Electrical Cartel," from the New York Times of Wednesday, May 10, 1950, which appears in the Appendix.]

DISAPPROVAL OF REORGANIZATION PLAN NO. 21—STATEMENT BY ROSCOE H. HUPPER

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a statement by Roscoe H. Hupper in support of Senate Resolution 265 disapproving Reorganization Plan No. 21, which appears in the Appendix.]

ACCIDENTS—BRUCE BARTON'S COLUMN

[Mr. WILEY asked and obtained leave to have printed in the RECORD the column of Bruce Barton entitled "Accidents," published in a recent issue of the Seattle Post-Intelligencer, which appears in the Appendix.]

THE RAILROAD STRIKE

[Mr. BRICKER asked and obtained leave to have printed in the RECORD a series of telegrams received by him from industries and businesses in Ohio, indicating the serious unemployment situation by reason of the present railroad strike, which appear in the Appendix.]

THE RAILROAD STRIKE—ARTICLE BY DON ROSS

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an article entitled "Rail Service Cut in 27 States by Firemen's Strike on Four Roads," by Don Ross, published in the New York Herald Tribune of May 11, 1950, which appears in the Appendix.]

THE RAILROAD STRIKE—ARTICLE BY GEORGE ECKEL

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an article entitled "Railroad Traffic Is Disrupted as Firemen Strike on Four Lines," by George Eckel, published in the New York Times of Thursday, May 11, 1950, which appears in the Appendix.]

CURTAILMENT OF POSTAL SERVICE

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an excerpt from a letter protesting against the curtailment of postal service, written by Dr. Richard Lewisohn, of New York City, which appears in the Appendix.]

SENATOR McCARTHY'S CHARGES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Subversion in the Senate," published in the Saturday Review of Literature, which appears in the Appendix.]

OLD-AGE AND SURVIVORS INSURANCE SYSTEM—RESOLUTION OF KIWANIS CLUB OF MILWAUKEE, WIS.

Mr. WILEY. Mr. President, some of the most pleasant memories I can recall are those associated with my fellow members of the Kiwanis Clubs of America. In 1933 it was my pleasure to serve as Governor of the Wisconsin-Upper Michigan District of Kiwanis International.

It is therefore always with particular interest that I note the great activities of this distinguished service organization which is so well represented in my own State and throughout the Nation.

I have in my hand a resolution conveyed to me by G. B. Athey, vice president of the Kiwanis Club of Milwaukee. In this club, Don M. Pierson is president, Curtis H. Lankford is secretary, Clarence H. Lichtfeldt is treasurer, Miss Ruth M. Jensen is executive secretary, and Byron H. Spear is immediate past president.

The resolution pertains to the revamping of the Nation's obsolete old-age and survivors insurance system. I believe it would be of interest to my colleagues, and so I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

KIWANIS CLUB OF MILWAUKEE,
Milwaukee, Wis., May 9, 1950.

Senator ALEXANDER WILEY,
United States Senate, Washington, D. C.

DEAR SENATOR WILEY: It is my privilege and duty to present the following to you in the name of the Milwaukee Kiwanis Club:

Resolved, That in the highly important field of social security, the Kiwanis Club of Milwaukee favors the following:

1. That all occupations not now covered, including self-employment and farm labor, should be brought under old-age and survivor insurance.

2. That the Federal approach to the problem of the care for the aged should fundamentally be on an insured basis rather than on a needs basis, limiting any action on a needs basis to State and local action.

3. That if universal extension of coverage is adopted then benefits should be increased in accordance with the formula recommended by the advisory counsel of the Senate Finance Committee, but with the retention of the $3,000 wage base for determining average wage.

4. That the program be financed on a pay-as-you-go basis by continuing the present method of equal contributions by employers and employees.

5. That the proper approach to the problem of the total and permanently disabled lies in the rehabilitation and assistance programs of voluntary organizations and public-assistance agencies at the State and local levels without any Federal aid unless at the end of 7 years it is shown that care in this field is not being provided.

It is our hope that you will recognize the importance of the above resolution and will give it your sympathetic support when voting on bill H. R. 6000.

Respectfully.

KIWANIS CLUB OF MILWAUKEE,
G. B. ATHEY, *Vice President.*

REDUCTION IN LEATHER TARIFFS—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a brief statement, and two messages which I have received from Wisconsin supervisory and rank-and-file employees, on the question of opposition to proposed reductions in leather tariffs. I ask unanimous consent to have these two messages, along with my statement, printed at this point in the body of the RECORD.

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

STATEMENT BY SENATOR WILEY ON PROTECTION OF AMERICAN BUSINESS AND AMERICAN JOBS

On Tuesday, May 2, I placed in the CONGRESSIONAL RECORD, on page 6126, a message which I had received from a boot and shoe workers union local in south Milwaukee. This letter pointed out the critical problem faced by these workers who find their jobs threatened by a flood of cheap foreign shoes pouring into the United States at one-half or so the cost to produce them in our own country. I stated at that time, and I repeat now, that (a) America is blessed with the highest standard of living in the world; (b) American workers are paid the highest wages in the world, in contrast (c) to low foreign standards of living and cheap wages paid to foreign workers.

WE DON'T WANT BREAD LINES BACK

Since the ultimate cost of any product is in considerable part composed of the labor cost, naturally cheap labor cost abroad means a cheap price tag on the over-all product. Inevitably that means that many American goods can be easily undersold and completely driven from the market. Mr. President, I do not want to see our beloved country return to the days of bread lines, soup kitchens, apples being sold on street corners, and gates with signs spread over them reading "Factory closed—do not apply to personnel office."

The desire to afford reasonable protection to American jobs and American business is not inconsistent with a desire to promote world trade to the greatest extent possible. We know that trade cannot be a one-way street. We know that foreign nations must sell to the United States in order to buy from us.

UNCLE SAM MUST NOT BE UNCLE SAP

At the same time, we know that it is our country which has invariably made the greatest number of trade concessions in the world, and that in spite of our concessions, in spite of the slashing of our tariff barriers, many foreign countries have invariably responded by reneging on their commitments and putting up all sorts of barriers against American products.

In other words, in our conferences, we have been playing the game of "give and take." We give everything (all sorts of trade concessions) and take nothing. The foreign countries often give nothing and take everything. I do not want to be unkind to these foreign nations. I know the critical postwar problems that they face. I have supported reasonable efforts to help put them back on their own feet.

WE CANNOT HELP WORLD BY DESTROYING AMERICA

But I have pointed out, and will continue to point out, that one of the greatest hopes for foreign trade is in developing items which are not directly competitive with American products, and I have pointed out, too, that we cannot build world prosperity on the basis of destroying American prosperity. A strong, solvent America is still the best guaranty of a strong, solvent world.

I don't want to see tanneries or other factories closed in Fond du Lac or Milwaukee or Wausau or Appleton, Wis., because American goods have been driven from the field by avalanches of coolie-made foreign products.

LETTERS FROM CIO AND SUPERVISORS

As an indication of grass-roots sentiments on this issue, I have in my hands two letters which I have received within the last 2 hours. One comes from a CIO local in Fond du Lac, Wis., and the other from a group of management employees in the same town. Both express a similar message—a very reasonable message—an appeal for protection of American leather workers from reckless slashes in our tariffs.

This is a matter which I have taken up time and again with the United States Tariff Commission and with the White House, and it is an item which I will continue to take up until we are satisfied that American bargainers at tariff-negotiation conferences are mindful of the tremendous impact of their reckless actions on United States jobs and United States business.

The letters which I have received are as follows:

INTERNATIONAL FUR AND
LEATHER WORKERS UNION
OF THE UNITED STATES AND
CANADA, CIO, LOCAL NO.
360, LEATHER DIVISION,
Fond du Lac, Wis., May 9, 1950.

Hon. ALEXANDER WILEY,
Senator from Wisconsin,
Washington, D. C.

DEAR SENATOR WILEY: It has been brought to our attention that serious consideration is being given to lowering the tariff on leather and leather byproducts being shipped into the United States from abroad. We consider this as being both dangerous and unfair to both American labor and management.

Much attention is being directed to the present unemployment condition in this country. Certainly lowering or eliminating the tariff now in effect would be disastrous to the leather industry and would tend to create a much more serious unemployment situation.

The Government cannot expect labor and management of the tanning industry to compete with cheap foreign labor and material. If we expect to maintain the high standard of living prevailing in America, we must protect ourselves by insisting that the tariff on leather and other byproducts be kept at a fair level.

The 390 members of Local No. 360, International Fur and Leather Workers Union, urgently request that you as our representative exert every bit of influence and power at your command to prevent further reduction in leather tariffs. We are in a position to send you a formal petition with the signatures of the 390 members of Local No. 360, should you so desire.

This local feels that our jobs and our security depend on immediate action on this matter. We will anticipate your prompt consideration of this problem and will sincerely appreciate any information from you pertaining to your progress.

Yours very truly,
DONALD STOFFREGAN,
Recording Secretary.

KEY MEN'S CLUB,
FRED RUEPING LEATHER CO.,
Fond du Lac, Wis., May 8, 1950.

Hon. ALEXANDER WILEY,
Senator from Wisconsin,
Washington, D. C.

DEAR SENATOR WILEY: The Key Men's Club of the Fred Rueping Leather Co. is an organization of all supervisory employees of this company. At a recent meeting the 88 members unanimously delegated their chairman to write a letter to their legislative representatives, protesting any further reduction in the tariff on leather or leather products.

Any weakening of the low tariff protection now in effect would be disastrous to the leather industry of this country. It is impossible for our industry to compete with foreign companies who receive financial subsidies from their governments, are protected against competition by import restrictions, and whose employees receive wages as much as 90 percent lower than ours. The present United States duties on foreign leathers are the lowest of any leather producing country in the world and they must not be reduced to any lower level.

If it would be of assistance, we will gladly send the signatures of the Key Men, all of whom believe that any action on leather tariff should result in increased, rather than decreased, protection for the United States leather industry.

We urgently request that you take all possible steps to prevent further reduction in leather tariffs and would appreciate any information from you regarding action taken.

Yours very truly,
CARL W. TONJES, *Chairman.*

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. MARTIN was excused from attendance on the sessions of the Senate the remainder of this week, to and including Tuesday, May 16, 1950.

On his own request, and by unanimous consent, Mr. ANDERSON was excused from attendance on the sessions of the Senate on Monday and Tuesday of next week.

CONFIRMATION OF NOMINATIONS OF UNDER SECRETARY OF THE ARMY, EXECUTIVE DIRECTOR OF EUROPEAN COORDINATING COMMITTEE, AND SUNDRY OFFICERS IN THE ARMED SERVICES

Mr. ROBERTSON obtained the floor.

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

The VICE PRESIDENT. Does the junior Senator from Virginia yield to his colleague?

Mr. ROBERTSON. I yield 2 minutes.

Mr. BYRD. Mr. President, as in executive session, and as acting chairman of the Armed Services Committee, I report from that committee the nomination of Mr. Archibald Stevens Alexander, of New Jersey, to be Under Secretary of the Army; Lt. Col. Charles H. Bonesteel, United States Army, to be Executive Director of the European Coordinating Committee; and numerous other routine Army, Navy, and Air Force nominations, including a large number of midshipmen and cadets, with the recommendation that they be confirmed and the President notified. If they are not approved today they will have to be printed on the Executive Calendar and will take up about 40 pages. There are 4,633 names. As in executive session, I ask unanimous consent that all these nominations be confirmed and that the President be notified.

The VICE PRESIDENT. Without objection, the nominations are confirmed; and, without objection, the President will be notified.

REORGANIZATION PLAN NO. 1 OF 1950

Mr. ROBERTSON. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 246, dealing with the Office of Comptroller of the Currency, debate to be limited to not exceeding 1 hour, the time to be equally divided, and the time for the proponents to be controlled by the Senator from Arkansas [Mr. MCCLELLAN] and for the opponents by the Senator from Connecticut [Mr. BENTON].

The VICE PRESIDENT. Is there objection?

Mr. LUCAS. Reserving the right to object, I hope the Senator will make a motion instead of asking unanimous consent.

Mr. ROBERTSON. I move that the Senate proceed to the consideration of Senate Resolution 246 disapproving Reorganization Plan No. 1 of 1950.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

The motion was agreed to, and the Senate proceeded to consider the resolution (S. Res. 246) disapproving Reorganization Plan No. 1 of 1950.

Mr. ROBERTSON. Mr. President, I now ask unanimous consent that debate on this resolution be limited to not exceeding 1 hour—I hope it will be less—and that the time be equally divided——

The VICE PRESIDENT. The Chair will state that the time is equally divided under the law, without request.

Mr. ROBERTSON. I ask that the time for the proponents be controlled by the Senator from Arkansas [Mr. MCCLELLAN] and for the opponents by the Senator from Connecticut [Mr. BENTON].

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

Mr. McCLELLAN. Mr. President, I yield myself 10 minutes.

Mr. MAYBANK. Mr. President, will the Senator from Arkansas yield to me for a short statement?

Mr. McCLELLAN. Before yielding myself 10 minutes, I yield 3 minutes to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I wish to state that the Committee on Banking and Currency had before it for consideration the resolution offered by the Senator from Virginia [Mr. ROBERTSON], and voted unanimously against the transfer proposed in Reorganization Plan No. 1.

As chairman of the Committee on Banking and Currency, I appeared before the Committee on Expenditures in the Executive Departments of which the distinguished Senator from Arkansas is chairman, and made quite a lengthy statement. The record speaks for itself. Speaking for both Republican and Democratic members of the Committee on Banking and Currency, I hope that the resolution will be agreed to.

Mr. McCLELLAN. Mr. President, I yield myself 10 minutes.

Reorganization Plan No. 1 of 1950, like a number of others submitted to the Congress by the President on March 13, involves a single issue which has brought about opposition to it.

The only real objection to the plan voiced at the hearings before the Committee on Expenditures in the Executive Departments was that the plan, by transferring the functions of the Comptroller of the Currency to the Secretary of the Treasury, would tend to disrupt the existing confidence in our national banking system.

There was no objection to any of the provisions of the plan which would conform to the general recommendations of the Hoover Commission relative to reorganizations within the Department of the Treasury, and to provide the Secretary with an administrative assistant under the classified civil service. Nor was there any opposition expressed to vesting all functions of the Department, excepting the Comptroller of the Currency, in the Secretary.

Therefore, the whole issue involved in Reorganization Plan No. 1 is that it proposes to go counter to an accepted principle established by Congress 86 years ago, in that the exercise of the quasi-judicial functions now administered by the Comptroller of the Currency on an independent statutory basis, be vested in the Secretary of the Treasury.

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

Mr. McCLELLAN. I yield briefly.

Mr. THYE. Does the Senator believe there could possibly be any economy if the plan were adopted?

Mr. McCLELLAN. No, none at all, because the Secretary does not want the power; he wants the situation left as it is. The Office of the Comptroller of the Currency is paid for by the banks and not by the Government.

Witnesses contended that this would destroy the independence of the Office of the Comptroller of the Currency and make that Office subservient to the President.

During the hearings it was fully developed by various witnesses that the Comptroller's office has a unique status within the Department of the Treasury in that it is supported not by Federal funds, but by contributions from member banks, and no part of its expenditures are paid from public funds.

A further point was made that the inclusion of the Office of the Comptroller of the Currency within the plan is not in accord with the objectives of the Hoover Commission in its recommendations toward effecting economy and efficiency in the Government, and the elimination of duplicating functions. The Secretary of the Treasury stated specifically in a letter to the committee that he would make no change whatever in the present operations of the Office of the Comptroller of the Currency should the plan become effective, although such authority is granted to him thereunder.

I invite Senators to read the letter. It will be found on page 9 of the report.

The Secretary stated that he could not be responsible for what some of his successors might do.

A further point at issue in connection with the consideration of this reorganization plan is the fact that it does not accord with the intent of section 2 (a) of the Reorganization Act of 1949, which sets forth the specific purposes of that act and the conditions under which reorganization plans were to be submitted to the Congress by the President.

Mr. President, I ask unanimous consent that section 2 of the Reorganization Act of 1949 containing its objectives and purposes be printed in the body of the RECORD at this point, as a part of my remarks.

There being no objection, section 2 of the Reorganization Act of 1949 was ordered to be printed in the RECORD, as follows:

SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

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

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from Arkansas yield to the Senator from South Dakota?

Mr. McCLELLAN. I yield.

Mr. MUNDT. Does the Senator from Arkansas agree with me that so far as there being any economy involved is concerned, there would be no economy to the country through the acceptance of this particular reorganization plan?

Mr. McCLELLAN. There would be no economy to the country, to the Government, or to anyone else that I know of, because the Secretary says he will not exercise the power if it be granted to him. He said that some other Secretary might exercise it, but he will not exercise it.

Mr. MUNDT. I wonder if the Senator will further agree with me that in this time of deficit-spending it would be tremendously dangerous to do anything which would tend to undermine the confidence of the country generally in our banking system or tend to develop additional dissatisfaction on the part of the bankers themselves?

Mr. McCLELLAN. If the Senator will read the letter to which I have referred he will find that thought expressed, possibly not in words, but implied all the way through in the spirit of the letter.

No witness appearing before the committee made any statement to the effect that the inclusion of the Office of the Comptroller of the Currency within the provisions of this plan would accomplish any one of these six objectives. It can, therefore, well be assumed that the plan is not in accord with the purposes of the Reorganization Act as set forth in that act.

I can assure the Senate that the members of the Committee on Expenditures in the Executive Departments are most anxious to further in every way possible reorganization plans, or legislation, which would carry out recommendations of the Hoover Commission designed to conform to the specific recommendations contained in its reports to effect economy and efficiency in Government. While this plan does conform thereto in many respects, it was the firm conviction of the committee that it went far beyond the intent of the Commission by its inclusion of quasi-judicial functions carried on presently under the Comptroller of the Currency in accordance with the intent of the Congress.

The Hoover Commission itself recognized the fact that there were such activities within the Federal structure which would not lend themselves to simple reorganization proposals and would go beyond the premise on which its studies were made. In its concluding report, the Commission stated:

As a matter of principle, the Commission has not been concerned with matters of substantive policy.

The Commission continued, saying that—

In practice, however, it has often been extremely difficult to separate policy from administration, although a conscientious effort has been made to do so.

This is a legislative policy. It is the policy of the Nation, and it has continued satisfactorily for nearly a century. That is the same problem with which the Committee on Expenditures in the Executive Departments was confronted in the consideration of this plan, and the majority of the committee reached the conclusion that the matter should be beyond the scope of a reorganization plan. Any policy changes in the authority of the Comptroller of the Currency which are desirable should be made only after proper consideration by policy committees of the Congress and approved through direct legislative action after all the facts have been presented and considered in connection therewith.

Should this plan become effective and the resolution of disapproval rejected, the majority of the Committee feels that it might well have a serious repercussion on our banking system and inject political influences into their operation which was not intended by Congress in its establishment of the Office of the Comptroller of the Currency.

There is the fear that we are meddling or tampering with something for some purpose, but not for efficiency or economy, not to serve the present able Administrator, but to serve some other purpose. Who knows what the purpose is? The evidence does not reveal it, but it is to serve some purpose undisclosed to us, when we are asked to make a change in a legislative policy which has functioned well and efficiently for nearly a century.

The effect would be that the Comptroller would no longer have sufficient initiative, authority, and independence of action to continue to exercise the functions vested in him by the Congress. This fact has been freely acknowledged by the Secretary of the Treasury in his communication to the committee, and I feel that the Senate can do well to follow the advice of the Secretary of the Treasury, who has had the courage of his convictions to so express himself in spite of the fact that it was necessary to oppose the reorganization plan submitted by the President.

In reporting favorably the resolution of disapproval on Reorganization Plan No. 1, the Committee on Expenditures in the Executive Departments made it clear in its report to the Senate that the entire basis of its opposition to the plan was due to the fact that it included these quasi-judicial functions not in accord with the premise on which the Hoover Commission made its recommendations. I think I speak for a majority of the members of that committee when I say that, had this plan contained a provision therein which would have exempted the quasi-judicial functions of the Comptroller of the Currency, the plan would have been approved. There is no other objection to the plan, but there is objection to an attempt which, without cause, without rhyme, without reason, and without disclosure, would invade the province of an independent agency and place it in a subservient position under a department head.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. McCLELLAN. I assign myself one more minute.

In closing, I should like to emphasize that in acting adversely on this plan the committee wishes to make it clear that it does so because it does not conform to the tenor of the Hoover Commission's recommendations, although it technically complies therewith in some respects. I personally feel that if a new plan is submitted to reorganize the Department of the Treasury along the lines now contained in Reorganization Plan No. 1, and as specifically recommended by the Hoover Commission, with the Office of the Comptroller of the Currency exempted from its application to insure the continued independence of the Comptroller, the plan would be approved. Since no such exemption is included in Reorganization Plan No. 1 of 1950, I shall vote in favor of Senate Resolution 246 to disapprove the plan.

Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I do not know that there is very much I can add to what has been said by the distinguished Senator from Arkansas as to why the plan should be rejected and why the Senate should vote in favor of the resolution. The Committee on Banking and Currency, of which I am a member, voted unanimously against the plan and in favor of the resolution. The Committee on Expenditures in the Executive Departments likewise voted unanimously to disapprove the plan. I believe I am correct when I say that no one appeared in behalf of the plan before the Committee on Banking and Currency. There were only two witnesses who appeared before the Committee on Expenditures in the Executive Departments. The Committee on Banking and Currency, which handles banking legislation which comes before the Senate, voted unanimously against the plan. The plan will not save taxpayers one penny. In fact, the Comptroller's office is paid for wholly by the national banks.

I can see nothing to be gained by making the change. I can see much that would be lost. It is somewhat difficult for me to understand why the President requested that the Comptroller of the Currency be put under the Treasury Department of the United States, because the Secretary of the Treasury, in a letter to the Committee on Expenditures in the Executive Departments, said that if the plan became law he would not exercise his rights under it because he was perfectly satisfied with the way the Comptroller of the Currency was operating. I fail to find in my research and in talking with many people, including many bankers, any good, legitimate excuse for the plan.

Mr. BENTON. Mr. President, I yield myself such time as I may feel to be necessary for the informal remarks which I wish to make. Because I have spoken twice this week on the floor with prepared papers, first on the FEPC bill and, earlier today, on Reorganization Plan No. 12, I am not in a position to furnish the detailed, thorough, and careful analysis which I should like to present at this time. I feel that my role is an unhappy one, for three reasons. First, as the distinguished Senator from Indiana has pointed out, I seem to be alone on this issue. However, although I seem to be alone, I am certain that the distinguished Senator from Indiana is mistaken when he says that no one appeared to testify in favor of the plan. The most important group in the country today dealing with this subject is the Citizens Committee on the Report of the Hoover Commission, headed by my friend, Dr. Robert Johnson, president of Temple University, of Philadelphia. Mr. Robert L. McCormick, research director of the Citizens Committee, in his testimony before the Committee on Expenditures in the Executive Departments, said that plan No. 1, dealing with the Treasury Department, including its recommendation with regard to the Comptroller of the Currency, fully accords with the Hoover Commission recommendations. There can be no question about that. He said further that the rejection of the plan would set a very unhappy and unfortunate precedent for the consideration of other plans still to come.

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

Mr. BENTON. I am glad to yield to the Senator from Virginia.

Mr. ROBERTSON. I believe that the Hoover Commission's report recommended that the RFC, the FDIC, and the Export-Import Bank be transferred to the Department of the Treasury, but not a word was said about taking adminstrative functions from the Comptroller of the Currency.

Mr. BENTON. If the Senator will permit me, I hope to touch on that subject later in my remarks, when I show that the Comptroller of the Currency, in line with the evidence of the past 16 years, has been under the control of the Secretary of the Treasury. I am sure the Senator from Virgina will recall the statement in the Hoover Commission report of March 1949 dealing with the Treasury Department:

> In our first report we urged that good departmental administration required that the Secretary have authority from the Congress to organize and control his organization, and that independent authority should not be granted directly to subordinates.

That applies to the Comptroller of the Currency.

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

Mr. BENTON. I yield.

Mr. ROBERTSON. The main objection raised by Mr. McCormick was that if the resolution were adopted, it would be easier for some other plan to be rejected.

Mr. BENTON. I am sorry, but I did not hear what the Senator said.

Mr. ROBERTSON. As I recall the testimony of Mr. McCormick, he said that if Congress adopted the resolution, it would be easier for Congress to disapprove some of the other plans which his committee thought were more important than this plan.

Mr. BENTON. Yes; he brought that cut, and he also brought out the point of the precedent that would be established.

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

Mr. BENTON. Yes.

Mr. CAPEHART. Perhaps I did not say what I had intended to say. I meant to say that there was no opposition other than from those who appeared in behalf of the Hoover Commission. I had in mind bankers and governmental agencies, who did not appear. In other words, there was no banker or anyone in the banking industry in the United States who had any cause to complain about the Comptroller of the Currency. They were all very happy with the way his office has been operated and they felt it should continue as it has operated for many years.

Mr. BENTON. That is unhappily true, as reported by the Senator from Indiana, and I hope to deal with that subject in a few moments. No bankers

appeared to favor the Reorganization Plan No. 1.

Mr. President, I started to say that my role is an unhappy one, because I seem to be alone here. But since the banking fraternity is concerned—and I am sure the distinguished Presiding Officer will understand my statement—my role is unhappy because one of my companies owes the banks $6,000,000, and I do not like to be here discussing the banking business.

The third and real reason for my unhappiness is the exhibition which was made by the American Bankers Association, a great and powerful trade association representing the American business community. I should like to read what Mr. F. Raymond Peterson, the president of that association, who officially presented the position of the association, said to the committee. I assume that his statement was probably written for him by his staff, some member of the trade association representing the bankers. It is my opinion that whoever wrote this statement should be discharged forthwith and thrown out of the trade association, because it is an unhappy fact that American businessmen today, to too great an extent, are abdicating their responsibility, and often their thinking, about big key problems, to trade-association executives, whom they would not hire in their own companies. They are allowing these trade associations to make statements on their behalf which they would never permit the treasurer of their company or the vice president of their company to make even on behalf of their own individual business.

I call the attention of the Senate to this testimony of Mr. Peterson. He stated:

> The plan would have two, and only two, significant results.

He testified that—apart from giving to the Secretary of the Treasury a new administrative assistant, the only bureau affected by Reorganization Plan No. 1 is the Office of the Comptroller of the Currency.

Mr. President, of course there are 9 bureaus affected, 9 large bureaus, including some vastly larger and more important ones than the Office of the Comptroller of the Currency. The personnel in the Office of the Comptroller of the Currency is only 1.3 percent of the total personnel affected by this reorganization plan. Yet, Mr. Peterson testified as he did, and in doing so showed the hand of the bankers. They are not interested in the efficiency of the Treasury Department. All they have heard about is this one little tiny matter which affects the Comptroller in his relations with the Secretary of the Treasury, but which, relatively speaking, does not compare with the problem as a whole.

Mr. President, I spoke earlier this afternoon about the National Association of Manufacturers' testimony as it affected plan No. 5, and the Department of Commerce. I believe I can speak with some experience on the problems of business trade organizations in relation to the Government, as well as with some feeling.

I first met the distinguished senior Senator from Georgia [Mr. GEORGE], who is sitting next to me at the moment, when I was appointed by Mr. Jesse Jones, certainly a good friend of business, as vice chairman of the board of trustees of the Committee for Economic Development, which was organized during the war to assist the business community because the existing trade associations were not so organized and so geared as to do the kind of tremendous job which had to be done.

I have observed these trade associations, have belonged to some of them, and know their weaknesses. I should like to examine for a moment what some of the facts are as I have known them and as I guess them to be, applied to the recent action by the American Bankers' Association.

Of course, one manifest fact is that the banks are indeed very powerful politically, or they would not be having a political influence on some of the Members of this body. That is a most unhappy fact, in my opinion, and in view of their record and in view of their ignorance, I call to the attention of the Senate the fact that the banks opposed the establishment of the Federal Reserve Board. They all opposed the establishment of that Board. I call attention to the fact, further, that they opposed the establishment of the SEC. They fought, with the best men they could hire, to prevent Congress establishing the SEC in the public interest.

I call attention to the fact that the banks virtually unanimously opposed the establishment of the FDIC. I received the full story not long ago of the way in which the banks opposed the passage of the Federal Banking Act of 1935. A very highly placed official who worked all through that operation told me the story. That was the most important legislative act of that year, and the banks were virtually unanimously against it, as they are now unanimously opposing Reorganization Plan No. 1. How do they stand on the Federal Banking Act of 1935 today? They are virtually unanimously for it.

What would be the condition in this country if we had not created the Federal Reserve Board, passed the Federal Banking Act of 1935, established the SEC, and set up the FDIC, but had knuckled down to the bankers, the way it is proposed that we knuckle down to them today in regard to this great reorganization proposal?

Mr. President, I might tell the case story which has come to me about the Federal Banking Act of 1935. The Business Advisory Council labored against the passage of that act. I know a high percentage of the men who were on that council at that time, and who are on it today. The report of the Business Advisory Council was written by an economist who worked for the man who is chairman of a subcommittee of the council. Whether the chairman of the subcommittee read the report of his economist condemning the Federal Banking Act of 1935, I do not know. He is a very prominent banker, and I shall not at least bring out his name on the floor of the Senate. But it is agreed by those who studied the matter later that the subcomittee did not read the report, and, similarly, the Business Advisory Council adopted the report and did not read it.

Mr. President, this report went to the Secretary of Commerce, who in turn transmitted it to the President of the United States. Here was a report allegedly speaking for the Business Advisory Council, which was unread, and which had been written by a staff man away down the line, working for the chairman of a subcommittee.

Mr. President, I should like to refer to what the Hoover Commission recommendations might have meant if they had been followed through all the way.

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

Mr. BENTON. I yield to the Senator from West Virginia.

Mr. KILGORE. In line with the subject just spoken of by the Senator from Connecticut, I do not know whether he remembers that after the passage of the law and the creation of the Federal Housing Authority, the banks refused to deal with the Federal Housing Authority until a lot of missionary work was done with them. They did not want the guaranteed loans, because the interest was higher than on the normally processed bank loans, and it was only when the big life-insurance companies and fire-insurance companies started financing the FHA loans that the banks willingly fell into line, and now they are all seeking those loans.

Mr. BENTON. The banks never want any change, they never propose any change, and they never stand for any change. All men in the business community who have operated with banks know that to be an established fact in the temperament of the banking fraternity. I am glad to be reminded of that. I am even hopeful that I may make a convert before I conclude, and I thank the Senator from West Virginia for bearing with me, and I trust that he will stay with me.

The Hoover Commission in its report on the Treasury Department went far beyond what the President has done in these recommendations. The point is not that the recommendations outdid the Hoover Commission report. On the contrary, many things recommended by the Hoover Commission have been held back, and were not included in the plan which came up to the Committee on Expenditures in the Executive Departments.

The extracts from the minority views of Commissioners Aiken, Pollack, and Rowe bring that out very clearly, and they make very clear that the Commission's viewpoint went far beyond the scope of the issue with respect to the Comptroller of the Currency, which is in dispute today in connection with plan No. 1.

Mr. President, I ask unanimous consent to insert in the RECORD a page which further elaborates on that point.

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

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

SWEEP OF HOOVER COMMISSION RECOMMENDATION MUCH BROADER THAN COMPTROLLER QUESTION

Hoover Commission Report No. 11 on the Treasury Department makes recommendations going far beyond those proposed in Reorganization Plan No. 1. Thus, the majority of the Hoover Commission states that "The Reconstruction Finance Corporation, Export-Import Bank, and the Federal Deposit Insurance Corporation are independent agencies reporting directly to the President. The President cannot give the time necessary for their supervision. Practically they are accountable to nobody."

Hence the Commission recommends that their supervision "be vested in the Secretary of the Treasury."

The following extracts from the minority views of Commissioners Aiken, Pollack, and Rowe will serve to make doubly clear that the Commission's viewpoint went far beyond the scope of the issues with relation to the Comptroller of the Currency under dispute today in connection with plan No. 1.

"We do not quarrel with the Commission's proposal to place the Export-Import Bank, the Reconstruction Finance Corporation, and the Federal Deposit Insurance Corporation within the departmental structure of the executive branch. But we are not so sure that the Treasury is the right Department for the first two agencies. * * *

"The Federal Deposit Insurance Corporation. If this agency is to be put in the Treasury, one of the main reasons is because its bank examining functions should be more closely integrated with those under the Comptroller of the Currency. The same reasoning is valid as to the bank-examining functions of the Federal Reserve System which require integration just as much and just as little as those of the Federal Deposit Insurance Corporation." (P. 31 of Hoover Commission Report 11 on Treasury Department.)

Mr. BENTON. Mr. President, I should like to bring to the attention of the Senate some of the statements and data which I prepared for my minority views. The Senator from Indiana is mistaken if he thinks the Committee on Expenditures in the Executive Departments was unanimous on this subject. There was a minority of three who voted to uphold the reorganization proposals of the Treasury.

Mr. President, I want to remind the Senate of a fact which very few know, namely, that the Comptroller of the Currency is not independent. His so-called independence is a myth, as the comments in the minority views to which I shall refer bring out. What we have now is a state of confusion, for the responsibility is not clearly defined so all can see it. Only those who are in the know, are aware of what the true situation is. But the Secretary of the Treasury already appoints the Deputy Comptroller of the Currency. He now prescribes regulations governing the Office of the Comptroller, the conduct of its officers and clerks, and the distribution and performance of its business. The legal work relating to the Office of the Comptroller of the Currency is under the general counsel of the Treasury Department. The appointment of the personnel of the Office of the Comptroller of the Currency, together with the fixing of compensation, transfer, promotion, demotion, suspension, or dismissal, is vested in the Secretary of the Treasury. The Comptroller cannot even appoint bank examiners without securing approval from the Secretary of the Treasury.

It is difficult for me to reconcile the foregoing with the apparent feeling of some of those who testify that the Comptroller of the Currency is an independent officer and that the reorganization plan would destroy his independence. As the foregoing shows, the Comptroller of the Currency is by no means independent. The statute even provides that the Comptroller "shall perform his duties under the general direction of the Secretary of the Treasury."

That is the law now. When Senators vote down this key and important reorganization proposal I hope they will keep in mind that the present law puts the Comptroller "under the general direction of the Secretary of the Treasury."

This statutory mandate to the Comptroller has not been a mere formality. Before I prepared the minority views I talked with men who have been in Washington, for many years working on these problems and who are very high placed in key Government roles. I did not plunge into the subject blindly or willfully. One highly placed official told me that from his 16 years of observation he believes the Comptroller could not have functioned with less independence than would have been the case if the reorganization plan had been in effect.

For example, he said that the first Deputy Comptroller of the Currency for a long period was the personal representative of the Secretary of the Treasury; that a Secretary of the Treasury dictated the participation of the Comptroller of the Currency in an agreement among the three Federal supervisory agencies on examination policy; that the policies of the Comptroller with respect to the approval of branches for one of the largest banking organizations in the country have been determined from time to time by the various Secretaries of the Treasury, and that the Comptroller of the Currency has not been in position to make recommendations to the Congress with respect to legislation except after consultation and in accordance with the views of the Secretary of the Treasury. Thus the situation with respect to the Comptroller would not be different under this plan from what it has been in the past, except that there would be brought about greater efficiency in the administrative operation.

Mr. President, I deny the theory of the Senator from Indiana that economy is not involved in an organization merely because it receives revenue and supports itself. Let us consider any monopoly situation, such as that of a local telephone company, a power company, or a gas company. Does it follow merely because such a company makes a profit or supports itself that there is no room for efficiency and no chance for economy? Not in the least. It is actually in monopolies with assured profits that the greatest opportunity for efficiency is most often afforded.

Mr. President, my authority makes the point—and to me it goes to the heart of the question—that this reorganization plan will have the merit of bringing out into the open the lodgment of responsibility in the Secretary of the Treasury for the determination of policies, where as heretofore there has been obscurity as to whether the responsibility was exercised by the Comptroller. Of course, I feel that in connection with all the plans we are going to discuss it is far better to make the authority explicit in every case than it is to have it covered up.

I agree that the present confusion created by bankers concerning the status of the Comptroller of the Currency might delay action on the part of the President, if he wished to dismiss the Comptroller. Some persons do not understand that the President has the authority to dismiss the Comptroller. Surely that would seem to lodge the final responsibility with respect to the Comptroller in the President, and if he wished to discharge this subordinate person confusion might make replacement somewhat more difficult. But it was fully conceded in the testimony of all the bankers who appeared, that there is no enlargement whatsoever of the power of the President over the Comptroller of the Currency by anything suggested or planned by the reorganization here proposed.

Mr. President, I am told that the pressure of the bankers has successfully operated on Congress with respect to this particular issue, and of course what I am saying is, I fear, too late and too little. Therefore, perhaps, the point of my remarks relates not so much to Reorganization Plan No. 1, which may be over the dam, or which to use another illustration, may be likened to the sacrificial lamb which marches up to the slaughter. My remarks therefore are keyed to the various other plans as they come from the committee. We have had two plans before the Senate today and they have gone down like ten pins. Other plans are coming before the Senate, and we are faced by selfish, narrow groups who are determined to defeat many of the plans. Shortly we are going to hear from the patent attorneys.

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

Mr. BENTON. I am glad to yield.

Mr. DONNELL. The Senator stated that we have had two plans under consideration today, and they have both gone down like tenpins. I was under the impression that we voted only on one plan. Am I correct?

Mr. BENTON. Of course, the Senator is correct. My rhetoric seems to have carried me away. I have been consulting with those who try to advise me, and they have told me of future events respecting which I should like to hope they are mistaken, and that the implications of the question of the Senator from Missouri are those to which I should be listening.

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

Mr. BENTON. I yield.

Mr. DONNELL. I was not in any sense criticizing the Senator, but I was somewhat concerned. I had been in the Senate nearly all day, but I wondered whether some other piece of business had been transacted along this line of which I knew nothing.

Mr. BENTON. No.

Mr. DONNELL. I think the Senator from Connecticut now is speaking somewhat with the spirit of prophecy rather than making a recital of history.

Mr. BENTON. Fortunately that is correct, and I am honored that the Senator from Missouri is here to listen to me.

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

Mr. BENTON. I yield.

Mr. LONG. Would it not be correct to withdraw the expression that the plans have been bowled over like tenpins, and instead say that they are about to be bowled over like tenpins?

Mr. BENTON. Surely many individuals with much money in their pockets are standing around with great big balls in their hands ready to roll them against these plans. There is no doubt about that. My remarks are not being addressed to the bankers, because the plan under consideration is over the dam. My talk is not being addressed to the press, because I have found there is no sex appeal, no glamour in governmental reorganization. My remarks surely are not being addressed to some Senator or even to ex-President Hoover. But I hope they may have some effect subsequently so far as the American business community is concerned, because we have a case study here for the young student of political science, or a case study for the League of Women Voters, who are in favor of this plan, or a case study for the junior chambers of commerce, who are in favor of this plan. If they want to understand their Government better and if they want to understand better how their Government operates, I want them to take this as a case study in respect to our failure to deliver.

Mr. President, this national campaign of pressure has been instituted by the banks to alarm the bankers throughout the country, the small bankers who write letters saying, "I have received a letter from the American Bankers' Association and a letter from my State Bankers' Association and a letter from the National Bank Division of the American Bankers' Association and a letter from the Kansas Bank Association." We find all that set forth in one letter, showing how much pressure was put upon a small banker—in the case I have in mind—a banker at Paola, Kans.

Mr. President, in my opinion that national pressure campaign accounts for the 8-to-3 vote in the Committee on Expenditures in the Executive Departments. That campaign obscures the true facts.

On the other hand, the bankers have never been exposed to the other side of this problem. They have heard nothing about the importance of reorganizing the Treasury Department or reorganizing the Federal Government in many other respects, nor are they aware of the significance of what they are doing in following the dictates of this pressure campaign, to the cost of which I presume many of them may be contributing from the other pocket, in support of the Citizens' Committee, in support of the Hoover Commission's proposals.

I think it is imperative for the country, particularly for the business groups, to understand better a problem of this kind, if they want to be more effective and more constructive in their work with the Federal Government and, notably, with the Members of Congress.

The opposition on the part of the banks stems, I think, therefore, from a lack of study and thought about the overall problem, and of course it stems partially from deep and very real mistrust of our democratic processes of government.

The banks are the trustees of the people's money. The welfare of the banks is essential to all of us. The responsibilities of bankers train them to take a dim view of the future and I may add, Mr. President, of mankind in general. A good banker must train himself to try to foresee the unfavorable, dark contingencies of the future, the dark problems which may lie ahead.

However, I certainly think it is not the business of the Congress to key its policies primarily to the fears in regard to future blackouts.

The PRESIDING OFFICER. The Senator from Connecticut has remaining only 2 minutes of his time.

Mr. BENTON. Mr. President, that will be sufficient. I thank the Chair for reminding me.

I think such blackout fears as those to which I have referred, Mr. President, if applied to the other bureaus and agencies of the Government and their operation, would enormously intensify the present great confusion, waste, and inefficiency. I made that point in the remarks I made earlier today in regard to Reorganization Plan No. 12. They would make the Government even more unmanageable than it is today, and far more inefficient and far more confused and far more confusing. They must be resisted.

Therefore, Mr. President, in conclusion let me say that I hope the Senate, if it finds itself committed on this particular plan and problem, will look ahead to the other 19 proposals which are coming through from the Committee on Expenditures in the Executive Departments, and perhaps will hesitate longer and think harder before commitments are made to the individual pressure groups that are moving in upon us.

I hope the American business community will begin to try to get into the trade organizations which represent them, men who think more as statesmen, the kind of men who will give to the business community the foresight and judgment it needs if it is to overcome the tendency referred to in a statement by Karl Marx which the business community might well ponder:

> The businessman will commit suicide for a short-term profit.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas has 13 minutes of his time remaining.

Mr. McCLELLAN. Mr. President, I yield the remainder of my time, or as much thereof as he may desire, to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBERTSON. Mr. President, all I wish to do, in response to the argument of the distinguished Senator from Connecticut, is to say that when he charges that we are rolling over or rejecting all these plans to have better administration, it should be remembered that Mr. Hoover himself was not in favor of Reorganization Plan No. 12, which the Senate has disapproved today—and I voted to disapprove it—and it should also be remembered that Mr. Hoover is not in favor of Reorganization Plan No. 1, upon which we are about to vote. It should further be remembered that Reorganization Plan No. 1 is not approved by the Cabinet officer to whom this power would be granted. He wrote to the committee saying that he did not approve it and did not want the power, and that if it were given to him, he would not exercise it.

Mr. President, in view of the fact that the sentiment against this plan, which comes to us in an entirely different form from that which the Hoover Commission recommended, is so overwhelming in the country and so overwhelming on the floor of the Senate, I shall not delay the vote by discussing the matter further; but I ask unanimous consent to have inserted at this point in the RECORD a brief statement in support of the resolution of disapproval.

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

STATEMENT BY SENATOR ROBERTSON

Mr. President, I have received hundreds of letters in recent months from constituents and other citizens urging me to support the recommendations of the Hoover Commission and I have told these correspondents that I would support those recommendations which would promote economy and efficiency in our Government.

In advocating today adoption of my resolution to disapprove the President's Reorganization Plan No. 1, I want to emphasize that I am not speaking as an opponent of the Hoover Commission's proposals nor am I departing from the position I have regularly taken favoring Federal economies.

Although this plan is based on an interpretation of the Hoover Commission's general recommendations concerning management in the executive branch, the Citizens' Committee for the Hoover report itself admits that it differs widely from the more specific recommendations which the Commission made for reorganization of the Treasury Department.

In essence this plan merely would destroy the present independent status of the Comptroller of the Currency and would give the Secretary of the Treasury an administrative assistant secretary. I have no objection to giving the Secretary another assistant if he needs one, but adding additional employees certainly is not a direct way of economizing in our spending. I am strongly opposed to the part of the proposal relating to the Comptroller. What we do there cannot promote governmental economy because the costs of the Comptroller's Office are paid by direct assessments against the national

banks which it examines. No efficiency is involved unless it be claimed that a program of deficit financing can be promoted more efficiently if the President, through his Secretary of the Treasury can indirectly control the credit policies of the national banks. That is not the kind of efficiency in which I believe.

I said at the outset of these remarks that I had received hundreds of letters endorsing the Hoover Commission recommendations. In contrast, all of the letters except one which I have received concerning Reorganization Plan No. 1 have been opposed to it. And the one banker who favored it admitted frankly that he was influenced in his position by an unpleasant personal experience with the Comptroller's Office.

On the other hand, I found that our national banks were against the proposed change; that the Comptroller did not favor it and that the Secretary of the Treasury, who would be given additional power, did not want it.

In a letter submitted for the record of the hearings on the pending resolution, Secretary of the Treasury John W. Snyder made the statement that he was in accord with the provisions of Reorganization Plan No. 1 "except to the extent that it would transfer the functions of the Bureau of the Comptroller of the Currency to the Secretary of the Treasury."

In this letter Mr. Snyder said: "If Reorganization Plan No. 1 of 1950 became effective, I would use my full powers thereunder to preserve the continuity of this bureau in all possible respects in order to maintain a situation which, in my opinion, is most beneficial both to the national banking system and to the general economy. However, it must be borne in mind that my policy in this respect would not necessarily be maintained by future secretaries of the Treasury."

In other words, if this plan is accepted now, the Secretary of the Treasury promises to let things go on practically as they are so that the effect would be a nullity, but the latter part of his statement suggests that he shares the fear many of us have that some future secretary might use his power over the Comptroller to whip National Banks into line in support of the Executive's fiscal policies.

Secretary Snyder himself went so far as to say: "It is my firm conviction that a vigorous national banking system is essential to the economy of this country. It not only acts as a pacemaker, as I intimated above, for the State banking systems, but also serves to provide competition for those systems, and hence increases their strength as it increases its own. It is also my belief that the national banking system would not long remain intact, strong, and vigorous without leadership by the Office of the Comptroller of the Currency, which has no other function than its supervision and administration. The preservation of that system is more important than creating a new channel of authority where no need therefor appears."

Mr. Snyder's letter then referred to the summarization of the principles of administration contained in the Hoover report and continued: "It is difficult to see how the operations of the Office of the Comptroller of the Currency could be performed with greater effectiveness or responsibility. As for economizing, that Bureau is one of the few administrative agencies of Government that uses no tax funds; it is supported entirely by assessments upon the banks it supervises."

The letter concluded with a renewed expression of Mr. Snyder's doubt as to the advisability of the proposed transfer.

I would also remind you that at the hearings on the pending resolution, the distinguished Chairman of the Banking and Currency Committee, the senior Senator from South Carolina, appeared at the direction of his committee to oppose the plan. He pointed out that this committee, on which I also have the honor to serve, was concerned because of the proposal to abolish, in effect, the agency which has supervised national banks ever since the national banking system was established.

Others who appeared at the hearings in opposition to the reorganization plan and favoring the pending resolution included representatives of the National Association of Supervisors of State Banks, the American Bankers Association, several State bankers associations and the Reserve City Bankers Association.

The only testimony favorable to the plan was that given by representatives of the Budget Bureau and a spokesman for the Citizens Committee for the Hoover Report who admitted that part of his concern over what happened to this plan was not so much because of its content as because it was the first of the reorganization plans and he feared the precedent that would be set by its rejection.

Confirming my own experience, the staff director of the Committee on Expenditures in the Executive Departments, which handled the pending resolution, reported in a statement incorporated in the hearings that it had received 376 communications from 37 States dealing with plan No. 1 and that all but one of those was in opposition to the plan.

Mr. President, I shall not take up the time of the Senate with further discussion of this plan, because I feel the objections to it are too obvious and the arguments for it too weak to require extended treatment. I ask, however, that there may be inserted at this point in the RECORD, as a part of my remarks the short statement I submitted at the committee hearing outlining 10 reasons why this reorganization plan should not be approved.

The statement follows:

REASONS FOR OPPOSING REORGANIZATION PLAN NO. 1 OF 1950

1. For 86 years the Office of the Comptroller has enjoyed, and still does, a semi-independent status.

Other branches, bureaus, or divisions of the Treasury Department do not possess this standing. The plan, therefore, primarily would affect the Comptroller.

The Comptroller is appointed by the President with the consent and advice of the Senate. He administers the functions of the office under the general direction of the Secretary of the Treasury. He is accountable to Congress through annual reports and through reports on salaries of all bank examiners. He makes recommendations to Congress concerning legislation affecting national banks. He enjoys a position of prestige on the same plane as the heads of other supervisory authorities, such as the FDIC and the Board of Governors of the Federal Reserve System.

The plan would result in the Secretary of the Treasury absorbing all functions of the office and severing the Comptroller's present direct relationship with Congress.

2. The Comptroller's office does not constitute, in any way, a burden upon our Federal budget.

One of the principal objectives of the Reorganization Act of 1949 is to reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the Government. With this sound principle we are all in accord.

At this time, the Comptroller's Office is entirely self-sustaining, dependent in no way upon appropriations made by Congress or funds supplied by the Treasury Department. The expenses of the office are defrayed exclusively by the assessments on national banks for examinations made by it. Therefore, no reduction of Government expenditures would result from the proposed reorganization plan.

3. Under the plan the Secretary of the Treasury could effect transfers of the funds of the Comptroller's Office as well as records, property, and personnel.

The sum paid to the Comptroller by national banks therefore would be subject to this provision. The Secretary of the Treasury would have control of these funds and any unused portion thereof could be appropriated and used by him to carry out other functions of the Department.

4. It would be a step toward the breaking down of our existing dual banking relationship.

This plan might be only the forerunner of still an additional reorganization plan which would transfer either to the Board of Governors or the FDIC the examining, statistical, and other functions of the Comptroller, excepting perhaps the chartering of national banks.

5. It would place the Comptroller in an inferior position with relation to the heads of other supervisory bodies, such as the FDIC and the Board of Governors of the Federal Reserve System.

6. The Secretary of the Treasury could reassign duties which might seriously interfere with the efficient operation of the Comptroller's functions.

The Secretary of the Treasury, under the plan, would have complete direction and control over the duties now performed by the Comptroller's Office. The Secretary could authorize any other officer, agency, or employee of the Department to handle any of the functions now performed by the Comptroller's Office. This could lead to serious difficulties in the enforcement of the National Bank Act, as the proper administration of national banking laws requires quick decisions by experienced supervisory authorities, whose decisions are final.

The national banks, at this time, have confidence and are satisfied with the splendid past performance of the Comptroller's Office, and certainly do not desire any change which might in any way jeopardize the same.

7. The plan possibly would involve the replacement of the Comptroller by the Secretary of the Treasury on the Board of Directors of the FDIC, unless the Secretary delegates that function specifically to the Comptroller or to some other official.

8. An Administrative Secretary would be appointed who would perform such duties as prescribed by the Secretary, particularly in supervising and directing the policies and the programs of the Department.

This would inject outside interference in the determination and administration of policies and regulations now carried out by the Comptroller and his assistants.

9. The Office of the Comptroller enjoys the confidence of the national banks of the country.

There are approximately 5,000 national banks in this country, representing over 56 percent of all the commercial banking resources of the United States. These banks look to the Comptroller of the Currency as their sponsor in Washington, a Federal official free to speak and act on their behalf and without censor or influence from a superior. While the banks of the country have the highest respect and confidence in our present Secretary of the Treasury, the Honorable John W. Snyder, there is apprehension that some future holder of this office might use his powers and authority in a way not conducive to sound banking or for the general public welfare. It is a matter of law, rather than a matter of personalities. Over the long years of its existence, the Office of the Comptroller has built up a splendid record. It is our belief that nothing should

be done which would in any way disturb the present satisfactory operations of national banks and the public confidence in them.

10. The Office of the Comptroller of the Currency should be kept out of politics.

Congress provided that the term of office of the Comptroller should be for 5 years and, therefore, it would not be concurrent with the tenure of office of the Secretary of the Treasury.

Formerly, his appointment was made by the President on the recommendation of the Secretary of the Treasury, to be confirmed by the Senate. In the Banking Act of 1935, this was changed to provide for the appointment of the Comptroller solely by the President, without the recommendation of the Secretary of the Treasury, but with the advice and consent of the Senate.

Apparently, these provisions were made for the purpose of protecting the national banks with a leadership independent of undue influence from other governmental authority. The Comptroller is responsible for momentous decisions which would insure sound operations for the national banking system. These decisions should be unbiased and final.

Mr. ROBERTSON. Mr. President, I yield back to the Senator from Arkansas the remainder of the time which he has allotted to me.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Hendrickson	Malone
Anderson	Hickenlooper	Martin
Benton	Hill	Maybank
Brewster	Hoey	Millikin
Bricker	Holland	Mundt
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Jenner	O'Conor
Cain	Johnson, Colo.	Robertson
Capehart	Johnson, Tex.	Saltonstall
Chapman	Johnston, S. C.	Schoeppel
Connally	Kefauver	Smith, Maine
Cordon	Kem	Smith, N. J.
Darby	Kerr	Sparkman
Donnell	Kilgore	Stennis
Dworshak	Knowland	Taft
Eastland	Langer	Thomas, Okla.
Ecton	Leahy	Thomas, Utah
Ellender	Lehman	Thye
Ferguson	Lodge	Tobey
Fulbright	Long	Watkins
George	Lucas	Wherry
Gillette	McCarthy	Wiley
Green	McClellan	Williams
Gurney	McFarland	Withers
Hayden	McKellar	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the resolution offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Those in favor of the resolution will vote "yea." Those opposed to the resolution will vote "nay."

Mr. WHERRY. Mr. President, do I correctly understand the Chair to mean that if a Senator opposes the reorganization plan, and favors the resolution disapproving it, he should vote "yea"?

The PRESIDING OFFICER. That is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

The Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of illness in his family.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS] is paired on this vote with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Delaware would vote "yea."

The Senator from Washington [Mr. MAGNUSON] is paired on this vote with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Montana would vote "nay."

The Senator from Nevada [Mr. MCCARRAN] is paired on this vote with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Wyoming would vote "nay".

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. MORSE] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is detained on official business. If present and voting, the Senator from Vermont would vote "yea."

The yeas and nays resulted—yeas 65, nays 13, as follows:

YEAS—65

Anderson	Hickenlooper	Maybank
Brewster	Hoey	Millikin
Bricker	Holland	Mundt
Bridges	Hunt	Myers
Butler	Ives	O'Conor
Byrd	Jenner	Robertson
Cain	Johnson, Colo.	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Chapman	Johnston, S. C.	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kerr	Stennis
Darby	Knowland	Taft
Donnell	Langer	Thomas, Okla.
Dworshak	Lehman	Thomas, Utah
Eastland	Long	Thye
Ecton	Lucas	Tobey
Ferguson	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gillette	McKellar	Withers
Gurney	Malone	Young
Hendrickson	Martin	

NAYS—13

Aiken	Hill	Neely
Benton	Kefauver	Sparkman
Ellender	Kilgore	Williams
Green	Leahy	
Hayden	Lodge	

NOT VOTING—18

Chavez	Humphrey	O'Mahoney
Douglas	McCarran	Pepper
Downey	McMahon	Russell
Flanders	Magnuson	Taylor
Frear	Morse	Tydings
Graham	Murray	Vandenberg

The PRESIDING OFFICER. On this vote there are 65 yeas, 13 nays. A majority of the authorized membership of the Senate having voted in the affirmative, the resolution is agreed to.

EDITORIAL COMMENT ON THE RAILROAD STRIKE

Mr. DONNELL. Mr. President, I ask unanimous consent that there be inserted in the body of the RECORD—not in the Appendix—at this point in my remarks an editorial from the Washington Post of today, May 11, 1950, entitled "Inexcusable Strike," in which the present railroad strike is discussed, the concluding two sentences of which read as follows:

Indeed, we think Congress ought to take another look at the Railway Labor Act, which is predicated on reasonable acceptance of the facts. Compulsory arbitration of rail disputes would have many undesirable ramifications, but it might be inescapable as a means of protecting the public interest—especially against a strike such as this one which seems to have resulted primarily from a union attempt to save face.

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

INEXCUSABLE STRIKE

It would be hard to conceive of a strike with less merit, from the public standpoint, than that which has tied up four major railroads. The strike has been called by the Brotherhood of Locomotive Firemen and Enginemen to enforce demands for a second fireman on multiple-unit Diesel locomotives. That demand has twice been turned down by Presidential fact-finding boards on the very reasonable ground that there is little or no work for a second fireman to do. The crippling effects of the strike cannot yet be fully judged, but certainly they will be great. The New York Central, Pennsylvania, Santa Fe, and Southern are all trunkline railroads linking major cities; in many instances they afford the only direct route. A subsidiary effect of the walkout may be seen in the Chesapeake & Ohio order canceling passenger trains out of Washington because they must use Southern tracks.

From the standpoint of the firemen, the issue is twofold: prestige and job security. There is an intense rivalry between the firemen and the Brotherhood of Locomotive Engineers, who also have asked for a second crewman on Diesels but have not pressed their claim. Jobwise, most of the rail unions fear the inroads of Dieselization—for Diesels can haul heavier trains faster over longer distances, and there is a threat of potential displacement of some crewmen.

The fear of fewer jobs is behind much union featherbedding, but the means used to combat that fear are reminiscent of the Luddites, who broke the machines that displaced them. A major factor in declining rail traffic is the high cost of transportation. Diesels give promise of reducing costs and attracting new traffic—but economies can easily be nullified by feather bedding. Yet increased traffic is the only real guarantor of job security. Is it not time for rail unions and managements to get together and affirm their faith in an expanding economy, meanwhile making some provision for retraining and relocating temporarily displaced workers?

By striking only four lines, the union undoubtedly hopes to avoid the cry that a na-

tional emergency exists. But these lines are vital arteries to many parts of the country, and some sort of seizure may soon be necessary. Indeed, we think Congress ought to take another look at the Railway Labor Act, which is predicated on reasonable acceptance of the facts. Compulsory arbitration of rail disputes would have many undesirable ramifications, but it might be inescapable as a means of protecting the public interest—especially against a strike such as this one which seems to have resulted primarily from a union attempt to save face.

Mr. DONNELL. Mr. President, I ask unanimous consent that there likewise may appear in the body of the RECORD at this point an editorial from the New York Times of Thursday, May 11, 1950, on the same general matter, the railroad strike, the editorial being entitled "No Room for Compromise."

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

NO ROOM FOR COMPROMISE

Ever since the First World War the Nation's railroads have been fighting with their backs to the wall against the rising tide of competition from newer types of transportation—the passenger car, the motor truck, the airplane, and the pipelines. This has placed a high premium on the achievement of increased operating efficiency. In recent years the carriers have found that one of the most effective instruments for this purpose was the introduction of Diesel-electric locomotives. Indeed, in the case of a good many roads, the shift to Diesels has just about meant the difference between earning a slight profit and operating in the red.

Since the movement toward Dieselization became general, however, two railroad brotherhoods—the firemen and the engineers—whose jurisdictional rivalry is only slightly less intense than that of a blood feud, have vied with each other to hijack the railroads, as it were, and appropriate for themselves the economic benefits represented by this costly investment program. When Diesel power was first introduced on the Burlington system in 1934 the locomotives were successfully and safely operated with one man in the cab, an engineer. Shortly thereafter, however, the Burlington was compelled under threat of a strike to add a fireman to its crew. And now for nearly a decade the two unions have been trying to push still further this packing of the engine crews, the one demanding a second engineer, the other insisting on an additional fireman.

In 1943 a Presidential fact-finding board found that there was no justification whatsoever for adding either more engineers or more firemen. In other words, the demands were rejected as being purely featherbedding, or make-work proposals. Although nothing had changed in the meanwhile to alter the situation, the firemen renewed their demand in 1947. After negotiation and mediation had failed President Truman named another fact-finding board. Like its predecessor, this board, in a ruling handed down last September, declared that the union suggestion was "devoid of merit." Although a Presidential fact-finding board is the court of last resort under the Railway Labor Act, the firemen's union appealed over the board's head to the White House, accompanying the appeal with threats of a strike in defiance of the Labor Act and the judicial opinion of the President's own appointive board. Yesterday the firemen put those threats into action. Their chieftain, David B. Robertson, pulled 18,000 members of the brotherhood off four of the Nation's key railroad systems in a strike which can only be described as a calculated outrage against the railroads, the Government, and the American public.

Although the number of railway firemen affected in this walkout is comparatively small, it is regarded as only a question of time before the strike produces a national emergency, crippling production in all parts of the Nation. This is a walkout which was coldly embarked upon, not in an effort to remedy some injustice, real or otherwise, but to impose by economic terrorism a demand which had been twice adjudicated by the highest railway-labor tribunal in the Nation, and twice found to be completely without justification. It is a strike to test whether the interest of the community is, or is not, paramount to that of any labor group which happens to find itself in a position to exploit the public to further its ends, however demonstrably unworthy and objectionable these may be. And it should not be necessary to say that in such a test there can be no room for compromise.

Mr. DONNELL. Mr. President, I ask unanimous consent that there likewise may appear in the body of the RECORD an editorial entitled, "An Indefensible Strike," published in the New York Herald Tribune of today.

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

AN INDEFENSIBLE STRIKE

The strike on five great railway lines comes at the end of a 2-week special truce and after exhaustion ofall the processes of delay and mediation provided by the Railway Labor Act. It is not surprising, considering the position of the railway union, that negotiations have thus far been futile. For the union is concerned, not with hours, not with wages or working conditions, but with a simple measure of featherbedding. Twice impartial fact-finding boards have denied the need for a second fireman on Diesel locomotives; but the union continues unremittingly to demand this unnecessary and wasteful addition to the crew. What neither safety nor convenience requires, and what sound operating procedure emphatically rejects, the union insists upon, even at the cost of disrupting a large part of the economy of the Nation.

The conversion to Diesel locomotives has been one of the most hopeful signs in American railroading. The pressing need of improving service and lowering fares and freight rates, to meet competition from other forms of transportation, has found the promise of a real answer in the development of the Diesel engine. Private capital has supplied the necessary investment; the Government has encouraged the conversion. It would be an economic tragedy if the gains thus envisaged were to be cast away by union short-sightedness. Technological unemployment is resisted by labor with an ardor for which the public may frequently have sympathy; but where this resistance takes the form of featherbedding as crude as in the present instance, and where the gains of technological progress are so direct for industry—and in the comparatively short run for labor, also—mere obstruction can seem a fatal policy. It is especially so in an area of labor where responsible unionism has long been the tradition, and where a wide-spread stoppage places such burdens on the public.

The present strike is indefensible. If the union has got itself into a position where negotiation is no longer fruitful, and where only retreat is possible, then for its own sake it will have to retreat.

ADDRESSES BY PRESIDENT OF THE UNITED STATES AT CASPER AND LARAMIE, WYO.

Mr. HUNT. Mr. President, I ask unanimous consent to have incorporated in the body of the RECORD, at this point in my remarks, two addresses delivered in my State by the President of the United States, one at Casper, Wyo., on May 9, and the other at Laramie, Wyo., on May 10.

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

ADDRESS BY THE PRESIDENT AT CASPER, WYO.

It's good to be back in Wyoming again.

Seeing this western country and talking to the people out here always reaffirms my faith in the vigor of this Nation and the glowing promise of its future.

This is my first visit to the West since 1948.

As you know, we have settled a number of issues since then. And we've settled them in the old-fashioned, American, democratic way. One of those issues is of particular importance here in the West. It concerns the policy this Nation is going to follow in developing its great wealth of natural resources.

In this country, there have always been two philosophies about the use of natural resources. One philosophy is that our resources should be exploited by a privileged few for their own benefit. This first philosophy holds that if we preserve or develop natural resources for the benefit of all the people, that is socialism, or some other form of ism.

The second philosophy holds that our natural resources are the cornerstone of a strong, free democracy. As such, they must be used to advance the well-being and the prosperity of all the people. This philosophy holds that it is necessary for democratic government to make sure that our land and water, our forests and our minerals, are used wisely, and not exploited for the benefit of a few.

You know which of these philosophies I believe in. It is the same one that the great majority of the American people believe in.

I am happy to be able to say that since I was out here in 1948, we have been making progress in strengthening the policy of using our resources for the benefit of all the people. This Congress has been moving forward—not backward.

I am particularly happy to say this to you here in Casper.

Wyoming is a State with tremendous natural resources. Here in Wyoming, the great plains of the West, with their abundant agricultural possibilities, rise to meet the high plateaus and mountains, rich in minerals and water power.

Not so long ago, this part of the country was considered "way out west." That phrase meant something more than physical distance. It expressed the attitude of too many people in important places in the East, toward the real needs of this great region.

This country, way out west, was a source of low-priced raw materials for the East. It was an area where eastern money could be invested for quick, spectacular profits. The real needs of this western country were not understood or appreciated. Because it was "way out west," too many people, both in and out of Government, just didn't care about the future of this part of the country.

You know where that spendthrift, careless philosophy led us. Much of the best range land was badly damaged, some almost beyond recovery. Precious topsoils were washed down the rivers. The cream was skimmed off the mineral deposits. The primary emphasis was on quick exploitation of resources. The whole idea was to make money quickly and then move on.

I am sure that you businessmen, farmers, and ranchers remember the tragic results of this philosophy. You are still fighting to recover from the loss and waste of that era. But now the American people are with you. They have renounced the narrow, selfish view of natural resources.

For 17 years, with one brief set-back, you have had a Government that recognizes its

responsibility for helping to preserve and develop natural resources. This is a Government that works with you, not against you.

The contrast between the enlightened, democratic approach to the use of our natural resources, and the selfish, antidemocratic approach, is plain here in Wyoming. About 50 miles north of Casper lies Teapot Dome. About 50 miles southwest is the new Kortes Dam.

The name Teapot Dome stands as an everlasting symbol of the greed and privilege that underlay one philosophy about the West. It is not only a reminder that there were selfish or misguided individuals seeking special privileges. There are always such individuals. It is also a reminder of what can happen in your own front yard when you have the wrong kind of government in Washington.

Kortes Dam is a product of a different philosophy about resources, and a different kind of government. High up in a mountain canyon on the North Platte River, this dam is a new source of wealth and strength for the people of the West. This is an example of the right way to use natural resources for the benefit of all the people.

When the Kortes power plant goes into operation this year its three turbines will add 36,000 kilowatts of electricity to our national store of energy. It will be tied into a network of transmission lines and teamed up with the plant at Seminoe Dam 2 miles upstream and with other plants downstream. This development will bring light and power to thousands of homes, farms, and industries in Wyoming, Colorado, and Nebraska.

Furthermore, Kortes Dam is a part of the reclamation work of the Federal Government. The dam is built as part of a project which will bring more water tc irrigated lands. The income from the power produced at Kortes will help repay the investment in irrigation work.

The completion of Kortes Dam is thus a step toward developing natural resources for the welfare of the people. But this dam has another significance. It is based upon a recognition of the fact that water and land and forests must be treated together. We can make proper use of our resources only if we base our plans on that fact.

Like many of you here today, I was born and raised in the Missouri Valley. Like you, I have seen at first hand the terrible effects of looking at resources separately. When too much sod on the plains was broken to plant crops, when the range land was overgrazed, the result was not only a loss of grassland and soil cover. The result was floods, and dust storms, and a heritage of waste that has had to be slowly and painfully overcome.

Today we know that soil and forest conservation, flood control and the development of power, navigation, and irrigation, must all be tackled and solved together. We have learned that a great river valley cannot be developed in piece-meal fashion. It is not possible to separate the land from the water. It is foolish to prepare for floods downstream but to pay no attention to soil cover and small creeks upstream.

It has taken years for us to organize our efforts in line with this concept of the interrelationship of all resources. We have met great opposition from selfish or short-sighted people—although I am glad to say that many have gradually been converted to the right viewpoint as the soundness of what we are trying to do has been demonstrated. We still have far to go. But the progress we have made in the last 17 years is tremendous.

Here in the Missouri Valley, which covers one-sixth of the counrty, work is going forward to develop the land, water, and forests. We have embarked on these enterprises in the best democratic tradition. Our success has been possible because of private initiative, coupled with cooperative work by Federal, State, and local governments.

You can see the results all about you. The city of Casper lies in the midst of an area containing about half a million acres of irrigated land. Private enterprise and local, State, and Federal Governments are all playing a part in making irrigation farming more secure and more productive. Not the least part of the success of irrigation farming is due to the national investment in irrigation and power facilities by the Federal Government.

That investment is good for the farmer, and it means a more stable economy for the people in town. For the Nation as a whole the investment in sound reclamation work is part of our broad effort to create a growing economy.

Here in the western part of the Missouri Valley we have also been working to conserve and improve range lands. For the long-run success of livestock ranchers, a well-grassed and well-watered range is essential.

Before 1934 almost nothing had been done to create that kind of range. Since then much has been done on both private and public lands. We have found better grasses to provide improved cover and more profitable grazing. We have learned to build small ponds and reservoirs, as a defense against drought.

Right here in Natrona County, within the past 10 years, 2,000 stock-water ponds have been built. With more watering places, cattle and sheep can spread out over the range instead of overgrazing some parts and letting good grass go to waste on other parts.

This range-improvement work means a more productive and secure livestock industry. It is important also in another way. Poor management of range lands contributes to floods and allows silt to go down the rivers to fill up the power and irrigation reservoirs. Good management of range lands prevents erosion, helps to hold back floods, and protects our investments in reservoirs.

We should be proud of the work we have been doing—on the range lands, in irrigation, in power development, and all the other parts of our resource work. Green fields, blue reservoirs, clear streams, and shining new transmission lines tell of the advances we have made.

In the development and use of our resources, however, some of the most challenging tasks still lie ahead.

We need to put more of our land under good conservation practices. We need to build more ponds and reservoirs on the ranges, and dikes to spread water more evenly over the land. Millions of acres need reseeding. We are far from a balanced range program. Through the agricultural conservation program, we are making a national investment on private range lands which is considerably larger per acre than the amount the Government is spending on public range lands. Incidentally, the amount we are spending on the public range lands is less than 1 percent per acre per year.

Another field in which greater effort is needed is the control of insect pests. Here in Wyoming, there is a serious plague of grasshoppers. The Federal Government should bear its full share of the cost of overcoming this plague through the excellent Federal-State cooperative program that has been worked out.

In the forests, we need to build more roads, so that we can reach the timber and use it.

Along the rivers, we need more sound irrigation projects. In addition, we need other works to control and use the waters of the rivers—from the small creeks and tributaries in the mountains all the way down to the mouths of the main streams.

Minerals must be conserved, too, in the sense that we must take out of the ground all that can economically be extracted, and must increase our exploration for new sources.

Furthermore, we need to go ahead rapidly to conserve our limited water supplies. Out here in the West, water has always been relatively scarce. And as more and more water is put to beneficial use, it is becoming more and more necessary to conserve every drop. Even in the East, it is becoming obvious that more needs to be done to assure an adequate supply of good water.

This water problem is not only serious for farmers and for cities and towns. In many parts of the country it is also a serious problem for industries. For example, down south of here in Colorado there are huge reserves of oil shale. In the years to come, we may well need to obtain oil from that shale. It will take a lot of water to do so, however, and there is a real question whether there is enough water for that purpose.

This whole problem of limited water supplies and growing water uses, is the reason I appointed a Water Resources Policy Commission earlier this year. I asked some of the best experts I could find to serve on that Commission, including several from the Western States. They are making a thorough study of the facts, and should give us some sound recommendations for our future progress.

As we move forward in our use of resources, we must improve the organization of the Federal Government so that its part of the development job can be done better and with more effective participation by State and local governments.

There are still reactionary forces that oppose every forward-looking proposal to develop the resources and increase the prosperity of the West. The philosophy that produced Teapot Dome is not dead.

But these reactionary forces are fighting a losing battle. We have been overcoming their opposition for 17 years. And we are going to go right on beating them.

Those who are opposing us now are the same ones who said the soil-conservation program would regiment the American farmer. A few years back they asserted that it was socialism for the Government to lend money to farmers to build rural electric lines. They claimed it was a boondoggle to plan shelter belts of trees on the plains.

Now they're for those things. They admit that these programs have been good for the country. All they want to do now is to prevent any further progress.

But their past record is clear and plain. And their new arguments are no better than their old ones.

The American people will continue to go right ahead, taking the practical, sensible steps that are needed to build a better future. We are a strong, free people. We know that to continue free and strong, we must wisely develop and use the resources with which nature has endowed us.

The money we spend for effective conservation work is a sound investment in better living for ourselves and our children. We will not be dismayed by those who say the cost of such investments is too great. The cost of not making them would be far greater. We cannot afford to slacken our efforts, for this is work which is vital to our future.

Today, more than ever before, we can see how important it is that we take these steps to develop our resources. We are engaged in a world-wide struggle to bring lasting peace to the world. In that struggle, we are being opposed by a cynical imperialism which asserts that freedom and democracy are soft and incapable of strong action.

We can prove how false, how hollow, are the claims of communism. But we can prove that only by deeds. We must demonstrate that our free country, along with other

free countries, can achieve strength, prosperity, and growing welfare for our people.

To do so, we must continue to move forward in our use of natural resources. We must not permit any backsliding toward the old philosophy of private greed and the public be damned. We must continue to look upon our resources as a public trust, to be preserved and increased as the physical basis for a growing future.

In the tremendous conflict that exists in the world today, our fundamental strength is our belief in the worth of the individual, under God. Our whole democratic tradition rests on our faith that freemen, working together in cooperation, can achieve justice and well-being for themselves and for one another.

In that faith, we shall move forward on the path of freedom and peace.

ADDRESS BY THE PRESIDENT AT LARAMIE, WYO.

It is always a pleasure to visit Laramie, a landmark of the old West. It is a particular pleasure to speak here at the University of Wyoming, a symbol of the new West.

The West exerts a strong influence on the imagination of Americans. The stirring drama of the opening of the West is a part of our national folklore.

It is a tradition that the West is a country of great distances and of isolated communities, of many days of travel between cities. That tradition has left a deep impression on all Americans.

It had much to do, I think, with the notion that many of us once held that the United States was a vast distance away from foreign neighbors—that our Nation was an isolated community separated by days of travel from other communities on the globe.

You know how the West has shrunk. Distances seem to have been wiped out by a network of rails and highways, and now by the huge airliners that cross the entire Nation in less time than it used to take to cross a single county.

The world's distances have likewise shrunk. To put Laramie in its right perspective, you should erect signposts in the center of town that read like this: One pointing east that says, "London, 30 hours"; one pointing west that says, "Shanghai, 44 hours"; one pointing south, "Santiago, 35 hours"; and one pointing north, "Moscow, 45 hours."

These are the normal flight times of commercial airliners.

There are military planes that fly even faster.

It took two World Wars to bring home to us the fact that world distances have disappeared. We are next-door neighbors now to people in other countries who once were scarcely more than names to us. We have become citizens of a larger community—the whole world.

It is the great problem—and the great challenge of our age—that strangers have become fellow citizens at a time when the world is so deeply divided. We have been forced into a common citizenship with peoples who do not understand our conceptions of democratic life. We must recognize—whether we like it or not—that we are neighbors with a government which denies all the values of the American tradition, indeed of all ethical and moral traditions, and which seeks to spread its doctrine over the entire earth. We have become neighbors of a new and terrible tyranny.

Tyranny is not new in the world. As long as democracy has existed, tyranny has also existed. But never before has it been so difficult for tyranny and democracy to find a basis for peaceful coexistence.

There are two reasons for this. The first reason I have already mentioned—the elimination of distances. Where once we could ignore a far-off tyranny there no longer are any far-off places. Today everybody on the globe is our neighbor.

The second reason is that the new tyranny of Soviet communism is giving no evidence that it is willing to let the free world exist peacefully. Communism has clearly shown its purpose to penetrate free countries, to divide free peoples and confuse them, to subvert their institutions, and to weaken their resistance. This is a method of attack far more subtle than the ancient and direct method of military attack. It requires more understanding, more alertness, and more determination on the part of those who want to preserve their freedom.

How do we meet this overriding problem—the most important one of our time?

I will tell you two things we cannot do.

First, we cannot compromise our own social and ethical beliefs. We know, as our ancestors knew, that tyranny is evil. We know that this newest form of tyranny is a compound of evils. Communism denies all that we have come to know as democracy. It denies freedom and liberty and human dignity. It denies God. We cannot meet the challenge by any form of compromise with such beliefs.

Second, we cannot isolate ourselves. The leadership of the free world, the hopes of millions of people who have not our strength and our resources depend on us. But even if we could forget our friends we know that there is no salvation even for ourselves in any passive policy of withdrawal. If we permitted communism to engulf the rest of the world and to roll up to our borders there would be no peace and no security for us.

We cannot compromise our principles.

We cannot withdraw from the world.

What can we do?

We can do this: We can, together with other nations of the free world, clearly demonstrate the superiority of the ideals of freedom over the iron hand of tyranny. We can make clear that democracy and freedom bring to each individual, each day, more of what he wants than any other system of government.

The free world must demonstrate moral superiority. It must demonstrate material superiority.

The free world has the resources to make that demonstration. It has the tremendous advantage that always adheres to the cause of justice, liberty, and respect for human dignity. With leadership, with unity, with steadfastness, that demonstration of moral and material superiority can be made.

As the strength and the effectiveness of the system of freedom are made clear over the globe—as the peoples who now stand in doubt turn to democracy—the danger of Communist domination will dwindle and finally disappear. The struggle for peace, security, and stability in world affairs can be won.

This is a long-time project. I know that the American people are impatient. But in this instance we must be more than patient. The conflict that exists in world affairs will be with us for a long, long time. There is no quick way, no easy way, to end it.

In all our relations with other nations we are following a consistent and forthright policy to strengthen the cause of freedom and bring about stability and peace in world affairs.

We are working, first of all, for unity among the nations. The foremost expression of our will for unity is our work within the United Nations. The United Nations was created on our soil. Its headquarters are in this country. We have worked unceasingly to make the United Nations and its affiliated organizations strong and effective agencies of peace and international cooperation.

We have done our best to settle—through the United Nations—some of the difficulties in the world today. You know the record. You know of the vetoes. You know that failures in the United Nations cannot be laid to any lack of good faith on our part or any lack of trying.

In spite of all difficulties, the United Nations has done—and is continuing to do—work of tremendous value in helping the nations of the world to get along with one another and solve their common problems. This work must continue—and it will continue.

As long as I am President we shall support the United Nations with every means at our command.

Within the larger framework of the United Nations, we have joined the countries of western Europe in a great combined effort to assure their economic recovery and political stability.

The decisive vote of 60 to 8 by which the Senate a few days ago approved the Foreign Assistance Act of 1950 is a forceful expression of the determination of the American people to carry forward our constructive foreign policy. This action by the Senate, following a large favorable vote by the House of Representatives, assures our partners in western Europe that we will successfully complete the great recovery program that was launched 2 years ago.

To promote international peace and security in vital areas, we joined first with the other Republics of North and South America in the Treaty of Rio de Janeiro and then with Canada and 10 European nations in the North Atlantic Treaty. Through the mutual defense assistance program, we have joined with a number of other free nations to strengthen our common military defense against aggression.

In the former enemy countries of Germany and Japan, we have been working to restore them to the society of free nations as rapidly as they can build firm and reliable democratic institutions.

Our efforts in Germany have been delayed by the attempts of the Soviet Union to turn Germany into another Communist satellite. Nevertheless, Western Germany has made great progress along the road toward democracy. We believe that the Germans will continue to build upon these elements in their tradition which are good. We want Germany to become more closely integrated with the free nations of Europe.

In Japan, we have also seen encouraging progress. The Japanese people, who have not had the same long familiarity with democratic ideals, are nonetheless learning the ways of democracy. They are rebuilding their economy along more democratic lines. In one field after another, the Japanese are reestablishing their contacts with the rest of the world in preparation for a resumption of full membership in the international community.

Elsewhere in Asia, we are encouraging the aspirations of the millions of people who are striving to establish new democratic governments. In this part of the world, we have witnessed since the end of the war a tremendous event in history—the birth of a great group of new nations—India, Pakistan, Burma, Ceylon, Indonesia, South Korea, and the Philippines. These new nations are now consolidating their independence and working out their problems of internal security and stability.

We welcome these new countries into the family of nations. We can, and shall, continue to give them support, material as well as moral, in their struggle to maintain their freedom.

The credit of $100,000,000 to the United States of Indonesia is one type of material aid. Another type is the technical assistance we shall make available to underdeveloped countries under the program that has become known as point 4. This was approved by the Senate last week after earlier authorization by the House. Point 4 provides an example of broad-scale collective action on the part of many countries to bring the benefit of better living conditions to millions of individuals now suffering from ill health,

illiteracy, and poverty. The point 4 program is one of the greatest contributions we can make to the cause of freedom.

While our support of the new nations of Asia has been of real benefit to them, we have recently been unable to be of any assistance at all to the people of one vast area—China. Since the Chinese Nationalist Government disintegrated and the Chinese Communists seized control on the mainland, the plight of hundreds of millions of Chinese has been tragic. Their new taskmasters have been heartlessly indifferent to the worst famine which has occurred in China in 100 years.

We have been working for some time on steps which our country might take to feed at least some of these stricken people. The attitude of the present authorities in China has forced the withdrawal of American official representatives from that country. However, there are still a number of American religious, educational, and charitable organizations which have representatives in China who might be able to help out. We are now trying to find a way for the Government to get food into the hands of these private agencies for distribution in China.

We do not know whether American private organizations will be permitted by the Chinese Communist authorities to provide this assistance. The Communists so far have tried to deny the existence of a famine. They have rebuffed the efforts of others to discover the facts. They have even sent to the Soviet Union food which is desperately needed by the Chinese people. Nevertheless we shall keep on trying to find ways to get some food to the Chinese people.

In Asia, and in the rest of the world, we are trying to do far more than to bring relief to people who are in want. We are working by every means at our command to build the kind of world economy in which nations can be self-sustaining over the long run by their own efforts. This is of great importance, because there can never be political stability and peace unless there is a reasonable degree of economic stability and prosperity.

Our world economic policies are aimed at breaking down the barriers to world trade. We believe that a high level of trade can raise standards of living in our own country and every other country. This is the purpose of our reciprocal trade agreements program, and it is the purpose of the proposed International Trade Organization.

Our economic policies are also aimed at increasing the international flow of investment capital. The industrial growth of underdeveloped areas will mean more production, better markets, and a stronger world economy.

All our international policies, taken together, form a program designed to strengthen and unite the free world in its resistance to the spread of communism. They are aimed at banding the free countries together in a great demonstration that the free way of life is more rewarding to the individual than any form of tyranny, old or new.

I say again that we have a long task ahead. It may be many years before we can be sure that communism is no longer a threat, that our goals of stability and peace have been attained.

But those goals are clearly within our reach. The non-Communist nations together have two-thirds of the world's people and three-fourths of the world's productive power.

And we have much more than mere quantity or mere strength. We have the greatest attraction of all—human freedom. Our system of life satisfies the most fundamental desire of man—the opportunity to be his own master.

We can have faith that with these qualities and the help of the Almighty we will attain a just and lasting peace throughout the world.

THE PRESIDENT'S WESTERN TOUR

Mr. MILLIKIN. Mr. President, I am much interested in the remarks of the President of the United States, and the leader of his party, as he makes his way through several of our Rocky Mountain States.

There is the usual pattern of party strut, the sweaty flogging of nonexistent villains, or of devils long since dehorned. There is the claim of scintillant party virtues and the reiterated notion that everything good in the world commenced 17 years ago.

Then there are the magic remedies dealing with the symptoms of deep-seated ills caused by the doctor's own bad medicine. One is reminded of the physician who achieved a reputation for curing fits, and who thereafter always induced fits in his patients so that he could cure them.

The President's cure is always the same: more of the taxpayers' money and more Federal control. In Nebraska it was the Brannan plan. In Wyoming, reclamation is to stooge for a super Missour Valley Authority to revolve in its own orbit, independent of the people, the States, and the Federal Government.

At Casper, Wyo., the President, referring to developments in reclamation, said:

> We still have far to go, but the progress we have made in the last 17 years is tremendous.

Why the last 17 years, Mr. President? The progress has been tremendous since the pioneers first went into the western country. More than 85 percent of the Nation's total irrigated area has been developed by private money and private enterprise and without partisanship.

Indeed, the partisan reference to the last 17 years, in relation to the development of reclamation, is especially inappropriate and unfortunate in view of the fact that Members of Congress from the West, and all westerners, having the slightest claim to foresight, have recognized that for obvious reasons, partisanship in this matter must be put aside; there must be unified approaches and programs if we are to have the constructive assistance of the Federal Government in the development of our resources where the problems are too great for individual or local governmental solutions.

During the time that I have been a Member of this body—I have served on the old Irrigation and Reclamation Committee, and as a member of its successor, the Committee on Interior and Insular Affairs—I have never known of an instance where a project was authorized or not authorized to serve a partisan political purpose.

We get a better view of the blundering injustice and harmful provocations resulting from partisan attempts to monopolize credit for the advancement of our reclamation programs, when we remember that the National Reclamation Act of June 17, 1902, the basis of all such developments, was sponsored by the then Senator H. C. Hansbrough, Republican, of North Dakota, and the then Congressman F. G. Newlands, Democrat, of Nevada, and approved by Republican President Theodore Roosevelt.

We get a better view of this presidential foreshortening of history into a partisan span of 17 years when we note that Mr. Truman muffed the opportunity which could have been grasped with just a little bigness of spirit, to pay appropriate tribute at Cheyenne to the late Republican Senator Joseph M. Carey, author of the Carey Act approved August 18, 1894, which authorized the Secretary of the Interior to grant desert lands to the States for the development of irrigation and reclamation. That Republican-sponsored act was approved by Democratic President Grover Cleveland.

The home of Senator Joseph Carey was at Cheyenne, and grandchildren are living there at the present time. The people of the West are proud of the inspired and effective trail-blazing pioneer efforts of Republican Senator Joseph M. Carey, of Cheyenne, Wyo., in furtherance of reclamation.

But what does that matter during a partisan political trip made at the taxpayers' expense? Heaven on earth did not start until 17 years ago, and nothing else is worth mentioning.

But even during that proclaimed 17 years of utopia, from which I suppose we are to infer the fantastic falsity of unfailing yearly Treasury surpluses and freedom from national debt, freedom from war, freedom from fear of war, freedom from domestic treacheries, freedom from unemployment, freedom from high taxes, and freedom from catastrophic failure of foreign policies, western Republicans in Congress nevertheless continued to cooperate with members of the President's party to advance the interests of reclamation.

Thus the Democratic Seventy-ninth Congress made the largest appropriations for reclamation up to that time amounting to $240,000,000. The succeeding Republican Eightieth Congress upped this more than 50 percent to $389,000,000.

Another example of the right way as contrasted with partisan, sneak punch approaches: The Flood Control Act of 1944 was amended to require certain preferential dedications for the most advantageous use of water in the arid and semiarid States. The amendment provided for much-needed integration of effort between Government agencies, such as Reclamation and the Army engineers; it required consultation with the affected States and all interested parties, official and private, with opportunity for protest to Congress before authorizations for projects would be made.

The authors and sponsors of this amendment were the Senator from Wyoming [Mr. O'MAHONEY], Democrat, and your speaker, the junior Senator from Colorado, Republican.

The President was singing off key at Cheyenne, and one can only hope that his strident vocalisms will not upset the harmonies of approach necessary for moving forward with our reclamation programs.

In his singleminded preoccupation with getting in his partisan plug for the unalloyed blessing to the people of the last 17 years of his kind of Federal Government, the President neglected a great opportunity to pay deserved tribute to the free American men and women who made their danger-ridden trek to that part of our country, whose unsubsidized bivouacs and pioneer cabins were the citadels of their dauntless hope, courage, and independence, who settled the lands, utilized the waters of the streams, built up their herds, who opened the mines and oil fields, who developed a superior civilization long prior to 17 years ago, and who developed a spirit for freedom which will outlast and will mitigate, if it does not cure, the afflictions of the past 17 years.

Those pioneers died too soon. How did they ever get along without the thought control of official propaganda from Washington, without the aid of the planners of the Federal Government, without technical assistance and supervision, socialized medicine and Brannan plans, without the joy of paying one-third of their incomes to government, the joy of price controls, of making out endless forms, and submission to countless other governmental nuisances?

Mr. Truman at Cheyenne said:

* * * spirit of the frontier is exactly what I want to talk about today.

He also said:

And today's frontiers call for the same pioneering vision, the same resourcefulness, the same courage that were displayed by the men and women who challenged our geographical frontiers a century ago.

Today's frontiers do indeed call for the vision, resourcefulness, and the courage of the western pioneers. But unhappily there is not the slightest play for those qualities in Mr. Truman's completely antithetical plans for an omnipotent, ever expanding, ever present, all pervading Federal Government.

There must be a lot of restlessness in the graves of the pioneers out there.

I hope that I am not too harsh when I say that "the spirit of the frontier" is the last thing in this world that Mr. Truman is competent to talk about. Our West, which is a living symbol of that spirit, is the last place where he should be talking about it.

Mr. Truman made a number of references to "boom and bust." I doubt whether our western people are ignorant of the "bust" possibilities from a "boom" that rests on the obsolescence of war, on foreign giveaways, on a 50-cent dollar, and on borrowed money.

At Cheyenne, the President said:

A steady growth in the standards of living of the American people is a goal within our ability to attain.

Then comes this strange statement:

There are still some—

The President always has a devil; it may be some old, potbellied Republican reactionary, or some fellow under the bed in Wall Street, but there is always a devil. Watch these words:

There are still some who look upon the goal of an ever-expanding economy as a pipe dream.

That was a strange devil for the President to kick around. The only people that I know of who rejected the goal of an ever-expanding economy were those economic disease carriers responsible for the planning mania of the President's party in the thirties who preached that we had reached a static economy and that, therefore, we must plan and control everything to see that everyone got a fair share of the bleak and dreary future which they predicted for this country.

Although the defeatist theories basic to their planning manias exploded in their faces, their plans continue to be your plans, Mr. President.

Everyone with any sense knows and has always known that we must have an ever-expanding economy—if for no other reason than to carry the steadily mounting deducts from our payrolls. The question is, How are we going to get it? And anyone with any sense also knows that this must result from increasing productivity, from more and more goods for the buyer's dollar. Everyone with any sense knows that we cannot have an ever-expanding healthy economy on ever-expanding debt and deficits.

Out in the country which you are now visiting, Mr. President, our people want their economy to rest on a sound, pay-as-you-go basis. They are not misled by the consumptive flush of a prosperity which depends upon I O U's to be paid by their children and their children's children.

That part of our country has great need for the help of a friendly government. It may ask for the temporary loan of a cane, but it does not want the planner's opium pipe.

And by the way, Mr. President, the boom and bust of the twenties were not repaired, as you intimated, by the panaceas of the thirties. They merely continued unemployment and increased our debt. The people out in the West know about the war, about World War II, about war obsolescence and its replacement; they know about the temporary stimulants of foreign aid. They know about the showy and unreal money values represented by 50-cent dollars, and they know that the same processes which lowered the dollar to 50 cents will, if not stopped, lower it to nothing.

At Cheyenne the President displayed solicitude for small business. This, of course, was commendable.

But, Mr. President, once more you are working with symptoms of bad government. Reduce the taxes of the small-business man, reduce the taxes of his suppliers and customers, and his needs for credit will become manageable. And, Mr. President, our banks are jammed with privately owned money which would flow in abundance into good ventures. But there are no good ventures for either private or public money if taxes do not leave sufficient opportunity for profit commensurate with the risks.

Unless we can cut loose from the madness which controls our fiscal policies, the small-business man will be out of business regardless of credit, venture capital, or technical assistance. His last contribution to our economy will be to put in a line of wheelbarrows so that his customers can bring in enough money to buy a can of beans.

Mr. President, there were many small businesses in the territory which you are traversing which fell by the wayside as a direct result of misguided Presidential policies. A large number of our citizens in the West once engaged in fur farming, including many war veterans. They have been ruined and are out of business because of your tariff policies. They were finished off by free importation of furs from Russia. Uncle Joe may be a prisoner of the Russian Politburo, but our fur farmers are the prisoners of official stupidity.

There are a lot of small mines which operated in the Rocky Mountain region, Mr. President. They, too, are out of business because of Presidential tariff policies. They cannot compete with the avalanche of low-cost copper, lead, and zinc which is pouring into this country as a result of those policies. On your trip, you speak, Mr. President, of maintaining our standards of living. How are you going to do that when you open our markets to the low-cost products of foreign mines? Our idle miners and their families and the service businesses depending on them, would like to have the answer.

Ah, Mr. President, the destruction of our small mines is not an accidental, thoughtless result. The injury does not result from a ricochet shot. A representative of your executive department appeared before the Senate Committee on Interior and Insular Affairs, where he was asked this question by the junior Senator from Colorado:

Is your theory, Doctor, based upon building up a mining industry, and only that part of our mining industry which could, when built up, compete with imports?

The gentleman replied—"That is correct." (Page 54, hearings on S. 240, S. 2105, S. 2230, and S. 2320, held in July and August of 1949.) That, Mr. President, was a sentence of death to all of our small-mining businesses and to all but a few of our largest ones.

Out in the oil States of the West, Mr. President, the impact of excessive oil importations is bound to reduce production, reduce prices, reduce exploratory operations, and reduce employment of oil workers. Those effects hurt the little as well as the big operator. They hurt all the small businesses and payrolls that are dependent upon the success of those oil ventures such as those you referred to at Cheyenne, the "drug stores, filling stations, and retail stores." The speech on the subject made yesterday by the junior Senator from West Virginia [Mr. NEELY] is worthy of the most serious consideration by your tariff tinkerers.

How long will it take us to learn that we must maintain healthy, prosperous, expanding domestic production of the strategic raw materials necessary for war as well as peace purposes? Visit the Atlantic coast, and 5 years after the war there can be found shore lines stained with oil from tankers torpedoed while trying to bring their desperately needed cargoes into our ports. There can be

seen the derelicts of ships destroyed by the enemy while trying to reach safe harbor with badly needed strategic minerals.

We thought we had learned the lesson in World War I. We thought we had learned the lesson in World War II. But already addle-pated planners tell us to keep everything in the ground and argue the patent nonsense that production of strategic materials, like an electric-light switch, can be turned on and off to suit our needs.

Mr. President, in your talk at Cheyenne you stated:

> The task of economic expansion requires using all the resources of this great Nation. Of the nearly 4,000,000 business concerns in our country, more than 90 percent are usually classified as small. These small concerns provide jobs for over 20,000,000 people—roughly, half of private, nonfarm employment. If we are to have an expanding economy, small business must provide its share of the additional jobs needed. In doing so it will not only create new payrolls for workers; it will also enlarge markets generally for other businessmen and farmers.

We cannot ride it both ways, Mr. President. Businesses destroyed by adverse tariff policies and confiscatory taxation do not add to our payrolls. The little businesses of this country do not have elaborate labor-saving assembly lines. A large part of their costs goes for the handwork of employees receiving high wages necessary for sustaining our superior standards of living. Those little businesses support the one-factory towns which characterize and buttress our economy. And yet at this moment, Mr. President, your agents are in Europe urging the countries over there to aim their competition in this country at the very small businesses for which you profess solicitude.

Ah, but do not worry about that, Mr. President. Mr. Hoffman has figured it all out. He would put the displaced workers on unemployment relief or retrain them or induce them to migrate to other work centers.

And who will employ these displaced workers? Obviously, not the other stricken small businesses. They will go to work for the big companies, if there are jobs, and that, Mr. President, is the way your agents would fight and eliminate monopoly and encourage little business.

Have a good trip, Mr. President. You will find the people in the West very hospitable but not as stupid as you think.

Mr. DWORSHAK. Mr. President, press dispatches today give reports of the speeches and comments made by the President at Boise, Idaho, yesterday and at Grand Coulee Dam, Wash., today. I am impressed by a report which I find in the Washington Evening Star of today in which reference is made to a comment by the President to the effect that it is time to get some action on his proposal to create a Columbia Valley Authority. It is interesting to note that the President is forthright in referring to this proposal as an authority. His administration, and the leaders therein who have been advocating the establishment of an authority for the past 2 years have been calling the authority an "administration." I presume that is for the purpose of avoiding the harsh connotation which is found in the word "authority." The same dispatch in the Evening Star tells us that the President believes "the Columbia Valley Authority is a necessary next step in the sensible democratic development of the resources of the Northwest."

Mr. President, I contend that under the existing program, the Congress, the Federal agencies and the people in the area affected are now proceeding in an orderly, democratic way to develop the great resources in the Northwestern area.

During the past 17 years an ever-growing group of self-seeking politicians has been trying to guide the American people, their Government, and their representatives, down a primrose path known as "planned economy." This road leads to the so-called welfare or socialist state—a national poorhouse to which our deluded British friends are now making a mass migration.

Some thousands of Socialist planners have found their way into practically all departments and agencies of our Federal Government, and have used the opportunities afforded by these positions of vantage as a means to fasten shackles of Government control and regulation on our lives, liberties, occupations, associations, and properties. Their common plan and purpose is destruction of all forms of freedom and free enterprise by which the wealth, development, and present level of living in this country have been made possible.

For the Socialists, the ruin of our Republic is expected to open the door to unlimited personal power. For the Communists and their sympathizers, such a result will produce world-wide Soviet supremacy; while for the average American citizen, the destruction of our representative Government will eventually and inevitably lead to poverty and slavery.

The aims and ambitions of the Socialist planners were well stated by Rexford G. Tugwell, in 1935, when he said:

> When industry is government, and government is industry, the * * * conflict in our modern institutions will be abated * * *. This is why the prospect of planned economy is so congenial * * * planning * * * will become a function of Federal Government * * * or planning will supersede Government. Business will be required to disappear * * * perhaps our Constitution and statutes will be revised.

Socialism and communism thrive on national disasters, so the disciples of planned economy in our land found their great opportunity in the dark days of 1933 when the depression was at its worst. At that time, Congress passed an act which was, in part, a product of New Deal planners. This statute created the Tennessee Valley Authority which has subsequently come to be called the TVA.

TVA is a milestone in American history, for it is the forerunner of a regulatory regionalism which may follow a future liquidation of all State governments in our present Union. TVA contains the means and methods by which such transformations could be made in the American way of life; and its political power is now felt by every State, county, and city government in a half dozen States.

This organization falls into the familiar formula and operational pattern of Russian plans of the last 30 years. But the people of Idaho have had no opportunity to vote upon the question of abolishing their State government; and I am not in the United States Senate to liquidate their liberties, properties, hopes, and happiness by voting to create a future Federal despotism in the Pacific Northwest.

PLAN NINE AUTHORITIES

Since 1933, our Socialist planners have expanded their thinking from a single regional operation, such as TVA, to nine regions which are to blanket this whole country. The first of these additional ventures into sectional socialism and regional regulation is the proposed Columbia Valley Administration for the development of an area of about 280,000 square miles in the States of Idaho, Washington, Oregon, and Montana, and portions of Utah, Wyoming, and Nevada. These lands lie in the watershed of the Columbia River, and include nearly 40,000 square miles in Canada.

Senate bill 1645 relating to the proposed Columbia Valley Administration, or CVA, is now pending in Congress. The operations and experience of TVA have obviously led to an identity of plans and purposes for the future CVA; but these two projects nevertheless involve basic differences which defy accurate comparison.

The valley of the Tennessee River had long been a poverty-stricken land of limited resources, and this area had been regularly ravaged by destructive floods. The climate, resources, occupations, culture, and standards of living differ greatly from corresponding conditions in the Pacific Northwest. An iron-handed rule of a Federal feudalism of three appointed autocrats has undoubtedly produced beneficial results in the TVA area. But those same results could have been gained without the destruction of American freedoms, if Congress had made available to the Corps of Engineers and other Federal agencies just about half of the funds so far expended by TVA.

As the President takes the stump for a possible Columbia Valley Administration, I want to make clear my firm belief that the supreme values involved are the human values. Furthermore, the maxim that "human nature cannot be left out of human affairs" applies with full force and effect to the new project. Hence, a good starting point for this discussion is the men who will make and manage the CVA, and the organization they will use for the purpose.

WOULD EXERCISE POWER

Section 12 (a) of Senate bill 1645 provides that CVA "shall be a wholly owned Government corporation." The private corporation thus created to carry on public business will be backed by the political power and wealth of our Federal Government; but not being a department, bureau, or other direct agency of Government, the CVA will be less likely to suffer

interference from or any successful investigation by Congress. This independence will give a fine flexibility through which the management of the future CVA could set up a regulatory regionalism and would limit the liberties of everyone in its area. The self-sufficiency and future freedom from control that will be enjoyed by the new organization proposed by Senate bill 1645 are emphasized again and again in that bill. For example, sections 12 (d) and (e) provide that the United States Treasury shall set up a CVA administration fund, to which Congress may, from time to time, add the amounts it appropriates for CVA. The new Administration may, likewise, pay into the fund; and moneys from other sources may also be deposited therein.

The sums thus paid into the United States Treasury will not become part of the general funds of the United States, as they should, by law. Moreover, the disbursements from the CVA administration fund will not be controlled by lawful or normal processes, such as authorizations of Congress, for CVA will be granted individual power to determine what disbursements shall be made and for what purposes.

CONGRESS MIGHT LOSE AUTHORITY

There is serious doubt whether Congress can surrender its complete control over future funds in the United States Treasury—as is thus attempted to be done in Senate bill 1645. There is an even greater doubt as to the constitutionality of an abdication by which Congress would attempt to part with its present powers over future Federal appropriations and future Federal taxation. These attempted grants of authority to CVA are contained in Senate bill 1645, and they clearly invade a number of powers that have been delegated only to Congress by the terms of the United States Constitution.

Perhaps the most startling grant of power to CVA is contained in section 16 (a) of Senate bill 1645. According to this section, the proposed administration—

> may exercise any of its powers under this act, including the power of condemnation, with respect to Indian lands, or property, irrespective of the manner in which title to such lands or property is held.

Mr. President, many Indian lands are the subject of solemn treaty obligations, entered into by our Federal Government with various Indian tribes. The language quoted above from section 16 (a) of Senate bill 1645, confers on CVA a power to nullify or abrogate these treaties, to the full extent of taking treaty lands from the Indians by means of condemnation suits which would be brought at the instance of the three directors of CVA—a private corporation. Here, indeed, is a legal and administrative innovation, whereby three officials of a private corporation, who are not even employed by our Government, are to have a power of treaty revocation, which even the State Department does not possess.

In order to endow the proposed Columbia Valley Administration with extraordinary powers over the funds, taxes, appropriations, and treaties of the American people, our political planners are apparently bent on stripping Congress of its constitutional powers, without even the formality of amending the Constitution.

Senate bill 1645 provides that the proposed CVA will be administered by a board of three directors who will possess almost unlimited powers of decision and action in matters involving the control and use of water, the condemnation and flooding of farms for dam sites and reservoirs, the production, distribution, and sale of electric power, and other activities in which CVA may choose to engage. In other words, these three directors will possess the power of life and death over every person and every enterprise in at least the three States of Idaho, Washington, and Oregon. Could Stalin ask for more than this, if he ruled our Pacific Northwest?

PEOPLE HAVE NO VOICE

The three CVA directors will not be chosen according to votes cast by the people who live in the area these men will rule. Although the people of the proposed regulatory region will pay 80 to 85 percent of the costs of CVA, they will have nothing to say about the management or direction of the organization. The directors will be selected and appointed by the President, and, in the last analysis, they will answer practically to him alone.

It is within the realm of possibility that David E. Lilienthal and J. A. (Cap) Krug, the former power manager of TVA, may be appointed by the President to become directors of CVA, if Senate bill 1645 is enacted into law.

These gentlemen will long be remembered in the Tennessee Valley, for they were there in positions of great power and responsibility when TVA was guilty of calculated cruelties and oppressions in its treatment of some 75,000 farmers. This story of almost 14,000 American families, whose lands—to the extent of more than a half-million acres—were taken from them, is a saga of suffering inflicted on supposedly free, but nevertheless, defenseless American people. Their little farms were condemned and bought by arbitrary actions which allowed appraisals at values acceptable to TVA. Those values became the prices quoted by TVA on a "take it or leave it" basis. The excuse has been offered that TVA acted "within the letter of the law". This is, indeed, true, for the socialist planners inserted cut-throat provisions in the TVA Act—and some of those same provisions are in Senate bill 1645.

To farmers who favor a Columbia Valley Administration, I ask this question: "Where do you expect to go, if CVA condemns your lands and pays you the pittance it may think you should receive?"

WATER RIGHTS JEOPARDIZED?

IF CVA comes into corporate existence, thousands of farmers in the Pacific Northwest will be faced with the above question, and they will have to answer it. The very same question may trouble the owners of businesses, factories, and power companies that would probably be wrecked by future operations of CVA.

Senate bill 1645 confers sweeping powers of condemnation on the proposed administration, and there appears to be little hope of survival for any business, industry, utility, farm, or mine which happens to obstruct the path of the CVA empire builders.

The terrible mistakes made by such planners as Henry A. Wallace and the British Socialists have proved that it is utterly impossible for one man or any little group of men to plan intelligently for an entire nation or for any considerable part of it. The combined abilities of all the Members of Congress are not even sufficient to do a satisfactory job.

Therefore, to invest three politicians of good, bad, or indifferent qualifications with administrative powers such as those provided for in Senate bill 1645, is to invite disaster; and local governments probably will not be able to avert or even ameliorate the consequences.

The question of local participation in CVA affairs appears in amusing and misleading language of section 5 of Senate bill 1645. This section provides for participation by "State and local governments—to the fullest practicable extent in the formulation and execution of programs." But the extent of this proposed activity is later limited to "consultation and interchange of views," following which CVA will be at liberty to do just as it pleases.

Local participation in the policies, decisions, and actions of proposed organizations is an argument that has been worn threadbare by excessive use. It is just a bit of bait which has never failed to lure the luckless local leaders to their administrative annihilation.

Denial of full, fair, and honest participation to local governments inescapably reveals the alien and antagonistic plans and purposes of the future CVA, as well as the fundamental loyalties which its directors will have. The Pacific Northwest will be saddled with a three-man autocracy whose directors will look and answer only to the President in Washington. Even a right of appeal as to some possible grievances will be denied the people; and as to other grievances, the people will be destitute of any effective protection against the administrative tyranny of CVA.

Section 6 of Senate bill 1645 contains a grant of general powers which include promotion of navigation, control of floods, conservation and reclamation of lands, forests, minerals, fish, and wildlife, and the generation, transmission, and distribution of electric energy. In order to carry out these well-nigh unlimited controls of life and living, CVA will have power to buy, sell, condemn, and otherwise deal in and with all kinds of property.

The new administration can engage in manufacturing, banking, and other businesses which may, and probably will, compete with, and even destroy private enterprises.

POWER DOMINATES IRRIGATION

Senate bill 1645 shows that the production, distribution, and sale of electric energy will be by far the most important activity of CVA. To the farmers of the entire Pacific Northwest I give this grave warning: Do not forget that CVA will give its immensely profitable production

of power a high priority over your farms and their irrigation. This statement may be denied by Socialist defenders of CVA, but my warning contains a truth fully proved by the record of the TVA, the model that CVA will follow.

If CVA brings its "blessings of socialized planning" to the Pacific Northwest, the farmers, and those in allied activities, will be vitally interested in questions of irrigation, water rights, and reclamation.

Eminent legal authorities who have studied the proposed CVA act have announced that the bill will permit CVA to condemn and take water rights. In the semiarid States of the Pacific Northwest this power is practically one of life and death, but it is obviously one which CVA will use liberally in order to fashion fabulous, tax-free revenues from its Federal power monopoly.

Among the dangerous and arbitrary powers granted to CVA by section 6 of Senate bill 1645, it is provided in subsection (c) that CVA is authorized, and shall have power—

1. To acquire real and personal property, including any interest therein, by purchase, lease, condemnation, exchange, transfer, donation, or otherwise, * * * *Provided, however,* That the Administration (CVA) shall have no power to condemn any water right except as it may be appurtenant to land acquired incident to the construction of dams, reservoirs, or other projects or facilities.

ESCAPE CLAUSE POINTS THE WAY

In the above quotation the word "except" opens the door to those following conditions under which CVA will be able to evade the provision which declares that it "shall have no power to condemn any water right." The escape clause which permits water rights to be condemned, gives CVA a generous choice of pretexts under which to seize them. CVA will condemn water rights by condemning the lands to which such rights belong. The stated causes for these actions will be proposed construction of "dams, reservoirs, and other projects or facilities." And only in this way can CVA hope to build up its power production potential and its revenues.

To those who dwell in a dream of fancied security based upon State laws dealing with water rights and irrigation, it will later become painfully apparent that little vitality will be left in any State water law in the CVA area.

Section 19 of Senate bill 1645 provides:

This act shall be liberally construed to carry out the purposes of the Congress to provide * * * for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare.

In this section, the so-called commerce clause of the United States Constitution has again been invoked as a means to invade and usurp certain other rights that were reserved by the States when our Constitution was adopted. This process of usurpation began with the NRA and the Blue Eagle; and it has since been carried on in one Federal statute after another for the past 17 years.

There is not a word in section 19 which will provide for a liberal or even a fair interpretation in favor of the water laws or water rights of any State. This condition impairs or destroys the supposed protection afforded by section 10 to State laws.

Section 10 offers little protection to State water laws, for it is limited in its application to irrigation projects that CVA may undertake. A part of this section reads as follows:

(a) No provision for work of irrigation in or under this act shall be construed as affecting or intended to affect or in any way to interfere with the laws of any State relating to the control, appropriation, use, or distribution of water for domestic irrigation, mining, or industrial purposes.

There is nothing in the words just quoted which will prevent CVA from beginning a "work" of generating electric power, or controlling floods, or improving navigation, even if such a project seriously interferes with State laws, relating to appropriation, use, and control of water.

In order to consolidate its future power and position in the control of water and other resources, the CVA is given authority, by section 3 (c) of Senate bill 1645, to effect removal of law suits from State to Federal courts. The section reads as follows:

Any proceeding brought against the administration in a court of any State may be removed by the Administration to the District Court of the United States for the district in which such proceeding is pending.

By the above expedient, State laws and the decisions of State courts may be more easily and effectively attacked or perhaps, entirely avoided.

It is a lesson of logic and human experience that a prospective litigant who seeks to select his own forum is looking for a soft spot in the law, or in its interpretation.

EXEMPTED FROM CIVIL SERVICE

If CVA is approved by Congress it may develop a payroll running into thousands of employees. Senate bill 1645 provides an almost complete control by CVA over terms and conditions of employment. The new Administration is exempted from civil-service laws and regulations, except the Veterans' Preference Act of 1944. Section 15 of Senate bill 1645 recites:

Subject to the provisions of this act, the Administration (CVA) is authorized to deal collectively with its employees through representatives of their own choosing, and is authorized to enter into written and oral contracts with such employees' representatives.

In practical operation the quoted words do not compel or order CVA to make future employment contracts with labor unions, and CVA is not even required to deal collectively with its employees. Having taken great pains to avoid any specific obligation to deal collectively, it may be safely assumed that CVA will follow the example of TVA, by dealing with its men on an individual basis as to terms and conditions of employment.

There may be a yearly meeting of CVA officials and a few labor representatives, and a general discussion of wages and working conditions may occur. But fundamental rights of labor to bargain collectively and to strike will probably be seriously compromised or practically nonexistent in CVA operations.

LABOR POLICY INDEFINITE

There is little or nothing in Senate bill 1645 to indicate that CVA will possess a genuinely cooperative attitude toward organized labor. Quite the opposite result should follow, for the pattern of TVA treatment has been faithfully followed. Organized labor can, however, be sure of one thing, it will be required to contribute its fair share to the building of the Socialist empire of power in the Pacific Northwest.

No one can accurately estimate how many millions of dollars of property and other taxes will be lost each year by the governments of States in which CVA will operate.

Section 13 of Senate bill 1645 covers the subject of taxation in some detail. The CVA will, apparently, fix the amount of taxes it will pay—a decision which each and every taxpayer in the country would like to be able to make.

Section 13 (f) sums up the future of CVA taxes in the following words:

The payments authorized under this section are in lieu of taxation and the Administration (CVA), its property, franchises, and income are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof. The determination by the Administration of the necessity of making any payments under this section and of the amounts thereof shall be final.

The CVA will pay what it is willing to pay, and from its decision on this question there will be no appeal. Annual losses of tax revenues running into millions of dollars will have to be made up out of the pockets of the public.

There is a single section of Senate bill 1645 which by itself alone fixes my adverse opinion of the whole measure. The section is 10 (d) and these are its provisions:

CONTROL SIZE OF FARM UNITS

The Administration (CVA) shall establish the maximum size of farm units within each project for the reclamation of lands in accordance with its findings as to the area sufficient in size to constitute an economic family farm or adequately to supplement family grazing or dry farming operations on adjacent lands, but no farm unit shall contain more than 160 or less than 10 acres of irrigable land, except that any nominal quarter section comprising more than 160 acres of irrigable land may be included in one farm unit.

I am unalterably opposed to the adoption of the Russian colony or Communist farm-community system in our land; yet we have it offered right here in language I have just quoted from Senate bill 1645. Ours is still a land of freedom and free enterprise, and the ownership of land should not depend upon the whims of a triumvirate of politicians and their swarms of self-seeking servitors. In my opinion section 10 (d) of Senate bill 1645 is un-American, and is unfit for serious consideration by the Congress. This provision is a frank foretaste of the regulatory regionalism that our Socialist planners would nationalize here in America.

In our Pacific Northwest the Corps of Engineers and the Bureau of Reclamation have done the kind of magnificent work that only the greatest construction agencies in the world could do. Vast projects of reclamation, flood control, navigation control, and power production have come into being, and the coordinated plan for future development of the Northwest has been prepared.

COOPERATION EXISTS NOW

The tremendous achievements so far made have been produced in a spirit of good will and cooperation between Federal and State agencies. The people who are to pay the bills had a voice in the selection of projects and in fixing the sums to be spent, for their local representatives have actively participated.

CONGRESS EXERCISES CONTROLS UNDER A DEMOCRATIC PROCESS

The Pacific Northwest has so far accomplished much, but it can do a great deal more in the future if the American ways of freedom and cooperation are followed. The Northwest has gained greater results with less money than TVA, and we have nothing to gain by trading the experience and ability of Army and Reclamation engineers for the combined cupidity and inexperience of three men who may be appointed to direct the CVA.

It is significant that while the President presumes to tell the people of the Northwest that they should have a valley authority, he has not made any real effort to create a Missouri Valley authority for his own State. The record will show that the people in the Missouri Valley are making splendid progress under a coordinated valley plan, and that they are not even interested in any proposal to set up a valley authority.

ALREADY DECENTRALIZED

Statistics show that the Columbia Basin States have made more rapid progress than the national rate of industrial and economic development. The pioneers who settled in the Northwest have demonstrated their resourcefulness, and their ability to maintain a stabilized economy without arbitrary controls from the National Capital. Proponents of CVA state that this plan would decentralize controls from Washington. However, I desire to point out that the Bureau of Reclamation regional office is located at Boise, Idaho. The district office of the Army Engineer Corps is located at Walla Walla, Wash. The Bonneville Power Administration headquarters are located at Portland, Oreg. Thus it is apparent that the Federal agencies directly involved in the administration and direction of resource development in the Columbia Basin are already decentralized, and that it would be essentially a backward step to discard these agencies in favor of a new three-man board, accountable only to the President and far removed from the influence of the people whose destiny is vitally affected by development of this river basin.

I am confident that the people of Idaho will accept the challenge of the President to make the Columbia Valley Administration an issue in the November elections.

CONFIRMATION OF NOMINATIONS ON THE EXECUTIVE CALENDAR

Mr. McFARLAND. Mr. President, as in executive session, I ask that the nominations appearing on the Executive Calendar in the Coast Guard, the Coast and Geodetic Survey, and the postal service be confirmed, and the President immediately notified.

The PRESIDING OFFICER. Without objection, the nominations are confirmed, and, without objection, the President will be immediately notified.

THE TAX COURT OF THE UNITED STATES—JOHN W. KERN

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

Mr. McFARLAND. I yield.

Mr. DONNELL. Mr. President, I should like to address a parliamentary inquiry to the Chair, if I may.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. On May 9, at page 6698 of the CONGRESSIONAL RECORD, I made a motion for a reconsideration of the vote by which was confirmed, on April 25, 1950, the nomination of John W. Kern to be a judge of the Tax Court of the United States. Also on May 9, 1950, I made a motion requesting the President to return to the Senate the notification to him of the confirmation of the nomination of John W. Kern to be a judge of the Tax Court of the United States. The latter motion was agreed to.

Mr. President, it is my understanding that the notification to the President of the confirmation of the nomination to which I have referred has not yet been received by the Senate. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DONNELL. Mr. President, I submitted another inquiry to the Presiding Officer on May 9, 1950. I was referring to the two motions, and in regard to the second motion, I said—I had better read it so that it will be consecutive:

I wish to be sure that I correctly understand the parliamentary situation. May I inquire if it is this:

First, the motion to request the President to return to the Senate the notification to him of the confirmation of the nomination of John W. Kern, to be a judge of the Tax Court of the United States, has been carried?

The PRESIDING OFFICER. That motion has been agreed to.

Mr. DONNELL. Second, that there has been made and is now pending before the Senate for future action a motion for a reconsideration of the vote by which was confirmed on April 25, 1950, the nomination of John W. Kern to be a judge of the Tax Court of the United States?

The PRESIDING OFFICER. The motion to reconsider has been entered as in executive session and will be considered in executive session.

Mr. President, on the Executive Calendar of today the motion to reconsider does not appear, and, consequently, has not been acted upon today and has not been considered by the Senate today.

The parliamentary inquiry which I address to the Chair is whether the motion for a reconsideration of the vote by which was confirmed the nomination which I have mentioned will be placed before the Senate on the Executive Calendar without action on my part.

The PRESIDING OFFICER. The usual thing is to put the notice there, but it has been entered in the Executive Journal.

Mr. DONNELL. May I ask the Chair this question? Will the motion to reconsider be mentioned or placed, by reference or in full, in the printed Executive Calendar as it shall be distributed to the Members of the Senate on a subsequent date?

The PRESIDING OFFICER. It can be done by the executive clerk.

Mr. DONNELL. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. Is it appropriate that I make request at this time that it shall be done? If so, I make that request, so that we may have it upon the Executive Calendar in due time.

The PRESIDING OFFICER. Without objection, the request is granted.

Mr. DONNELL. Mr. President, I had intended to speak upon a matter which I regard as of some importance and which was previously mentioned on May 8 on the floor of the Senate by myself.

It is now approximately 1 minute to 7, and it would be quite agreeable to me, if it is agreeable to the Senate, that I do not speak this evening, provided that I may have unanimous consent that I have the floor at the beginning of the session tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

Mr. McFARLAND. Mr. President, although ordinarily I believe it to be poor practice to grant unanimous consent for a Senator to have the floor on a following day, under the circumstances, because of the lateness of the hour and because he had previously requested the floor, I think the request of the distinguished senior Senator from Missouri is entirely justified, and I shall not make any objection.

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

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 59 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 12, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 11 (legislative day of March 29), 1950:

EUROPEAN COORDINATING COMMITTEE

Lt. Col. Charles H. Bonesteel, United States Army, to be Executive Director of the European Coordinating Committee, pursuant to the authority of section 406 (e) of the Mutual Defense Assistance Act of 1949 and Private Law 412, Eighty-first Congress.

DEPARTMENT OF THE ARMY

Archibald Stevens Alexander, of New Jersey, to be Under Secretary of the Army.

UNITED STATES COAST GUARD

TO BE CHIEF BOATSWAIN

Herman F. Rogall
Charles J. Wood
Cullen W. Edwards
Kurt F. Czybora
William P. Williams

TO BE CHIEF MACHINIST

Hoyt J. Caple
Herman Pedersen
George D. King

TO BE CHIEF PAY CLERK

Mack J. Snowden

TO BE CHIEF PHARMACIST

Floyd J. Coulter

TO BE CHIEF RADIO ELECTRICIAN

Robert W. Young

COAST AND GEODETIC SURVEY

Robert F. A. Studds to be Director of the Coast and Geodetic Survey.

Kenneth R. Pinckney to be ensign in the Coast and Geodetic Survey, effective May 9, 1950.

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES TO THE GRADES INDICATED UNDER THE PROVISIONS OF SUBSECTION 515 (C) OF THE OFFICER PERSONNEL ACT OF 1947

To be brigadier generals

Col. John Max Lentz, [redacted].
Col. Riley Finley Ennis, [redacted].
Col. Emerson Leroy Cummings, [redacted].

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Clark Horace Bailey, [redacted], and other officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on May 1, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Clark Horace Bailey which appears on page 6072, and ending with the name of Ruby Zillah Winslow which appears on page 6075.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of the act of June 10, 1949 (Public Law 96, 81st Cong.):

To be colonel

Frederick A. Ward, [redacted]

To be lieutenant colonels

Bienvenido M. Alba, [redacted].
Santiago G. Guevara, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), and Public Law 625, Eighteth Congress, subject to physical qualification:

To be first lieutenant

William P. Goodman, JAGC, [redacted].

To be second lieutenants

Dorothy M. Brown, WAC, [redacted].
Lola M. Irelan, WAC, [redacted].
Elsie J. Metcalf, WAC, [redacted].
Lois C. Putman, WAC, [redacted].
Mary L. Truslow, WAC, [redacted].

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Robert H. Banks.
Eugene C. Barbero, [redacted].
Leland E. Beyersdorff, [redacted].
Robert J. Bouchard, [redacted].
Murray N. Bullard, [redacted].
Terry T. Feild, [redacted].
Harold P. Fields, [redacted].
Charles V. Follett, Jr., [redacted].
Herbert O. Graeser, [redacted].
John A. Hughes, Jr., [redacted].
John J. Knight, [redacted].
Charles W. Luke, [redacted].
Robert B. McIntosh, Jr., [redacted].
James M. Minter.
Lee B. Moore, [redacted].
Lloyd H. Newcomer, Jr., [redacted].
Jehiel Novick, [redacted].
Willard T. Pflueger, [redacted].
Tom H. Reynolds.
Carl F. Roark, [redacted].
Henry S. Rubenstein, [redacted].
Lawrence L. Savage, Jr., [redacted].
Donald E. Smith, [redacted].
Gerald C. Stinson, [redacted].
Ransom D. Stone, [redacted].

The following-named distinguished military graduate for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress), subject to physical qualification:

O'Neill Barrett, Jr.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress), subject to designation as distinguished military graduates, and subject to physical qualification:

Thomas E. Duffy, [redacted].
Wayne B. Fagg.
John L. Fletcher.
Gerald G. Hennis.
Richard G. Hicks, [redacted].
James H. Hosey.
Charles T. Hutzler, [redacted].
William J. Lockhart.
Richard S. Miller, [redacted].
Alvin A. Poag, Jr., [redacted].
William T. Purdy, [redacted].
Hillard J. Trubitt.

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress), subject to designation as distinguished military graduates, and subject to physical qualification:

David D. Adams.
Garner V. Allen.
John E. Anderson.
Samuel J. Armeni, [redacted].
Ned R. Ash, [redacted].
Robert W. Ashbee.
Allan C. Ashcraft.
Doyle R. Avant, Jr.
Benjamin F. Bateman, [redacted].
John R. Berger.
Willy F. Bohlmann, Jr.
Charles S. Brantley, [redacted].
Haynes Brinkley, Jr.
George S. Brown.
William R. Brown, [redacted].
Howard D. Burtchett, [redacted].
Charles C. Bush III.
Elwood L. Carlson.
Richard A. Clarke.
James P. Coffin.
Robert E. Crosser.
William F. Donnelly.
John J. Douglas.
Theodore H. Emmerich, Jr., [redacted].
Robert A. Flake.
Herbert L. Frandsen.
Columbus B. Fulton.
Oved Gonzales.
Francois D. Gravois, Jr., [redacted].
James C. Griffith.
Melvin G. Gross.
Frank M. Gunby, Jr.
Julian C. Hammond.
Frank W. Harrison.
Robert M. Huckins.
Eugene M. Huff.
Roger W. Jepsen.
David E. Kettlewell, [redacted].
Constantine W. Koines.
David J. Kreager, Jr.
Laurance D. Krentzlin.
Elvin R. Kromer, Jr.
Osborne Lawes, [redacted].
George S. Lokken.
Orville W. Love.
John M. Mays, [redacted].
Norman W. McNabb.
Richard S. Medding.
James C. Morris.
Paul Morris.
William C. Myre.
William E. Nichols.
Billy L. Odneal.
Macyl K. Orman.
Max F. Pachl, Jr.
Patrick E. Parkes.
William G. Phelan.
John M. Pickarts.
James M. Pierce.
Roy E. Platt, Jr.
Joseph H. Powell.
Jip M. Pruden II, [redacted].
Anthony L. Pullano.
Ernest A. Rajala, [redacted].
John R. Randolph.
Neil A. Reilly.
Robert B. Rigler.
Robert A. Roseberry.
Roy W. Roth.
Joseph T. Ryan.
Erle O. Sandlin, Jr., [redacted].
Walter J. Sinclair.
Stanley W. Smith, [redacted].
Clayton O. Spann.
Wayne M. Stevens.
Reginald N. Timberlake.
Gramount D. Twitty.
Joseph Veltri.
Walter D. Weiti.
Edward J. Yost.

The following-named distinguished military students for appointment as second lieutenant in the Medical Service Corps, Regular Army of the United States, effective June 15, 1950, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Donald E. Haskins.
John E. Scanlon, [redacted]

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, Eightieth Congress, subject to physical qualification:

To be captains

George T. Britton, MC, [redacted].
Don E. Gibbin, DC.
Frank J. Glassy, MC, [redacted].
David S. Hamburg, DC.
Barrie M. Kato, MC, [redacted].
James E. Lewis, MC, [redacted].
Wendell V. Lyon, MC, [redacted].
Ernest R. Seitz, MC, [redacted].
Richard R. Taylor, MC, [redacted].

To be first lieutenants

Clay F. Barritt, MC.
John H. Belser, DC, [redacted].
Richard O. Bullis, Jr., MC.
Frederick R. Carriker, MC, [redacted].
Andrew Christopher, DC, [redacted].
John H. Dodson, JAGC, [redacted].
Robert J. Gosling, MC, [redacted].
James E. Hemann, Ch C, [redacted].
George A. Krikos, DC, [redacted].
Wendell A. Meikle, DC, [redacted].
Earl E. Schoeppner, DC, [redacted].
Andrew F. Serio, DC, [redacted].
Charles M. Smith, DC, [redacted].
Raymond W. Tomczak, DC, [redacted].
Allan O. Wilson, DC, [redacted].

To be second lieutenants

Geraldine V. Coxwell, ANC, [redacted].
Elizabeth J. Fitzgerald, WMSC, [redacted].
Goldia N. Harkness, ANC, [redacted].
Bertha J. Hoehn, ANC, [redacted].
Barbara L. Kennon, WMSC, [redacted].
Martha M. McDevitt, ANC, [redacted].
Petronila Mejias-Garcia, ANC, [redacted].
Helen E. Moode, ANC, [redacted].
Elizabeth A. Muth, ANC, [redacted].
Shirley M. Neill, ANC, [redacted].
Rosemary D. O'Regan, WMSC, [redacted].
Marie A. Souza, ANC, [redacted].
Mildred A. Wilcox, ANC, [redacted].
June E. Williams, WMSC, [redacted].
James B. Woodrum, MSC, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Thomas P. Burke, [redacted].
William R. Veal.

The following-named distinguished military student for appointment in the Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of section 506 of the Office Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduate, and subject to physical qualification:

Donald J. Opitz.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Dexter W. Adams, [redacted].
James J. Albertson, [redacted].
Don C. Ambrose, [redacted].
Richard C. Ames, [redacted].
Allen R. Anderson, [redacted].
Kenneth S. Anderson, Jr., [redacted].
Lewis J. Ashley, [redacted].
Jack S. Bailey, [redacted].
Doric W. Ball, [redacted].
Andrew M. Barr, [redacted].
George B. Barrett, [redacted].
Marshall B. Bass, [redacted].
John P. Berres, [redacted].
William R. Bierwirth, [redacted].
Leslie M. Blake, [redacted].
Maurice H. Boutelle, [redacted].
Donn T. Boyd, [redacted].
Robert K. Bradford, [redacted].
Patrick J. Breen, [redacted].
Haldon D. Brown, [redacted].
Jackson M. Bryant, [redacted].
Frank R. Burget, [redacted].
Dalton O. Carpenter, Jr., [redacted].
Kevin F. Carrigan, [redacted].
Michael J. Cerrone, Jr., [redacted].
Egbert B. Clark III, [redacted].
Richard W. Clark, [redacted].
Stanley P. Converse, [redacted].
Robert F. Coveny, [redacted].
William H. Crane, [redacted].
Thomas H. Crowder, Jr., [redacted].
John D. Cunningham, [redacted].
Wallace H. Currey, [redacted].
Vernon C. Devan, [redacted].
Jack L. Dinkel, [redacted].
Otis J. Doty, [redacted].
James R. Duncan, [redacted].
Richard J. Eaton, [redacted].
William W. Etchemendy, [redacted].
David E. Etzold, [redacted].
Harry E. Evans, [redacted].
Ronald J. Fairfield, Jr., [redacted].
Rudolph A. Fallon, [redacted].
Donald P. Fink, [redacted].
Alvin E. Fort, [redacted].
Robert Francis, [redacted].
Robert M. Galloway, [redacted].
Orlando Garcia, [redacted].
Joseph M. Gay, Jr., [redacted].
Henry H. Gerecke, [redacted].
Freddie W. Gramling, [redacted].
Benjamin L. Gunter, Jr., [redacted].
George M. Hamscher, [redacted].
Joseph S. Harrelson, Jr., [redacted].
Harry B. Harris, [redacted].
John L. Hart, [redacted].
Carl W. Hartman, [redacted].
Elzie Hickerson, [redacted].
John H. Hoffman, [redacted].
John J. Hoffman, Jr., [redacted].
Robert P. Hotaling, [redacted].
Harmon Howard, [redacted].
James M. Hull, [redacted].
I. J. Irvin, Jr., [redacted].
Arthur Jackson, [redacted].
John E. Jessup, Jr., [redacted].
Clayton E. Johnson, [redacted].
Jasper R. Johnson, [redacted].
Paul E. Jones, [redacted].
Delbert A. Jurden, [redacted].
Andrew J. Kapec, [redacted].
Kenneth F. Kast, Jr., [redacted].
Daniel K. Kealalio, [redacted].
Bernard S. Kern, [redacted].
Howard W. Killam, [redacted].
William W. Kirchman, [redacted].
Eric Kobbe, [redacted].
Kenneth W. Koch, [redacted].
Kendall W. Korems, [redacted].
Constantine D. Kryzanowsky, [redacted].
George V. Labadie, Jr., [redacted].
Wilfred G. Lalonde, [redacted].
Joe B. Lamb, [redacted].
James E. Lawson, [redacted].
William F. Lawson, Jr., [redacted].
Robert H. Lehman, [redacted].
Bernard J. Leu, Jr., [redacted].
John W. Liddle, [redacted].
Leon H. Lockhart, [redacted].
John Lycas, [redacted].
Milton E. McCaig, [redacted].
Leo C. McCarthy, [redacted].
Paul D. MacGarvey, [redacted].
Robert T. Mailheau, [redacted].
Merritt P. Martin, [redacted].
Robert J. Martin, [redacted].
Billy M. M'Carver, [redacted].
Sam Meadow, [redacted].
Jack M. Meiss, [redacted].
Jack R. Metzdorf, [redacted].
Warren H. Metzner, [redacted].
Douglas A. Mollison, [redacted].
Keith L. Monroe, [redacted].
Fred S. Moore, [redacted].
William J. Morrisroe, [redacted].
Paul A. Morton, [redacted].
Albert R. Moses, [redacted].
James J. Murnane, [redacted].
Francis J. Murphy, [redacted].
Irvin E. Nachman, [redacted].
Marvin L. Nance, [redacted].
Orrin D. Neff, [redacted].
Louis J. North, [redacted].
Richard C. O'Connor, [redacted].
Wade H. Padgett, Jr., [redacted].
David W. Passell, [redacted].
Arthur G. Pendleton, [redacted].
Jack G. Penick, [redacted].
Edgar L. Petty, Jr., [redacted].
Milton B. Phillips, [redacted].
John J. Policastro, [redacted].
Gilbert Procter, Jr., [redacted].
Nicholas G. Psaki, [redacted].
George W. Pulliam, Jr., [redacted].
George P. Ramsey, Jr., [redacted].
James C. Ramsey, [redacted].
Albert Redman, Jr., [redacted].
Daniel J. Renneisen, [redacted].
Oliver L. Robbins, [redacted].
Robert S. Robbins, [redacted].
John F. Rogan, [redacted].
Warren J. Rosengren, [redacted].
John P. Ruppert, [redacted].
Gerald F. Ruschmeyer, [redacted].
Donald P. Rush, [redacted].
David C. Russell, [redacted].
Robert C. Russell, [redacted].
Hans G. Ruthe, [redacted].
Bernard B. Sapp, [redacted].
Edward W. Sargeant, [redacted].
Louis T. Schaner, [redacted].
Wittmer I. Schleh, [redacted].
Edgar B. Sharpe, [redacted].
Charles J. Shoemaker, Jr., [redacted].
Paul L. Skogsberg, [redacted].
Dillon Snell, [redacted].
George Snipan, [redacted].
Jack W. Stallings, Jr., [redacted].
James K. Stringer, [redacted].
Leslie J. Swope, [redacted].
Loren H. Sylvester, [redacted].
Douglas B. Tucker, [redacted].
Joseph P. Ulatoski, [redacted].
William D. Van Buskirk, [redacted].
Miles C. Vaughan, Jr., [redacted].
Homer L. Walker, [redacted].
Richard H. Ward, [redacted].
William B. Ware, [redacted].
Milton D. Weeks, [redacted].
Seymour T. Weisser, [redacted].
Thomas R. Westermann, [redacted].
David D. Whiteside, [redacted].
Charles H. Whitledge, [redacted].
Kingston M. Winget, [redacted].
Sanford H. Winston, [redacted].
Dean R. Woodward, [redacted].
Robert D. Worthen, [redacted].
John D. Yarbrough, [redacted].

The nominations of Peter Anthony Abbruzzese and other cadets, United States Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenants, effective June 2, 1950, upon their graduation, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), which were confirmed today, were received by the Senate on May 2, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption Nominations, beginning with the name of Peter Anthony Abbruzzese, which appears on page 6163, and ending with the name of Paul Ray Zavitz, which appears on page 6165.

IN THE AIR FORCE

APPOINTMENTS IN THE UNITED STATES AIR FORCE

The nominations of Lyman E. Ihle, [redacted], et al., for appointment in the United States Air Force, which were confirmed today, were received by the Senate on April 14, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Lyman E. Ihle, which appears on page 5231, and ending with the name of John W. Yingling, which appears on page 5232.

The nominations of Robert Milton Abelman and other persons for appointment in the United States Air Force, which were confirmed today, were received by the Senate on May 5, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Robert Milton Abelman, which appears on page 6501, and ending with the name of Harold George Vielhauer, which appears on page 6502.

PROMOTIONS IN THE UNITED STATES AIR FORCE

The nominations of John Richard Anderson and other officers for promotion in the

United States Air Force, which were confirmed today, were received by the Senate on April 25, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of John Richard Anderson, which appears on page 5713, and ending with the name of Florence T. Roche, which appears on page 5714.

The nominations of Maurice Dale Fulkerson and other officers for promotion in the United States Air Force, which were confirmed today, were received by the Senate on April 14, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Maurice Dale Fulkerson, which appears on page 5230, and ending with the name of Anne Martha Murphy, which appears on page 5231.

IN THE NAVY

APPOINTMENT IN THE NAVY

The following-named officers of the Navy for appointment to the grade of rear admiral as indicated:

Temporary appointment in the line

Kenmore M. McManes
Frank T. Ward, Jr.

Permanent appointment in the Civil Engineer Corps

Algert D. Alexis

The following-named officers of the Navy for permanent or temporary appointment to the grades and corps indicated, subject to qualification therefor as provided by law:

For temporary appointment to the grade of captain:

Medical Corps

Robert B. Brown
Bishop L. Malpass
Charles M. Parker

Supply Corps

Robert M. Bowstrom	Jesse S. McAfee
John F. Castree	Stanley Mumford
Paul W. Clarke	Joseph F. Tenney
Marshall H. Cox	Ignatius N. Tripi
John W. Crumpacker	

Chaplain Corps

George A. Rosso.

Dental Corps

Hubert F. Delmore	Robert W. Wheelock
Alvin H. Grunewald	Wilbur N. VanZile
George D. Odiorne	

Civil Engineer Corps

George K. Brodie
Ralph N. Ernest
William A. Zobel

For temporary appointment to the grade of commander:

Medical Corps

James A. Addison	Leo S. Madlem, Jr.
James H. Boyers	Charles S. Mullin, Jr.
Robert H. Bradshaw	Clyde W. Norman
James A. Brimson	John A. O'Donoghue
William C. Cantrell	James W. Packard, Jr.
John F. Chace	Arthur G. Rink
Joseph R. Connelly	William A. Robie
William A. Dinsmore, Jr.	Ralph D. Ross
James B. Hague	James A. Turner
William G. Lawson	Haskell Wertheimer
Jack C. McCurdy	Karl R. Whitney
	William A. Wulfman

Supply Corps

Herbert C. Borne	George S. Lofink
Forrest P. Brown	William L. Thorpe, Jr.
Charles J. Hawkins	James E. Tinling
Donald J. W. Hos	Chester W. Utterback
William C. Humphrey	Roy O. Yockey
Raymond E. Johnson	

Chaplain Corps

Charles D. Beatty	Raymond F. McManus
Joseph C. Canty	Henry J. Rotrige
Robert W. Coe, Jr.	David A. Sharp, Jr.
Charles J. Covert	Edward A. Slattery
Otto D. Herrmann	Marion O. Stephenson
James W. Kelly	James A. Whitman

Dental Corps

Clayton L. Bohn	George T. Moore, Jr.
John H. Cathcart	Paul A. Moore
Joseph M. Clements	Kenneth L. Morgan
Silas D. Cunningham	Walter H. Peat
Frank D. Dobyns	Louis J. Rhen
William T. Faulconer	Duane R. Shiffert
Walter F. Hanley	Albert L. Vogel, Jr.
Von Rue McAtee	John E. Wiseman
George E. Madden	Frank S. Wozniak, Jr.
Gordon L. Miller	Robert B. Young

Civil Engineer Corps

William J. Byrnes
Thomas J. Doyle
Chester J. Kurzawa

Medical Service Corps

Chester S. Fay	Clarence J. Owen
Fay O. Huntsinger	Max E. Zimmerman
Daniel J. O'Brien	

Nurse Corps

Margaret C. Jensen
Gladys Smith
Anna L. Welsko

For permanent appointment to the grade of commander:

Medical Corps

Frances L. Willoughby

Medical Service Corps

Margaret M. Diehm
Mary T. Sproul

The following-named officers of the Naval Reserve on active duty to the grades and corps indicated subject to qualification therefor as provided by law:

For temporary appointment to the grade of captain in the Naval Reserve:

Supply Corps

Joseph F. Deegan
Casper T. Fredrickson
William E. Max

For temporary appointment to the grade of commander in the Naval Reserve:

Medical Corps

Arthur V. Miller, Jr.
Lewis D. Williams

Supply Corps

Robert S. Davison
John A. Johnson, Jr.
Francis T. Mullin

Dental Corps

Ronald C. Dove
Nighbert W. Sutphin

Chaplain Corps

William L. McBlain

The following-named midshipmen (aviation) to be ensigns in the Navy from the 2d day of June 1950:

Lee C. Anderson	Raymond E. Demming, Jr.
William P. Annin	Joseph J. Dupnik
Frank J. Bardecki	Alwyn L. Eisenhauer
Max G. Baumgardner	Raymond H. Foster
Kenneth L. Beckman	Francis T. Gamble
Robert H. Belter	James W. Godshalk
Ralph F. Bennie	Howard A. Goldman
William B. Bircher	Joseph C. Grote
Morton McK. Boyd II	Berkeley W. Hall
Robert F. Brennan	James E. Halle
Robert S. Brown	James R. Harrison
Gerald C. Canaan	Allen D. Hauge
James N. Carr	James A. Helle
Porter E. Clemens	Howard F. Hofmeister
Edwin M. Crow	Eugene T. Howard
Richard E. Davis	
Earle F. Hubacker	James A. Parkes
Harold J. Hubinger	John W. Petrick
Gerald Huelsbeck	Jack Q. Quinn
George H. Irelan	John J. Radican
John A. Jacobs	John M. Reynolds, Jr.
Owen A. Kidd	Kenneth C. Reynolds
Georg C. Klieser	Samuel I. Rogers, Jr.
Harold H. Knight	Richard N. Romkema
Griffith H. Knoop, Jr.	Robert A. Rulis
Harold R. Larson	Arthur F. Schneider
Raymond W. Littel	Joseph E. Sherin
Theodore A. Loyer	Bryan McC. Smith, Jr.
LeRoy H. Ludi	Jack E. Speiser
Charles R. MacDowell	Norman E. St. Louis
Allan E. McNally	Robert F. Stratton
Ross A. Mathews, Jr.	George E. Taylor
Marvin J. Miller	Leonard J. Treichler
Donald W. Mitchell	Clyde H. Tuomela
Joseph Molnar	Martin J. Twite, Jr.
George L. Nicholls	Robert J. Vollmer
Frank I. Nulton	Francis G. Wachowiak
Raymond H. Oakes	Robert H. Wagner
Bernard T. O'Laughlin	Philip E. Webb
Richard J. Owens	William A. Wilkinson
Gerald "J" Parent	James R. Williams

James W. Greenwood, Jr. (Naval Reserve Officers' Training Corps), to be an ensign in the Navy from the 2d day of June 1950.

Richard L. Baker (Naval Reserve Officers' Training Corps) to be an ensign in the Navy from the 2d day of June 1950, in lieu of ensign in the Supply Corps of the Navy as previously nominated.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950, in lieu of ensigns in the Supply Corps of the Navy as previously nominated and confirmed:

Francis B. Quinlan	John B. Sherman
Alois E. Schmitt, Jr.	Max L. Washington

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950, in lieu of ensigns in the Civil Engineer Corps of the Navy as previously nominated:

Robert G. Adams	Louis Huszar, Jr.
Lawson I. Ainsworth	John P. Jaso, Jr.
Eldon D. Aldred	Seward R. Keim
Richard L. Allen	Addison H. Kermath
Leonard L. Attwell Jr.	Kenneth E. Klotz
	Walter S. Kmak
Emory D. Ayers	Wilbur S. Leinberry
Edward McC. Baty	Robert H. Lindquist
Gerald L. Bearer	Douglas R. Lynch
Robert L. Berg	James H. McFadden
Robert T. Billington	Richard O. McNerney
William H. Boden, Jr.	Lonnie A. Marshall
Stephen R. Caliento	Robert W. Muery
Carroll A. Carr	Robert C. Ockerlund
Edgar S. Carr, Jr.	John R. Patterson, Jr.
Billy R. Catherwood	Stanley D. Penny
Victor Chacho	Richard E. Powell
Stanley L. Clewett	Harland A. Riker, Jr.
James W. Deardorff	Stanley H. Saulson
Paul G. Eppes	Lynn E. Schrier
Norton H. Falls	John A. Sheffield, Jr.
Richard W. Ferris	Charles B. Simison
John W. Ferry	Porter J. Smith, Jr.
Harold L. Goyette	Donald E. Stocking
Alfred G. Granieri	Tom D. C. Thomas
Elmer D. Hamann	Brooks F. Warner
Carl C. Hanke, Jr.	William B. Whalley
Kenneth E. Heidelberg	James A. Whelan
William B. Henderson	Frank J. Young
Richard W. Huston	Richard M. Young

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950, in lieu of ensigns in the Civil Engineer Corps of the Navy as previously nominated and confirmed:

Renato T. DiStefano, Jr.	Harvey M. Soldan
	Gene F. Straube
Byron A. Nilsson	

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the

Supply Corps of the Navy from the 2d day of June 1950, in lieu of ensigns in the Navy as previously nominated:

Lewis D. Cassell	Walter P. Harris, Jr.
Stanley Cohen	John I. Harrison
James J. Connell	Theodore J. Newton, Jr.
Theodore J. Fussell	
Lewis E. Gary	Thomas C. Simons
Jack E. Gove	

George R. Wentz (Naval Reserve Officers' Training Corps) to be an ensign in the Civil Engineer Corps of the Navy from the 2d day of June 1950, in lieu of ensign in the Navy as previously nominated.

Carl Birdwell, Jr. (Naval Reserve aviator) to be an ensign in the Navy.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Leon L. Cepparo	Rocco H. Mautone
Lloyd B. Chaisson	William A. Ruel
Robert W. Elliott, Jr.	George E. Sanquist
Theodore C. Enger	Louis F. Snyder, Jr.
David J. Knoedler	Edward F. Sobieski
Howard S. Kramer, Jr.	Carl H. Wilkens, Jr.
Robert F. LeGendre	

Violetta J. Kellagher to be an ensign in the Nurse Corps of the Navy.

The following-named officers to the grades indicated in the Medical Corps of the Navy:

Commanders

Julius M. Amberson
Russell H. Blood
Joseph M. Coppoletta

Midshipman James P. Rasmussen, Jr. (Naval Academy) to be an ensign in the Navy from the 2d day of June 1950.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950:

Emil R. Borgers	Albert R. Knotts, Jr.
Wenzell B. Bryant	Alexander M. McDougal
John P. Donovan	
William F. Gerold	Richard M. Regan
Ralph H. Henty, Jr.	Charles L. Sweeney, Jr.
Rothschild H. Holden	John H. Thorp

Richard G. Williams (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy from the 2d day of June 1950.

The following-named (Naval Reserve Officers' Training Corps) to be second lieutenants in the Marine Corps from the 2d day of June 1950:

James A. Derdick	John P. Plunkett
Johan S. Gestson	Henry F. Schlueter
Kenneth C. Johnson	Roderick M. Stewart
Theodore H. Kruse	Taylor J. Tucker
Robert D. Morse	Anthony H. Winchell
Richard E. Packard	

Norman F. Lattin (Naval Reserve Officers' Training Corps) to be an ensign in the Navy from the 2d day of June 1950, in lieu of ensign in the Civil Engineer Corps as previously nominated.

The following-named (Naval Reserve Officers' Training Corps) to be second lieutenants in the Marine Corps from the 2d day of June 1950, in lieu of ensigns in the Navy as previously nominated:

Philip B. Ezell	Albert E. Shaw, Jr.
Richard D. Flynn	Paul J. Uhlig
Helge R. Hukari	

The following-named (civilian college graduates to be lieutenants (junior grade) in the Medical Corps of the Navy:

Homer S. Arnold	Malcolm D. Dinges, Jr.
Edward W. Bird	Owen W. Doyle
Louis F. Brignac, Jr.	Frank L. Golbranson
Robert J. Cales	John H. Griffin
Charles M. Callis	David H. Hosp
Halvard J. Davidson	James R. Householder
Thomas F. Dillon	William F. Hughes
Roger G. Ireland	Earl Peterson
Melvin A. Kutschbach	David L. Spence
John W. McAllister	Richard C. Stevens
James L. May	Francis J. Sweeney
William R. Moore	Winston F. Whipple
Benjamin P. Owens	McClure Wilson

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Robert W. Elliott, Jr.
William A. Ruel
Chester H. Tiberii

Henry B. Wilson (civilian college graduate) to be an ensign in the Medical Service Corps of the Navy.

Joan Rhodarmer to be an ensign in the Nurse Corps of the Navy.

The following-named officers to the grades indicated in the Medical Corps of the Navy:

Lieutenant commander

Lewis D. Williams

Lieutenant

Sidney H. Cohen

Lieutenants (junior grade)

Loy T. Brown
Francis L. Giknis
Charles H. Howarth

The following-named officer (woman) to the grade indicated in the Medical Corps of the Navy:

Lieutenant commander

Norman C. Furtos

The following-named officer to the grade indicated in the Nurse Corps of the Navy:

Lieutenant (junior grade)

Marjorie C. Chilcott

The following-named officer for temporary appointment to the grade and corps indicated:

Commander, Medical Corps

Harry L. Day

The nominations of Donald S. Albright, Jr., et al., to be ensigns or lieutenants (junior grade), in the Navy, which were confirmed today, were received by the Senate on April 12, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Donald S. Albright, Jr., which appears on page 5093, and ending with the name of Doris N. Snell, which appears on page 5096.

IN THE MARINE CORPS

Maj. Gen. Lemuel C. Shepherd, Jr., to have the grade, rank, pay, and allowances of lieutenant general in the Marine Corps while serving as commanding general, Fleet Marine Force, Pacific.

John C. McQueen, for temporary appointment to the grade of brigadier general.

POSTMASTERS

CALIFORNIA

Donald C. Tierney, Bellflower.
Ida Belle Lawlor, Clarksburg.
Melvin D. Kronquest, Clearlake Park.
Hurkless A. Bullard, Coachella.
Verne H. Watson, Corona Del Mar.
James V. Vescere, Crows Landing.
Robert B. Reynolds, Fort Jones.
Thelma M. Luckenbill, Guasti.
Francis R. Faucher, Lemongrove.
Lola H. Heaton, McArthur.
Charles S. Maloney, Jr., Marina.
Emmett Williams, Montebello.
Otto Frederick, Norden.
Albert L. Schoepf, Orange Cove.
James H. Ashley, Pebble Beach.
William P. Martin, Rialto.
Frances P. Autenrieth, Rutherford.
Kenneth R. Hammaker, Sacramento.
John J. Mollinet, Soquel.
Ethel E. Hain, Stinson Beach.
Ralph M. Wright, Sunol.
Harry R. Ellison, Tujunga.

COLORADO

William E. Bales, Fort Morgan.
Sol Cahen, Spivak.

IDAHO

Marian T. Gillette, Kimberly.
Frank L. Jolley, Meridian.
Bertha A. Roberts, Winchester.

KENTUCKY

Ernest M. Martin, Beaver Dam.
Ollie J. Brandenburg, Booneville.
Pearl M. Caddell, Burgin.
William B. Reynolds, Kings Mountain.
Martine Calhoun, Livermore.
Billy G. Combs, Lothair.

MARYLAND

Ruth B. Parent, Betterton.
Gertrude L. Hopkins, Cordova.

MINNESOTA

Walter H. Hedin, Bock.
Edward J. Kavanaugh, Carlton.
William J. Murray, East Grand Forks.
Ray C. Hansen, Lutsen.
Harold L. Fisher, Royalton.

MISSOURI

Clifford E. McColl, Appleton City.
Robert A. Moberly, Excelsior Springs.
Scott Moore, Galena.
Wayne E. Boring, Hopkins.
Jane C. Martin, Pomona.
Ross Alexander, Jr., Spickard.

NEW HAMPSHIRE

Walter J. T. Richard, Manchester.

NEW JERSEY

Florence E. Morton, Lake Como.
Charles W. Brahn, Spring Lake.

NEW YORK

Walter L. Smith, Blue Mountain Lake.
Harold T. McCormick, Brownville.
Francis J. Burns, Clinton.
Arline P. Herrington, Collins.
Edward L. Van Tassell, Croton-on-Hudson.
George H. Geer, Downsville.
Ruth E. Wright, Lagrangeville.
Charles D. Lovell, Poland.
Charles A. Reilly, Salem.
Madeline M. McCabe, Starlake.
Orville C. Kalin, Ten Mile River.
Ethel S. Navins, Tivoli.

NORTH DAKOTA

Harry S. Johnson, Grenora.
Alfred L. Schrade, Kensal.

OHIO

John M. Bishop, Arlington.
Harold Montgomery, Jr., Austinburg.
Robert L. Canter, Bethel.
Donna M. Emery, Bloomingburg.
Marvel I. White, Blue Ash.
Ernest C. Tracey, Huntsville.
George L. Burkett, Malinta.
Mary Ellen Swerlein, McCutchenville.
Herbert B. Hague, Senecaville.
Herbert A. Lannert, Springfield.

OKLAHOMA

Newton M. Foster, Catoosa.
Lloyd E. Null, Chickasha.
Norman W. Kingsley, Nash.

PENNSYLVANIA

Gilber B. Bainbridge, Ambler.
Franklin G. Spohn, Breinigsville.
Albert M. Smith, Jr., Bushkill.
George R. Hixon, Dawson.
Roy E. Raub, Edinburg.
Clarence Donald Dotterer, Emlenton.
Louis J. Pagano, Galeton.
George V. Beitler, Glenshaw.
Esther L. Rosencrance, Greeley.
Grover C. Bower, Grove City.

John G. O'Connor, Kane.
Charles P. Kennedy, Malvern.
Frank Maida, Port Kennedy.
Elmer A. Carvell, Rothsville.
Wayne K. Wildonger, Souderton.
Anna Smith, Starjunction.
Carl A. Shollenberger, Tyrone.

SOUTH CAROLINA

William L. Antley, Ellcree.

TEXAS

Texas R. Flaniken, Freeport.

WASHINGTON

William T. Harmon, Bong.
Eula Hedin, Kennydale.
Ralph Nelson, Raymond.

WEST VIRGINIA

Merriman S. Smith, Bluefield.

WISCONSIN

Leo E. Offord, Deerfield.
Frederick C. Thacker, New Glarus.
Carleton J. Rubin, Portage.
Edward J. Ikert, Rockland.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 11, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, may this be a day when we shall be blessed with a clear and commanding vision of the glorious enterprise of building Thy kingdom of righteousness and peace upon this earth.

Fill us with a passion to heal our heartbroken and fear-ridden world of the malady of hatred and war. Show us how we may lead all mankind into a nobler and more humane social order.

May we not be discouraged and allow our faith to become eclipsed by doubt and despair. Grant that with increasing tenacity of purpose we may lay hold of the glad assurance that the spirit of the Prince of Peace shall prevail everywhere.

In His name we pray. Amen.

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

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House:

MAY 9, 1950.

The Honorable the SPEAKER,
House of Representatives.

SIR: A certificate of election in due form of law, showing the election of the Honorable EDWARD J. ROBESON, JR., as a Representative-elect to the Eighty-first Congress from the First Congressional District of the Commonwealth of Virginia, to fill the vacancy caused by the death of the Honorable Schuyler Otis Bland, is on file in this office.

Very truly yours,
RALPH R. ROBERTS,
Clerk of the House of Representatives.

SWEARING IN OF MEMBER

Mr. ROBESON appeared at the bar of the House and took the oath of office.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today following the legislative program and any special orders heretofore entered.

COUNCIL OF ECONOMIC ADVISERS

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, as the House sponsor of the Employment Act of 1946 and as a member of the Joint Committee on the Economic Report, I have watched with great interest the work of the Council of Economic Advisers during the 3½ years of its existence.

It is therefore exceedingly gratifying to learn that President Truman has designated Mr. Leon H. Keyserling as Chairman of the Council. Mr. Keyserling's work at the Council of Economic Advisers since its inception has contributed to a new and better understanding of the need for an expanding economy and for a more wholesome relationship between business and government.

No Member of Congress who has been associated with Mr. Keyserling during his many years in the Government can fail to recognize his unusual competence and his comprehensive grasp of all subjects with which he has been concerned.

But what should make Members of Congress particularly happy about Mr. Keyserling's designation as Chairman of the President's Economic Council is his unfailing attitude of helpfulness toward the members of committees of Congress. It has been my observation and that of my colleagues that, when called upon for information, testimony, or technical assistance by any Member of Congress regardless of party or ideology, Leon Keyserling has always responded in a helpful and cooperative manner. It is only by such an attitude on the part of the Council of Economic Advisers that the Employment Act of 1946 can be successful. This is the only way that our form of government can work.

I am also glad to learn of the appointment of Dr. Roy Blough as the third member of the Council. Mr. Blough is a distinguished economist from the University of Chicago who has gained a great deal of practical experience during his service with the Bureau of Tax Research of the Treasury Department. Mr. Blough's appointment gives assurance that the Council now constitutes a rounded group of economists and offers the prospect of ever-increasing service to the Nation.

HOUSE COMMITTEE TO INVESTIGATE QUESTIONABLE TRADE PRACTICES

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, I wish to report to the Members of the House that the last perjury case arising out of testimony before the House Committee of the Eightieth Congress to Investigate Questionable Trade Practices has been disposed of satisfactorily.

As you know, that Committee, of which I was chairman, investigated, among other things, the gray market in steel which flourished during 1948. In this connection we looked into the activities of the Wayne Sheet Steel Co. of Detroit, Mich. Because of the nature of the testimony under oath of William Voisine, owner of the company, and Edward Sauve, his manager, we referred the matter to the Department of Justice for appropriate action. As a result, Voisine was convicted of perjury on April 3, 1950, after a trial in the United States District Court for the District of Columbia, and received a sentence of 8 months to 2 years in a Federal penitentiary. On May 4, 1950, Edward Sauve entered a plea of guilty in the same Court to a charge of perjury before a congressional committee and received a sentence of 4 months to 2 years. As far as I can determine, this is the first time any defendant so indicted has elected to plead guilty to such a charge.

I cannot help but feel that these and other recent convictions which have been obtained by the United States Attorney's office will materially assist congressional committees in their investigations. There will be far less likelihood that any witness will attempt to mislead a committee or attempt to interfere with or delay it in the exercise of its proper functions if it is abundantly clear from the vigorous prosecutions in the past that perjurious testimony or contumacious conduct will not be tolerated.

I, therefore, respectfully and earnestly suggest that the chairmen of all investigating committees, who have not already done so, arrange for the United States Attorney, Mr. George Morris Fay, to advise them, which I am sure he will be only too glad to do, of the legal technicalities laid down by the courts, which must be observed by a congressional committee if a case of perjury or contempt is to be successfully prosecuted.

The proper handling of all cases of this nature can be insured by a little advance preparation and, in my opinion, this manner of protecting the dignity of congressional investigating committees and increasing the effectiveness of their work is well worth the small effort required.

May I also bespeak the courtesy of our eminent majority leader, the Speaker pro tempore of today, the Honorable JOHN W. MCCORMACK, in sending me earlier this week with a little note the Georgetown Law Journal which, in a review of legislative committees on page 350, said:

> The Macy committee of the Eightieth Congress is a happy example of the orderliness and effectiveness of this procedure.

I do not take this as a personal compliment but as a compliment to my distinguished colleagues on the Committee and in the House who accorded us at all times unanimous support.

FLOODS IN NEBRASKA

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, I rise to call attention to the disastrous floods that have been occurring in southeast Nebraska. A number of lives have been lost and there has been great loss of property. The following telegram sets forth some of the known losses at this time:

LINCOLN, NEBR.

Re southeast Nebraska flood, May 8, 1950.

HON. CARL T. CURTIS,

House of Representatives:

Seventeen known dead to date in following counties: Eight in Lancaster, five in Otoe, three in Nemaha, one in Cass. At least five still missing in Otoe and Nemaha Counties. Lancaster County deaths all result of cars washing from Highway No. 77 south of Lincoln. American Bus Lines bus swept from Highway No. 2 into Little Nemaha River near Syracuse, Otoe County. Three occupants of bus saved, two bodies recovered, three still missing. Remaining fatalities result of cars washed from highways.

Result of flooding of Salt Creek in Lincoln estimated $200,000 damage to industries, plus most extensive residence damage since 1908. As yet unestimated. Total Lancaster County bridge and road damage estimate $150,000. Railroad tracks washed out, extensive soil erosion, fence, farm buildings, and livestock loss in Lancaster, Saline, Gage, Johnson, Otoe, and Nemaha Counties. Residence and business damage reported to date in Syracuse, $105,000; Unadilla, $50,000; Dunbar, 12 houses and railroad station; Crete, $25,000; property damage Gage County estimated over half million dollars, result of Blue River flooding. Two hundred thousand dollars' damage in Auburn, mostly due to tornado. Water supplies in De Witt, Nebr., and Weeping Water contaminated, and mass inoculation against typhoid started. National Guard, Red Cross, State, and local authorities all assisting.

C. M. PIERSON.

These floods occurred on the Blue River, on Salt Creek, the Nemaha Rivers and other creeks and streams.

On several occasions I have appeared before the Flood Control Committee in connection with the local flood-control works at Beatrice, Nebr. The committees of the House and Senate were unable to take action because the report on the Kansas River, in which the Beatrice and Hubbell, Nebr., local projects are carried, had not reached the Congress prior to their action on the recent flood-control bill. An Army engineers' report is in the process of being assembled but has not reached Washington concerning the Salt Creek flood problem. This is in response to a resolution I introduced some years ago. I likewise introduced a resolution for flood surveys on the Nemaha Rivers but that report has not yet been officially transmitted to Congress so that action could be taken.

Mr. Speaker, it is my hope that these various reports can be expedited, that flood-protection recommendations may be worked out which are in accord with the views of the local people and that the necessary authorization act can be considered. These steps are necessary before any funds can be provided for flood protection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HARDY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Operations of the Committee on Expenditures in the Executive Departments be permitted to sit during general debate today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PASSMAN, for 9 days (May 12 to May 20, inclusive) on account of official business in Louisiana.

CHANGING HORSES IN MIDSTREAM

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, it would hardly be fair to accuse the Secretary of State of getting us into a third world war, but it might be fair enough to say that he did not keep us out of one, if we do get into one.

So I call the attention of the House to that old, old statement that you "should not change horses in the middle of the stream." Instead of waiting until we get into this war, we just ought to change horses now and get rid of Mr. Acheson before we get into a war so that we will not have that argument put up to us later on when the war is on.

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

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

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include certain editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[Mr. BOGGS of Louisiana addressed the House. His remarks appear in the Appendix.]

INTEGRATION OF HEAVY INDUSTRY IN GERMANY AND FRANCE

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I second what has been said and written about the importance of the stand taken toward the integration of the heavy industries of Germany and France. I am confident the free world will welcome the rebirth of leadership being shown by the great French nation. There can be no lasting peace until western Europe learns to work together. At long last, France is helping to show the way for western Europe to work together. This proposal, if earnestly and sincerely followed through, may become one of the important steps of our time.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

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

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House today for 10 minutes, following the legislative program and any other special orders heretofore entered.

IMPORTATION OF FOREIGN-MADE SHOES

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am greatly disturbed about the growing imports of shoes coming into this country from behind the iron curtain and competing with our own American produced shoes.

It is true that the well-being of many communities in my section of the country depends upon the shoe and leather industry, which employs thousands of workers at high wages.

Today, in Boston stores and in stores throughout Massachusetts and the Nation, women's shoes made in Czechoslovakia are being offered to the public.

These shoes are shipped into the United States from behind the iron curtain and are sold to importers at prices which are less than the American manufacturer must pay for leather and other materials and not allowing for the high wages paid American workers.

There is no question but that every pair of these Czechoslovakian shoes purchased in this country, feeds good American dollars into Communist-dominated areas, encourages and builds up totalitarian labor methods and undermines American prosperity and the free labor of our own shoe industry.

It is estimated by the trade that at the present rate of imports, over a million pairs of Czechoslovakian shoes will come into this country in 1950. These will be dumped here by an economy organized on totalitarian principles at below the American costs of production.

In fact, some state that they can be sold in American markets at half the price of American-made shoes.

I think that Members of the House will agree that this is a very serious and alarming situation. I have strongly protested it many times with appropriate officials of this Government. It is unconscionable in my mind that it should be permitted to continue when it can be shown clearly that these imports, these Soviet-dumped goods, constitute a direct attack upon American labor, American business and American prosperity.

I am again urging that these imports be stopped at once in the national interest and hope that Government officials will move to this end at an early date.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. KEARNEY. I am very interested to hear the gentleman speak as he has, because we are having the same trouble in our own district in the glove industry in Fulton County.

Mr. PHILBIN. I think it applies to many industries, and I am glad to have the gentleman's contribution.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. WHITE of Idaho. Is not the thing which the gentleman complains about right in line with the administration, the very thing that is being done by the Economic Administration every day, flooding this country with foreign products and foreign metals? Is that not in line with the policy of the administration?

Mr. PHILBIN. The distinguished gentleman has put his finger on a very serious and grave condition, and I hope it may soon be remedied.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. BROWN of Ohio. I am glad the gentleman has called this to the attention of the House, because the same situation exists in the pottery and glass industry in my own State.

Mr. PHILBIN. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Massachuset's [Mr. PHILBIN] has expired.

PENNSYLVANIA'S FINANCES

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, my friend, the gentleman from Pennsylvania [Mr. RICH], frequently berates the Democratic administration for deficit spending, socialism, and confusion within the Democratic Party.

I want to call to the attention of my friend from Pennsylvania that all is not serene in his home State.

In fact, Governor Duff issued a statement last week in which he said that the boasted $200,000,000 surplus of his predecessor, Governor Martin, was actually a $23,000,000 deficit.

I also note with interest that Governor Duff's administration has supported a $500,000,000 bonus for veterans, but they have not levied taxes to take care of this obligation which was incurred over 6 months ago.

It therefore appears that the Republican Party administration in the State of Pennsylvania is also resorting to deficit financing.

Now as to confusion and dissension in the Democratic Party, I am sure that my friend obtains little comfort from the situation of his own party in Pennsylvania.

In the April 3 issue of Newsweek, there is a very interesting article on the internecine Republican Party fight between Governor Duff and what the Governor denounces as the "old guard reactionaries in the Grundy machine."

The article states that—

> Last week Jim Duff was having the brawl of his life. It was a brass-knuckle battle with Pennsylvania's powerful Grundy machine, fought under boom-town-barroom rules. Everything went, including rabbit punching, eye gouging, and kneeing in the clinches. Duff swore that he would smash the machine into a heap of twisted junk. It was that, he said, or else the machine would destroy the Republican Party in Pennsylvania and nationally.

So I say to my good friend, the gentleman from Pennsylvania, whom I admire for his unfailing service to his constituents and his frequent good-humored chastisements of the Democratic Party, "Save some of your energy and advice for the benefit of the strife-ridden and deficit-spending Republican Party in Pennsylvania."

PENNSYLVANIA POLITICS

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

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

There was no objection.

Mr. RICH. Mr. Speaker, my colleague from California very graciously notified me in advance that he was going to say something about Pennsylvania politics. I want to say to him and to all Members from other States that if they will leave Pennsylvania alone we will wash our own linen. We do not have to rely on the Crump machine in Tennessee, the Kelly-Nash machine in Chicago, the Hague machine in New Jersey, the Curley machine in Massachusetts, or the Pendergast machine in Kansas City, and ask for any help from any of them. We will do the job ourselves. To our own satisfaction and to the honor of the Republican Party and for the good of our country.

We have a contest up there in Pennsylvania and when we get through we will support the Republican Party, whoever is nominated, because we believe in the primary system. The fellow who is nominated honestly by the majority of our party we will support because we want good honest politics and good government. We believe in the two-party system. When the two-party system in this country fails, then we will not have any Government at all. We are builders. We are for a good government; we will have it if Republicans have charge.

Mr. Speaker, watch the train that is going out there to the West. Whenever the President of the United States can take a TAYLOR, knowing what a tailor will do in manufacturing his suit, when the time comes that he finds this suit does not fit him, he will determine then it has been wrong in the cut. The Democrats fight one year and condemn each other, then ride on the same train together in Idaho. Birds of a feather should travel together. Toot-toot, the train is off again. Whistle stop. Woo, woo, woo. The President says all will get a salary of $4,000 a year in sixty. He does not say that if that happens by his inflation their eggs will not be 60 cents a dozen, but $1.20 a dozen; bread 20 cents a loaf to 50 cents a loaf; milk 20 cents a quart to 45 cents a quart; a pair of shoes made in America, $50 a pair, but an imported pair of shoes, $15; and our shoemakers out of a job. Let Pennsylvania alone you other States. We will elect good Republicans this fall. We are sound Americans.

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

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

There was no objection.

Mr. WALTER. Mr. Speaker, I was very much interested in the statement made by my distinguished colleague from Pennsylvania [Mr. RICH] although I was not surprised. The Republicans in Pennsylvania have supported the Republican ticket, but I am just wondering what the Republicans will do this fall when they hear played back over the radio the things that the Republicans have been saying about Republicans.

HAROLD E. STASSEN

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I hate to join in this attack which may embarrass the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. The gentleman cannot embarrass me.

Mr. McCARTHY. I am glad to know that.

Mr. RANKIN. He is a gentleman whom no compliment can flatter and no criticism can embarrass.

Mr. McCARTHY. Mr. Speaker, last week the people of the United States heard an extraordinary speech. It was extraordinary in its bitterness, it was extraordinary in its irresponsibility and also in its attempt to confuse the people of the United States. It was all the more extraordinary in that this bitter, disrespectful, misleading, and irrespon-

sible speech was made by a man who is now president of the University of Pennsylvania and one who himself has sought the Presidency of the United States.

Mr. BROWN of Ohio. Mr. Speaker, a point of order. If that statement is being made about a speech of the President of the United States, I must object.

The SPEAKER pro tempore. The point of order is overruled.

Mr. McCARTHY. It is made in reference to a speech made by the president of the great University of Pennsylvania.

Mr. Speaker, it is a cause of great embarrassment to me as a citizen of the State of Minnesota to admit that the author of this address was at one time the Governor of the State of Minnesota. It is a cause of embarrassment to me as a former member of the academic profession to see the president of a great university show such lack of responsibilty in a public address.

There is slight consolation in the fact that Minnesota no longer claims Mr. Stassen as a citizen. He is Pennsylvania's responsibilty by adoption. And to judge from a recent statement by Governor Duff, Pennsylvania seems to have discovered faults in its adopted son. Referring to another recent statement by Mr. Stassen, Governor Duff is quoted by the Pittsburgh Sun-Telegraph as declaring.

It is beyond belief to me that the president of a university would make such a completely false and misleading statement to the people of this great State.

Governor Duff went on to say:

Mr. Stassen either knew what he said was false, and is, therefore, subject to the highest possible condemnation; or he failed to get the facts, and as president of one of the great universities of Pennsylvania, he had a distinct obligation not to be a traitor to the facts.

SHOE IMPORTATION

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I wish to commend the gentleman from Massachusetts [Mr. PHILBIN] in the statement he has made about shoes. As the Representative of 20,000 Endicott-Johnson shoe workers I wish to object loudly to a proposal recently made and introduced as a bill in this House which will eliminate the American selling price as a basis for computing the duty on imported rubber footwear. Such a proposal, if it is made law, will throw many Endicott-Johnson workers out of their jobs and will permit Japanese shoes to be brought into this country for about 70 cents a pair. It will enable shoes made behind the iron curtain to come into direct competition with American shoes being made up in my district. The American selling-price method of computing the duty on shoes is the only possible way that rubber-soled canvas oxfords and rubber-soled footwear can be adequately produced by American manufacturers. I think those in the State Department and the Treasury Department who are making these proposals and bringing them in here in the form of legislation had better think about the welfare of the American shoe industry before they do anything else.

If H. R. 8304, the bill I am referring to, is passed, the bars will be let down to such an extent that shoes made by slave labor from iron-curtain vassal states and also those produced in the sweatshops of Japan will flood the markets of America in direct competition with the products of American shoeworkers who enjoy the highest wage standard in the world.

This action can only result in the crippling of the rubber-footwear industry, with the accompanying loss of thousands of jobs in these plants. This action will force Americans, whose life work consists of the skilled and time-honored profession of building shoes, to accept unemployment insurance and eventually to seek unfamiliar lines of endeavor.

Such action can only lead to disastrous results to our domestic rubber-footwear industry.

OMNIBUS APPROPRIATION BILL

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, there is not a Member of this House who does not believe in intelligent economy. The Cannon amendment yesterday which I supported, would have helped in that direction. But I think that yesterday was a very black day for the Government services that the American people expect, and for the Government employees themselves. We were guilty, I think, in this House, of meat-ax economy. We ask for nothing but trouble when we apply indiscriminate across-the-board cuts. I refer specifically to the Taber amendment and to the Jensen amendment.

I want to illustrate briefly with just one type of service that will be greatly hit as the result of our action if it is allowed to stand by the other body. All of us have been haranguing for the last several years about the need for modernization of equipment in the Post Office Department. We deplore the ancient trucks that are still in use, and the antiquated equipment of other sorts. We all want better service for the American people. As the result of yesterday's action we have slashed by 10 percent the funds available for modernization of the Post Office Department.

Secondly, many of us have been receiving loud protests from the people in our constituencies about the curtailment of mail service that has been put into effect by the Postmaster General. If the Jensen amendment is permitted to stand you are now faced with this situation, that if 10 carriers retire in your district during the next year, only 1 new carrier may be appointed; only 1 vacancy may be filled. How are you going to carry the mail under such circumstances? Better search your souls, you gentlemen who voted for these amendments.

THE RAILWAY STRIKE

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

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

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, we read that the President's train, by reason of special privilege, is to be exempted from the operation of the railway strike in that the Brotherhoods have given instructions that there is to be no strike or interference with the President's train. Of course, we are glad to hear such courtesies extended to the Chief of our Government, but at the same time, by the acceptance of a favor from one side of a controversy as against the other side, does not the President disqualify himself either as an impartial mediator in his own person, or by reason of having accepted a favor, can anyone thereafter trust the President's good faith in a genuine effort to solve this strike by which the millions of Americans are inconvenienced, he himself having accepted convenience in preference to justice and impartiality?

SPECIAL ORDER GRANTED, AND LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that today, following the legislative program and any special orders heretofore entered, the gentleman from North Carolina [Mr. DEANE] be permitted to address the House for 20 minutes and to revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, I simply take this opportunity to ask the distinguished acting majority leader as to the program for next week.

Mr. PRIEST. Mr. Speaker, I am very happy to respond to the inquiry of the distinguished minority leader.

The Consent Calendar will be called on Monday, and following that will be the consideration of the bill H. R. 5990, relating to the Baltimore-Washington Parkway.

On Tuesday the Private Calendar will be called, followed by the consideration of the bill H. R. 7058, which provides for some technical amendments to the laws with reference to the United States Naval and Military Academies. Following the disposition of that bill we will consider H. R. 5074, a bill relating to the National Advisory Committee for Aeronautics.

On Wednesday the regular Memorial Services of the House of Representatives will be held.

On Thursday and Friday we hope to consider some reorganization resolutions. Following the disposition of any reorganization resolutions that may be considered on either of those days, we will take up for consideration H. R. 7941, the Federal Aid Road Act.

Mr. MARTIN of Massachusetts. I thank the distinguished gentleman, and withdraw my reservation of objection, Mr. Speaker.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, in view of what has happened heretofore in the House with reference to unanimous-consent requests and also the announcement of the various legislative programs, I wish to give notice for myself and such other Members of the House as may desire to avail themselves of the privilege that I reserve the right to call up any privileged resolutions or motions which may be in order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 447 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944). That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and now yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the immediate consideration of the bill (S. 2596) which relates to the education and training of veterans under title II of the Servicemen's Readjustment Act, which was passed by the other body.

The rule provides for 1 hour of debate.

So far as I know, Mr. Speaker, there is no objection to the immediate consideration of the bill.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. JOHNSON. Will the gentleman kindly explain the provisions of the bill?

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. TEAGUE. This bill writes into permanent law what is now a regulation and what has been put in the appropriation bill for the last 3 years. It continues the ban against avocational and recreational training and the ban against a school taking veteran students, unless it has been in operation for a year. It puts into law a number of standards that the President recommended to the Congress on February 13, 1950, concerning the GI bill.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. MILLER of Nebraska. Does the passage of this bill mean that it will cost more to operate and handle the program?

Mr. LYLE. Yes, it will cost a little more.

Mr. TEAGUE. This bill will cost an additional $2,300,000, according to the Veterans' Administration. That money is to be used for the State approving agencies to check the schools to see that they are complying with the law. The Veterans' Administration and the President recommended that. My State approval agency tells me our inspection service and on-the-job training and farm training has gone down because no additional money was included, but the Veterans' Administration says it will cost $2,300,000.

Mr. JOHNSON. In other words, all the bill does is reduce to a statute the practice that has been carried on under their regulations.

Mr. TEAGUE. That is correct.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. KEARNEY. I would like to be clear in my own mind concerning which particular bill is under discussion. Is it Senate bill 2596?

Mr. LYLE. That is correct.

Mr. KEARNEY. It is my understanding, Mr. Speaker, that while this committee has held no hearings on this particular bill, the testimony before the Committee on Appropriations was to the effect that if this bill passed, it would cost $2,500,000,000 a year, is that correct?

Mr. TEAGUE. The Veterans' Administration did testify that, but I wrote them and asked them to explain how it would cost that much. They said the preamble of the bill destroyed the expiration date of the GI bill. I wrote back to the Veterans' Administration and asked them to write an amendment which would correct that. That amendment will be offered.

I do not agree with the Veterans' Administration. I sent the bill to the legislative reference service and asked them for a report. They said there was nothing in the bill which changed the expiration date, but to be sure that there is no doubt about it the amendment prepared by the Veterans' Administration will be put in the bill.

Mr. KEARNEY. Is it the intention to offer the House bill, H. R. 8465, as a substitute?

Mr. TEAGUE. Yes; I intend to offer that as a substitute for the Senate bill 2596.

Mr. KEARNEY. If that is so, what would be the difference in the cost of the bill as it passed the Senate and the cost of the proposed amendment?

Mr. TEAGUE. The gentleman from New York [Mr. KEARNEY] heard the same testimony that I heard concerning S. 2596, in executive session in our committee. At that time the Veterans' Administration did not mention the expiration date of the GI bill. It would not change anything as pertains to the expiration date of the GI bill.

Mr. KEARNEY. But as I get the picture it changes the figures in the Senate bill from $2,500,000,000 to $2,500,000. If that is so I am going to ask the question now, How can we reconcile any differences in any conference committee between the sum of $2,000,000,000 and $2,000,000?

Mr. TEAGUE. The gentleman from New York knows that when the Senate passed this bill there was no thought of any such cost as that. The Veterans' Administration came up with that figure before the Appropriations Committee, after they had testified before our committee. There was no Senator that ever mentioned changing the expiration date of the GI bill. There is no Senator who will object to this amendment.

Mr. KEARNEY. You understand I am not criticizing my good friend from Texas, because there is not a harder worker on the Veterans' Affairs Committee than the geneleman from Texas, but I do say that as far as this particular legislation is concerned, as it stands now I am opposed to it, for the simple reason that we have never had any hearings on this bill.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. THOMAS. May I ask my colleague from Texas this question. About 3 days ago, Mr. Lawton, the present Director of the Bureau of the Budget, sent to the Committee on Appropriations covering the independent agencies a letter stating that S. 2596 will cost an additional $1,000,000,000 a year. If my memory serves me correctly, we appropriated for education and training for the fiscal year 1950, $2,900,000,000. He says this bill S. 2596 will cost an additional $1,000,000,000. I wonder if the gentleman is prepared to break down at this time the difference in cost of S. 2596 and H. R. 8465? I believe the gentleman intends to substitute H. R. 8465; is that correct?

Mr. TEAGUE. Yes, sir. Does the gentleman have a copy of H. R. 8465 before him?

Mr. THOMAS. Can the gentleman break down the difference in cost and give that more or less in round figures?

Mr. TEAGUE. I have not seen the letter from Mr. Lawton, but I did read the testimony before your subcommittee where they said it would cost an additional $2,500,000,000.

Mr. THOMAS. That was the Director of the Veterans' Administration, General Gray.

Mr. TEAGUE. I, in turn, wrote to them and asked them to explain where that could possibly happen. They said it was because of the preamble. There is one section in H. R. 8465, section 4, that contains the cost of $2,300,000.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield again?

Mr. LYLE. I yield.

Mr. JOHNSON. Will the gentleman again state how he feels assured that in the event his substitute bill is passed how we can be assured that in conference they will not split the difference, or do something like that, and run it into billions of dollar on this legislation.

Mr. TEAGUE. I will say to the gentleman that there was no intent by the people who passed this bill in the Senate to change the expiration date of the GI bill. As far as I am concerned, I am sure I can state for the gentleman from Mississippi [Mr. RANKIN] and the gentlewoman from Massachusetts [Mrs. ROGERS] that we would not agree to any such thing as that in conference.

Mr. JOHNSON. I am glad to have that assurance.

Mr. KEARNEY. Will the gentleman yield again?

Mr. LYLE. I yield.

Mr. KEARNEY. I bring up again my original thought about a compromise. How can you or any member of the conference committee adjust the differences between $2,000,000,000 and $2,000,000?

Mr. TEAGUE. If the gentleman from New York introduced a bill by which he intended to do something, and the agency involved came back and said that because of language that he had in the bill, an amount that he had never dreamed of, would be required, and he wrote the agency and asked for an amendment, would he worry about the amount then?

Mr. KEARNEY. Well, I am particularly worried about the amount in these two bills, I will say very frankly to the gentleman from Texas. I have here a statement which I referred to previously of the hearings before the Committee on Appropriations. The chairman of the subcommittee, the gentleman from Texas [Mr. THOMAS] stated:

> General Gray's figure was about $2,500,000,000 additional cost per annum. That would make a total expenditure of over $5,000,000,000 a year if S. 2596 goes through.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. MASON. I want to know if this changed expiration date is the thing that changed the $2,000,000 to $2,000,000,000.

Mr. TEAGUE. That is it exactly; the gentleman is correct.

Mr. MASON. Then if that change in the expiration date is corrected it will be approximately $2,000,000.

Mr. TEAGUE. Correct.

Mr. LYLE. Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may need.

The SPEAKER pro tempore. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, it seems to me obvious to everyone in this room after hearing the discussion here that the committee themselves do not agree on what the cost of this measure is going to be. Some say $2,000,000; some say $2,000,000,000; some say $5,000,000,000.

I personally am sorry that this bill is here before the Congress under these conditions, a bill on which they have had no hearings. I have attempted to obtain some information as to the provisions, cost, and so forth, but have been unable to do so. If this committee wants to come in where they themselves do not understand what is contained in the bill and ask Congress to pass something like that, I just think it is bad procedure.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. TEAGUE. There have been no specific hearings on this bill, but before the Senate committee, before our Committee on Appropriations, before the House Committee on Veterans' Affairs, there have been hearings on this same provision.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KEARNEY. As a matter of fact, is it not true that we adopted the hearings of the other body with reference to a bill we had on the floor here a short time ago which caused quite a bit of confusion? That was the 16,000-bed hospital bill.

Mr. ALLEN of Illinois. That is true. We do not know who appeared before the Senate committee, we do not know who appeared in opposition to the bill or in favor of it; no one knows that.

Mr. TEAGUE. Most of the hearings in the Senate were in executive session of the Committee on Education and Labor and they heard representatives of the Veterans' Administration. There were a number of conferences and my colleague from Texas [Mr. THOMAS] can verify this or tell whether it is true or not, that there were conferences between the Appropriations subcommittee and the Veterans' Administration trying to work out the language of this bill; and there were about 2 weeks of hearings over in the Senate before the Committee on Education and Labor. The bill was reported out of the Senate committee unanimously and passed by the Senate unanimously.

Mr. ALLEN of Illinois. Was the Director of the Budget brought down to testify as to the cost of the bill?

Mr. TEAGUE. I do not recall whether there was a letter from the Director of the Budget or not; there was one from the Director of the Veterans' Administration.

Mr. EVINS. Mr. Speaker, if the gentleman will yield, I think I can give him a little helpful information.

Mr. ALLEN of Illinois. I yield.

Mr. EVINS. General Gray does not like this bill. General Gray, the Veterans' Administrator, is opposed to this bill. He is opposed to any legislation that will tie his hands or that will restrict him in the issuance of regulations from time to time in the administration of this program, so General Gray is opposed to the bill. But the veterans of the country want some standard set up in the operation of the schools; the school authorities themselves want some standards set up whereby they can operate under some educational standards; the veterans' organizations see the need for it; educators of the country see the need for it. But General Gray does not want any law written in this Congress which will tie his hands in the running of the program. There is the opposition.

This is not a money bill; this is a belated setting up of standards and prescribing of regulations. The language of the bill incorporates 90 percent of the law already on the books in the Eightieth Congress. They did not include money in the appropriation bill for avocational and recreational training. In the first session of the Eighty-first Congress the same legislation was rewritten. Regulations have been issued which are included in this bill. So what I am trying to say to the gentleman is, this is not a money bill. This is a bill for setting up standards and regulations which are already law and which are in effect.

Mr. JOHNSON. How did the Rules Committee happen to give a rule on a bill on which no hearings were held? Why did the Rules Committee permit the bill to come out?

Mr. ALLEN of Illinois. They came to the committee and said it was unanimously reported with the exception of the gentleman from Mississippi [Mr. RANKIN]. I do not believe he took an active part. We were told that the committee was unanimously for it with the exception of the gentleman from Mississippi [Mr. RANKIN].

Mr. JOHNSON. It developed before the Rules Committee there had been no hearings?

Mr. ALLEN of Illinois. Yes, and I was opposed to it.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I concur in everything the gentleman from Tennessee has said with reference to this matter with one exception. I went down to see General Gray in reference to this particular legislation, not the bill which the gentleman from Texas is going to substitute but the bill, S. 2596, which I was under the impression until about a minute or two ago was the bill that would be before us today.

General Gray said to me: "I am the Administrator of Veterans' Affairs and I will administer any bill that you send down here. That is my job."

He did not say he was for or against this bill. I think General Gray is a sound administrator, I think he means what he says. This is the House of Representatives and if we send a bill down there General Gray has said he will administer it. As a matter of fact, he will administer it whether he likes it or not, for that matter. I do think in fairness to the general I ought to say that he is not

for or against the bill as he explained to me in person.

Mr. EVINS. May I say that when General Gray came before our committee in October of last year he asked the committee and the Congress not to take any action until he had an opportunity to report to the Congress. He subsequently reported with a volume of some 200 pages, listing about 200 schools out of the literally thousands throughout the country in which he has found some practices which are objectionable.

Mr. ALLEN of Illinois. Here is what most of us on the Rules Committee understood about the bill. It was to perfect title II of the Service Readjustment Act. There were a lot of these fly-by-night schools that started up for recreational purposes, teaching veterans how to dance and so forth. In the Rules Committee we thought this bill was to perfect title II at a cost of about $2,000,000. Now we learn it comes to $2,000,000,000 or $5,000,000,000. I will ask the gentleman from Texas this question: Will this cost two billion or two million? That is the question I think will decide the issue.

Mr. TEAGUE. I will stake my life on the fact it will cost $2,000,000 and not $2,000,000,000.

Mr. ALLEN of Illinois. I think that answers the question as far as I am individually concerned, if the gentleman says he is willing to stake his reputation on the fact it will cost $2,000,000. I do not want to see any more of these fly-by-night schools all over the country and if it is going to cost two, three, or five billion dollars then naturally I think we should oppose the bill.

Mr. TEAGUE. This bill was turned over to the Legislative Reference Service and they were requested to make a study. May I read the last paragraph of Mr. Griffith's letter?

As we have indicated at the outset, difficulty has been experienced in evaluating the objections raised by the Administrator and the Solicitor, but the main decision to be faced in the consideration of S. 2596, as we see it, is whether Congress shall legislate and establish policy with regard to entitlement of veterans to educational benefits or leave this matter to the Administrator. Some of the objections raised appear to relate to provisions now found in the regulations or instructions which are substantially the same as those contained in the bill. The natural conclusion is that these objections are to establishment of these limitations by legislation, thus precluding further administrative change.

Mr. ALLEN of Illinois. May I ask the gentleman from Tennessee [Mr. EVINS] whether, in his opinion, this bill will cost $2,000,000,000?

Mr. EVINS. No; it will not. I think that by the adoption of these standards and having some uniformity in the operation of the schools it will bring about some economy in its operation.

Mr. ALLEN of Illinois. Let me ask the gentleman from Mississippi [Mr. RANKIN] what his opinion is in regard to the cost of this bill?

Mr. RANKIN. Let me say to the gentleman from Illinois that I opposed reporting out Senate bill 2596. The gentleman said a while ago, as I understood him, that I was the only member of the committee that opposed reporting it out. The vote was 8 to 5. Only 13 members voted on this bill, S. 2596. Now, the gentleman from Texas [Mr. TEAGUE] has a substitute that he proposes to offer. I have not gone over it as carefully as I should. I have not had the time nor the opportunity, but so far as Senate bill 2596 is concerned, as it passed the Senate, I certainly would not support that measure under any consideration.

Mr. ALLEN of Illinois. What is the opinion of the gentleman from New York [Mr. KEARNEY] as to the cost?

Mr. KEARNEY. Well, I cannot give any information nor can anybody else. We have not had any hearings on it, so how can we give any figures?

Mr. LYLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mrs. WOODHOUSE asked and was given permission to extend her remarks and include an editorial.

Mr. ALBERT asked and was given permission to extend his remarks and include an address by Mr. Eddie Menasco at the Eastern Oklahoma Agricultural and Mechanical College.

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

Mr. BOLLING, Mr. RODINO, and Mr. ADDONIZIO asked and were given permission to extend their remarks.

Mr. BRYSON asked and was given permission to extend his remarks in three instances and include newspaper clippings.

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

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in two instances and include additional matter including essays by a young man and a young woman, winners of awards given by the Veterans of Foreign Wars in Philadelphia.

Mr. FENTON asked and was given permission to extend his remarks and include a letter.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks and include extraneous matter.

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

Mr. HELLER asked and was given permission to extend his remarks in eight instances, in each to include extraneous matter.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks at the conclusion of the legislative program and special order for the day.

Mr. WIDNALL asked and was given permission to extend his remarks and include a statement.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks.

Mr. LANE asked and was given permission to extend his remarks and include extraneous matter.

Mr. DELANEY asked and was given permission to extend his remarks and include an article that appeared in America, by Hon. WALTER A. LYNCH.

Mr. HOLIFIELD asked and was given permission to extend his remarks and include an article from Newsweek Magazine.

Mr. RICH asked and was given permission to extend his remarks and include an editorial from the Altoona Tribune.

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

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

Mr. PATMAN asked and was given permission to extend his remarks and include the text of President Truman's speech delivered at Pendleton, Oreg., on yesterday, on economic affairs.

Mr. SABATH asked and was given permission to extend his remarks in three instances; to include in one a speech delivered by President Truman in Galesburg, Ill., day before yesterday, and in one to include editorials appearing in the Chicago Sun-Times.

PRINTING OF REVISED EDITION OF THE BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 182) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That H. Con. Res. 163, adopted on July 26, 1946, providing for the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress, be, and is hereby, rescinded, and that in lieu thereof there shall be compiled and printed, with illustrations, as a House document, in such style and form as may be directed by the Joint Committee on Printing, a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress (1774–1948); and that 6,500 additional copies shall be printed, of which 4,400 copies shall be for the use of the House of Representatives, 1,600 copies for the use of the Senate, and 500 copies for the use of the Joint Committee on Printing.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATIVE TO THE NATIONAL HEALTH PLAN

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolu-

tion (H. Con. Res. 176) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Interstate and Foreign Commerce, House of Representatives, be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of the hearings held before a subcommittee of said committee during the Eighty-first Congress, first session, relative to the national health plan.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "UNIFICATION AND STRATEGY"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 551) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the report entitled "Unification and Strategy" made by the Committee on Armed Services of the House of Representatives be printed as a House document.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentlewoman kindly explain what this document is?

Mrs. NORTON. It authorizes the printing of the report entitled "Unification and Strategy" as a House document. The estimated cost is $229.08.

Mr. MARTIN of Masachusetts. What is the document?

Mrs. NORTON. The name of it is "Unification and Strategy."

Mr. MARTIN of Massachusetts. But what committee got it out?

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. This is a committee print from the House Committee on Armed Services. The resolution was introduced by the chairman of the committee, the gentleman from Georgia [Mr. VINSON]. He has asked the Committee on House Administration to report this resolution.

Mr. MARTIN of Massachusetts. Is there any popular demand for it?

Mr. ALBERT. Apparently there is.

Mr. VAN ZANDT. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I may say that the publication relates to the investigation conducted by the House Committee on Armed Services on the B–36 and related matters.

Mr. STEFAN. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is this document a criticism of Secretary of the Navy Matthews?

Mrs. NORTON. I am sure that it is not.

Mr. ALBERT. I do not think so, either.

Mr. STEFAN. I would oppose a criticism like that unless I saw the document.

Mrs. NORTON. As far as I know, no criticism is involved.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "CONGRESS AND THE MONOPOLY PROBLEM—FIFTY YEARS OF ANTITRUST DEVELOPMENT, 1900–1950"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 557) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the committee print entitled "Congress and the Monopoly Problem—Fifty Years of Antitrust Development, 1900–1950," prepared for the use of the Select Committee on Small Business, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "THE MAKING OF A CONGRESSMAN"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 595) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the manuscript entitled "The Making of a Congressman" be printed as a House document.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentlewoman explain who is the author of this, and how it can be done?

Mrs. NORTON. They are the remarks of the gentleman from Vermont [Mr. PLUMLEY] which appeared in the RECORD recently, as the gentleman well knows. The gentleman could not possibly object to this resolution, I may say.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. HAZEL PRATER

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 555) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Hazel Prater, daughter of Eva M. Young, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate she was receiving at the time of her death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Eva M. Young.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. ROSE MARGARET TORRANCE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 591) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Rose Margaret Torrance, widow of Thomas Torrance, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Thomas Torrance.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ALBERT A. WREDE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 594) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Albert A. Wrede, father of Edward C. Wrede, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Edward C. Wrede.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ESTATE OF GEORGE T. GIRAGI

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 506) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of George T. Giragi, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $350 toward defraying the funeral expenses of the said George T. Giragi.

With the following committee amendment:

Page 1, line 4, strike out lines 4 and 5 down to the word "not."

The committee amendment was agreed to.

The resolution was agreed to.

The title was amended so as to read: "Resolution providing for the payment of $350 funeral expenses to the estate

of George T. Giragi, late an employee of the House of Representatives."

A motion to reconsider was laid on the table.

ADDITIONAL COMPENSATION FOR CERTAIN EMPLOYEES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 534) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective April 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation at the basic rate per anum to certain employees of the House, as follows:

OFFICE OF THE DOORKEEPER

To the superintendent, House Press Gallery, the sum of $480; first assistant superintendent, House Press Gallery, the sum of $500; second assistant superintendent, House Press Gallery, the sum of $500; third assistant superintendent, House Press Gallery, the sum of $400; messenger, House Press Gallery, the sum of $440; superintendent, House Periodical Press Gallery, the sum of $500; superintendent, House Radio Press Gallery, the sum of $500; first assistant superintendent, House Radio Press Gallery, the sum of $300; and messenger, House Radio Press Gallery, the sum of $450, whose title hereafter shall be changed to read second assistant superintendent, House Radio Press Gallery.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 524) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $150,000, in addition to $50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949; $50,000, authorized by House Resolution 127, Eighty-first Congress, agreed to April 1, 1949; and $50,000, authorized by House Resolution 252, Eighty-first Congress, agreed to July 1, 1949, including employment of such experts, special counsel, and such clerical, stenographic, and other assistants, and which shall also be available for expenses incurred by said committee or subcommittees outside the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 495) and ask for its immediate consideration.

Mr. HAYS of Ohio. Mr. Speaker, I make a point of order against the consideration of the resolution on the ground that a quorum was not present when it was reported out of committee.

Mrs. NORTON. Mr. Speaker, we did have a quorum present, but some Member may have slipped out of committee during the consideration of the resolution. I assumed that a quorum was present.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. May not the consideration of this resolution at this time be blocked by a point of order that a quorum is not present in the House?

The SPEAKER pro tempore. Of course, the point of order that a quorum is not present may be made at any time.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, it is too late to raise the point of order that a quorum was not present in the committee after it has reached the floor of the House. If no point of order is made in the committee, the presumption is that a quorum was present. To take any other attitude would virtually paralyze legislation. If no point of order was made at the time, the presumption then is that a quorum was present.

The SPEAKER pro tempore. The Chair will state in response to the parliamentary inquiry that the point of order is properly addressed at this point because the resolution has just been reported to the House. The question as to whether or not the point of order will be sustained is an entirely different question.

The Chair would like to ask the gentlewoman from New Jersey if at the time the resolution was reported out there was a quorum present in the committee.

Mrs. NORTON. To the best of my knowledge, there was.

The SPEAKER pro tempore. The Chair would like to ask the gentleman from Ohio [Mr. HAYS] whether or not he was present at the time the resolution was reported out.

Mr. HAYS of Ohio. The gentleman from Ohio was not present at the time. He came in late and was informed there had not been a quorum present at any time. Another resolution was blocked a little later on account of it.

Mr. RANKIN. Mr. Speaker, a further point of order. This is a very serious proposition that really affects the orderly procedure of the House. I make the point of order that it is too late to raise a point of order that there was no quorum present in the committee unless that point of order was made in the committee.

The SPEAKER pro tempore. The Chair will state that the point of order can be made in the House when the report is made. A point of order that a quorum was not present when the resolution was reported out can be made when the resolution is reported to the House. For that reason the Chair rules that the gentleman from Ohio [Mr. HAYS] is within his rights at this particular time in making the point of order that he has.

Mrs. NORTON. Mr. Speaker, if the gentleman insists on his point of order, I will withdraw the resolution.

The SPEAKER pro tempore. The resolution is withdrawn.

Mrs. NORTON. May I at this time thank the gentleman from Mississippi [Mr. RANKIN] for yielding this time to me.

Mr. RANKIN. The lady is quite welcome. I was glad to yield all the time she needed.

Mr. STANLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STANLEY. What is the status of the resolution now that has just been withdrawn?

The SPEAKER pro tempore. The gentlewoman from New Jersey has withdrawn the resolution. The matter is not before the House. Therefore, there is no question for the Chair to pass upon.

Mr. STANLEY. Could the resolution be properly presented to the House again without going back to the committee?

The SPEAKER pro tempore. Of course, it could be taken up by unanimous consent. In the event of its being presented again, a point of order could be raised; but the Chair would not express any opinion now on the point of order that might be raised at that time.

Mr. STANLEY. A further parliamentary inquiry, Mr. Speaker. Is this a privileged matter?

The SPEAKER pro tempore. If it is reported out of committee with a quorum present, it is a privileged matter.

Mr. RANKIN. Mr. Speaker, under the rules of the House and the rules of every committee, legislation is passed every day without a quorum being present, and unless that question is raised they cannot go into the courts and contest the legislation. The same thing applies to the committee. A ruling to the contrary would simply demoralize legislative procedure as far as the committees of this House are concerned.

The SPEAKER pro tempore. The Chair calls the attention of the gentleman from Mississippi to paragraph (d) of section 133 of the Legislative Reorganization Act, which reads as follows:

No measure or recommendation shall be reported from any such committee unless a majority of the committee was actually present.

The gentleman from Mississippi is recognized.

Mr. RANKIN. That means the paralyzing of legislation.

The SPEAKER pro tempore. The gentleman from Mississippi was recognized for a motion.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration

of a bill that was reported under the same conditions, S. 2596, relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2596) relating to education and training of veterans, with Mr. WELCH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Mississippi is recognized for 30 minutes, and the gentlewoman from Massachusetts, for 30 minutes.

Mr. RANKIN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Chairman, if it is possible for me to get over to the Members of this House what is in this bill, 99 percent of them will be 100 percent for it.

This is not a liberalizing bill; it is a restrictive bill. It is not a bill to add money to the GI bill; it is a bill to make the GI bill more restrictive and to save money.

Six years ago today, on May 11, 1944, this House began general debate on S. 1767, the so-called GI bill. There was much debate as to whether it was a States' rights bill; there was considerable debate between the members of the Committee on Education and Labor and the Committee on World War Veterans' Legislation as to what each committee had accomplished. The gentleman from Mississippi [Mr. RANKIN] told of his early school teaching days in a one-room school and stated that the first day of school he had five students and five dogs, and that the school was a howling success. It was very interesting to read the debate on the GI bill.

Mr. Chairman, there has never been a country which tried to do as much for their returning veterans as this Congress did in May of 1944. The House of Representatives foresaw all the danger in the bill—the so-called fly-by-night schools, veterans who abused their privileges, and also administrative abuses by the Veterans' Administration.

Soon after this law became operational and as predicted in the debate on the GI bill, many new schools came into existence, and, obviously, many, such as dancing schools, personality development schools, calisthenics, and similar subjects, were obviously of a fly-by-night nature. As the number of schools continued to increase and the amount of money paid for tuition, fees, and subsistence continued to increase, the Veterans' Administration issued change No. 9, the first tightening of the GI bill. This regulation required, among other things, that all schools operating for a profit, a majority of whose students were veterans, and which were established after June 22, 1944, or which, though established prior to that date, had not been in continuous operation since that date, or which had increased their tuition charge by 25 percent since that date, enter into a contract with the Veterans' Administration—such contract to establish the rate which such school should receive for tuition, fees, books, and other necessary supplies. Moreover, the contract rate so established was to be renegotiated at the end of each contract period.

As time went on a series of three amendments were enacted, each amendment further tightening the GI bill and attempting to prevent known abuses of the GI bill. The first one was Public Law 679, in the Seventy-ninth Congress, establishing standards for on-the-job training for veterans and authorizing the reimbursement of State agencies for services rendered in assuring compliance with these standards. The next amendment was Public Law 377, which established standards for institutional on-the-job training. The third amendment was Public Law 862, of the Eightieth Congress. This amendment prohibited the expenditure of Federal funds for tuition, fees, or subsistence allowance in connection with any avocational or recreational course. Public Law 266, of the Eighty-first Congress, continued the same ban in modified form and in addition required schools operating for profit to have had at least 1 year of successful operation before being permitted to participate in this program. As a result of language in Public Law 266, the Veterans' Administration 1 week later issued a most arbitrary regulation, No. 1–A. This is the regulation which caused the senior Senator from Ohio to tell Mr. H. V. Stirling, of the Veterans' Administration, that he had no faith in him. This regulation, among a number of other things, declared that all schools established after June 22, 1944, were avocational and recreational. Soon after this regulation was issued, Mr. Speaker, and after a number of conferences between Members of the House and the Senate with the Veterans' Administration, 1–A was replaced with 1–B, and the Veterans' Administration was requested to make a complete report on educational training under the Servicemen's Readjustment Act, as amended.

As a result of 1–A and a result of the conferences between Members of Congress and the Veterans' Administration, S. 2596 was introduced and passed in the Senate for three reasons: First, to safeguard the rights conferred upon the veterans by basic law; second, to regularize the policy and practice to be pursued by the Veterans' Administration in its relationship with educational institutions participating in the program; and, third, to clarify and strengthen the authority of the Veterans' Administrator to cope with certain abuses under the act.

Mr. Chairman, since that time the Veterans' Administration has made its report on the GI bill and the President transmitted this report to Congress with a special message dated February 13, 1950. In this message the President made eight specific recommendations which he said were necessary to assure that our expenditures for this program yield a proper return both to the veterans and to the Nation as a whole.

Mr. Chairman, this legislation includes seven of the eight recommendations and a portion of the eighth recommendation. The President recommended that the present expiration date of the GI bill be preserved. This bill complies with this recommendation. The President recommended that the 1 year ban against new schools as established by Public Law 266 last year be continued. This bill continues a 1-year ban against new schools. This provision will virtually prohibit the establishment of any new profit schools.

The President has recommended that the prohibition against the use of funds for avocational and recreational training enacted by the Congress by Public Law 862, Eightieth Congress, be continued. The avocational restriction which would expire with the 1949 Appropriation Act would be made permanent law by this bill. The President has recommended that the present restrictions which are now regulation against indiscriminate course changing be continued. This bill allows a veteran to take courses in the same general field in accordance with present regulations. The present law has no restriction against change of course by the veteran.

The President has recommended that the Veterans' Administration be given additional authority to require schools to properly report when a veteran interrupts his training or accrues excessive absences. This bill provides additional authority to the Veterans' Administration to require prompt and accurate reports. The President has made a recommendation that minimum standards be established for the States in approving schools. The State approval agencies have previously recommended that such standards be established. The President has also recommended that the States be given financial assistance to enforce these standards as is now provided for the enforcement of standards for on-the-job training.

After the President's message of February 13, 1950, the gentleman from Georgia [Mr. WHEELER] introduced a bill containing minimum standards. Within the past 10 days the gentleman from Georgia [Mr. WHEELER] together with myself and representatives of the schools, State approval agencies and institutions of higher learning have worked out a set of standards to which we generally agree.

Mr. Chairman, from questions that I have been asked, it appears that Members of Congress want to know about the cost of S. 2596, whether it liberalizes the GI bill and whether it provides restrictions and controls for the so-called fly-by-night schools. This bill does not liberalize the GI bill of rights and does establish a number of restrictions on the so-called fly-by-night schools.

Mr. H. V. Stirling testified before the Appropriation Subcommittee of the House that this bill would involve increased costs.

I wrote the Administrator of Veterans' Affairs asking for an explanation of this alleged increase in cost and I was advised by the Administrator that their estimate of increased cost was based on

the assumption that the preamble of this bill did away with the July 25, 1951, expiration date. I replied to the Administrator that it was not the intent of anyone supporting this bill to extend the GI bill and asked that the Veterans' Administration submit to me a proposed amendment which would correct the preamble and remove the doubt as to cost. I also sent this bill to the legislative reference service of the Library of Congress for study and they reported as follows:

> With regard to the termination date we find no item in the bill which affects a change.

Regardless of that, Mr. Chairman, the amendment prepared by the Veterans' Administration which I will introduce, will remove all doubt as to increased cost and will preserve the expiration date as now provided by the GI bill.

The Veterans' Administration claims that section 3 of the bill would cost approximately $20,000,000. This section would broaden the base of reimbursement of nonprofit institutions of higher learning to include the entire cost of training the veteran. This provision would place all institutions on an equal basis regardless of whether they are State institutions or private schools. Because of cost, an amendment will be offered to strike this section from the bill.

The other item of cost is section VI of the bill. This section provided reimbursement to States for services in determining the qualifications of proprietary institutions. The Veterans' Administration estimates the cost of this section to be $2,330,000. This section complies with one of the recommendations of the President in his message to Congress dated February 13, 1950, and will provide funds for the States to intensify supervision of schools for the purpose of further reducing abuses.

Mr. Chairman, the gentleman from Georgia [Mr. WHEELER] has worked very hard on this bill and I regret that it was necessary that he go back to Georgia. He is in complete agreement on this bill, and I know of no one opposing it.

Mr. Chairman, after conferring with the House Parliamentarian I introduced yesterday H. R. 8465 which is a new bill including all proposed amendments which I have mentioned and when we begin reading S. 2596 I shall offer H. R. 8465 as an amendment.

Mr. Chairman, section 1 of this bill continues the provision that a school must be in operation 1 year before they are allowed to participate in the veteran program. It also provides that a veteran may not change courses except in the same general field. In other words, it prohibits veterans from taking a barbering course, a tailoring course, and a cooking course. This section also continues the ban on avocational or recreational training which was a part of Public Law 862, an appropriation bill.

Section 2 of this bill writes into permanent law the provision of Public Law 266 on customary tuition charges. It also writes into permanent law the Veterans' Educational Appeals Board provided for in Public Law 266 except that under this bill the Veterans' Appeal Board would be appointed by the President of the United States and not by the Administrator of Veterans' Affairs. This section also provides that the Administration shall continue to make further payments to a school at such amount as the Administrator considers to be fair and reasonable during negotiations for a contract and during the pendency of any appeal which the school may make.

Mr. Chairman, there will be a motion to strike section 3 from the bill because of cost.

Section 4 of the bill provides that a school shall be considered nonprofit if it is exempt from taxation under paragraph 6, section 101 of the Internal Revenue Code whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944.

Mr. Chairman, section 5 was one of the recommendations of the President and which provides some inspection service for State-approval agencies in ascertaining the qualifications of schools under the GI bill.

Section 6 of the bill is a proposed set of standards which were recommended by the President and which were worked out and agreed to by myself, the gentleman from Georgia, representatives of the private schools, and representative of the State-approval agencies.

There is one paragraph of this section to which there was some objection by the schools and is paragraph 3, page 12.

Section 7 of the bill was a recommendation of the President concerning hours per week of schools. Section 8 was a recommendation of the President. Sections 9, 10, and 11 are administrative sections.

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

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

Mr. EVINS. It is my understanding that the gentleman intends to offer at the appropriate time as a substitution for this bill, the bill H. R. 8465; is that correct?

Mr. TEAGUE. I expect to offer it as an amendment to the bill S. 2596. After conferring with the Parliamentarian of the House yesterday he suggested that it be handled in this way, and that is the reason it has been done in that manner.

Mr. EVINS. Is H. R. 8465 substantially the same as S. 2596? And if there are any differences, what are the differences?

Mr. TEAGUE. If the gentleman will permit, I will get to that.

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

Mr. TEAGUE. I yield to the gentleman from Ohio.

Mr. VORYS. The report says that the Committee on Veterans' Affairs is reporting the bill S. 2596. Is that the fact, that it was S. 2596 that was considered and reported by the gentleman's committee?

Mr. TEAGUE. That is correct. Last year the Senate passed S. 2596. At the same time they asked for a complete report from the Veterans' Administration, and that report has been made. The President has recommended that those eight recommendations be put into effect, and that we put in some standards. This bill, H. R. 8465, which will be offered as an amendment, includes those recommendations and those standards.

Mr. VORYS. The gentleman says "which will be offered." Is H. R. 8465 a committee amendment that has been voted on?

Mr. TEAGUE. No, it is not. Because of the number of those amendments, and after conferring with the House Parliamentarian, I introduced that bill yesterday.

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

Mr. TEAGUE. I yield to the gentleman from California.

Mr. HOLIFIELD. I have in mind an automotive training school that was in existence 8 months. It was a legitimate school, but due to the 1-year ruling it was not allowed any more tuition from the Government for its enrollees. The school, nevertheless, maintained its courses and now it has passed the 1-year mark. Is it possible for that school to be approved?

Mr. TEAGUE. If the school has existed for 1 year and its standards are such that the State approval agency recommends it, then they would be permitted to accept veteran students.

Mr. HOLIFIELD. Even though they had been disqualified under the previous regulations.

Mr. TEAGUE. That is correct, because it must have existed for 1 year.

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

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

Mr. FORD. On page 2 of S. 2596, in subparagraph (b) the last sentence, there is this language:

> Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph.

On page 5 of the committee report there is practically a reiteration of that particular sentence. I am wondering if, in the amendment that the gentleman intends to offer, there is a similar provision.

Mr. EVINS. That is exactly the question I wanted to propound to the gentleman.

Mr. TEAGUE. When our Subcommittee on Appropriations last year put that wording in the appropriation bill, it made it retroactive, and the number of schools that had been in existence for 9, 10, and 11 months, were suddenly cut out. That wording was put in the Senate bill to take care of those schools, but no similar wording is contained in H. R. 8465, which will be offered as an amendment.

Mr. FORD. Would the gentleman object to the inclusion of such a sentence in the amendment that he intends to offer?

Mr. TEAGUE. I know of two or three Members that intend to offer that amendment. If that amendment is to

take care of those schools who were done an injustice last year, in order to take care of those schools, I would have no objection. If it is a case of permitting indiscriminate new schools, I would be against it.

Mr. FORD. I think that particular sentence protects against the establishment of schools of fly-by-night character indiscriminately. In other words, the Administrator still has discretionary authority. He could use that discretion to approve legitimate schools that were caught in the box, so to speak, in the last few months following the enactment of the law that contained section 266.

Mr. TEAGUE. Certainly, a number of those schools were done an injustice.

Mr. EVINS. Mr. Chairman, if the gentleman will yield, the gentleman knows that I am supporting his bill and I have been working with him on it. I was under the impression that the language the gentleman mentioned would be included in the substitute, H. R. 8465. I have been unable to find that language, and therefore I have an amendment that I will offer to reinstate it. I think, in fairness to the schools that have been in operation for some months and doing a good job, that they should not be discontinued.

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

Mr. TEAGUE. I will be glad to yield to the gentleman from Iowa. I just read the gentleman's debate, and I read all his statements on the GI bill when it was considered 6 years ago.

Mr. CUNNINGHAM. If I understand the gentleman's bill, the real purpose of this educational provision is that if the school has been in existence for 1 year and has met the requirements of the State authority, whether it be the superintendent of public instruction or whoever it is in the State that authorizes the schools, then it is qualified to train the veteran, and it will not be subject to being disqualified by any arbitrary ruling of the Veterans' Administration. Is that correct?

Mr. TEAGUE. Any school where the Veterans' Administration finds that the students are not receiving proper training, the Veterans' Administration cannot disapprove the school but can stop the tuition and subsistence of the veterans who go to the school. In that way the head of the Veterans' Administration can control any school if there is an obvious fraud or something of that sort going on.

Mr. CUNNINGHAM. The gentleman's bill will still permit that?

Mr. TEAGUE. That is right.

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

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

Mr. JAVITS. I think the RECORD should show that the gentleman from Texas has led in this fight and has done a perfectly remarkable job, and has earned almost as many decorations in this peacetime war as he earned during the war.

Mr. TEAGUE. I appreciate the remarks of the gentleman from New York.

Mr. JAVITS. May I ask the gentleman whether the key to what he is trying to accomplish is not contained in the one sentence of the report of the committee on page 4 which states:

> Moreover, the numerous amendments, clarifications, and interpretations subsequently issued by the VA added to the general confusion.

Is the gentleman trying to resolve all of that dispute?

Mr. TEAGUE. That is exactly correct.

Mr. JAVITS. I would like to advise the Members that passage of this bill, according to the substitute the gentleman from Texas will offer, is a most important question on which I have heard from a very large number of veterans from my district favoring it. The substitute only seeks to secure for veterans the full rights which the Congress intended they should have in terms of education and training. It is an effort to see that regulations do not depreciate these rights. This bill will give veterans reasonable and legitimate freedom of action in choice of courses and schools, in respect of their entitlement—and that was as the Congress intended it should be. The effort of the Congress to close some loopholes has been misinterpreted. In this bill we are seeing to it that such misinterpretation, which has been a serious handicap to veterans, is ended. I hope the House will approve this bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. HOFFMAN of Michigan. I understood the gentleman to say in answer to an inquiry of the gentleman from Iowa [Mr. CUNNINGHAM] that under the bill he is now supporting the Veterans' Administration would have the authority to protect the fund against those schools which do not give proper education. Is that the way it is?

Mr. TEAGUE. If somebody is operating a school and it is obvious to the Veterans' Administration that the school is not giving satisfactory teaching to the boys, they have no authority to do anything to the school but they can discontinue the subsistence payments to the boys going to the school, which would in turn stop the school.

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

Mr. RANKIN. Mr. Chairman, I yield five additional minutes to the gentleman from Texas.

Mr. HOFFMAN of Michigan. The gentleman used the word "obvious," if it is "obvious" to the head of the Veterans' Administration. Does the gentleman mean by that that he must have something more than just ordinary information?

Mr. TEAGUE. No, I do not. I mean that if there is fraud or the school is not giving the kind of instruction it should the Veterans' Administration can stop the subsistence payments to the students going to that school.

Mr. HOFFMAN of Michigan. Yes; but who determines whether there is fraud or whether the instruction is not proper? That is the point that is bothering me.

Mr. TEAGUE. It is a cooperative thing between the State authority and the Veterans' Administration. The Veterans' Administration can override the State approval by stopping the subsistence of the students going to the school.

Mr. HOFFMAN of Michigan. Am I correct in my assumption that the head of the VA can cut off the tuition if, in his judgment, the school is not giving proper instruction?

Mr. TEAGUE. That is the wording of Mr. H. V. Stirling, director of this part of the GI bill. He says they can do that.

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

Mr. TEAGUE. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman will recall my interest in the GI flight training program and the amendment I had in the appropriation bill to aid GI flight training, to keep the flight training intact. Then the VA went after it, with the result that many of the trainees were precluded from participating in flight training. What will the gentleman's new bill do to the GI flight training? Is the gentleman acquainted with my amendment?

Mr. TEAGUE. Yes; I certainly am.

Mr. STEFAN. The gentleman assisted me in the adoption of that amendment, and agreed with me that flight training should not be considered entertainment.

Mr. TEAGUE. The gentleman is correct. The same wording we put in the appropriation bill is in this bill.

Mr. STEFAN. Is my amendment in there yet?

Mr. TEAGUE. Yes; it is; the same wording.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mrs. ROGERS of Massachusetts. I should be very glad to yield 5 minutes of the time on this side to the gentleman, that he may explain the bill point by point. He has been interrupted and has not explained the entire bill. I wish he would explain the part of the bill that concerns the regulation which is to be issued by the Veterans' Administration.

Mr. Chairman, I hope that the bill offered by the gentleman from Texas as a substitute for S. 2596 will receive favorable consideration. I am disappointed that the members of our Committee on Veterans' Affairs and the Members of the House did not have a longer opportunity to study its provisions and weigh its value to the veterans. I believe it to be good legislation and I will vote for it when offered.

Mr. TEAGUE. I thank the gentlewoman very much for yielding me the additional time.

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

Mr. TEAGUE. I yield.

Mr. VORYS. We have a report here which says "analysis of the bill by sections." Now, we are to throw that away and hear what the gentleman has to say, is that correct?

Mr. TEAGUE. The first section, paragraph A, continues the 1-year ban

against schools. In other words, it requires the school to be in operation for 1 year before it can accept GI students.

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

Mr. TEAGUE. I yield.

Mr. HAND. To what date does the 1-year limitation apply? Will it be 1 year from August 24, 1949?

Mr. TEAGUE. If you start in school today, the school you go to would have to have been in operation for a year.

Mr. HAND. Would it have to be in operation a year before August 24, 1949, which is the date set in the previous bill?

Mr. TEAGUE. No; it would have to be in operation for a year from the date that you go into the school.

Mr. HAND. But there is a date set.

Mr. TEAGUE. Yes; that was the date of the appropriation bill, August 24.

Mr. HAND. And it is still that same date?

Mr. TEAGUE. That is right.

Mr. HAND. So the school would have to have been in existence under your proposed bill or under your amendment for a full year prior to August 24, 1949?

Mr. TEAGUE. No.

Mr. HAND. It would not? Then, will the gentleman tell me what his bill does?

Mr. TEAGUE. If you were to start in a school today, the school would have to have been in operation for 1 year. If you started school a month from now it would have to have been in operation a year prior to the day that you start going to school.

Mr. HAND. That is prior to the day you go in?

Mr. TEAGUE. That is right.

Mr. HAND. That is what the gentleman's bill provides?

Mr. TEAGUE. That is right. That is what the appropriation bill provided also.

Mr. HAND. I thank the gentleman.

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

Mr. TEAGUE. I yield.

Mr. WHITAKER. In the original bill, S. 2596, it was provided that a school which has been approved by the Federal agency or by the State agency would be allowed this money from the Government. But now that is being cut out, is that not correct? In other words, I have the only colored trade school in my State. It has been approved by the Federal agency and by the State agency. The people who are putting in this trade school have spent $25,000 on the building. They have spent part of their money on contracts for the educators to run it. Then when the act was passed, this 1-year rule just cut the ground out from under them, so there they are now with a dead approval, and yet they have spent all this money.

Mr. TEAGUE. That is correct. And may I recall to the gentleman that last year when the House of Representatives was holding its sessions in the committee room of the Committee on Ways and Means it was very difficult to hear, and I personally did not know that that was to be passed until it had gone through and neither did other members of the Committee on Veterans' Affairs, that I know of. It is true that many schools were discriminated against in that way.

Mr. WHITAKER. My understanding is that the appropriation for that particular school was included in the estimate.

Mr. TEAGUE. There is to be an amendment offered which will correct that.

Mr. Chairman, to continue with the explanation of the bill:

Paragraph B: If the Administrator finds that the progress of a person is unsatisfactory, he may disapprove a change of course of instruction and may discontinue any course of education in which he finds that the progress is unsatisfactory.

Paragraph C permits a student to change a course in the same general field, but he cannot go from barbering to tailoring to baking.

A number of Members have asked, "What about a boy who starts studying medicine and flunks out and wants to take another course?" Unfortunately he will just be out of luck, so far as this bill is concerned. But in trying to limit the boys who have gone from baking to tailoring and barbering, and so forth, and taking these different courses, it was felt that this provision was necessary.

Paragraph D is the same provision that was in 266 last year on avocational or recreational courses, which contain dancing courses, photography courses, glider courses, bartending, personality development, and entertainment courses, and so forth.

Section 2 is the same wording as 266 last year, with the exception of two things: This bill provides that for the purposes of this bill it includes contracts under Public Law 16 and Public Law 346. If a school has had two contracts, the last contract shall be the one that is in effect. The Veterans' Administration ruled that there was a difference in Public Law 16 and Public Law 346, and therefore many schools could never get two contracts, but these are very largely the same, and this law says they are the same. I understand from talking to members of the Committee on Appropriations that that was their intent in placing that provision in the appropriation bill.

Mr. STEFAN. Will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. STEFAN. To the last word on line 10, page 3, "glider." Will the gentleman explain that?

Mr. TEAGUE. If a man is in flight training, if it is obvious that in his business he can go on, he can go to glider training. But he must get two affidavits saying that that is something that will help him in his business.

The Committee on Appropriations last year said that if the administration finds that any institution has no customary cost of tuition, he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition fees and other charges for the course offered by such institution. Under that language, when the contract period is set, the Veterans' Administration will refuse to pay this institution for 5 or 6 or 7 or 8 months.

The CHAIRMAN. The time of the gentleman from Texas [Mr. TEAGUE] has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman 10 additional minutes. The gentleman knows the bill probably better than anyone else, and I think it will be helpful to the House to have his explanation.

Mr. TEAGUE. I thank the gentlewoman. In Nashville, Tenn., there is a school where the Veterans' Administration owes that school for 11 months because they have not come to an agreement on a contract. From talking to members of the Committee on Appropriations, it is my understanding that the Veterans' Administration should continue to pay what was a fair and reasonable fee until the contract was negotiated. Therefore, we have put in this bill one provision:

Provided further, That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be fair and reasonable during negotiations for a contract, and during the pendency of any appeal which the school may make.

From many Members of Congress I take it they have received the same complaints. That language was worked up by the Legislative Reference Service and I feel it will take care of these contracts.

Section 3 of the bill is a section which was inadvertently left in the bill and would cost some money. That is not going to be offered as part of the amendment.

Section 4—up until last year the Veterans' Administration ruled that any school would be regarded as a nonprofit school if it was exempt from taxation under paragraph 6, section 101 of the Internal Revenue Code. Last year they ruled that any school created after June 22, 1944, would not be so considered. This bill reaffirms the fact that the Veterans' Administration will regard a school as nonprofit if section 101 of the Internal Revenue Code says they are a nonprofit institution.

Section 4 is one item in this bill that will cost some money. The President, in his recommendation to Congress, recommended that we adopt some standards for this training. He said if Congress could enact minimum standards of the type suggested, it is recommended that, as in the case of on-the-job training courses, Federal grants to States be authorized for necessary expenses to assure sound and effective adminstration of the law. The Veterans' Administration has testified that this provision would cost $2,300,000. The people in my State say that on-the-job training has gone down to such an extent that if the Veterans' Administration will give them permission to use the same people for inspection that they will not need any additional money.

Section 6 is a set of standards.

In the President's message he recommended a set of standards. The gentleman from Georgia [Mr. WHEELER], who has done a lot of work on this bill, the gentleman from Tennessee [Mr. EVINS]—and I might add that the gentleman from Georgia [Mr. WHEELER] is

unable to be present today because he had to go back to Georgia—but the gentleman from Georgia [Mr. WHEELER], a representative of the National Federation of Private Schools, a representative of the National Association of Private Schools, a representative of State approval agencies, Mr. Raisley, of Boston, Mass., who is on the President's Advisory Committee, got together and worked out this set of standards. None of them agreed 100 percent, but they are very similar to the standards that are in the on-the-job training and institutional on-the-farm training programs.

The two things in the standards about which there was any argument was one which states this:

No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are not adequate.

In other words, if a school down in Texas wanted to establish a radio department, or if it was desired to establish a radio school at that place, and there were more than 500 students in the school, if the locality was crowded as far as radio operators were concerned, they would have authority to turn down that school. There was some disagreement on that.

The other part where there was disagreement was on clock hours. The President recommended that the Congress enact legislation to prescribe attendance requirements.

(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.

That was the biggest problem among this group. For example, in Louisiana, the schools are all on a 25-hour basis. The VA set up 25 hours to begin with. This group finally came up with this idea that those schools in which the majority of the training is theoretical, where they sit in the classroom entirely, 25 hours is sufficient; that in schools where much of the training is shop work or outside work that there should be a minimum of 30 hours.

We wired the State approval agencies in every State in the Union and asked them about this provision, and the majority of the agencies came back with the report that there would be no objection to a 30-hour minimum. There will probably be an amendment to strike out that section, but I am not sure yet.

The President stated in his report that the schools had been lax in reporting absentees, that they had been lax in reporting the veterans who quit their schools or left school, and he recommended some legislation corrective of that situation. There is a provision in this bill to require schools to report absentees and to permit the VA to place that amount of money against what the VA owes the school if they do not report it.

These are the general provisions of the bill as far as Congress is concerned. There is one provision in this bill that will cost money.

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

Mr. TEAGUE. I yield.

Mr. BECKWORTH. I want to congratulate the gentleman on his fine explanation of the bill. The gentleman will remember that he and I have talked a number of times about certain new schools, the managers or owners of which have felt that perhaps their schools might be unduly handicapped as a result of certain rules and regulations. In my opinion these new schools in which the owners in some instances have invested sizable sums of money should not be discriminated against. Many of these owners in good faith established these schools to help our veterans. What is the situation, in the gentleman's opinion, as to the effect of this legislation upon certain new schools which came into existence recently?

Mr. TEAGUE. The gentleman has talked to me a number of times about new schools. There is no doubt there have been abuses by the schools. The State approval agencies and the Veterans' Administration both agree that there are sufficient schools and agree that there should be this 1-year requirement, that a school should exist for a year and prove itself before it accepts GI students. The only way a new school can start is by existing for a year and proving itself before it takes veteran students.

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

Mr. TEAGUE. I yield.

Mr. HOLIFIELD. The gentleman spoke of the school at Nashville, Tenn., which has been in disagreement with the Veterans' Administration for 8 or 9 months. Would this bill be retroactive in allowing that school the amount that the Veterans' Administration deemed to be proper?

Mr. TEAGUE. No; the bill would not be retroactive, but there is an amendment to be offered which says that any school that has signed a contract because of that may appeal to the Appeals Board.

Mr. HOLIFIELD. Would any school that had been in existence less than a year and which was disqualified but which has now been in existence a year be allowed repayment for the tuition during the period in which they were disqualified?

Mr. TEAGUE. Not under this bill.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman made the statement they would not be permitted for a year to accept GI students. He means they could take the students but they would not be reimbursed by the Government?

Mr. TEAGUE. That is right.

Mr. PHILLIPS of California. How much will the section add that the gentleman says does add money to the cost?

Mr. TEAGUE. The VA testified it would be $2,300,000. The State-approval agencies testified it would not cost that much. All they need is permission to use the personnel they now have.

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

Mr. TEAGUE. I yield to the gentleman from Colorado.

Mr. CARROLL. On page 11, line 4, there is the following section:

The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

There was a spirited debate in the other body on this provision as to whether or not the standards, where you talk about the accepted standards, are those accepted by the State universities.

Mr. TEAGUE. Accepted by the State-approval agencies.

Mr. CARROLL. The point was raised that there was discrimination against night schools and the debate hinged around the Chicago area. I would like to have it in the record that the State sets the standards and not the various educational groups.

Mr. TEAGUE. That is correct.

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

Mr. TEAGUE. I yield to the gentleman from California.

Mr. McDONOUGH. This bill comes about as a result of an order of the VA about last September?

Mr. TEAGUE. Yes; just when school started.

Mr. McDONOUGH. There was some exception taken to that and they then modified that order?

Mr. TEAGUE. Yes.

Mr. McDONOUGH. This bill is an effort to put into statue form that he would have discretion about these things?

Mr. TEAGUE. Yes.

Mr. McDONOUGH. With the adoption of this bill would it extend the authority of his discretion under regulations with reference to GI students any more than if this bill were not passed?

Mr. TEAGUE. It definitely restricts the Administrator.

Mr. McDONOUGH. In other words, the question of the cost of this bill must be given consideration insofar as the cost of any regulation that the Administrator might put into effect from here on is concerned?

Mr. TEAGUE. That is correct.

Mr. McDONOUGH. In the gentleman's opinion, will the adoption of this bill increase the cost of the balance of the GI students' program any more than if it were not adopted, and, if so, to what extent?

Mr. TEAGUE. Truthfully and very seriously I think it will lessen the cost instead of increasing the cost.

Mr. McDONOUGH. This presumed figure of $2,000,000,000 was the figure

that the balance of the GI program might cost if the bill were not passed?

Mr. TEAGUE. Yes.

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

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

Mr. SUTTON. Does the gentleman's amendment carry the language found in this bill reading:

> Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph?

Mr. TEAGUE. It does not. That was discussed a few moments ago.

Mr. SUTTON. That has been left out?

Mr. TEAGUE. It has been left out.

Mr. SUTTON. Would the gentleman object to that language being put in?

Mr. TEAGUE. An amendment will be offered. The gentleman from Georgia [Mr. WHEELER] who did a lot of work on this bill objected to the language and it was taken out of the bill. I am presenting the two sides and will let the House vote on it.

Mr. SUTTON. I understand the gentleman from Tennessee [Mr. EVINS] is going to offer the amendment. I hope it will be adopted.

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

Mr. TEAGUE. I yield to the gentleman from Texas.

Mr. LUCAS. I want to add my praise to the praise of the others for the gentleman and his fine work on this bill. It seems to me this is a very splendid piece of legislation. I note on page 3 you have listed avocational and recreational courses, but you have failed to list aviation courses. I wonder if by your failure to list it you mean they are permitted under this bill?

Mr. TEAGUE. If the gentleman will turn over to the next page he will find that it is the same wording that was in the appropriations bill.

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

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

Mr. WIER. In my State we recognized the evils that were cropping up immediately following the war and the State legislature of my State passed a regulatory law. First we licensed all of these schools and then we set up the regulations under which they would operate. My question there is this: By the passage of this law, will that annul some of the regulations in a State law?

Mr. TEAGUE. No. It is up to the State approval agency to approve them. Many States have those standards, but this affects those standards in no way.

Mr. WIER. I think the gentleman ought to explain this. There is quite a controversy between the Veterans' Administration and the schools involved; I think that it ought to be clarified why the schools are so concerned about the passage of this bill against the wishes of the Veterans' Administration.

Mr. TEAGUE. If you were running a school and it came to the point of negotiating your contract, and one man down in the Veterans' Administration had authority to tell you that he would not agree, and hold up your pay for 6, 7, 8, or 9 months until you were bankrupt, and if some legislation was proposed that would force the Veterans' Administration to continue to pay you and give them a chance to appeal to an appeals board, I believe the gentleman would be for the legislation, too. That is the point where your schools come in and why they want this legislation.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, I might say in that connection that the course or practice on the part of this section of the Veterans' Administration is an attempt to do indirectly something that they will not do directly, and when they have these contracts under negotiation, that is the weapon they use.

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

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, I am taking this time to explain my own personal reasons why I am against this bill. As far as the gentleman from Texas is concerned, there is no Member of the Committee on Veterans' Affairs for whom I hold a higher regard along with my colleagues who worked with him on portions of this bill, the gentleman from Georgia [Mr. WHEELER] and the gentleman from Tennessee, [Mr. EVINS]. But, I go back, my colleagues, to the 16,000 hospital bed bill, that we passed in this House some few days ago. I adopted a stand, and I intend to stick by it, that I am going to be opposed to any bill, particularly bills that come out of my own committee, when no hearings have been held on those bills. I realize of course, that H. R. 8465 will be offered as a substitute for the original S. 2596. But, along with several Members of the committee, I am in a state of confusion. The bill, S. 2596, as it passed the other body, according to the testimony, will cost approximately $2,500,000 a year. You will not find those figures in the debate on the bill in the other body, but you will find those figures in the testimony before the subcommittee of the Committee on Appropriations, of which the gentleman from Texas [Mr. THOMAS] is a member.

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

Mr. KEARNEY. I yield to the gentleman from Texas.

Mr. TEAGUE. There was an executive session of our committee on S. 2596. The Veterans' Administration came before our committee to state their objections to the bill. Did they mention any enormous cost at that time?

Mr. KEARNEY. I have no recollection of the figures given, if any, by any of the officials of the Veterans' Administration. I am taking this from the record of the testimony before the Committee on Appropriations, where it states:

> General Gray's figure was about $2,500,000,000 additional cost per annum, which would make a total expenditure of over $5,000,000,000 per year under S. 2596.

Mr. TEAGUE. I read the hearings last night on the GI bill and I read the statement of the gentleman from New York. There is no Member who knows more about veterans legislation or knows the Veterans' Administration better than the gentleman from New York. Does he believe that this bill would cost any sum like that? Does he believe anyone connected with it would have any intent to go along with any such cost? The gentleman from New York knows that his beliefs are almost exactly the same as mine. We have talked about this a thousand times.

Mr. KEARNEY. As long as I have been a member of that committee, which has been some 8 years, I have never found two witnesses who could agree on any particular cost. But what I am getting at is this: Let us assume for argument's sake that the cost of the Senate bill is $2,000,000,000, in round figures. As I understand, the gentleman from Texas has stated that the cost of his proposed bill will be in the neighborhood of $2,300,000. What I should like to ask the gentleman from Texas now is, Can he imagine any group of conferees getting together on differences between the sum of $2,000,000,000 and the sum of $2,000,000? It is for that reason that I am opposed to the bill and the further fact no hearings have been held before our committee. We never saw the bill until this afternoon.

Mr. TEAGUE. If I even dreamed any such amount was in this bill, I would not say one word for the bill. I would be against it.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mrs. ROGERS of Massachusetts. I believe the Senate had absolutely no idea that the cost of their bill would be $2,000,000,000. I think this is some idea the Veterans' Administration had when they claimed, I think before the Committee on Appropriations, that the expiration date would be extended, and that would bring the cost way up. Apparently there is nothing in the bill that would allow that to be extended.

Mr. KEARNEY. Only this morning there were several Veterans' Administration officials up in the Committee on Veterans' Affairs trying to determine the difference between the Senate bill and the proposed substitute. It took them over 2 hours to iron out their own differences as to what the two bills consisted of, but there was no cost given to approximate the total cost in this bill.

Mrs. ROGERS of Massachusetts. Has the gentleman ever known the Veterans' Administration to give one cost and stick to it? I have been on that committee since 1925, and I have never known them to do it.

Mr. KEARNEY. I do not think that we should lay the blame for this situation on the Veterans' Administration. This bill now is the responsibility of the House of Representatives. In the first instance, it was the responsibility of the House Committee on Veterans' Affairs.

We held no hearings on the bill. Outside of the gentleman from Texas, and one or two others, there is no member of the Committee on Veterans' Affairs that I know of that knew even the contents of the bill until they came onto the floor of the House this morning. To my mind, that is not a proper way to legislate.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. PHILLIPS of California. The gentleman will recall that I am a member of the Subcommittee on Independent Offices Appropriations which has this budget in charge. He is expressing the predicament in which we now find ourselves, whether or not the figure of $2,000,000,000 or $2,500,000,000 is right. It is a figure for a year. It is not, as the gentlewoman said, an additional figure for all time. That runs to $50,000,000,000 or more. But feeling as the gentleman does and as the gentlewoman does, that there might be some discrepancy, the subcommittee—and I know my chairman will permit me to say this instead of his saying it for himself—asked the Bureau of the Budget for, and just now we have had, a new and more accurate estimate, which still says that it could run to $2,000,000,000 a year, giving a figure as a minimum of $1,000,000,000 a year. Whether or not that is true, the feeling of the gentleman from New York, and it is mine, too, is that this is nothing we can guess at on the floor of the House of Representatives.

Mr. KEARNEY. I do not believe this is a matter the House should guess at. I think we should have approximately all the testimony on any particular bill and the figures, if any are available, presented, so that the House will know what it is doing.

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

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

Mr. KEATING. May I address this question to the gentleman from California: In mentioning these figures which the gentleman from California has given us, was he referring to the bill S. 2596?

Mr. PHILLIPS of California. Yes; that is correct. I should have made that clear. I think both the gentleman from New York and I are referring to the Senate bill.

Mr. KEARNEY. That is right.

Mr. PHILLIPS of California. But we have no information. I have been trying in a short time to read the substitute but am still unable to determine what it does as compared to the Senate bill.

Mr. KEARNEY. I yield to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. I thank the gentleman. I notice the bill we are considering now is to be offered as an amendment to Senate bill 2596. H. R. 4665 was introduced by Mr. TEAGUE on May 10, 1950. It says "Referred to the Committee on Veterans' Affairs." May 10 was yesterday. I presume the bill was referred to the Committee on Veterans' Affairs for consideration and hearings. Now, do I understand there have been no hearings on the bill, which was introduced on May 10, 1950, and that it is a new bill which no one knows the contents of and the House here is considering a bill and proposing to offer it as an amendment to the Senate bill?

Mr. KEARNEY. The gentleman is absolutely correct.

Mr. MILLER of Nebraska. Would it not be in order to have this bill recommitted so that at least some hearings could be held on it. Surely more light should be shed on this subject before we can act intelligently on it.

Mr. KEARNEY. When the time comes, the gentleman from New York will offer the proper motion.

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

Mr. KEARNEY. I yield.

Mr. VORYS. We have a report dated October 14, 1949, from the Committee on Veterans' Affairs reporting S. 2596 as having been voted out by that committee. Were there hearings on that bill?

Mr. KEARNEY. There were some in executive session, but there were no public hearings.

Mr. VORYS. Is that the bill, the cost of which is estimated at $2,000,000,000 a year?

Mr. KEARNEY. The gentleman is correct.

Mr. VORYS. Is the Committee on Veterans' Affairs sponsoring the only bill which is before the House at the present time? Are the membership generally here sponsoring the only bill on which we have a report and which is before this body? Does the gentleman know?

Mr. KEARNEY. The individual members of the committee would have to answer for themselves. I am not sponsoring the bill nor am I going to vote for it for the reason I have heretofore given.

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

Mr. KEARNEY. I yield.

Mr. RANKIN. May I point out to the gentleman from Ohio that the bill, S. 2596, was reported out, as I pointed out a while ago, by a vote of 8 to 5. I was one of the five who opposed the bill, and I will oppose it now unless there are clarifying amendments adopted.

While I am on my feet, may I say to the gentleman from New York, that there has been a good deal of racketeering by these private schools, and I mean racketeering. I have here before me a letter from the Veterans' Administration in Jackson. One school there, the Southern Trades School, of Greenville, has already collected and banked $627,612.04 in excess of wholesale cost of equipment. The Magnolia Trade School collected and banked $17,707.72 in excess of cost of equipment.

One school at Biloxi, $1,513; and it goes on down. What was happening in Mississippi was happening in these private schools all over the country. For that reason I opposed the Senate bill and I shall decide what I am going to do about supporting this substitute when we have concluded considering the bill under the 5-minute rule.

Mr. KEARNEY. May I again point out to the membership, Mr. Chairman, that what I have expressed here today is not with any intention of criticizing the motives of the gentleman from Texas. He is honest and sincere and a hard-working member of our committee. I am simply opposed to the method by which the bill was brought to the floor. The contents of the bill is not under discussion by myself at this time.

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

Mr. KEARNEY. I yield.

Mr. MAGEE. Does not the gentleman from New York feel that it is a rather unique situation when we hear the argument of the gentleman from Texas that this will tighten the restrictions of the Veterans' Administration's regulations, instead of liberalizing them and that yet every trade school in the United States is supporting the Senate bill, and I suppose, supporting this proposed legislation?

Does the gentleman feel that the trade schools would be supporting this if they thought they would get less than they are getting now?

Mr. KEARNEY. Well, I do not know. I think the trade schools, or any other schools, should know what is in the bill. They do not know it now. We do not, or we did not before we came on the floor of this House. I am not qualified to answer for any of the trade schools. I cannot even answer for myself as far as the contents of this bill is concerned. I did not see the bill until this afternoon, and certainly feel that full and public hearings should be held on any bill costing millions of dollars.

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

Mr. KEARNEY. I yield.

Mr. FLOOD. I am sure the distinguished gentleman heard our colleague from Texas [Mr. TEAGUE] and I join in his laudatory remarks of the gentleman from Texas. But the gentleman heard the gentleman from Texas [Mr. TEAGUE] tell us that he would stake not only his reputation but his life on the fact that this bill would not cost more than $2,300,000. If the gentleman from New York [Mr. KEARNEY] will weigh his love and affection for the gentleman from Texas [Mr. TEAGUE] against the lack of two or three pages of hearings, which is not unusual in this House—the Senate sends us a bill with hearings that they have held. That happens in the other body and in this body frequently. The fact that these hearings were in executive session is not unusual. All the hearings before the great Committee on Appropriations are held in executive session. But does not the gentleman think the word of the gentleman from Texas is enough?

Mr. KEARNEY. I am certainly willing to wager my affection for the gentleman from Texas provided it does not cost money.

Mr. FLOOD. More than $2,300,000.

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

Mr. KEARNEY. I yield.

Mr. TEAGUE. If it were left up to the gentleman from Texas, and I had the power to do so, there would have been all the hearings on earth, but I

did not have the authority to hold hearings. That is the reason there were not any hearings. I have a resolution before the Committee on Rules asking for a complete investigation by a joint committee appointed by the Speaker, of the whole GI bill as far as education is concerned. It is very interesting to know that your private schools are for that resolution, and the Veterans' Administration is against it. I said awhile ago why the trade schools are for it, because today the Veterans' Administration is holding up contracts for 6 or 7 or 8 months, and those people are going bankrupt. That is not an honest way to do business.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEARNEY] has expired.

All the time of the gentlewoman from Massachusetts has been consumed.

The gentleman from Mississippi has 10 minutes.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee, a member of the committee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I hope that I may be able to make some contribution in the consideration to this legislation, for I know the Members of the House are interested in getting information.

As far as General KEARNEY's complaint is concerned, regarding the need for additional hearings, there are a number of members on the committee who desired and wished for more hearings, but it was not possible under the circumstances to have additional hearings.

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

Mr. EVINS. I yield to the chairman of my committee.

Mr. RANKIN. The committee had all the hearings it wanted. We had the Senate hearings, and the representative of the Veterans' Administration came before us in executive session and gave us the information we asked for.

Mr. EVINS. The gentleman is correct in that regard.

Mr. Chairman, the consideration of this bill has been made necessary by reason of the numerous regulations which have been issued by the Administrator of Veterans' Affairs affecting the veterans' educational training program authorized under the educational provisions of the GI bill of rights. It has also been made necessary by reason of the much confusion that has developed in this program and because of a number of abuses that have grown up and developed in the course of the administration of the veterans' school training program.

I want to say at the outset that I am supporting the substitute bill offered by my colleague and fellow member of the Committee on Veterans' Affairs the gentleman from Texas [Mr. TEAGUE]. The substitute measure which he has introduced, House bill 8465, is a clean bill and embraces a number of worth-while provisions designed to improve the operation of the veterans' educational and training program and to set up some standards for its operation in the interest of the veteran and the continuation of worth-while and beneficial training under the educational and training provisions of the GI bill of rights.

As we all know, when the Congress enacted the Servicemen's Readjustment Act of 1944, provision was made that veterans whose education or training had been interrupted during the war would have an entitlement to resume and continue training which was lost or interrupted during their wartime service. As indicated, in the course of the administration of this provision, there have naturally sprung up many types of schools throughout the country offering veterans training and some of them have been found to be teaching various types of courses which were not in line with the spirit and intent of the original bill—and which courses of training were not designed to lead to an occupational objective—or a course of training of such a nature that would help the veteran receive employment.

I want to emphasize here that I hold no brief for so-called fly-by-night schools—but on the other hand I do not feel that meritorious and beneficial and worthwhile veteran training should be impeded or curtailed. Because of the fact that there have been a few exceptions to the general rule the good should not be discarded. In this connection, I should like to quote from a statement made by the President in a recent report on the operation of the veterans' trade school program wherein the President, as have others, recognized the value and benefit and worthwhileness and contribution which the veterans' training program has made to the ex-servicemen of the Nation. In calling attention to the great good accomplished by the program the President said:

> The contribution which the Servicemen's Readjustment Act has made to the postwar development of the Nation's most important resource—its young men and women—is very great. It is now approximately 4 years after general demobilization. During these 4 years an overwhelming proportion of all veterans have completed their readjustment or moved far in that direction. For the great majority of those who have made use of education and training provisions of the Servicemen's Readjustment Act the law has been of real and lasting service.

I prefer to emphasize the positive, rather than the negative aspects of the program. Yet, as the gentleman from Texas has said, one of the reasons why this bill has been made necessary and is before the Committee today is due to the fact that there have been some abuses and the Administrator of Veterans' Affairs issued during September of last year a most far-reaching regulation which adversely affected the entire veterans' training program. This regulation—now infamous—was known as regulation 1–A. The effective date of the regulation was September 12, 1949, and announcement of the regulation was not made until September 15—3 days after it went into effect. Following the issuance of this regulation, a wave of protest resulted—brought about by veterans, veterans' organizations, educators, and the operators of veterans' trade and training schools. By reason of the protests the effective date of the regulation was postponed until November 1, 1949. The regulation would have, in effect, accomplished the following results:

First. All certificates of entitlement for a veteran to take a course of education or training would have been canceled.

Second. The regulation required the making of new applications for certificate of entitlement even though the veteran was already pursuing approved courses of training.

Third. The regulation would have required the making of application for supplemental certificates when the veteran desired to transfer to another course of training—and the failure to file such supplemental application would have resulted in a loss of credit to the veteran or curtailment of aid in tuition payments and authorized subsistence allowances.

Fourth. The regulation required the filing of affidavits and other supporting documents showing complete justification to the satisfaction of the Veterans' Administration before a course of training could be approved.

This regulation with these provisions was most arbitrary and far reaching and went beyond the scope of authority of the Administrator of Veterans' Affairs. As indicated, following the issuance of this regulation and the protests which resulted, the Committee on Veterans' Affairs, in a closed session, called General Gray before the committee and made known to him the intent of the committee and of the Congress in the passage of the GI bill and amendments thereto. At this meeting, General Gray admitted that the regulation had gone too far and he promised the committee that he would rescind the regulation and that no more similar regulations would be issued until he had had an opportunity to report to the Congress. He did rescind regulation 1–A and later promulgated regulation 1–B as a substitute. Regulation 1-B has been in effect for the past several months and the number of complaints arising under this regulation has been few and limited. However, the Committee on Veterans' Affairs has felt, and necessarily so, that permanent legislation should be enacted to set up standards by which the Administrator of Veterans' Affairs may be guided in the conduct and the administration of the veterans' training program and this bill is designed to accomplish that purpose.

S. 2596—the bill for which the present measure is substituted—passed the Senate during the previous session of the Congress and contains largely three general provisions or sections.

Section 1 generally prohibits the Administrator of Veterans' Affairs from the issuance of further regulations or instructions which are designed to deny to any eligible veteran his right to select a course of training which he desires during the period of his entitlement, with a general proviso excepting various types of courses which are enumerated and set out in the act which are declared

to be avocational and recreational in character and which types of training do not lead to a job objective. In other words, under title 1, the Administrator is prohibited from issuing a regulation which would prohibit a veteran from taking a course of training to which he is entitled provided that course is a legitimate and beneficial one and such a course as would ultimately serve to lead to a job or occupational objective. Under the provision, veterans are prohibited from taking a course of training of avocational or recreational character, such as dancing, courses in horseback riding, photography, bartending, sports, and other types of a recreational character.

Section 2 of the bill sets up a method of determining tuition fees or costs to be paid to schools authorizing approved types of veteran training. In the course of this program, it is developed that many schools have a customary cost of tuition, whereas others have no set standard of customary charges, and this section of the bill is designed to make uniform and to set up standards for the various schools operating under the program. This section provides for a Veterans' Education Appeals Board to hear and determine disputes and complaints arising as a result of tuition charges and tuition payments under the program. This section of the bill is already in the law. It is a provision which has been written into the independent offices appropriation bill as a rider on the Veterans' Administration appropriation and unless this legislation is enacted it will be necessary, from year to year, to continually repeat the reenactment of this feature of the bill. I say to you that the proper way to proceed is to enact legislation as an amendment to the GI bill as permanent legislation rather than continually, from year to year, repeating the enactment of the same legislation as a rider on the appropriation bill.

Section 3 of the bill sets up new standards for the improved operation of the trade-school program. In a recent report issued by the Administrator of Veterans' Affairs on the education and training program, General Gray, together with the former Director of the Budget, Mr. Frank Pace, and the President, have recommended to the Congress a set of eight recommendations to improve the program and to set up better standards for its operation—in the interest of cracking down on so-called fly-by-night schools—putting business practices in the operation of the program, as well as providing Government economy.

A number of these recommendations have been carefully studied by many of the members of the committee, as well as veterans themselves and proprietors of legitimate veteran trade schools. These proposed standards have been enumerated to you and are set forth in the third major portion of the bill—section 6 of the substitute measure.

Thus, we have here a bill with three principal sections. In summary they are: First, to prohibit the Administrator of Veterans' Affairs from further arbitrary action which would deny the veteran taking meritorious and beneficial courses of training except certain specific avocational and recreational courses enumerated in the bill; second, the section providing for the establishment of a Veterans' Education Appeals Board to settle complaints regarding tuition charges and tuition payments; and, third, the section containing other standards for operation of the veterans' schools as recommended by the Administrator of Veterans' Affairs and the President, and approved by the proprietors of a number of legitimate veteran trade schools themselves.

THIS IS NOT A MONEY BILL

Contrary to the statements of many persons and numerous reports in the press, this is not a money bill. This bill is designed to set up regulations and will, in effect, bring about desirable economies in the operation of the trade-school program, while insuring to the veteran that he shall continue to be entitled to take his full legitimate and beneficial course of training. We have heard many wild statements as to what this bill would cost. Instead of the bill costing huge sums, as its opponents say, the failure to enact this bill or a similar measure will mean that greater costs will be incurred. We should enact this measure as an amendment to the GI bill rather than annually and continually adopting riders on the Veterans' Administration appropriation bill. The correct and desirable way to legislate is to amend the basic law and not annually to write riders on the appropriation bill. The latter method is improper and usurps the functions of the legislative committee. The Appropriations Committee should not usurp, or be permitted to usurp, the functions of the regular legislative committee—the Committee on Veterans' Affairs in this instance. As indicated, this bill does not deal with the expenditure of money, but only with regulations and procedure in the conduct of veterans' training schools.

As I have heretofore indicated, I hold no brief for so-called fly-by-night schools—the abuses which have been practiced should not be condoned—but on the other hand the Veterans' Administrator should not be permitted unrestricted license to continue to issue regulations which are arbitrary and unwarranted and not in conformance with the intent of the Congress—regulations designed to deny to veterans their rightful entitlement to pursue legitimate and beneficial types of training.

I want to say that since the issuance of the famous or infamous regulation 1–A in September of last year that I have talked with a great many veterans and officials of veterans' training schools and none have voiced any objection to the adoption of reasonable and proper standards for the operation of the veterans' training school program. The majority of the provisions and standards here prescribed are already in existing law or embraced within the provisions of regulation 1–B, now in operation. This measure would enact this regulation and existing legislative appropriation rider into permanent law as an amendment to the GI bill.

As indicated, the veterans and legitimate veterans' trade schools do not object to these minimum standards—and the veterans and the proprietors of the schools themselves are advocating the enactment of this legislation—they want this legislation to insure that there will be no further issuance of unwarranted regulations going beyond the scope of these specifications.

To repeat, under the terms of this bill beneficial and meritorious types of training will be continued and I believe that the Congress should set standards to guide the Veterans' Administrator, clearly defining his authority in the administration of the Veterans' education and training program.

The moneys which have been invested by the Government in training our veterans shall be returned many fold as the effects of time and application bear fruit in this generation and those to come. This program has been one of the few self-liquidating investments the Government has been able to make for its citizens. The education of our veterans is unquestionably an investment the benefits and ramifications of which will be realized in the future, not only in terms of money but in terms of higher standards of living, security, and greater strength in the Nation.

Mr. Chairman, under unanimous consent to revise and extend my remarks, I include copies of two letters in connection with my remarks in support of the pending legislation:

NATIONAL ASSOCIATION
OF PRIVATE SCHOOLS,
Washington, D. C., February 7, 1950.

Subject: Members of Congress are fully justified in voting for Senate bill 2596.

HON. JOE L. EVINS,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN EVINS: Congress intended all veterans to have the opportunity to recover for themselves and their families the position which they sacrificed in entering the armed services. The intent of Congress was clear. It was also clear that Congress did not intend to have that purpose varied by administrative decree.

Many thousands of veterans are vitally interested in obtaining jobs and employment opportunities which will assure them a good living. Most of these veterans are not interested in so-called higher learning and have, therefore, chosen vocational schools in which to learn a trade or vocation and thereby obtain the maximum of job opportunity in the field of gainful employment as provided in the GI bill.

The Veterans' Administration has been prejudiced against private vocational schools since the beginning of this educational program and, because of the possible abuses by 3 percent of the training institutions so engaged, has attempted to malign the entire program and cut down the benefits which the veterans were promised and are entitled to receive.

On various occasions we have constantly sought to improve the relationship between the Veterans' Administration and the training institutions, but to no avail. The treatment accorded American citizens by representatives of the Veterans' Administration has been shocking and disgraceful. The contemptible methods used in many areas by Veterans' Administration representatives are, indeed, reprehensible.

On August 24, 1949, Congress enacted Public Law 266 following which the Veterans' Administration, with complete disregard for the

intent of that legislation, put into effect so-called Instruction I-A. As a result of that arrogance and the bitter acrimony which developed before the Senate Labor and Public Welfare Committee, S. 2596 was passed by the Senate and the Veterans' Administration was forced to withdraw Instruction I-A. In its place, they issued Instruction I-B, which is administered as though Instruction I-A had never been withdrawn.

S. 2596 attempts to clarify and define the relationship which should exist between the veterans, the training institutions, and the Veterans' Administration. It affords an effective right of appeal from arbitrary decisions with regard to customary tuition rates and, in justified instances, gives the training institution recourse to review by the courts.

It would also place reasonable limitations upon the Administrator's power to issue arbitrary and unreasonable regulations or administrative decrees. The attitude of Veterans' Administration officials has been that no one can stop them; and their contention has been upheld by recent court decisions, which have made the Veterans' Administration a haven of arrogance.

Unless Congress asserts itself and reaffirms its intention to train veterans as congress first wanted them trained, the Veterans' Administration will totally cripple the national program of vocational training.

This association is aware that there may be certain shortcomings in the field of vocational education and we attribute this to the sudden expansion necessary to meet the demands of the veterans' training program. The recent Veterans' Administration report to the Senate cites approximately 250 instances of alleged abuses on the part of various schools. We contend that these instances are the exception and not the rule. We further contend that the instances cited by the Veterans' Administration are substantially all the cases they could assemble and are cumulative over the 4-year period in which the veterans' training program has been in operation. In their entirety, they comprise less than 3 percent of all the private trade schools engaged in the veterans' training program.

We believe that the relations which now prevail between the Veterans' Administration and the private schools are in need of improvement. We believe that the provisions of S. 2596 will meet the needs of that situation and should eliminate a great many of the difficulties. We sincerely recommend favorable action when that legislation comes up for a vote.

Sincerely yours,

JAMES P. PARKER,
Washington Counsel.

AERONAUTICAL TRAINING SOCIETY,
Washington, D. C., April 3, 1950.

HON. JOE L. EVINS,
House Office Building,
Washington, D. C.

DEAR MR. EVINS: One of the provisions of H. R. 7422, the Wheeler bill, which has caused considerable concern to veterans attending trade schools including aviation schools is that beginning on line 14, page 13, which states:

"For the purposes of this part a course provided by a school for training in a skilled or semiskilled occupation which is customarily learned through apprenticeships or other training on the job shall be considered a full-time course when a minimum of 36 hours per week of attendance is required."

The concern is based upon the fact that the veteran attending a trade school to be regarded as taking a full-time course would be required to be in attendance at such a school up to three times as many hours as he would were he attending an accredited institution of higher learning. In substance H. R. 7422 suggests that if a GI is going to study to be an economist, business administrator, advertising man, or any other subject in an academic institution that 12 hours of class work is enough, if that is what the institution in question establishes as a minimum. If, however, a man is going to be a radio technician, a television expert, a watchmaker, an airline pilot or mechanic and is studying in a proprietary school, he should be required to put at least 36 hours a week in class. Up to now VA has considered 25 hours full time instruction in both private trade schools and public vocational schools including aviation schools.

The following table gives comparisons of the minimum hours of classroom attendance required by VA of veterans attending various types of courses in tax supported or private (proprietary) institutions:

Type of school	Present VA minimum requirement in hours for full course	Increase proposed by H. R. 7422
		Hours
For an accredited 4-year or junior college operating on unit of credit plan (under theory of 2 hours of outside work for each hour academic instruction)	12	None
For an accredited 4-year or junior college which has trade school offering course credits of which are transferable to State university	12	None
For an accredited 4-year or junior college which has trade or vocational school offering courses, credits of which are not transferable to State university or other accredited schools	25	None
For vocational and technical high schools or trade and industrial schools	25	None
For proprietary schools offering courses "for training in skilled or semiskilled occupation which is customarily learned through apprenticeships or training on the job"	25	36
For other types of private and proprietary vocational schools operating on clock-hour basis	25	None

While the above covers the principal classifications of schools presently doing training under the GI bill, A. L. Combes, Director of Education and Training Service of VA, informs me that in some cases based on individual investigation of the facts, unaccredited departments or schools of accredited academic institutions are permitted to operate under the semester credit hour basis, i. e., whatever the institutions require but in no case less than 12 hours of instruction a week. Information provided by the United States Office of Education indicates that both accredited academic institutions and vocational schools customarily offer more hours of instruction than the VA minimums. Most colleges and junior colleges require 15 or 16 hours of classroom attendance weekly in academic courses.

Students in most academic institutions are supposed to do 2 hours of outside study for every hour of attendance and those in technical schools are supposed to do 1 to 2 hours of outside work for every classroom hour. Outside work for trade schools varies widely because such a course as cobbling may require little or no outside study, while preparing for building electrical or textile trades demands considerable.

It should be remembered that there is no way VA can be sure that students devote 2 hours of outside study or any other for every hour in class in an academic institution or any other kind unless the institution sets up a cumbersome, expensive, and in most cases impossible system of supervised study. Policing extent of outside study is impossible in most institutions. In light of the facts, there appears to be no sound reason why VA should require a GI, who aspires to be a mechanic or technician, to be in class 36 hours a week while a boy who is headed for a Ph. D. or one of the professions need only put in 12.

For this reason, it appears that because of this and other burdensome and needless requirements, H. R. 7422 should be rejected.

Thanks for your fine leadership on matters dealing with the veteran and his rights.

Cordially yours,

WAYNE WIESHAAR,
Secretary.

Mr. RANKIN. Mr. Chairman, I yield 4 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I wish to congratulate the gentleman from Texas on the comprehensive report to the House concerning this bill, and wish to thank the chairman of the committee for the time he has given me.

To me this bill just puts into law some of the regulations of the Veterans' Administration that have been in effect for a long time. Most of the schools are for this bill for the reason that the Veterans' Administration has been arbitrarily interpreting some of the regulations to the detriment of the schools, holding up contracts sometimes 3, 4, 5, 6, or 7 months. Just 2 or 3 days ago I received notice from a school in my district that they had their contract confirmed and had received their back pay which had been held up for about 6 months. They had about decided to quit giving training to veterans unless something was done about the situation. This is one condition I know about personally.

There is a lot of dissension, too, in my State about flight training and something will have to be done to correct this situation. Veterans have a hard time getting in a flight-training school at all. One of the approval agencies has approved one student for commercial pilot training last August. That is the information given to me. Several have applied but no one seems to be able to get in.

I think it is time we put into law some of these regulations. We are all elected by our people to come here and make laws for the best interests of our State and Nation. I want to accept that responsibility and not turn it over to some agency downtown to arbitrarily assume this power, hold up contracts, and retard training for veterans.

With reference to the arguments made by the gentleman from New York as to the cost of the bill, I understand from the gentleman from Texas that he recently asked the Veterans' Administration the cost of the bill and they said $2,500,000. Am I correct about that?

Mr. TEAGUE. The VA stated that the reason this bill would cost any money was because it does away with the expiration date. I asked them to write an amendment which would correct that and that will be offered.

Mr. STAGGERS. I think that clarifies that issue. All this absurd talk about $2,000,000,000 has nothing to do with this matter. He said that is the latest information they have given to him. The reason the Veterans' Admin-

istration is against this is because it wants this power to arbitrarily do as it pleases. I have been trying to get things done for veterans in my district and in my State and every time I call on one of these bureaus down here they give me some run-around or whitewash on the question. I am getting tired of them telling Congress what to do. I do think the Members should think about this situation somewhat. This bill is for the veterans and it is going to help them. Of course, it is not going to hamper General Gray and his Administration; on the other hand, it should prove quite helpful.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. HOFFMAN of Michigan. I gather from the gentleman's remarks, which are in line with my own experience, that he has finally discovered it does not make much difference what laws the Congress passes, the administrators determine them as they want to?

Mr. STAGGERS. I am only a freshman Member of Congress, but I have run into those circumstances several times. I think it is high time that the Congress assume its responsibility.

We were elected by the people to take care of veterans as well as to make laws for the Nation. I want to see something done about this because I am getting complaints all the time from veterans in my district that they are not being properly taken care of. This bill should go through so that they will know exactly where they stand and so that they can say to the Veterans' Administration that they have certain rights and privileges granted to them by Congress.

The CHAIRMAN. All time has expired for general debate. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: *"Provided,* That the Administrator is not authorized to promulgate any regulation or instruction which denies or is designed to deny to any eligible person, or limit any eligible person in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in (a) any public school or other tax-supported school, or (b) any branch within the same county or within a radius of 25 miles of a parent institution which parent institution has been in operation for a period of more than 1 year, or any course given by an institution which has been in operation for a period of more than 1 year which does not completely depart from the whole character of the instruction previously given by such institution. Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"C. That the Administrator may require consultation by the veteran in case he has discontinued any course of education or training before completing the same, or in any case in which the veteran after completing a course of education or training decides to take another course in an entirely different general field, but after such consultation the Administrator shall have no right to refuse approval to a different course or an additional course in the same or any other field, except as limited by paragraph D below;

"D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses; music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education, or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood."

With the following committee amendment:

Page 3, line 14, strike out "or any other" and insert: "general."

The committee amendment was agreed to.

Mr. TEAGUE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Strike out all after the enacting clause of the bill S. 2596 and insert "That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: *'Provided,* That, except as provided in the amendment, no regulation or other purported construction of title II, as amended, shall be deemed consistent therewith which denies or is designed to deny any eligible person, or limit any eligible person in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

" 'A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in any public school or other tax-supported school;

" 'B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

" 'C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of said title II, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, or (3) that it is precluded by limitation of paragraph "D" below;

" 'D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses, photography courses; glider courses; bartending courses; personality-development courses; entertainment courses: music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreation when a certificate in the form of an affidavit supported by corroborating affidavits by two

competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood.'

"SEC. 2. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"'(d) As used in this part, the term "customary cost of tuition" or "customary charges" or "customary tuition charges" shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"'(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"'(B) One of the following conditions prevails:

"'1. The institution has been established subsequent to June 22, 1944.

"'2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"'3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"'4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"'For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the administrator. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinbefore set forth. For the purpose of the preceding sentence "contract" shall include contracts under Public Law 16 (78th Cong., Mar. 24, 1943), Public Law 346 (78th Cong., June 22, 1944), and any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by the Veterans' Education and Training Amendments of 1949, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the "Veterans' Education Appeals Board" consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended.

"'Any institution having a "customary cost of tuition" established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided*, That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the Veterans' Education and Training Amendments of 1949, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further*, That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be "fair and reasonable" during negotiations for a contract, and, during the pendency of any appeal which the school may make.'

"SEC. 4. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: '*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944.'

"SEC. 5. The third sentence of section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following: '(4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such regulation and in the supervision of such institutions.'

"SEC. 6. That paragraph 11 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph.

"'(e) 1. Any school operated for profit in order to secure or retain approval to train veterans which, during any period, has fewer than 25 students, or one-fourth of the students enrolled (whichever is larger), paying their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application setting forth the course or courses of training. The written application covering each course must include the following:

"'a. Title of the course and specific description of the objective for which given.

"'b. Length of course.

"'c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

"'d. A showing of educational and experience qualifications of the instructors.

"'e. A description of space, facilities, and equipment used for the course.

"'f. A statement of the maximum number of students proposed to be trained in the course at one time.

"'g. A statement of the educational prerequisite for such a course.

"'2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

"'a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

"'b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

"'c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

"'d. The salaries of teacher and administrative personnel are comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area.

"'e. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; there are clearly stated and enforced standards of attendance, progress, and conduct.

"'f. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the course objective.

"'g. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

"'h. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

"'3. No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

"'4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the applicable requirements of this subparagraph (e).'

"SEC. 7. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, is hereby amended to insert '(a)' immediately after '6,' and adding the following new subparagraph:

"'(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or class-room instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.'

"SEC. 8. Paragraph 5 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '5', and adding a new subparagraph (b) as follows:

"'(b) In any case where it is found that an overpayment to a veteran of subsistence

allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuance or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an off-set from amounts otherwise due the school or in other appropriate action, provided that any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.'

"SEC. 9. This act shall be effective the date of approval except as hereinafter provided: *Provided*, That section 7 shall be effective the first day of the third calendar month following the date of approval of this act: *Provided further*, That the provisions of section 5 shall be applied at the earliest practicable time in accordance with regulations issued by the Administrator.

"SEC. 10. The matter beginning with the first proviso in the item 'Readjustment benefits' under the caption 'Veterans' Administration' in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed, effective August 24, 1949.

"SEC. 11. This act may be cited as the 'Veterans' Education and Training Amendments of 1949.'"

Mr. TEAGUE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with and that it be open for amendment at any point thereof.

Mr. RANKIN. Mr. Chairman, I think the amendment ought to be read very carefully because even the average member of the Committee on Veterans' Affairs has never seen it. Consequently, Mr. Chairman, I object.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized in support of the amendment.

Mr. TEAGUE. Mr. Chairman, I would like to take this time to yield to Members who have questions to ask.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. CUNNINGHAM. I would like to have the gentleman answer this question. If I understand it, there was some racketeering in certain trade schools. The Veterans' Administration some time ago issued a ruling to curb this racketeering and to protect the veterans as well as the Government from this racketeering in those trade schools; and in the issuance of this rule it went so far that it interfered with the legitimate rights of legitimate trade schools and thereby injured the veterans in the school that had signed up to conduct that legitimate trade school. The substitute amendment offered by the gentleman from Texas [Mr. TEAGUE] will simply correct that, but will still protect the veteran from the racketeering trade school and protect the Government from the racketeering trade school, and will secure administration for the legitimate school. Is that correct?

Mr. TEAGUE. The Veterans' Administration admitted that they went too far in regulation 1 (a). They issued 1 (b), and practically everything that is in 1 (b) is in this bill. This bill does not in any way liberalize the GI bill. The same curbs that the Committee on Appropriations has put on fly-by-night schools are in this bill, making them permanent law instead of legislation on an appropriation bill, or instead of a regulation by the Veterans' Administration.

Mr. CUNNINGHAM. As I understand the gentleman's bill, then, it is for the benefit of the veteran, for the benefit of the Veterans' Administration, for the protection of the Government, and the protection of the veteran.

Mr. TEAGUE. The gentleman is correct.

Mr. CUNNINGHAM. And also to protect the good, legitimate trade schools that have been put on the approved list by the proper authorities in the various States?

Mr. TEAGUE. That is correct.

Mr. CUNNINGHAM. One further question. I understand that an amendment will be offered to the substitute amendment which has already been offered, and when that amendment is adopted it will guarantee that the additional cost to the Government will not exceed $2,300,000.

Mr. TEAGUE. I certainly will support that amendment.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. PHILLIPS of California. The only change in the printed bill is the elimination of section 3, beginning on page 8, and changing "1950" on page 14, and renumbering of the printed bill.

Mr. TEAGUE. That is correct.

Mr. PHILLIPS of California. I have several questions in which I would like to suggest there are other changes, but I will do it on my own time and not take up the gentleman's time.

However, I would like to ask this one question. Is it not a fact that on page 6, beginning with line 19, and on down, are we not for the first time creating an appeals board outside of the agency, for something which occurs in the agency. Therefore, is that not a matter of policy which perhaps should have more consideration than we have given this afternoon. I do not want to take the gentleman's time for I should take my own time to discuss that.

Mr. TEAGUE. The appropriation bill No. 266 provides a Veterans' Appeals Board appointed by the Administrator. This bill makes the same Board except that it is appointed by the President of the United States, with the belief that the Administrator of Veterans' Affairs should not be judge and prosecutor at the same time.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. TEAGUE. I yield.

Mr. DONDERO. Does the gentleman's substitute bill fix a definite date for the termination of this program?

Mr. TEAGUE. I may say that it does not change the existing law which states that a man must be in training on July 1, 1951, and out by 1956, the very bill you people wrote 6 years ago. This bill does not change this in any way, form, or fashion.

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

Mr. TEAGUE. I yield.

Mr. WHITTINGTON. Do we understand that you yourself are going to offer an amendment to substitute the provisions of this bill to provide that the cost shall not exceed $2,000,000, or substantially that amount?

Mr. TEAGUE. I would be very happy to offer the amendment. I do not have it prepared, but I would offer it and support it.

Mr. WHITTINGTON. I think the committee ought to understand this point definitely. I had understood that the gentleman was fostering such an amendment and would offer it.

Mr. TEAGUE. I have not drawn it, but I would be willing to.

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

Mr. TEAGUE. I yield.

Mr. MICHENER. Some of us are much concerned about what this will cost. Here is a situation where some members of the committee say this bill will cost $2,000,000,000 plus; other members of the committee, including the gentleman from Texas, say the bill will cost $2,000,000 plus; our distinguished friend, the gentleman from Texas, who now occupies the floor, as I understood would stake his reputation and his life on the fact that the cost would not exceed $2,000,000.

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

Mr. MARTIN of Massachusetts. 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 Massachusetts?

There was no objection.

Mr. MICHENER. The gentleman from Texas [Mr. TEAGUE] is a valuable Member here, and we all like him. We who have been here longer would not stake our life on a proposition like that. If this bill as written can be administered for $2,000,000 it is the cheapest piece of legislation ever to come from the Veterans' Committee. I do not want the gentleman from Texas to find himself asking for execution.

I do want to condemn the committee for bringing in a bill under these circumstances. I want to go along. I like these regulations. You have practically put into writing, with improvements, what they have been doing down there. It is a good thing. But in these days of economy, personally, I doubt the wisdom of turning over to the Bureau unlimited authority without having more information about cost.

Mr. TEAGUE. I may say to the former chairman of the Committee on the Judiciary that if he will help me write this amendment that will limit the cost to $2,000,000 I will introduce it and support it.

Mr. MICHENER. I have written some of them, but the gentleman is very capable, and I am sure he can do a better job than can the gentleman from Michigan.

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

Mr. TEAGUE. I yield.

Mr. RANKIN. As was explained in the beginning, this Senate bill was reported out of the committee by a vote of 8 to 5

Mr. TEAGUE. We are not talking about the Senate bill now, but about the amendment.

Mr. RANKIN. I understood that the bill the gentleman from Texas is offering as an amendment is entirely different.

Mr. TEAGUE. The gentleman is correct.

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

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I am advised that the gentleman from Texas is at heart a poet. I think we recognize poetic license when we see it with reference to any rigid figure in this or any other bill. I just talked on the telephone to a Mr. Stirling, Dr. Stirling, at the Veterans' Administration. He is the high muckety-muck down at VA with reference to this kind of legislation. Further, the distinguished gentleman from New York [Mr. KEARNEY] raised this question of $2,000,000,000 versus $2,000,000. Even as a member of the Committee on Appropriations I could recognize that discrepancy.

Dr. Stirling has assured me, and I told him I was going on down to assure the gentleman, that the Veterans' Administration, including Dr. Stirling, no longer is concerned with the figure of $2,000,000,000 with reference to this act. They recognize that that is no longer in issue. Their minds are at ease. I have permission to assure you there is only the question of the $2,000,000,000 with reference to a terminal date. The Veterans' Administration is satisfied. I cannot take his name in vain, but in a conversation in the last few minutes with the gentleman from New York, I believe he understands the situation as well, that the $2,000,000,000 is no longer before this committee with reference to this piece of legislation. There is only the figure of $2,300,000 which I think we will permit a judicial amount of elasticity with insofar as the long career of the gentleman from Texas in this House is concerned.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. PHILLIPS of California. May I ask the gentleman from Pennsylvania a question? Did Mr. Stirling also say that the Veterans' Administration would feel that the substitution of the paragraph in H. R. 7380 for the paragraph on page 13 would be a preferable paragraph technically and would also save $200,000,000?

Mr. TEAGUE. Which paragraph on page 13?

Mr. PHILLIPS of California. Beginning with line 3, subparagraph (b). Apparently it is a paragraph which I have not been able to look up in H. R. 7830. He may understand what that is.

Mr. FLOOD. My answer to the first question is "no," Dr. Stirling did not so state. Although I mentioned that point to him, I indicated that the gentleman from Texas [Mr. TEAGUE] had explained in his original statement on the bill that problem which concerns the gentleman from California and he satisfied me because I was likewise concerned about it.

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

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the requisite number of words and I yield to the gentleman from Texas.

Mr. TEAGUE. The point brought out by the gentleman from California is a very important one. The President in his message on February 13 recommended that all VA schools giving trade or technical courses be on a 36-hour basis. There is no doubt that would save a lot of money because it would drive practically all of your schools out of business. For example, in Louisiana all schools are based on 25 hours. In a conference between a representative of the Private Trade School Association and the Private Trade School Federation they said they did not like this language either. They say this language goes too far but it is a compromise with which they said they could live without destroying the schools. Does that answer the question?

Mr. PHILLIPS of California. Yes, I understand the intent of the section.

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

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. KEATING. Was that the section, the section now numbered 6, which the gentleman from Texas said was the only one that in his judgment would cost any money? That is the section which in the opinion of the gentleman from Texas is the only one which he thinks will increase the expense?

Mr. TEAGUE. No, that would not increase the expenses.

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent to proceed for three additonal minutes.

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

There was no objection.

Mr. TEAGUE. On page 9, line 15 through 22, there is the section that the VA said will cost $2,300,000.

Mr. KEATING. That in the opinion of the gentleman from Texas is the only section which will result in additional cost by the enactment of this bill?

Mr. TEAGUE. That is correct.

Mr. PHILLIPS of California. If the gentleman from Texas will permit me to make a preliminary statement, then I have other questions. I want to say, Mr. Chairman, that it wil be clear to the House the difficulties in which this bill is placing a good many of us. I am a veterans; my father was a veteran of the War Between the States; and five members of my immediate family are veterans of World War II. Obviously my record has been one of support and friendship for all of the needs of the veterans and the benefits which we extend to them and which will not react eventually against the veteran.

Before the Subcommittee on Independent Offices, it was testified, regarding the probable cost of the original bill—and I think we should all understand, as the gentleman from Texas has said, that no one here thinks that the present bill, which will be referred to as the Teague bill, H. R. 8465, will cost anything like $2,000,000,000 or more. There was testimony that it would cost some money, and we would like to know how much, and also we would like to know some of the details of the expansion of the right to take courses. Only about 19 percent of the veterans are finishing the courses they take. The subcommittee on which I serve does not think that that is good for the veteran, just as we think that anything we can do to permit the veteran to get an education is what we should do. I supported the liberalization of the GI bill from the beginning. I felt that veterans should be permitted to take flight courses, because I wish everybody in the United States would become air-minded as some foreign countries have made their people air-minded. Yet, there was definite evidence that as soon as the 52–20 Club, as it was familiarly known, ceased, there was an immediate increase in the number of students who entered the vocational training courses.

The gentleman from Texas and I both are working toward the same objective, and that is to give education to the veterans where it will do some good. It has been testified that the cost involved in the right of the veterans to courses they may or may not take could go as high as thirty or forty or fifty or sixty billion dollars. That is a total figure. I am convinced we should, in some way, make it clear that we want the veterans to take courses, but that we do not want to liberalize the GI bill in the sense that a vocational course is to be used as a substitute for unemployment compensation.

Now, taking H. R. 8465, the paragraph at the beginning of page 2. Like all of you, I am trying to read it very hastily and come to some conclusion as to what it means, beginning with paragraph C. It seems to me to prevent the closing date for vocational courses and it seems to me that we have that now. Why is it necessary in this bill?

Mr. TEAGUE. Mr. Chairman, if the gentleman will yield, this is writing it into permanent law, and today that is part of your appropriation amendment. This says that a man may change courses in the same general field. That was to keep men from, as the gentleman says, using vocational training for unemployment insurance, or taking first a barbering course, then a tailoring course, and then a cooking course.

Mr. PHILLIPS of California. If they want to do that now, they can. The only restriction we have placed upon them is that they must go to a vocational ad-

viser under the VA and explain they want it changed, but that they cannot change from barbering to meat cutting or flight training because they do not like the course. The record shows that one out of five of the veterans finish a course that they have started since the GI bill went into effect, and that is not good for the veteran's morale nor his character.

Now turn to page 6, please, and tell me why, beginning with line 9 and going down to line 15, it does not freeze in a necessity of having these contracts at the higher cost, even though they have been renegotiated by the Veterans' Administration satisfactorily to the school and the Veterans' Administration; why that would not require us to continue to pay out at the higher previous rate.

Mr. TEAGUE. The Subcommittee on Appropriations set up a Veterans' Appeals Board. If you were running a school and you had two contracts with the Veterans' Administration, the last contract that you had would be considered the customary cost. If the Veterans' Administration came along and said it should be reduced, you either have to take the reduction or take it to the Appeals Board, and the Appeals Board would decide what your contract should be.

Mr. PHILLIPS of California. As I understand it, even though they were satisfied with the cost, they would have to return to the preceding higher cost.

Mr. TEAGUE. It would be the customary cost at that time. If the Veterans' Administration disagrees, it goes to the Veterans' Appeal Board.

Mr. PHILLIPS of California. Turn to page 11, line 18, where reference is made to similar schools. In my opinion the word should be public, because we are apparently paying an average of about twice the average public school teacher's salary. Would it not be better for the veteran if that word were "public" instead of "similar"? I am asking that not because I have any strong feeling but just to find out if it would not be better for the veteran.

Mr. TEAGUE. I cannot agree with the gentleman that you should base the salaries of private school teachers on those of public school teachers. For example, it costs much more to go to a private school than it does to go to a public school. That would certainly be unfair to the private schools, as far as I am concerned.

Mr. PHILLIPS of California. Let me ask one more question. This has been a very hurried résumé of the bill by me.

On page 14, line 22, the date August 24, 1949, is stricken out, and with the passage of this act other wording will be substituted. I would read that to wipe out the restrictions placed in the appropriation bill; is that right?

Mr. TEAGUE. That is right.

Mr. PHILLIPS of California. Is the gentleman sure that he has included in the bill the same desires of the Appropriations Committee?

Mr. TEAGUE. I have read side by side the words of the Appropriations Committee and these words. It is in this bill.

Mr. PHILLIPS of California. My own feeling regarding the bill is that the intent of the bill is excellent, but it is very difficult for us to understand it on such short notice.

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

Mr. PHILLIPS of California. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. My position is pretty much the same as that of the gentleman from California and the Appropriations Committee as well, but I have resolved this thing since this matter started at 12 o'clock pretty clearly, and I am very much in favor of it now. I refer the gentleman to page 12, paragraph 3, as an additional argument now existing in the bill having to do with this question of new courses. I think that language is very strong. I do not know who wrote it or how it got there, but that satisfies one problem that concerns me:

> No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

I think that is a salutary provision.

Mr. PHILLIPS of California. I thank the gentleman. Certainly there is no Member of the House whom we would be more willing to follow in any matter of this kind than the gentleman from Texas [Mr. TEAGUE].

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

The Clerk read as follows:

> Amendment offered by Mr. EVINS to the amendment offered by Mr. TEAGUE: On page 2, line 11, after the semicolon, add the following language: "*Provided*, That upon the certification of any State approval agency that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution, notwithstanding the provisions of this paragraph."

Mr. EVINS. Mr. Chairman, this language is included in S. 2596, and gives the Administrator of Veterans' Affairs the discretion to approve a new school where it is certified by the State as needed and necessary. This language will take care of existing schools presently in operation that have already been approved and are accredited and are living up to high standards.

It was my understanding that language was to be included in the substitute bill.

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

Mr. EVINS. I yield.

Mr. WHITTINGTON. Under the terms of the gentleman's amendment which is to be inserted following the word "school" in line 11, page 2 of the substitute, a school which had been certified would be entitled to be considered notwithstanding the fact that the certification had not been for a year prior to August 24, 1949?

Mr. EVINS. That is correct. That is if the school comes up to accredited standards.

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

Mr. EVINS. I yield.

Mr. FORD. This particular amendment hits at the problem which all of us have been trying to solve where we found certain discriminations against schools for one reason or another, which could not qualify under the legislation which was approved a year or so ago. It does not say that any fly-by-night school can be approved. The Administrator can still disapprove such applications. It simply says that in a meritorious case the State agency can certify the school as being meritorious and it then leaves the final discretion in the Administrator of the Veterans' Administration.

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

Mr. EVINS. I yield.

Mr. SUTTON. The gentleman's amendment also will take the monopoly away from those who are already in the field.

Mr. EVINS. That is correct, and it keeps from freezing this in the hands of existing schools in the event there is a meritorious school which comes up to the standards.

Mr. WHITTINGTON. Or the standards as they existed on August 24, 1949.

Mr. EVINS. That is right. I think it ought to be made clear in the RECORD. I believe the gentleman from Pennsylvania [Mr. FLOOD] is also interested in this amendment.

Mr. FLOOD. I might say that I had proposed to introduce this amendment, but was glad to yield to the gentleman from Tennessee, who is of course a member of the committee.

Mr. EVINS. I thank the gentleman.

I yield to the gentleman from Texas [Mr. TEAGUE], who, I understand, will offer no objection to this amendment although he did not originally write this language in his substitute bill.

Mr. TEAGUE. Mr. Chairman, in fairness to the gentleman from Georgia [Mr. WHEELER] who is not present, I must state that the gentleman from Georgia would not agree to this amendment and it was taken out as a compromise. It was put in originally to take care of those schools that had been done an injustice last year when that provision was made retroactive. In other words, if the school had operated 9 months, and spent a great deal of money, when we passed 266, it was suddenly cut out. I certainly am not in favor of establishing new schools or opening the door, but I do think if we can take care of those schools that have been done an injustice, that should be done.

Mr. EVINS. I thank the gentleman.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. PHILLIPS of California. Does this still leave the decision up to the Veterans' Administrator, or is it mandatory?

Mr. EVINS. No, it leaves the discretionary power with the Administrator.

Mr. PHILLIPS of California. May I address this question to the gentleman from Texas [Mr. TEAGUE]; is it not a fact that this would in effect add to the cost and add schools which otherwise would not get on the list? Is it not a fact it would add to the cost of the bill?

Mr. EVINS. It takes care of existing schools and those that may be certified by the State agencies as necessary. It does not freeze things and create a monopoly for existing schools or close the door. It does not, I might say to the gentleman, have anything to do with the termination date of the act which is drawing near.

Mr. PHILLIPS of California. Is the gentleman from Texas [Mr. TEAGUE] satisfied?

Mr. TEAGUE. Mr. Chairman, what the gentleman from California has said is true, it would cost more for any new schools that are put into operation.

Mr. EVINS. That is a possibility.

Mr. TEAGUE. That is an obvious fact.

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

Mr. EVINS. I yield.

Mr. WHITTINGTON. How can it cost more if a veteran attends an existing school or one that may be established in the future? What difference does it make to the Government if the veterans attend a school which has been in existence for 12 months or 10 months?

Mr. TEAGUE. It might cost more.

Mr. WHITTINGTON. Well, the gentleman says it might, but it cannot cost more.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. EVINS].

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. SHELLEY to the Teague amendment: On page 9, line 20, insert before the quotation marks a colon and the following: "*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated."

Mr. SHELLEY. Mr. Chairman, I have offered this amendment to clear up a situation that exists at the University of California School of Law, Hastings Law School, which I have been informed exists in several other universities in regard to their professional or graduate schools, such as engineering, medicine, or law. Hastings Law School of the University was originally started as a private venture some years back. The early part of the century it was taken over by the University of California as an affiliated school. It is now formally a part of the university and is recognized as such by the State legislature. Its funds are appropriated in the general appropriation bill. The California Supreme Court has rendered decisions declaring it to be an integral part of the State university, but it has continued to keep a separate governing board, practically all of whom are attorneys, because it is a law school. Due to that separate function, the Veterans' Administration ruled that they were in a different position and could not be treated on the same basis as the university proper. First, the Veterans' Administration said, "You are not really affiliated. You are a separate school." Now they have said, "We do not say that, but since you are not on the campus exactly"—Hastings conducts classes in the city of San Francisco—"we have to declare you as not being under the definition." And they have changed the allotment to the school.

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

Mr. SHELLEY. I yield.

Mr. HINSHAW. I am glad the gentleman brought this up. I personally have not been able to understand the ruling of the Veterans' Administration in this respect. I hope the gentleman's amendment will be agreed to.

Mr. SHELLEY. I thank the gentleman.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. ALLEN of California. I join in the sentiment expressed by my colleague from California [Mr. HINSHAW]. I think this is a very meritorious amendment and will clear up the situation.

Mr. SHELLEY. I thank the gentleman.

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

Mr. SHELLEY. I yield.

Mr. SCUDDER. I am very glad the gentleman has brought up this amendment, because there has been some difficulty in this very extraordinarily fine school in San Francisco, connected with the university. I compliment you on bringing it up.

Mr. SHELLEY. I thank the gentleman.

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

Mr. SHELLEY. I yield.

Mr. TEAGUE. Is it not a fact that the amendment just adopted will take care of the situation the gentleman speaks of? In other words, what they call a new school—a school that had not been in existence for a year. That is the reason they refused to recognize it?

Mr. SHELLEY. No. I am sorry. The amendment proposed by the gentleman from Tennessee [Mr. EVINS] will not take care of it. This is not a new school. It is a question of definition, whether or not they are a part of the University of California which they do recognize. It will take this amendment to correct the situation to which I referred, as it applies to graduate or professional schools. The Hastings School of Law was recognized and the students were given an allotment for four and a half years, but on September 1 last year they were suddenly put in a different category by the Veterans' Administration on what we think is an extremely flimsy basis, if there is any basis at all.

The CHAIRMAN. The time of the gentleman from California [Mr. SHELLEY] has expired.

Mr. PHILLIPS of California. Mr. Chairman, this amendment offered by the gentleman from California [Mr. SHELLEY] is one concerning which I have personal knowledge. It applies primarily to a college in the northern part of the State, but it would affect schools in other States. I am in support of the amendment.

However, I take this time to ask something of the gentleman from Texas [Mr. TEAGUE] and the gentleman from Pennsylvania [Mr. FLOOD]—I have just been called from the floor by a telephone call. It was from Mr. Stirling, of the VA. I had not previously called him. He authorized me to make this statement: You understand he is not expressing opposition to the bill, but evidently he had been sent an inquiry from the Committee on Appropriations as to how much the bill would probably cost. He authorizes me to say that the section beginning on page 6, line 9, and extending to the first word on line 15, has been estimated by their accountant to cost $15,000,000 for the year 1951.

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

Mr. PHILLIPS of California. I yield.

Mr. KEARNEY. Does not the gentleman from California feel that all these telephone calls and conversations should be made to the Veterans' Affairs Committee where the representatives of the Veterans' Administration can testify definitely?

Mr. PHILLIPS of California. I am in complete agreement. I felt that since we have had these various figures—and I am just as much confused, if not more so, than anybody on the floor—I wanted to give the gentleman from Texas a chance to know this, in connection with his statement that it could not cost more than $2,000,000. He should explore the discrepancy between these various figures.

Mr. TEAGUE. My information came from members of the Appropriations Committee. I should like to read from the appropriation bill:

In any case in which one or more contracts provide a rate or rates of tuition have been executed for two successive years the rate established by the most recent contract shall be considered to be the customary cost of tuition. * * * If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution.

Mr. PHILLIPS of California. This is the item which I questioned earlier.

Mr. TEAGUE. Yes. I was told by some of the members of the Committee on Appropriations that they meant that if they had had two contracts, Public Law 16 which covers the disabled men, and Public Law 341 which covers all

others, if they had had two of those contracts that the last contract would be the one that was in effect.

Mr. PHILLIPS of California. I have nothing further to say. I ask for a favorable vote on the amendment offered by the gentleman from California [Mr. SHELLEY].

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

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

Mr. Chairman, I want to speak generally on the subject of the obligation of the people of the United States toward their representatives to take care of certain principles which they set up in the GI bill of rights. There has been quite a bit of talk here as to the cost of this; it has ranged from two and one-half billions, which is absurd, down to $2,300,000.

In the first place, the whole educational and vocational training program, as I understand, is costing at the present time about $2,500,000,000, and there are about 2,180,000 GI's enrolled in these courses. To say that it would cost another $2,500,000,000 is absurd; it would mean doubling the number of GI's going to school. So that kind of argument can be ignored.

As to whether this will cost $2,000,000, $3,000,000, or $15,000,000, I wonder if we are not losing sight of the main point? The main point is that the Congress of the United States said that the veterans would have a right for certain educational and vocational training. Whether it costs $15,000,000 more per year until the eligible number are taken care of, or $3,000,000, is beside the point. I realize that we are in an economy wave, but we are not in an economy wave that is so strong that we can ignore the expressed obligation of the Congress to give to these boys the kind of training that they need.

I know of many cases in my own district, and I know every other Member knows of boys who have had vocational training or educational training and have thereby been able to earn much greater annual salaries than if they had not had such training. What does that mean? That means that when they start earning $4,000, $5,000, $6,000, or $7,000 a year in place of the $50 or $60 a week as an untrained laborer, that they proportionately pay more into the Treasury of the United States as income tax. I think we should not lose track of the fact that this is actually an investment in these boys, an investment which will come back manyfold to the people of the United States. I also want to mention the benefits that it will give to the individual involved and to their families in the way of a higher standard of living, because of implementing the wishes of the Congress, we are giving these boys a chance to train themselves to get on a higher earning level. We are making a real investment in our citizens and we are discharging an obligation to those boys who were willing to invest the most valuable thing they had, their life, if necessary to preserve the country that we all love.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto do now close.

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

Mr. DAVIS of Wisconsin. Mr. Chairman, reserving the right to object, does that mean on all of the amendments?

Mr. RANKIN. Yes.

Mr. DAVIS of Wisconsin. Mr. Chairman, I object.

Mr. RANKIN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto do now close. Does the gentleman from Wisconsin have an amendment?

Mr. DAVIS of Wisconsin. No; I do not, but I have about 2 minutes of comment I would like to make.

Mr. RANKIN. Mr. Chairman, I withhold the motion until the gentleman from Wisconsin gets those 2 minutes out of his system.

Mr. DAVIS of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to say anything on this bill, because I find myself, I believe, in the position of a vast majority of the members of our committee. We hardly know enough about this bill to be able to enlighten the Members on the floor about it. It is a fact that we have not had proper hearings on it, so it does catch all of us, sincere as we are in our attempt to do something that will remedy abuses that have occurred and do justice to the veterans in their honest desire to obtain the educational benefits under the GI bill of rights. So we are caught between two fires.

In the first place, we realize it is the responsibility of the Veterans' Affairs Committee to write this kind of legislation. In the past too often we have seen the regulations affecting this educational program handled either by decree or by regulation of the Veterans' Administrator, which is not the proper way to handle it, or we have seen it handled through riders on appropriation bills, riders that have been made necessary because of the fact that our legislative committee has not provided by legislation the regulations that are needed for guidance under this program. So I think we all agree that this bill represents the proper approach to the problem we have before us, but, as I say, the approach is hardly enough. The fact remains that our committee has not followed through on this proper approach. This is not a committee bill.

I want to pay my high compliments to the gentleman from Texas [Mr. TEAGUE] and to the gentleman from Georgia [Mr. WHEELER] who have spent long hours, and tedious and studious hours, in attempting to do a job that ought to be done by the committee as a whole. I believe this is better than anything we have had by regulation in the past, but because it is not a committee bill I am going to be compelled to vote for the motion to recommit, and I shall do that with great reluctance because I fear if the motion does carry and the bill does go back to our committee, the committee will not bring out the kind of legislation we ought to have. Because I cannot as a member of that committee in good conscience recommend to the Members of this House that they support a bill which has not had hearings before our committee, as I say, I shall reluctantly and with great deference to the work which my very esteemed colleague from Texas has done on this matter, vote for the motion to recommit that will be offered by the gentleman from New York.

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

Mr. DAVIS of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have listened attentively to the statement of the gentleman from Texas [Mr. TEAGUE]. As I understand, this is an attempt to put into substantive legislation the very regulations that are now effective under regulations of the Veterans' Administration.

Mr. TEACUE. That is exactly correct.

Mr. KEEFE. If that is true, then why the urgency for the passage of this bill, and why not hold hearings on this proposal and let us get the facts as to the cost, because if the statement which the gentleman agrees with is correct, no harm or injury is going to occur to the veteran, because he proposes to incorporate into substantive law the actual situation that now prevails under regulations. I am inclined to agree with my colleague from Wisconsin that this is a hasty way to bring legislation here without hearings, without an opportunity on the part of the Members to give this matter the study that it ought to receive. I shall support the proposal to return this measure to the committee with the hope that the committee, under the leadership of the gentleman from Mississippi will hold hearings on this bill so that the Members will know what is in it and not have the equivocation that is apparent here this morning as to the cost, and other things. I think that is a proper legislative way to proceed.

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

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

Mr. Chairman, this morning I called the Veterans' Administration about 9 o'clock and asked them to give me a breakdown of the cost of this substitute bill. I was advised that they had not had an opportunity to do that and had not made a study. So, a few minutes ago I was called and they said they had made the study, and I understand one of the sections has been stricken, but the point is that the entire cost, as a minimum estimate, will be $77,300,000.

Mr. TEAGUE. What section?

Mr. THOMAS. They said two sections. They said that two sections would cost $75,000,000, and the contribution to the State would be $2,300,000.

Mr. EVINS. Mr. Chairman, if the gentleman will yield, I wish the gentleman would not try to usurp the functions

of the Committee on Appropriations of the Veterans' Administration. I have in my hands the figures which the clerk of the gentleman's committee provided me this morning. We had a lot of controversy about the cost.

Mr. THOMAS. This is a conversation I had with the Veterans' Administration.

Mr. EVINS. This controversy I had was with the clerk of the gentleman's own committee. He gave the figures for 1949, 1950, and 1951, and I have the figures here.

Mr. THOMAS. Mr. Chairman, I decline to yield further. I had this conversation less than 10 minutes ago. The total cost—I am quoting them; it is their figure and not mine, because I do not know what is in the bill, and if I had known I would not have called them, of course—was $77,300,000.

My point is this. I do not yield to any man on this floor in my desire to help the veteran, but as sure as I am talking to you gentlemen, if we keep on adding benefits and benefits, where are we headed for? Certainly, there is no demand from the veterans themselves, for this bill; let us not fool ourselves about that. There is a handful of proprietary schools that are not happy and satisfied. Not all of them are unhappy, of course, because most of them have made sufficient money out of other bills and they are not unhappy. And, if we keep on yielding to that sort of pressure we are going to drive these veterans into an economic situation that I am so afraid of, and my goodness alive, what a horrible thing it will be for the veterans. Nobody wants to do that. I am trying to talk just a little common horse sense. Now, you all want to help the veteran just as I do, but we must do it within reason. Let us recommit this bill and let the distinguished gentleman from Texas and his subcommittee study this thing carefully. There is no finer man on this floor or anywhere else than my distinguished friend, the gentleman from Texas [Mr. TEAGUE]. He has a great and distinguished war record; a man that has gone through the shadows of death himself in battle and has impairment of health that he will carry to his grave. But I suggest that he take this bill back to his committee and give it the consideration and the study he is capable of giving it. If he gives it the necessary time and has the proper assistance, it is my judgment he will come back with a good, sufficient, and sound answer. When he comes back and reports it to this House, I will accept his judgment under those circumstances.

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

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

Mr. KEARNEY. I want to echo the thoughts of the gentleman from Texas in reference to the gentleman from Texas [Mr. TEAGUE]. I say this because in the first instance, the cost of this bill was two-million-dollars-something, after the first telephone conversation it came to $15,000,000, and now it is $77,000,000. If we keep legislating by telephone it may run to $100,000,000.

Mr. THOMAS. There is some honest difference of opinion there.

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

Mr. THOMAS. I yield to the gentleman from Arkansas.

Mr. HARRIS. I am sure the other Members appreciate, as I do, the fact that the gentleman is insisting on clarifying this matter in order that we may all know just where we are.

Our colleague the gentleman from Texas [Mr. TEAGUE] a few minutes ago said he intended to offer an amendment that would give assurance that this legislation would not cost more than $2,300,000.

Mr. THOMAS. Let us not do it by piecemeal. Let us do it in the right way, and go back and give him a chance to work it out.

Mr. RANKIN. Mr. Chairman, I move that debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE] as amended.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. PRICE, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), pursuant to House Resolution 447, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

CALL OF THE HOUSE

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

The SPEAKER pro tempore. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 163]

Abbitt	Combs	Green
Angell	Cooley	Hall,
Bailey	Coudert	Leonard W.
Barrett, Pa.	Davenport	Hare
Biemiller	Davies, N. Y.	Harrison
Bolton, Ohio	Davis, Tenn.	Hays, Ark.
Bonner	Dawson	Hébert
Boykin	Deane	Hill
Breen	D'Ewart	Hoeven
Buchanan	Dingell	Jackson, Wash.
Buckley, N. Y.	Dollinger	James
Bulwinkle	Douglas	Jones, N. C.
Burton	Durham	Judd
Byrne, N. Y.	Ellsworth	Kee
Cannon	Engel, Mich.	Kennedy
Carlyle	Gilmer	Kilburn
Case, S. Dak.	Golden	Klein
Cavalcante	Gordon	Kunkel
Christopher	Gore	LeCompte
Chudoff	Granahan	Lodge
Clemente	Granger	Lyle
McCarthy	Murphy	Shafer
McConnell	O'Neill	Sheppard
McKinnon	Patten	Sims
McMillan, S. C.	Pfeifer,	Smathers
McMillen, Ill.	Joseph L.	Smith, Ohio
McSweeney	Pfeiffer,	Stockman
Mack, Wash.	William L.	Towe
Macy	Potter	Vorys
Mansfield	Powell	Walsh
Martin, Iowa	Quinn	Werdel
Miles	Redden	Wheeler
Miller, Calif.	Rhodes	White, Calif.
Mitchell	Roosevelt	White, Idaho
Monroney	Sabath	Wolcott
Morgan	Scott, Hardie	Wolverton
Morrison	Scott,	Wood
Multer	Hugh D., Jr.	Woodhouse

The SPEAKER pro tempore. On this roll call 321 Members have answered to their names, a quorum.

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

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. 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. KEARNEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KEARNEY. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEARNEY moves to recommit the bill to the Committee on Veterans' Affairs for further study and for full and complete public hearings.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. KEARNEY) there were—ayes 102, noes 145.

So the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the bill as passed be printed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The bill as passed is as follows:

Strike out all after the enacting clause and insert "That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: 'Provided, That except as provided in this amendment, no regulation or other purported construction of title II, as amended, shall be deemed consistent therewith which denies or is designed to deny any eligible person, or limit any eligible person

in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"'A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in any public school or other tax-supported school: *Provided,* That upon the certification of any State approval agency, that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"'B. That in accordance with the provisions of paragraph 8 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"'C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of said title II, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, or (3) that it is precluded by limitation of paragraph D below;

"'D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses: Music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood.'

"SEC. 2. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"'(d) As used in this part, the term "customary cost of tuition" or "customary charges" or "customary tuition charges" shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"'(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"'(B) One of the following conditions prevails:

"'1. The institution has been established subsequent to June 22, 1944.

"'2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"'3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"'4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"'For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the Administrator. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinbefore set forth. For the purpose of the preceding sentence "contract" shall include contracts under Public Law 16 (78th Cong., March 24, 1943), Public Law 346 (78th Cong., June 22, 1944), and any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by the Veterans' Education and Training Amendments of 1949, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the "Veterans' Education Appeals Board" consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended.

"'Any institution having a "customary cost of tuition" established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided,* That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the Veterans' Education and Training Amendments of 1949, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further,* That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be "fair and reasonable" during negotiations for a contract, and, during the pendency of any appeal which the school may make.'

"SEC. 3. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: '*And provided further,* That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944: *And provided further,* That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated.'

"SEC. 4. The third sentence of section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following : '(4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such regulation and in the supervision of such institutions.'

"SEC. 5. That paragraph 11 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph:

"'(e) 1. Any school operated for profit in order to secure or retain approval to train veterans which, during any period, has fewer than 25 students, or one-fourth of the students enrolled (whichever is larger), paying

their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application setting forth the course or courses of training. The written application covering each course must include the following:

" 'a. Title of the course and specific description of the objective for which given.

" 'b. Length of course.

" 'c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

" 'd. A showing of educational and experience qualifications of the instructors.

" 'e. A description of space, facilities, and equipment used for the course.

" 'f. A statement of the maximum number of students proposed to be trained in the course at one time.

" 'g. A statement of the educational prerequisite for such a course.

" '2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

" 'a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

" 'b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

" 'c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

" 'd. The salaries of teacher and administrative personnel are comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area.

" 'e. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; there are clearly stated and enforced standards of attendance, progress, and conduct.

" 'f. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the course objective.

" 'g. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

" 'h. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

" '3. No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

" '4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the applicable requirements of this subparagraph (e).'

"SEC. 6. Paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is hereby amended to insert '(a)' immediately after '6,' and adding the following new subparagraph:

" '(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.'

"SEC. 7. Paragraph 5 of part VIII, Veterans Regulation Numbered 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '5,' and adding a new subparagraph (b) as follows:

" '(b) In any case where it is found that an overpayment to a veteran of subsistence allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuances or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an offset from amounts otherwise due the school or in other appropriate action, provided that any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.'

"SEC. 8. This act shall be effective the date of approval, except as hereinafter provided: *Provided*, That section 5 shall be effective the first day of the third calendar month following the date of approval of this act: *Provided further*, That the provisions of section 4 shall be applied at the earliest practicable time in accordance with regulations issued by the Administrator.

"SEC. 9. The matter beginning with the first proviso in the item 'Readjustment benefits' under the caption 'Veterans' Administration' in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed, effective August 24, 1949.

"SEC. 10. This act may be cited as the 'Veterans' Education and Training Amendments of 1950.' "

CONGRESSIONAL BASEBALL GAME

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to make an announcement of importance to the House.

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

There was no objection.

Mr. HARRIS. Mr. Speaker, for the last several years there has been a congressional baseball game played between Democrats and Republicans. The benefits go to the summer encampment of underprivileged children of the District of Columbia.

I have the honor again to be designated by my colleagues on the Democratic side to undertake to manage this bunch of rugged individualists. I wish to announce to the House of Representatives today that arrangements have been made with the management of Griffith Stadium, with the sponsors, the Washington Evening Star, and others in the District of Columbia interested in this worth while undertaking that on a week from next Friday, that is, on the 19th of May, at 8:30 o'clock p. m., this annual game will be played.

We know that to make it another successful event it will be necessary to have the cooperation of the Members of the Congress and those downtown willing to participate.

The Secretary of Defense has very graciously and courteously consented to allow the bands from the various branches of the service to participate on that occasion. I am sure you will find participation in this worthy cause will be very gratifying and will make you feel glad of your efforts. Last year the receipts from this game afforded an opportunity to several hundred underprivileged childen of the District of Columbia to attend a summer camp who otherwise might have been on the streets, perhaps in the slums here in the District of Columbia.

Now, Mr. Speaker, I am glad to yield to my colleague and rival manager, the gentleman from Illinois [Mr. BISHOP], who will manage the Republican team again, and let him make such statement as he wishes for the benefit of our friends on the other side.

Mr. BISHOP. Mr. Speaker, may I call the attention of the Members to the fact that they have been listening to OREN HARRIS and not Bucky Harris. Last year the Republicans might have been a little bit overconfident, but this year we are getting down to real business. We have a few new faces on the team and we know we are going to give the Democrats plenty of trouble. We were also informed last night, and as you might know from the press, that we may have some assistance from the Senate side. With that additional assistance, which I acknowledge we need, you are going to see a good ball game for a good cause. We are hoping for an ideal night, so that you can come out and enjoy yourselves. Last year we netted about $6,500 from the game, which was spent, as our colleague Mr. HARRIS has told you, to send the underprivileged children of the District to a summer camp. This year in this special effort that the Star and their friends are going to make along with the Members of Congress we hope that we can raise that to $10,000 to help the underprivileged children of the District without regard to race, creed, or color.

So it is up to you and your families to go out and enjoy yourselves. I hope you will enjoy our efforts. We hope we have not waited too long. I know we are going to give you the best we have.

Mr. HARRIS. Mr. Speaker, I appreciate the words of my distinguished rival manager. It has been reported around here that they have been going out early in the morning and trying to make us think that they are going out at 9 o'clock to practice. The fact is that the pages of the House did challenge them to a game a few days ago. They came back here and reported that they defeated the pages 7 to 3. The truth is, I am reliably informed, that the pages defeated the Republicans 17 to 2.

You realize that on our side of the House we have a bunch of fellows who

call themselves rugged individualists, and as manager I have already run into a lot of trouble. For instance, I have one Member who said to me, "You better play fair with me this time because very frankly where I come from I can go over to the Republican side as well as the Democratic side."

That gives me no little concern. I found out that our star pitcher, a man who, of course, has been doing a fairly good job for us the last couple of years, lives down in Georgia and may not be here. I got to checking into it and it looks like the National Defense Establishment has colluded with the Republicans and called our pitcher back to Georgia. It seems he is going to have to be detained for Army Day. I do not know why they have Army Day the next day after this ball game.

Then, another development has caused the manager a great deal of concern. I notice in the Star this afternoon that we have a hold-out. I may get TOM PICKETT out there. He is the best performer we have. I am not sure that he has rendered the greatest benefit to the team other than being a performer, but if my Democratic friends would allow me to take them into my confidence, I would ask them to help get this star performer, TOM PICKETT, out there for his usual performance.

Mr. BISHOP. May I call attention to the fact that the first question the manager on the Republican side would ask this hold-out is, "What kind of a ballplayer are you?"

I might call attention to the fact that this snooper had a lot of help. This is a true story. One of the sons of a gentleman from the opposite side of the House, who happens to be on the right side of the aisle, had his son out there watching every ball that was being thrown.

When we get to the pages' side of this, the biggest boy that came to me said, "You all know that we are not just playing Democrats in this, don't you?" I said I presumed that all the pages were going to participate, and they came out. The pages participated on both sides. We did not have enough to fill the uniforms. May I tell you seriously we are urging the Republicans to turn out so that we will have enough to fill all the uniforms on the night of the nineteenth, but with the help of the pages assigned to us we made a few innings out there and the actual score was 6 to 4, by calling the game so that we could get back to our offices and do some work. Of course I do not know how many were on bases at the time, but there were not over three.

Mr. HARRIS. We are glad to have that clarification.

There is another development that my team mates had better take notice of. One of the ladies in this House may participate in this game. She has notified us by letter and I talked to her about it. So I can say to these so-called hold-outs that we are going to have a great deal of rivalry on this team and a lot of competition. However, seriously speaking, the game is to be played for a very worthy cause, and we would appreciate a good attendance.

Mrs. BOSONE. To clear this up, I am not that woman.

Mr. HARRIS. I would say to my distinguished colleague we would be very happy for her to join with us.

Mr. BISHOP. The ladies on our side have been invited; but they said they loved baseball, but they did not think they would be there in uniform that evening.

The SPEAKER pro tempore. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

STATEHOOD FOR ALASKA AND HAWAII

Mr. McGUIRE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McGUIRE. Mr. Speaker, on Friday, May 5, President Truman requested the chairman of the Senate Interior Committee to direct his attention to the establishment of statehood for the Territories of Alaska and Hawaii. I am inserting President's Truman's letter in today's RECORD.

The momentum of recent events makes it certain that before long both Alaska and Hawaii will possess an equal voice in directing the affairs of this great Nation. Just how imminent is a 50-State Nation depends on the swiftness of Senate action. And there is every indication that such action may come sooner than anyone expects.

One of the corollary problems attendant to the establishment of statehood for Alaska and Hawaii is the significant change which will take place in the American flag when these new States are added. These are momentous times for Old Glory too. In the past, our flag has been changed without rhyme or reason, or, to be more exact, without congressional direction, whenever a new State has come into the Union. For this reason, I have introduced a resolution to establish a committee of this great body to hold hearings and make recommendations regarding the appearance of our new flag, or, should I say, our New Glory. I am certain that the passage of this resolution will insure us of a New Glory worthy of our hallowed institutions.

THE WHITE HOUSE,
Washington, May 5, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: I am highly gratified by the thorough and objective consideration which your committee is giving to H. R. 331 and H. R. 49, bills which would enable the Territories of Alaska and Hawaii to take their rightful place as members of the Union. As you know, I have long supported the objectives of these important bills which carry out the pledges made to the people of the two Territories. I sincerely hope that the Congress, during its present session, will enact legislation granting statehood to Alaska and Hawaii. The need is more urgent today than ever before. By such action, we will not only promote the welfare and development of the two Territories, but also greatly strengthen the security of our Nation as a whole.

It should not be forgotten that most of our present States achieved statehood at a relatively early period of their development. The stimulus of being admitted as full partners in the Union and the challenge of managing their own affairs were among the most significant factors contributing to their growth and progress. Very few of our existing States, at the time of their admission to the Union, possessed potential resources, both human and natural, superior to those of Alaska and Hawaii. I am confident that Alaska and Hawaii, like our present States, will grow with statehood and because of statehood.

There is no necessity for me to repeat at this time the arguments for statehood. The many qualified witnesses who have appeared before your committee have, I am sure, presented convincing evidence both as to the need for and the tangible benefits to be derived from statehood. There is, however, one objection made by opponents of H. R. 331 and H. R. 49 which I believe requires further discussion because it goes beyond the question of statehood and raises a fundamental constitutional issue. I am referring to the objection that Alaska and Hawaii as States would be entitled to representation in the Senate of the United States disproportionate to their population.

This argument is not only entirely without merit, but also directly attacks a basic tenet of the constitutional system under which this Nation has grown and prospered. Without the provision for equal representation in the Senate of all States, both great and small, regardless of population, there probably would have been no United States. This was one of the great compromises which the Federalist says was a result "not of theory, but of a spirit of amity, and that mutual deference and concession which the peculiarity of our political situation rendered indispensable." There is no justification for denying statehood to Alaska and Hawaii on the basis of an issue which was resolved by the Constitutional Convention in 1787.

America justly takes pride in its record of fulfilling to the letter its obligations to foreign nations. We should be no less scrupulous in carrying out the promises made to our own citizens in Alaska and Hawaii. The case for statehood rests on both legal and moral grounds.

These are troubled times. I know of few better ways in which we can demonstrate to the world our deep faith in democracy and the principle of self-government than by admitting Alaska and Hawaii to the Union as the forty-ninth and fiftieth States.

Sincerely,

HARRY S. TRUMAN.

THE TABER AND JENSEN AMENDMENTS TO THE APPROPRIATION BILL

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, in perusing the morning paper, the Washington Post, I noticed an article which purported to give an estimate of the Civil Service Commission in which they said that in the fiscal year 1951 there would be 310,000 vacancies in the Federal personnel. This is around 15 percent, I believe, of the total civilian personnel.

The Taber amendment, of course, and the Jensen amendment also, will have

a direct bearing on the filling of these vacancies.

The Jensen amendment exempts doctors and nurses in the Veterans' Administration and the Public Health Service, but it is very interesting to note that it does not exempt St. Elizabeths Hospital; the doctors and nurses there are not exempted. This is the largest mental hospital in the world. It has a patient load of over 8,000. If we have a possible loss through resignation or otherwise of 15 percent in the doctor and nurse personnel at St. Elizabeths you can see the problem we are going to have confronting us. It is just another indication of passing a broad and sweeping amendment without knowing its effect. I predict that many other problems will arise. I think the adoption of the Jensen amendment is something which will be long regretted by this House.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. ROONEY. Would the gentleman comment on the impact that yesterday's action of the House of Representatives, if it were to be sustained, would have with regard to the layoff of from 200,000 to a quarter of a million Government employees, the effect it would have on the economy of our country?

Mr. HOLIFIELD. Undoubtedly it will add to the rapidly growing unemployment situation. But I am concerned even more with the Jensen amendment which will permit only one in ten of these vacancies to be replaced.

I certainly hope that the conferees on the Appropriations Committee in their conference with the Senate will revise this amendment to the point where it will at least be practical and workable.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. CANFIELD. I think the gentleman will recall that there were only 21 votes against the bill as it finally passed the House yesterday.

Mr. HOLIFIELD. I do not remember the size of the vote; the gentleman may be right. But it would not be the first time that the House of Representatives made a mistake. I can even remember some instances where the Supreme Court has overruled some of the decisions that have been made by this House.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. ROONEY. Is it not the fact that the number of votes against the bill yesterday on final passage is no true indication of anything, for the reason that the real vote was on the Thomas-Taber amendment?

Mr. HOLIFIELD. I think the gentleman is speaking the truth in that regard.

FOREIGN POLICY

Mr. HOFFMAN of Michigan. Mr. Speaker, an ever-increasing burden is being imposed upon the taxpayers of the Nation.

Not only do the annual appropriation bills constantly grow larger—the present one calls for something more than $29,000,000,000—but, with this year's increase of more than $5,000,000,000 in the Federal debt, the total debt now being around $260,000,000,000, there is an annual interest charge on that debt of some $5,000,000,000. That interest charge continues to increase.

To date, while Congress talks economy, it takes no steps to give you economy.

But the ever-increasing tax burden, which now forces you to work 1 day out of 4 for Uncle Sam, is not our greatest concern.

Just a few days ago, President Truman, on his across-the-country speaking trip, told us the international situation was not as threatening today as it was in 1946; said he expected to reduce the defense budget next year.

It is my hope that the President knew what he was talking about, that the situation justified his hope.

But not so long ago, Defense Secretary Johnson, Gen. Omar Bradley, and George Kennen, spokesman for the State Department—three men who have all possible available information about military and political conditions—expressed grave concern over our defense problems.

All three stated they hoped that war would not come to us this year, but they admitted they have no way of accurately forecasting the plans of Russia. They did insist that they would be remiss in their duty if they failed to call for improvement of our present military preparedness situation.

Recently, Defense Secretary Johnson was striving to cut defense expenditures, but now all three are calling for an immediate greater national defense program.

In addition to dollars, Secretary Johnson is calling for a continuation of the law to draft into the Armed Services the youth of our land.

Now, folks, listen, and especially you wives and mothers. It is one thing to take from the wage earners, the people of this country, $1 out of every 4 they earn. That is a grievous burden. We may be able to survive that, if we stay out of war.

But, if we must pay that exorbitant tax, can this country survive a course which will again, and for the third time within 40 years, force the youth of this land to fight on foreign soil under other than the command of their own officers?

There is either something radically wrong with our system of government, or with those who administer it, when American young men are called repeatedly to fight and die everywhere in the world.

At the moment, it is the policy of our State Department, while thousands of our young men are maintaining order in Japan and Germany, to conscript other young men and send them to Indochina, there to fight in a prelude to a third world war.

While demanding less spending and more efficient service in our Federal Government here at home, we should give the gravest consideration to the question of whether this country shall again, for the third time, send its boys and girls across the seas, to fight a third civilization-destroying world war.

It may be ruinous to send our dollars and strip our country of its natural resources to aid other nations.

It will be national suicide, to sacrifice our own flesh and blood on foreign soil, in a futile effort to make other nations live together in peace when they will do little or nothing to help toward that end.

It is silly and foolish, if we must have a war to get out of the mess in which we have become involved, to leave that "getting out" to those incompetents who have not been able to keep us out of the situation in which we are now bogged down.

Instead of waiting until we get into the middle of the stream, let us change horses before we wet our feet.

PLAN NO. 12 WOULD MAKE FOR INCREASED EFFICIENCY

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BURNSIDE. Mr. Speaker, some opponents of plan 12 have contended that the plan would increase delay in case handling, because certain duties would be restored to the Board.

I believe that the contrary result will follow. Who can deny that the spectacle of agency heads wrangling among themselves has a most demoralizing effect on staff work? The differences between the Board members and the general counsel which have arisen have not been kept secret or confidential. They have been fully aired before Congress and in the public press. Anyone familiar with Government knows the result of such public division. Factions develop within the staff. Gossip and malice are fostered. Employees are diverted from attention to their duties. Interest in the immediate internal conflict takes precedence over the performance of public service.

These are the inevitable consequences of a notorious inability of agency heads to agree. In this case both the general counsel and the members of the Board insist that no personal antagonism is involved. This is true, but it is no guaranty that subordinates on the staff can maintain the same objectivity. There must necessarily be a tremendous loss in agency output.

The general counsel and the Board are proceeding at cross purposes. They must devote much time to praiseworthy, but futile, efforts to compose their differences. These differences cannot be composed; they flow inevitably from the confusing and conflicting provisions of

the law regarding the respective powers and duties of the officers concerned.

A third cause of loss in output under the present system is the necessity of processing cases which must ultimately be dismissed. These are the cases processed by the general counsel on his theory, which are later dismissed by the Board on the application of its theory.

Impartial minds must agree that the elimination of these present obstacles to output will more than offset the added responsibilities upon the Board members resulting from the restoration of their policy-making duties.

PLAN NO. 12 IS IN ACCORD WITH THE HOOVER COMMISSION RECOMMENDATIONS

Mr. Speaker, we have heard much during debate and have read in the papers in the recent past the oft-repeated assertion that the provisions of plan No. 12 were not recommended by the Hoover Commission on Organization of the Executive Branch of the Government for the NLRB.

Now I think this is one issue that should be met immediately and settled once and for all.

I have carefully reviewed the testimony of witnesses before the House Committee on Expenditures in the Executive Departments and I did not find that any administration spokesman asserted that recommendations upon which the provisions of plan No. 12 are based, were proposed by the Hoover Commission exclusively for the NLRB. I have carefully reviewed the statements made by those spokesmen to the Senate and again I did not find any contention that the recommendations upon which the plan is founded were proposed for exclusive application to the NLRB. Quite the contrary my investigation discloses that it was the consistent position of the advocates of plan No. 12 that it conforms in essential detail with the recommendations of the Hoover Commission in respect of all regulatory commissions, of which the Board is one.

It appears to me that this issue has been raised only for the purpose of confusion. Accordingly, it should be placed in proper prospective for a clear understanding both of the plan and its intrinsic merits.

It is true that the Hoover Commission did not make any specific recommendation limited in its application to the NLRB. However, the Commission did make the same type of survey of the NLRB as it conducted of each of the other eight quasi-judicial, quasi-administrative agencies. Now why did the Commission refrain from announcing conclusions and submitting recommendations as to this Board alone while at the same time issuing conclusions and recommendations at least as to some of the other commissions.

The answer to that lies in the statement of the Commission itself. In its report on the Department of Labor in which it comments on that Department, but also upon the status of the National Labor Relations Board, the Commission states:

> The Congress is engaged in revising labor policies which affect some of these agencies. The Commission can make no recommendations as to their organization until these questions are settled.

That report of the Commission issued in March 1949. What Member of the House will not remember that at that time there were pending before the Congress a large number of controversial bills relating to the National Labor Relations Board. The Commission wisely refrained from reaching any specific conclusion that might have been susceptible of the interpretation by some as an unwarranted effort to influence legislative matters under congressional consideration.

But that is not the entire story. The answer to the lie is again the Commission's reports.

In another report dealing with the so-called Independent Regulatory Commission and also submitted to the Congress in March 1949, the Hoover Commission submitted general recommendations respecting the internal organization of all such regulatory agencies and specific proposals as to some. The Commission stated that in this report it had "confined itself to a discussion of the organizational problems of these regulatory agencies," and the report does not deal with their more basic or the quasi-judicial and quasi-legislative functions.

This report on page 1, footnote No. 1, lists the agencies which were the subjects of the Commission's study. The National Labor Relations Board is there listed by the Commission as one of the nine regulatory commissions in respect of which its general recommendations were made.

Further, on page 3 of the same report the conclusive proof that the NLRB is covered by these recommendations is found. In commenting upon one of its recommendations the Commission specifically refers to the National Labor Relations Board as one of the Commissions to which its recommendations apply, and without qualification. What could be more explicit?

Now remember that this report relates to all—and I emphasize all—regulatory commissions and is limited to Hoover Commission recommendations that are confined to a discussion of the internal organizational problems of such agencies.

If these recommendations are appropriate and desirable for regulatory commissions as such, is there any sound reason why they should not be applied to the National Labor Relations Board?

Or, putting it another way, if these recommendations will result in improved and more efficient operation of eight of the nine commissions surveyed by the Commission, is it logical to exclude the NLRB from their application merely because the Commission did not make other and further recommendations as to the Board?

Quite patently it is not. The Hoover Commission in this report made no specific recommendation in respect of the Federal Trade Commission nor the Federal Reserve Board, but like the NLRB included these agencies among those that would benefit because of increased efficiency by adoption of the recommendations. Merely because no specific recommendation was made in this report in respect of the FTC and the FRB should these two agencies be denied the opportunity to benefit by the recommendations? Quite obviously not.

A rejection of plan No. 12 can be justified only if it fails to accomplish the intent and purpose of the Hoover Commission's recommendations, or that it is patently not in conformance with such recommendations.

Accordingly, let us look for a moment at what plan 12 proposes to accomplish.

The plan itself is brief. Its sole objectives are improved organization and management. It in no wise modifies or alters substantive policies of the act the Board administers.

Brushing aside for the moment details of the plan and looking to its central purpose we find that the plan would transfer to the Chairman of the Board from wherever now residing, all executive and administrative functions. These functions have been characterized as the housekeeping functions of the agencies—the day-to-day operating problems, and not the basic authority of the Board. They include the appointment and supervision of personnel, distribution of the Board's business among personnel and administrative units, and the use and expenditure of funds. Appropriate safeguards are incorporated to assure compliance by the Chairman with general policies of the Board and conformance to decisions and determinations the Board is authorized by law to make. Also the Board itself and not the Chairman must approve appointments to head major administrative units. And the Board, of course, will retain authority to revise budget estimates.

Does such a plan conform to the Hoover Commission recommendations?

Looking to the reports of the Commission, we find that great emphasis was given to the establishment of clear lines of authority and responsibility. In line with this major objective, it recommended that the everyday operating problems of all regulatory commissions be assigned to the chairman of such agencies.

Recommendation No. 1 of the Hoover Commission in its report on regulatory commissions states:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

These are the words of the Hoover Commission. That is what plan No. 12 proposes to accomplish. The Hoover Commission, as I have pointed out, intended that it apply equally to the NLRB as to the other eight commissions surveyed.

Plan No. 12 provides an organization for the NLRB identical with that provided for these other regulatory commissions. It achieves this uniform pattern by literal and absolute reliance upon the recommendations of the Hoover Commission.

Those who argue that the Hoover Commission made no specific recommendation respecting the NLRB overlook the fact that the Commission commonly made general recommendations without going into all specific effects upon each particular agency. Those who insist that

this is not so are not trying to achieve adoption of the Hoover Commission's recommendations, but rather seek to prevent application of these recommendations for good organization to the NLRB.

A vote against this plan will be a rejection of one of the important recommendations submitted by the Hoover Commission and at the same time a bar to the more efficient administration of one of our most important public policies.

SEPARATION OF FUNCTIONS UNDER TAFT-HARTLEY ACT HAS NOT WORKED

Mr. Speaker, the question before this House is whether to install a sound and constructive organization at the Labor Board with a clear and direct line of responsibility, or whether to continue to put up with the administrative monstrosity that that agency has become.

Long before the Taft-Hartley Act, experts in and out of Government recognized that the administrative-agency approach to Federal regulation requires a flexible approach and a clear line of authority. As early as 1941, the Attorney General of the United States received a lengthy and thorough report on administrative procedure. That report weighed the advantages and disadvantages of a complete separation of functions, such as is now in effect at the Labor Board. The considered judgment of that report was that "complete separation of functions would make enforcement more difficult and would not be of compensating benefit to private interests. On the contrary, both those private interests which the statutes are designed to protect and those which are regulated would be likely to suffer, and finally we conclude not only that separation will not necessarily cure bias and prejudice but that the requisite impartiality of action can be secured by the means set forth in this and the preceding sections of this report"—report of the Attorney General's Committee on Administrative Procedure, 1941, pages 55–60.

The reasons of the committee for rejecting complete separation included the fear that consistency would be lost, confusion would result, enforcement would be rendered more difficult, and informal settlements would be discouraged.

In conformance with the recommendations of the Attorney General's Committee, the Congress, in 1946, enacted the Administrative Procedure Act. That statute is applicable to the National Labor Relations Board and to all other administrative agencies. Section 5 (c) of the Administrative Procedure Act provides that—

> No officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, recommended decision, or agency review pursuant to section 8 except as witness or counsel in public proceedings.

This requirement, and all the other major requirements of the Administrative Procedure Act were already in effect at the Labor Board at the time that that statute was enacted. It is generally conceded that Labor Board procedure was taken as the model for some of its provisions. The act provided for the foregoing type of internal separation of functions as the most efficient and at the same time the fairest procedure.

In February of 1947, the present general counsel of the Board, at the request of Senator DONNELL, commented on the provisions of Senator Ball's labor bill, S. 360. That bill contained a provision for the separation of the Board's functions and for the transfer of its investigative and prosecuting functions to the Department of Justice. Mr. Denham, at that time, fully recognized the dangers of the proposal. He wrote:

> It simply will not work. The administration of labor relations at the source involves much more than the trial and determination of adjudications. More than 90 percent of the matters which might develop into litigations are disposed of administratively in the regional offices. These dispositions must be coordinated to the same general policy that influences the final determination of the litigated cases. This proposed division would only create additional confusion with policy emanating from two independent and uncoordinated sources. (Hearings before Senate Committee on Labor and Public Welfare on S. 249, 81st Cong., 1st sess, p. 1130.)

It is no discredit to Mr. Denham that he later accepted appointment to his present post. He is a fighter and I respect him for it. In September 1947, shortly after his appointment by the President, Mr. Denham again very candidly appraised the set-up. He said:

> There are bare spots in the picture and there are spots where a protracted division of opini n between the Board and the general counsel could lead to fantastic results. Particularly is this true in matters pertaining to the jurisdictional features of the law. The Board, on appeals, in representation cases, may find jurisdiction and entertain a petition. On the same facts the general counsel may refuse to issue a complaint for what he conceives to be lack of jurisdiction. In neither decision will a direct appeal lie. It is an absurd situation but it can happen in the present state of the law. (Senate hearings, p. 207.)

Unfortunately, Mr. Denham was a good prophet. The separation of functions simply has not worked. The confusion he foresaw has developed. The absurd situation which he described has yielded the fantastic results which he feared.

A number of head-on clashes have occurred. The Board and the general counsel are at loggerheads over jurisdiction. They are unable to agree that he should express only the Board's position in the courts. The Board has ordered him to consult them on the appointment of top field personnel. He has publicly refused—NLRB release, No. 284, March 2, 1950.

I do not say that in these disputes between the five-man Board and the general counsel, that the Board is always right or that Mr. Denham is always wrong. I do say that it is high time we put an end to the frustrating duality of authority which characterizes the administration of the labor law, so that the law will have a chance to operate.

It is ridiculous to continue under a system that has been so thoroughly discredited. Mr. Speaker, I shall vote "no" on the resolution to disapprove plan 12.

REORGANIZATION PLAN NO. 12 TRANSFERS HOUSEKEEPING FUNCTIONS TO CHAIRMAN AND SUBSTANTIVE POLICY-MAKING FUNCTIONS TO WHOLE MEMBERSHIP OF NLRB

Mr. Speaker, there has been a lot of loose talk and conjecture about what plan 12 actually does.

Just exactly what is the purport of plan 12? The plan, if adopted, will do two, and only two, things. First, it will transfer the housekeeping functions of the Labor Board to its Chairman. Second, it will restore the policy-making functions of the Labor Board to the Board members, where it belongs.

I have heard no criticism of the proposal to centralize housekeeping responsibilities. These involve supervision of personnel, assignment of duties, and disbursement of funds. It is the considered judgment of the Hoover Commission, after exhaustive study, that these duties can best be performed by one man, leaving the remaining Commissioners free for adjudication and policy making. This proposal has been uniformly recommended by the Hoover Commission for the seven regulatory commissions of the executive branch, of which the Labor Board is only one. Its sole purpose is to improve the efficiency of the service, and it will surely meet approval.

It is when attention is directed to the equally sound proposal to restore policy functions to the five-man Board that a strange and terrible heat is generated. Cries of "foul" are heard; it is said that this is a back-door attempt to legislate by way of reorganization. What are the facts? First, no new function is created by plan 12 and no existing function is taken away. All that is done is that the broad policy functions now exercised by the general counsel as an independent agency are restored to the five-man Board. This is wholly within the province of the Reorganization Act and is not a novel procedure under reorganization acts of the past. The testimony before the Committee on Executive Expenditures—page 90—contains 12 instances in which entire offices were eliminated by consolidation pursuant to reorganization plans. It is only natural that when all the functions of an agency are transferred to another the first agency will have no further reason for being and must be abolished.

The objection is made that the plan will have the effect of amending an act of Congress. Of course it will. The entire Reorganization Act was necessary only in order to enable reorganization of functions which were originally allocated by statute. If the matter were not provided by statute, the reorganization could be made without congressional approval, and no plan would now be before us.

The further objection is made that this proposal is somehow substantive. This is wholly untrue. Not a single unfair labor practice, not a single representation rule, not a single provision covering emergency strikes, injunctions, private suits, union security, or any other substantive requirement or rule of the Taft-Hartley Act is affected. All that is involved is that the present two-headedness of the

agency is eliminated, so that the agency may lay down uniform policy and so that the staff and the public can be saved from confusion, conflict, inefficiency, and expense.

One final comment. It has been strenuously asserted in some quarters that this plan's vice lies in assigning the general counsel's functions to the Chairman of the Board; that all that is done is to substitute one-man control by the Chairman for one-man control by the general counsel. A reading of the plan itself completely refutes this contention. The Attorney General of the United States has made clear that only the housekeeping functions of the agency will be in the Chairman. In a letter to the Director of the Budget—April 13, 1950—he states:

> It is clear that the plan transfers from the general counsel and the Board to the Chairman housekeeping functions and related functions of a supervisory nature. It is equally clear that it is the purpose of the plan as described in the afore-mentioned message of the President to establish between the Board and the Chairman the "identical relationship" as that "provided for the other regulatory agencies," which means that substantive decisions are the responsibility of the Board as a whole and not of the Chairman individually.

There is nothing sinister about this plan as some would have us believe: It is not an attempt to change substantive legislation; it is a proposal to improve efficiency: it does not add or abolish any function of government; it does transfer certain functions in the interest of uniformity among the regulatory agencies. It does not transfer the policy functions of the general counsel to the Chairman of the Board; it does transfer them to the five-man Board.

If the House will restrict itself to a consideration of the merits of what the plan will accomplish, there can be little doubt but that the resolution rejecting the plan will be defeated, as it should.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. VELDE] is recognized for 30 minutes.

UNDEMOCRATIC ACTIONS IN LABOR UNIONS

Mr. VELDE. Mr. Speaker, I should like to call attention to a most vivid example of undemocratic action in a labor union. This example is built around the case of Mr. Lloyd Sidener, of Canton, Ill., who this week came to Washington of his own free will and accord and at his own expense to assist the Federal Government in legislating against the undemocratic processes which are depriving him, and many others like him, of his and their very livelihood.

As it is rather doubtful at this point as to whether or not Mr. Sidener will be given the opportunity to testify before the House Labor Subcommittee set up to investigate undemocratic actions in labor unions, I want the facts to be of public record to show what is going on in some unions today and that we, as representatives of the people, are obligated to right this wrong, and correct this injustice with remedial legislation, if necessary.

As I said before, I should like to review the case of Mr. Lloyd Sidener, a coal miner from Canton, Ill. Mr. Sidener is a typical American, who, through ambition and enterprise, became a trusted worker in the mines, trusted by his employer, the United Electric Co. of Illinois, trusted by his fellow workers in the mines who knew him well—so well, in fact, that they elected him president of the United Mine Workers of America, Local No. 7455, which position he held until February 24, 1950. On that day, Lloyd Sidener attempted to obey a court order issued by Federal Judge Richmond B. Keech. Believing in the sanctity of our Federal court orders and in our democratic processes, he led 130 men of his union back to the coal pits, only to be met by a picket line and a road block. These pickets had their orders from a great and powerful figure in Washington; prearranged orders, if you please, which every miner in the country understood, characterized by the phrase, "the whistle blew once."

Mr. Sidener did not believe that orders issued by any American citizen should supersede the orders of a duly constituted American court. He stuck by the order of the court; he disobeyed the order of John L. Lewis. Today, Lloyd Sidener finds himself in this position.

First. He is unemployed, although he is a skilled coal-shovel operator and nearly all coal miners are digging coal today.

Second. He has been removed as president of local No. 7455 at Canton, Ill.

Third. The United Mine Workers of America have assessed a fine of $50,000 against him, which, of course, being an ordinary American citizen, he is unable to pay.

Now, I ask you, just what kind of a government would tolerate such an injustice? We might expect to find such a situation in Hitler's Germany or in modern times in Stalin's Russia. But surely not in America! Yet, that is the situation as it stands today, whether we like it or not. Lloyd Sidener is not the only coal miner in America who believes in our constitutional Government and the edicts of its duly constituted courts. Millions of other loyal American labor-union members believe in the same things Lloyd Sidener believes in.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Upon what information does the gentlemen base his statement, whether upon the statement of Mr. Sidener alone, or of other witnesses? Where did you get your information?

Mr. VELDE. If the gentleman will allow the Jacobs subcommittee which has been formed by a vote of the full labor committee to issue subpenas and to investigate the Sidener's case, I am sure he will have the answer to those questions.

Mr. PERKINS. Is it not a fact that the gentleman brought Mr. Sidener up here from his district and the statement he is now making to the House is based altogether on the statement that was taken by the investigator for the Education and Labor Committee from Mr. Sidener and from no other source?

Mr. VELDE. The gentleman is mistaken in at least two instances. I did not bring him to Washington. He came of his own free will and accord. He is not from my district in Illinois. Some of the information which I have obtained has come from Mr. Sidener and has come from him personally. I have not even talked to the investigator for the committee regarding this.

Mr. PERKINS. I am sure the gentleman is correct and that he did not bring the witness here. I was misinformed. But I am asking the gentleman at this time whether or not he is basing these statements on any other person's statement other than Mr. Sidener and if he has other information, would he please tell the House from what source he is getting these statements? I think the Members of this House would like to know that and whether or not Mr. Sidener has repudiated his own statements on one occasion back in Illinois.

Mr. VELDE. I will say to the gentleman that Mr. Sidener has never repudiated any of his statements as far as I know. I think the gentleman knows that a great deal of this story has appeared in the press already. I think the gentleman also knows that the FBI has been investigating this case and has recently had a number of agents in Canton, Ill., investigating the case.

Mr. PERKINS. The gentleman knows that if a wrong has been committed or if a right of Mr. Sidener has been infringed upon, that this will be corrected in his case before the National Labor Relations Board, he has a proper remedy before the National Labor Relations Board, and, besides, the gentleman concedes that the FBI is making an investigation in this particular district. In addition to that, we have a case pending here in the Supreme Court concerning Judge Keech's injunction. In view of all these various actions, I would like to ask the gentleman if his only reason for coming here before the membership of this House and making these statements is not solely for politcal purposes?

Mr. VELDE. I think the gentleman will agree that it is not popular politically, and I would not be speaking here today just for that reason. I certainly have no feeling that the investigation of undemocratic activities in labor unions would be popular politically. I think it is a duty that someone has to do, and I think it is a duty that this Congress should perform.

Now I should like to review briefly the events as I understood them in my talk with Mr. Sidener leading up to his being literally denied the right to return to

work, removed as president of the local union, and fined $50,000 by the union.

Prior to the time that Mr. Sidener's local union officially received a telegram ordering the miners back to work, Mr. Sidener received a telephone communication from the United Mine Workers board member of his district, Mr. B. J. Beasley, who advised him that John L. Lewis had just said that the "whistle blew one for Monday."

The meaning of the phrase, "the whistle blew one," can be traced to the traditions in the coal fields where it is customary to blow one whistle when no coal is to be loaded the following day and three whistles when the mine is to load coal the following day.

So actually, according to Mr. Sidener, the telegram ordering the men back to work was in effect canceled before it arrived by the phone call made to Mr. Sidener by Mr. Beasley.

Mr. Sidener has stated that many members in the local union signed a petition requesting a special meeting to find out why they could not go back to work and that approximately 130 of the 207 total membership made an attempt to go back to work.

There were several reasons why these men wanted to go back to work.

First, the men wanted to obey the order of the Federal court of the United States directing the miners to return to work.

Secondly, the economic conditions forced upon the miners through their inability to earn a livelihood caused many to lose their homes, their cars, and many mortgaged their possessions. Many people were in very bad circumstances as can be attested to by the formation of so-called breadlines in the Canton area. It was necessary for many to seek other jobs on the surrounding farms, with the T. P. & W. Railroad section gangs, and in some cases these men had to seek employment in nonunion mines in the vicinity.

After the settlement of the coal strike, Mr. Sidener was charged by the union with attempting to start a rival union. He was never officially or legitimately notified as to the charges filed against him, nor was he notified officially of the actions of the local union.

He was notified, however, through friends and through the press that his local union assessed a fine of $50,000 against him and gave him the opportunity to pay the fine at the rate of $25 a day. Of course, this is ridiculous, for Mr. Sidener could not make that much working 7 days a week with time and a half and double time for all his overtime. He would actually have to pay the union more than what he would receive in wages for the privilege of working.

This is the story of only one man who has suffered from undemocratic action on the part of a labor union. It is, indeed, unfortunate that this kind of thing is allowed to happen in these United States under our Constitution.

During the past year and a half I have served on the Education and Labor Committee I have noted with alarm the increased tendency toward dictatorial control of local union activities by the international officers and directors. This case I have just presented is only one of thousands of similar cases throughout the country. The rank and file of labor union members have realized this fact. They do not like it. They want to belong to a union where they have some voice in activities. They want to vote on and talk over their problems and make their own decisions. But what happens when the little labor man starts to voice his opinion. He is told to shut up—that his welfare is being handled by the big boys higher up. And if he persists in exerting his constitutional rights of free speech, he is ousted from his union, loses his job, is suspended or otherwise beaten down—just like Mr. Sidener was handled when he and his members tried to exert their right to work and their right to local autonomy.

It takes courage to fight for your rights; it takes courage to oppose dictators especially when these dictators have power over your earning power and your very life. But someone must fight this battle if we are to return to the unions the autonomy they once enjoyed. I am glad that there are courageous men such as Lloyd Sidener on our side in fighting this battle.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN], is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements, excerpts and extraneous matter.)

SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, a few days ago President Truman sent to Congress a very fine message on small business. A bill has not as yet been introduced in either House to carry out the President's message. A bill in each House will probably be introduced Tuesday or Wednesday of the coming week that will carry out the provisions of this message.

POINT 1

Point 1 of the President's message relates to insurance of bank loans, a law to provide for insurance on self-sustaining basis of bank loans up to $25,000, but probably mostly $5,000, repayable in 5 years. This will be similar to Federal insurance on loans for home improvements. The bank passes on the loan application, subject only to Federally prescribed standards. No one else will pass on the application except the bank itself. No prior approval by Government will be required. An insurance premium to cover probable expenses and losses will be charged; no Federal expenditure except in the initial appropriation to establish the insurance fund, and ultimately repayable. This is point 1.

POINT 2

Point 2 is national investment companies. They are to be chartered by the Government but privately owned. They are to provide equity capital and long-term loans, also help administer the loan program for small independent enterprises, procure funds from individual investors and financial institutions, also participate jointly with local banks, and should receive tax incentives. In early years the Federal Reserve banks should be authorized to invest in these companies. That is point 2. No Government money at all will be used in the national investment companies in point 2 of President Truman's program.

POINT 3

Point 3, Mr. Truman recommends that the collateral requirements of the RFC on small-business loans be relaxed if actual or potential earnings warrant relaxation. It authorizes increased participation with private banks on small-business loans. One strong point in this is to authorize at least 15-year loans instead of 10-year loans. During the Eightieth Congress, the preceding Congress, the time limit was reduced to 10 years. Mr. Truman asked that that be made at least 15 years. However, there will be no RFC financing if money is attainable from new investment companies, that is point 2, or from the banks, in point 1. In other words, the policy of RFC as in the past is to be pursued in the future, that the RFC will not grant any loan if it is possible for the applicant to obtain loans from private investors. That has been the rule all the time, and it is a good rule.

The RFC has helped a lot of banks substantially. For instance, an applicant would go to the local bank to get a loan. The local bank would not even talk to the applicant but would say, "No, we aren't in a position to grant you a loan, and don't want to go into it."

The applicant goes into one of the 32 different offices in the United States and files application. Maybe the manager of this office in getting his application and going into the facts discovers, "Why, this is a good, bankable loan. Why don't you get it from your local bank?" The applicant says, "Well, I went to the local bank but I was turned down." Then the RFC will get in touch with the local banker and explain to him that it is a good, bankable loan. In many instances the local bank will take the entire loan or, if not the entire loan, will participate to a large extent with the RFC. To that extent the RFC has been a good business-getter for the local banks. It has been very helpful in that respect.

The RFC under this plan of President Truman's will be under the Secretary of Commerce. It will be under the Commerce Department. That is for the obvious reason that the President of the United States cannot deal with too many independent agencies. All these problems and the major questions should come up to him through a Cabinet officer. That will be done through the Secretary of Commerce for the RFC. That does not mean that the RFC will be in a position to be dictated to by the Secretary of Commerce or by President Truman. It will remain the same independent agency that it has always been. Neither the President nor the Secretary of Commerce will have anything to do with the RFC's individual loans, and will only participate, if they participate at all, in arriving at major policies of the RFC.

For instance, RFC money, which is Government money, should not be used for any propaganda of any kind. A major policy should be and doubtless will be, as in the past, that no loans will be made to a magazine company or to a newspaper company or to a radio concern, because they are in a position where they could probably influence public thinking.

Therefore, public money should not be used for that purpose. So the RFC will remain the same independent agency it has always been, but by Executive order the President will transfer it to the Department of Commerce.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MURRAY of Wisconsin. Would the gentleman advise the House as to why it should be in the Department of Commerce and not in the Treasury Department?

Mr. PATMAN. The Treasury Department is not in the business of making loans at all and is not connected with the business affairs of the country like the Department of Commerce. The Department of Commerce is charged with the duty of advising with both small and large business—not just small business, but large business as well. In Mr. Truman's message you will note he said we need large business—big business—just the same as small business. The Department of Commerce is the logical place I think to place this agency, much preferable to placing it with the Secretary of the Treasury. Suppose Mr. Truman were to change it to the Secretary of the Treasury. Think how vulnerable he would be. They would say, "Here is the President putting them both together and just funneling money right out of the Treasury of the United States and turning it over to the RFC to make loans to everybody in the country."

He would be very, very vulnerable, much more vulnerable.

Mr. MURRAY of Wisconsin. The only thought I had in connection with this is that the Treasury Department is the Department which administers or has control of the loans that these banks make. They are the ones that examine the bank.

Mr. PATMAN. No, I think the gentleman is mistaken.

Mr. MURRAY of Wisconsin. Who does, then?

Mr. PATMAN. The controller of the currency, and also the Federal Reserve Board and the Federal Deposit Insurance Corporation, but not the Secretary of the Treasury.

Mr. MURRAY of Wisconsin. Well, then, if we may start all over again, the people who have had control of the credit in the national banks, naturally could work in close harmony with this new setup if they guaranteed the loans, because then it would all be in one department, is that right?

Mr. PATMAN. They will work closely with them because they will examine the banks and naturally the bank examiners will have something to do with the type of loans they make.

Mr. MURRAY of Wisconsin. Is not that the fundamental reason why this proposed legislation has merit because we have had the bank examiner saying that they should get rid of such-and-such a loan because they have been carrying it long enough, yet with the Government insurance they will not be in a position to do that.

Mr. PATMAN. They will have an over-all policy, I imagine, that will make sure the loans are safe and bankable loans, otherwise they will not be accepted. If accepted, of course, they can be taken out of the portfolio.

Mr. MURRAY of Wisconsin. The gentleman knows during the depression that was one of the troubles. We had one Government agency going around to a bank and saying, "You have a bad loan there. You have had it too long. You should liquidate it."

I can give you cases where it was only a matter of four or five hundred dollars.

Mr. PATMAN. I know of cases myself.

Mr. MURRAY of Wisconsin. And then they turn right around and another Government agency says under their formula they would help on a loan up to twelve or fourteen hundred dollars.

Mr. PATMAN. Yes; that is under a different policy. You see, the commercial banks have to be more liquid than these other institutions.

Mr. MURRAY of Wisconsin. I realize that.

Mr. PATMAN. And the other institutions that the gentleman mentioned can safely carry them because they are set up to carry them for a long time. But the commercial banks are not set up that way.

Mr. MURRAY of Wisconsin. If this proposed legislation had been in effect during the depression we would not need to have that working to cross purposes and all the overhead because those loans could have been guaranteed.

Mr. PATMAN. I think the gentleman will find when he sees the bill which will be introduced that it will be just as good as if it were under the Treasury.

Mr. MURRAY of Wisconsin. The only interest I had, may I say to my distinguished colleague, was to try to avoid this working at cross purposes, if this plan is to be put into effect.

Mr. PATMAN. I know that the gentleman is very sincere. He has demonstrated that during the years that he has served in the Congress. His suggestion is very much appreciated. I hope it is considered. If it is better to go in the Treasury, it is all right with me. But Mr. Truman has decided otherwise.

Mr. MURRAY of Wisconsin. I do not want to put my judgment up against the Treasury or the Commerce Department. If it is going to be set up I want it to be set up so that there is some protection to the bank itself.

Mr. PATMAN. I assure the gentleman the bank will be protected.

POINT 4

Now, point 4 is technical advisory services by the Department of Commerce. There is another reason why it goes in the Department of Commerce. This bill will strengthen the technical and managerial office provided by the Secretary of Commerce.

Also, to undertake research on technical problems of interest to small business. Also, development work on new products and new processes. In other words, people who have new ideas have an opportunity to try them out.

These proposals will apply to business fields. The Secretary of Commerce will, in a large way, do for the small business of the country the same thing that the Secretary of Agriculture is doing for the small and large farmers of the country.

POINT 5

Point 5 gives general responsibility for all these new programs, with one exception, to the Secretary of Commerce. Supervision over the RFC will be in the Secretary of Commerce. The reorganization plan will be forthcoming very soon. The exception is national investment companies, to be supervised by the Board of Governors of the Federal Reserve. However, the Secretary of Commerce is to assist in promotion of investment companies, and to advise the Federal Reserve Board concerning investment companies. The present authority of the Federal Reserve banks to make industrial loans is to be terminated, and the $139,000,000 which was turned over to the Federal Reserve Board in 1934 is to be restored to the Treasury.

SHOULD RFC BE LIQUIDATED?

I think this is a long step in the right direction. I know that recently Hon. Jesse Jones, former Chairman of the RFC, made a statement that the RFC should be folded up; it should be terminated; it should be liquidated; it should go out of business. In the event Congress did not see fit to liquidate it entirely, that certainly the 32 local offices should be liquidated.

I find myself in complete disagreement with Mr. Jones. At one time I remember, as a member of the Banking and Currency Committee, Mr. Jones was before our committee and was asking for an extension of the RFC and its powers. The gentleman from Connecticut, a member of the committee, asked Mr. Jones, "How many loans did you make the past year?" Mr. Jones said, "Not a dollar." This Member from Connecticut said, "Don't you think it is a good time to liquidate the RFC? There is no demand for it. You did not have any loans last year."

Mr. Jones' reply was a good one, as his replies invariably were. He said, "If we did not have any loans we need this shotgun in the corner. We don't know when we may need the RFC. We should always have it available to prevent what has happened in the past."

I think his reply was an excellent one. The 32 offices that he was talking about are the local offices, like at New Orleans; Dallas, Tex.; Boston, Mass.; San Francisco, Calif.; Seattle, Wash.; Minneapolis; Chicago—32 all over the country. That makes it easy for the small-business man to go to a nearby office to make his application. Of course, if you abolish those offices you would abolish the principal agency that makes it easier for the small

man to be accommodated. The little man cannot always come to Washington and pay a 5 percenter or 50 percenter to look after his work, although that has never gotten into the RFC, I am happy to say, but they have to have somebody to help them. We must continue to keep those 32 offices so as to accommodate the small-business men all over the country and make it easier for them to get financial assistance when they are entitled to get it and when they have the collateral that justifies it.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield again?

Mr. PATMAN. I yield.

Mr. MURRAY of Wisconsin. We really have a demonstration of the same principle in connection with the Cooley Act, have we not?

Mr. PATMAN. What do you mean by the Cooley Act?

Mr. MURRAY of Wisconsin. Under the Cooley Act, loans on family-type farms are guaranteed to the bank.

Mr. PATMAN. Oh, yes. I thought that was the Pace Act.

Mr. MURRAY of Wisconsin. No. That is under the Cooley bill.

When I was home Eastertime I visited one of those farms in which the local bank has an interest; and I might say that the banks in my State have over 10 percent of those guaranteed loans under the Cooley Act.

Mr. PATMAN. I am glad the gentleman mentioned that.

Mr. MURRAY of Wisconsin. Our people out there stay at home and work together; they do not spend their time fighting you fellows down here in Washington.

The loan is carefully supervised to start with. They do not start the young fellow out on a worthless piece of land. We will say he starts out on 80 acres of good farm land. It will carry a $6,000 loan. There is a precedent for what the President proposes at this time as far as small business is concerned.

Mr. PATMAN. I am glad the gentleman mentioned that, and I look with great favor on that act. I thought the gentleman from Georgia, STEVE PACE, got that bill through. The authorship of the bill does not make any difference to me, but I just knew it as the Pace bill.

Mr. MURRAY of Wisconsin. It is handled under the Cooley Act.

Mr. PATMAN. The local banks can keep these loans 7 or 8 years and then get their money back with interest.

Mr. MURRAY of Wisconsin. That is right.

Mr. PATMAN. So they had a guaranty there. In my section of the country these local banks do not want to carry those loans, but they pool them; they get 10, 15, or 20, and any insurance company will take them off their hands because it is just tailor-made for the insurance companies. The insurance companies do not want to have to deal with each individual applicant; they want several of them grouped together. The banks do that servicing and sell them to the insurance companies, and that makes it a very fine loan and helpful to the farmer.

Mr. MURRAY of Wisconsin. I have no crystal ball to look into the future, but there is considerable sentiment that these chattel mortgages that go along in many cases with these farm guaranteed loans will ultimately end up as guaranteed loans so that the individual farmer does not have to contract all over the United States when he wants to do any business, but he goes to his local bank and follows the same procedure that you propose for the small-business man which, if it is handled carefully, is surely a step in the right direction.

Mr. PATMAN. Yes; and these farm loans that the gentleman has just referred to, I think the reason they have not been more in favor is because farmers have not been able to buy farms on reasonable terms, or they cannot buy the good land that they used to. Something has got to happen, I do not know what, to encourage these people with large land holdings to sell off their land at good prices but in smaller tracts. If that is done, this law that the gentleman refers to will be more effective; but because they cannot buy the little farms now, it is not as effective as we would like for it to be.

I believe that the bill that will be introduced next week by Members in the House and the Senate will carry out the President's program. I believe it will be a long step in the right direction. It is true that the small-business man needs more than just credit; he needs some security and protection as President Truman often points out; he needs protection against economic power that is used to destroy small businesses. I do not oppose big business because it is large, necessarily we will have a lot of big businesses. They are not entitled to criticism just because they are large, but they are entitled to criticism if they are big enough to use their power in a way to destroy small business and they do use their power for that purpose; and if they do that they should be broken up. In fact, I can name you, for instance, the case against the A. & P., which is the most misrepresented case in the newspapers by the paid advertisers I have ever heard of. There is a case where a large concern by reason of its size sold at a loss in 29 percent of its stores. You know what would happen if that were long continued, it would just put the little man out of business; he could not meet that kind of competition. When they are big enough to use their power for that purpose, and do use it for that purpose, something should be done about it.

TESTIMONY BEFORE JUDICIARY COMMITTEE

I am inserting herewith my testimony before the Committee on the Judiciary of the House:

STATEMENT BY THE CHAIRMAN OF THE SELECT COMMITTEE ON SMALL BUSINESS, ON MAY 10, 1950, BEFORE THE SUBCOMMITTEE ON THE STUDY OF MONOPOLY POWER (COMMITTEE ON THE JUDICIARY), IN RESPECT TO H. R. 7905, CONCERNING TREBLE-DAMAGE ACTIONS UNDER THE ANTITRUST LAWS

It was with very great pleasure that I accepted the invitation of your distinguished chairman to appear before you and to present my comments on H. R. 7905, which consolidates various proposals in aid of treble-damage and related actions brought under the antitrust laws and was introduced by one of your own distinguished members, Hon. WINFIELD K. DENTON.

The Select Committee on Small Business, of which I have the honor to be chairman, unanimously supports the general purposes and objectives of this bill, as well as the bulk of its actual provisions. The strengthening of civil damage remedies under the antitrust laws is undoubtedly a change in the right direction. Big firms in particular, which may now violate the antitrust laws with relative impunity—even with the proposed increase of antitrust fines to $50,000—might suffer a change of heart if treble-damage and related remedies had real teeth in them. Moreover, if violations of the antitrust laws should, as many leaders of the business community contend, be regarded as economic offenses, rather than criminal violations, any change in the law, particularly as to damage actions, directed at the violator's pocketbook or balance sheet, is apt to be salutary.

SMALL-BUSINESS COMMITTEE'S FOUR BILLS

It has been the considered opinion of all the members of the Select Committee on Small Business that, however important and extensive your committee's general investigation on antimonopoly might be, there were certain bills of a more piecemeal nature, sponsored by our committee, which deserved immediate consideration by the Judiciary Committee.

The following is a quotation from pages 72 and 73 of the progress report, first session, of the present Select Committee on Small Business:

"No matter how important, however, it is the committee's feeling that investigation and debate on the over-all question of bigness in business and monopoly generally should not serve to postpone action on bills immediately needed to strengthen the existing antitrust laws. An over-all and drastic change in the antitrust laws may never take place. There is respectable opinion, even in antitrust circles, that the basic antitrust laws are fundamentally sufficient and that the deficiency is in the enforcement of these laws and in the funds and manpower for their enforcement. Moreover, even a so-called basic change in the antitrust laws may not only take a long time to enact but itself is apt to be piecemeal, rather than comprehensive and pervasive. Perhaps antitrust legislation and enforcement must of necessity be approached on a pragmatic and piecemeal basis.

"In any event, in the opinion of this committee, there are certain bills which should be acted on by the Judiciary Committee as promptly as possible. Among the bills which, in this committee's opinion, should receive prompt consideration are:

"H. R. 5139, increasing antitrust fines;

"H. R. 4402, removing guilty corporate officials;

"H. R. 5117, authorizing United States to commence treble-damage actions; and

"H. R. 4985, Federal statute of limitations."

It has been a source of real gratification on the part of the members of the Select Committee on Small Business that your committee has seen fit to give its formal consideration to the subject matter of three of the four bills just enumerated, if not formally to the three bills as such.

1. $50,000 FINES (H. R. 5139)

As to H. R. 5139, increasing antitrust fines to $50,000, the Judiciary Committee has reported out H. R. 7827, which does the same thing as our bill and in almost the same terms. Additional provisions, originally contemplated by your committee, were dropped, after I had the honor of presenting my reasons for not including such additional provisions.

2. BARRING CORPORATE OFFICIALS (H. R. 4402)

H. R. 4402, the second bill mentioned in the quotation just read from our progress report, is my bill proposing that corporate

officials convicted of violating the antitrust laws should be barred from serving as such for specified periods. This is the one bill of the four mentioned in the report which, so far as we know, has not received advanced consideration from your committee. We still hope that it will.

If the officer of a big corporation knows that he may be barred from being an officer for a definite period he may hesitate a long time before permitting himself to violate the antitrust laws. And if violations of the antitrust laws constitute an economic offense rather than a criminal offense in the layman's sense, as has been contended, then there should be little objection by guilty corporate officers to a suspension from office, in lieu of a jail term, which the courts do not impose in any event.

This bill received unanimous and bipartisan support from the members of the Select Committee on Small Business. Moreover, the principles embodied in the provisions of the bill were expressly endorsed by the Select Committee on Small Business for the Eightieth Congress, which recommended the following mandatory penalty:

"Persons found guilty of any of the foregoing offenses shall be enjoined from serving as an officer or director of any corporation engaged in commerce in the United States for a minimum period of years. For second offenses penalties should be more severe, and consideration should be given to permanent injunction."

The proposed penalty is analogous to the suspension of a member's rights to a stock exchange seat, by reason of unethical or unlawful conduct, a penalty developed by the business community itself. It is also analogous to suspension or disbarment of an attorney, or suspension of a license to practice medicine. It is, moreover, a penalty with real teeth in it—more so, even, than the $50,000-fine bill which you reported favorably.

3. UNITED STATES AS PLAINTIFF (H. R. 5117)

H. R. 5117, the third on the list in our progress report, is our bill authorizing the United States to commence treble-damage actions, introduced by Hon. EUGENE J. KEOGH. Heretofore, by reason of court decisions, the United States has not been deemed a proper party to commence an action for damages by reasons of violation of the antitrust laws. The present bill, now under consideration by your committee, changes this by providing that the United States may be a party commencing such an action. However, your bill limits the United States to actual damages, instead of treble damages, as with a private plaintiff. While we still feel that the United States should be entitled to treble damages, we favor H. R. 7905, allowing the United States to sue at all, as far as the bill goes.

4. FEDERAL STATUTE OF LIMITATIONS (H. R. 4985)

H. R. 4985, the fourth in our progress report list, as quoted previously is our bill, introduced by Hon. JOE L. EVINS, setting up a Federal statute of limitations for treble-damage actions and making the statute run from the time of discovery of conspiracy. Such a Federal statute of limitations, in place of the various State statutes and running from the time of discovery of conspiracy, is set up by H. R. 7905, now under consideration. However, it does not have the retroactive feature contained in the bill endorsed by our committee.

BILLS 3 AND 4 (H. R. 5117 AND H. R. 4985)

It is the last two of the four bills enumerated in our progress report, as previously quoted, which directly bear on H. R. 7905, the bill now under consideration. These two bills are H. R. 5117, authorizing the United States to sue, and H. R. 4985, creating a Federal statute of limitations. Reference to these two bills makes it possible to give quotations from the unanimous report of the Select Committee on Small Business on these bills which will make available to your committee what is in effect comment of our committee directly applicable to provisions of H. R. 7905, the bill now under consideration.

SMALL-BUSINESS COMMITTEE COMMENT ON SUITS BY UNITED STATES (H. R. 5117)

The first quotation will be from page 77 of our progress report, on H. R. 5117, authorizing the United States to sue in damage actions, although it authorizes treble damages for the United States, which H. R. 7905 rejects. Our report states, in part, as follows:

"There seems to be no good reason whatever why Government procurement agencies, if victimized by price-fixing combinations or other antitrust violations, should not have the right to sue for damages.

"Able lawyers have thought that the Government has this right as a person under the present law, but the Supreme Court of the United States decided otherwise, by a vote of 5 to 3, in *United States* v. *Cooper Corporation* (312 U. S. 600 (1941)). Subsequent decisions seem to have weakened, and at any rate have not strengthened, this decision.

"Nevertheless, it seems more salutary for Congress to act on the matter. Although the bill would permit the Government to collect treble damages, it should be borne in mind that the courts have been very strict in treble-damage actions in requiring that a direct and rather immediate connection be shown between damages sustained and the violation of the antitrust laws.

"The treble-damage civil-action approach is another method of treating antitrust violations as economic offenses. It does not seek to brand offenders as criminals or to send them to jail. It simply provides an economic penalty of sufficient measure to deter wrongdoers. A treble-damage action by the United States is much like a civil action by the Government for a penalty, the amount of which may exceed actual damages.

"This bill gives the armed services and the General Services Administration, including the Federal Supply Service, an adequate retaliatory weapon against competitive prices matched sometimes to six decimal points, whether for cement, steel, or any other product, resulting from anti-trust-law violations by illegal use of the basing-point system or otherwise."

SMALL-BUSINESS COMMITTEE COMMENT ON FEDERAL STATUTE OF LIMITATIONS (H. R. 4985)

There will now follow a quotation from pages 77 and 78 of the progress report of the Select Committee on Small Business in regard to H. R. 4985, the bill sponsored by us proposing a Federal statute of limitations. You will note in this quotation our reference to the retroactive feature, which is not contained in H. R. 7905, and the reason we include the retroactive feature. I quote:

"The primary purpose of this bill, introduced by Mr. EVINS, of the committee, is to insure that there shall be a uniform statute of limitations applicable to all Federal courts so that the statute of limitations in treble-damage actions for antitrust violations shall not commence to run until the plaintiff learns about the conspiracy, provided the plaintiff uses due diligence. The bill also provides for a uniform period of 6 years irrespective of geographical location.

"Because there is no Federal statute of limitations on treble-damage actions at the present time, the law of the particular State applies, which means that not only is there no uniformity throughout the various Federal courts, but also that a plaintiff may lose his day in court because the defendants have succeeded in concealing their conspiracy from outsiders. An example of this is offered by the Burnham Chemical Co., which brought the matter to this committee, eventually leading to the introduction of the bill. It is because of the plight of this company, against which the present applicable statute has already run, that the bill also includes section 2 making it retroactive to a certain extent. The companion bill in the Senate is S. 1910.

"The Burnham Chemical Co. was an independent producer of borax in 1928, having produced 1,427 tons of borax from its Searles Lake Federal lease during that year. It had scarcely started production in June of that year when the price of borax was cut in half, and by the end of 1928 the price was one-third of its normal figure. It naturally lost money on every ton produced and had to close down. It has been trying to get back into business ever since.

"* * * during World War II the Government seized one of the companies, German-owned, in the borax industry, and then discovered for the first time, in the files of this company, a secret written agreement in violation of the antitrust laws. Armed with this evidence, the Government, in 1944, commenced its suit against the so-called borax cartel. The Burnham Co. thereupon brought a treble-damage action, in 1945; however, it has been held, in rather extensive litigation, that the action is barred by the statute of limitations."

MAIN PROVISIONS OF H. R. 7905

Turning directly to H. R. 7905, the bill now under consideration, we find that its provisions can be summarized as follows:

1. Statute of limitations: Under H. R. 7905, section 4 (c) of the Clayton Act, as amended, would provide for a uniform 6-year statute of limitations, and the statute would commence to run from the time of discovery of conspiracy, with reasonable diligence. In addition, under the bill section 5 (b) of the Clayton Act, as amended, would provide that the running of the statute of limitations would be suspended not only as now provided for in the act, but also during the pendency of a civil-damage action by the United States, which is authorized by the bill. This latter provision was not among those recommended by the Select Committee on Small Business, which did not consider the point.

2. United States may sue for damages: Under the bill, section 4 (b) of the Clayton Act, as amended, would permit the United States to sue in a civil-damage action if it is injured in its business or property by reason of anything forbidden in the antitrust laws. As we have seen, however, the United States would be limited to actual damages, whereas our bill permitted the United States to have treble damages, like other suitors.

3. Conclusive evidence: Under the bill, section 5 (a) of the Clayton Act, as amended, would provide that final judgments or decrees in antitrust proceedings commenced by the United States, except in new damage actions, will be conclusive evidence against a defendant in a treble-damage action or a United States damage action. This is in contrast to the present law, the wording of which is presumptive evidence. Our Select Committee on Small Business did not make any recommendation on, nor did it consider, this point; but I fully support the proposal as made in Mr. DENTON'S bill.

SPECIFIC COMMENTS ON H. R. 7905

Reviewing the three major changes made by H. R. 7905, as just outlined, the following may be said:

1. Statute of limitations: I, together with the other members of the Select Committee on Small Business, am in hearty accord with the bill's proposed amendment to the Clayton Act providing for a uniform statute of limitations of 6 years, for treble-damage or United States damage actions, commencing to run from the time of discovery of conspiracy. This accords with H. R. 4985, approved unanimously by our committee.

It is perhaps regrettable that the bill does not include the particular retroactive feature

included in our bill, but, all things considered, I am not disposed to press the point.

It might be noted, also, that I am in accord with the addition to the present tolling provision proposed by the bill, whereby the statute of limitations will be tolled during the pendency of a United States damage action, as well as other actions by the United States, as provided for under the present law.

2. United States may bring damage actions: All of the members of the Select Committee on Small Business, including myself, are, as reported in our progress report, in strong accord with the bill's proposed amendment to the Clayton Act authorizing the United States, as well as private persons, to commence a civil-damage action for damages sustained by it as the result of antitrust violations. This accords with H. R. 5117, unanimously approved by our committee.

However, it does seem regrettable that the present bill limits the United States to actual damages, instead of permitting treble damages, as does our bill. The main justification for penalty damages is the same, whether a private person is injured or the United States is injured. A violator causing damages to the United States on a large scale should not be treated more leniently than a violator causing damages to a private person on a smaller scale. Experience shows that the courts have been very strict in assessing damages in treble-damage actions, in any event. I am therefore taking the liberty of recommending that the bill under consideration be amended so as to allow treble damages to the United States.

3. Conclusive evidence provisions: I am in hearty accord with the amendment proposed by the bill whereby a final judgment in a proceeding brought by the United States, except a damage action, will be conclusive evidence in a treble or United States damage suit, instead of presumptive evidence. I cannot speak for the Select Committee on Small Business on this point since the proposal has not been brought before it, although my feeling is that our committee would support this proposal.

COST OR COSTS

In examining the bill under consideration, I note that proposed section 4 (a) of the Clayton Act—which your analysis of March 29 states is "virtually a reenactment" of section 4, the present provision—does contain what might be construed by the courts to be a vital change. The proposed subsection provides for treble damages, plus the "costs" of the suit and attorney's fee, instead of treble damages plus the "cost" of the suit and attorney's fee, as now provided for in section 4 of the Clayton Act.

That the word "cost" is the one used in the present provision of the Clayton Act can be verified by referring to the Statutes at Large and 38 Statutes 731 in particular. The word "costs" is used, it is true, in the comparable provision of section 7 of the Sherman Act (26 Stat. 209, 210), which, however, has in effect been superseded by section 4.

As applying to the expense of a legal suit, including attorney's fees, you will no doubt agree that "cost" is the better and more accurate word. There are many cases distinguishing between "cost" and "costs" of a legal suit. The term "costs" tends to be limited to actual legal costs, which are quite small under our American legal system. "Cost" of suit, however, is generally construed to include the actual expense of the suit, including attorney's fees.

Inasmuch as the present operating provision, section 4 of the Clayton Act, actually uses the word "cost," and inasmuch as this is also the preferable word, it is my respectful recommendation that the present bill be amended so as to change the word "costs" on page 2, line 3, to "cost."

It may also be noted that I am, of course, in agreement with the bill's repeal of section 7 of the Sherman Act which has already been in effect superseded by section 4 of the Clayton Act, as already stated. This recommendation, as are my other recommendations, is subject to any possible technical objection arising out of the discarding or changing of tested statutory wording which might be raised by the Department of Justice.

ROBINSON-PATMAN ACT

Section 3 of the bill under consideration provides that the term "antitrust laws" has the meaning assigned to it by the first section of the Clayton Act. In and of itself this is a salutary provision and in the interest of uniformity.

However, it happens that section 3, the criminal section of the Robinson-Patman Act, was not, under the terms of that act, made an amendment to the Clayton Act. Moreover, section 3 of the Robinson-Patman Act has never been added to the list of laws designated as "antitrust laws" in section 1 of the Clayton Act .

It is true that criminal proceedings pursuant to said section 3, for violation of the sections of the Robinson-Patman Act which do not amend the Clayton Act, have been rare. However, the law is on the books and, I am reliably informed, at least two prosecutions under section 3 of the Robinson-Patman Act were commenced fairly recently.

It is my recommendation, therefore, that section 3 of the present bill, relating to the definition of "antitrust laws," be amended so as to amend section 1 of the Clayton Act by including section 3 of the Robinson-Patman Act (49 Stat. 1526, 8) in the definition of "antitrust laws," as used in the Clayton Act.

If you agree with my recommendation, then section 3, the criminal provision of the Robinson-Patman Act, will have a direct application to treble-damage actions and will be connected with all other Clayton Act matters where the act refers to antitrust laws. There is no reason why section 3 of the Robinson-Patman Act should not have this application.

Of course, this proposal to define section 3 of the Robinson-Patman Act as covered by the term "antitrust laws" could be accomplished by a separate bill to amend the Clayton Act. However, in the interest of expedition it might well be done in the present bill.

SUMMARY

By way of summary, it may be stated that H. R. 7905 is recommended for approval by your committee, with some qualifications, the major of which are the following:

I. Add the words, "including the United States," after "any person," page 1, line 8. This will result in giving the United States treble damages, not merely actual damages. Also strike out new proposed section 4 (b), page 2, lines 5 to 11, as being accordingly unnecessary. Also strike out "(including an action brought by or on behalf of the United States)" on page 2, lines 12 and 13 and lines 19 and 20, as also being no longer necessary—i. e., if "including the United States" is added as here recommended.

II. Strike out "costs" on page 2, line 3, and substitute "cost."

III. Rephrase section 3 on page 4 so that the definition of "antitrust laws" will include section 3, the criminal section of the Robinson-Patman Act.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

(Mr. LANE asked and was given permission to revise and extend his remarks and that following his remarks made under special order, he may include a brief by the Honorable Paul A. Dever, Governor of the Commonwealth of Massachusetts, on the same subject.)

NATURAL GAS FOR ALL OF US EXCEPT NEW ENGLAND

Mr. LANE. Mr. Speaker, that is the story, at the moment, as the coal and railroad interests pull wires to hold back this economic first-aid from New England, which is the only remaining industrial area in the Nation that does not enjoy the benefits of this cheap fuel.

They are not satisfied with the fact that both householders and industrial users in the six northeastern States are now penalized by the highest electric-power rates in the Nation. They want us to labor under the additional burden of also paying the highest rates for fuel.

A Federal Power Commission hearing is now under way in Boston on the application of the Northeastern Gas Transmission Co. for a certificate of convenience and necessity that will permit it to bring this sorely needed fuel to the relief of New England's homes and factories.

The monopolists do not want this, or any other trunkline company, to upset the status quo controls with which they are bleeding the economic strength and enterprise of our region.

Natural gas, which is one-third as cheap as manufactured gas, is asking for permission to push its pipelines into New England, but the spokesmen for other fuels are trying to block this progressive move under a smoke screen of confusion.

We can begin to enjoy the blessings of cheap and plentiful natural gas by next winter if the Federal Power Commission is not fooled by the obstructive tactics of those who fear fair competition.

I hold no brief for any one company, but I do plead for the right of New England housewives and manufacturers to have access to this low cost, abundant, and convenient fuel before living costs and industrial costs overwhelm them.

I repeat, producers and consumers alike are being squeezed by prohibitive electric power costs on one side and by fuel costs which are also the highest in the United States. We must have relief.

The effective utilization of our water-power resources through a public program of development is inevitable, but it will take time. In the meantime we can get ample supplies of natural gas this year to ease the handicaps under which we are operating if the FPC gives the green light to the new fuel.

Our Federal Union will be "Balkanized" if the Government of the United States persists in a policy of developing every other region except New England. This first area of the Nation to become industrialized is now last when it comes to sharing the benefits of public power and natural gas. And the injustice of the situation is that the Northeastern States have been overtaxed to bring backward areas up to a level with New England and then to surpass it. We are being taxed to price ourselves out of the market.

If there is to be reciprocal trade here at home, among the 48 States, the Fed-

eral Government and its agencies must deal fairly with New England.

That we are actually suffering from discrimination is revealed by these two brutal facts:

First. Due largely to public power developments elsewhere, the cost of purchased electric energy in manufacturing industries in Massachusetts is higher than any other State in the Union, closely followed by Connecticut, Rhode Island, Vermont, and New Hampshire in that order. Only Maine, which does not export the hydroelectric energy from its plentiful water-power resources, enjoys a low cost-per-kilowatt-hour that enables it to compete on a fair basis with every other State outside New England.

Second. As the one remaining region still unserviced by natural gas, our fuel costs are also the highest in the Nation. Compared with the West South Central States, they are 215 percent higher.

Fuel and electric supercosts force industries to migrate from New England and discourage the expansion of existing ones or the creation of new enterprises. And they raise the living costs of consumers to the point where left-over income suffers by comparison with more highly favored regions.

The use of gas is vital to such major New England industries as textiles, plastics, printing and publishing, paper and allied products, machinery and metalworking, food processing, radio tubes, television, radar equipment, electrical equipment and appliances, and the manufacture of electrical machinery. The high cost of manufactured gas and electric power put our industries at a competitive disadvantage which narrows the margin of profit. This in turn leads to increasing unemployment which is the penalty we are forced to pay because, for some strange reason, our problems do not capture the fancy of the academic planners in Washington.

But I should like to serve notice on them that we in New England are not going to take a back seat on this issue. We do not come hat in hand, to plead for help in saving our present industries. We need these, of course, but we have set our sights on an expanding economy for our region, and we are determined to share in those new sources of fuel and power that will make it possible.

It is imperative that we have access to adequate supplies of natural gas without further delay.

We in New England are fed up with promises that are not followed through with effective action.

If the Federal Power Commission should fail to approve of a life-giving pipeline to our economy, we shall have but one recourse left, and that is for the entire New England congressional delegation to band together in a tight, cohesive unit that will vote as such on all issues with but one thought in mind, and that is to fight for the welfare of our region before every other consideration, national or international.

The talking stage is over.

We need and want natural gas as a starter, not in some vague, post-election period, but this year.

Mr. Speaker, I wish to include herein an economic brief by the Honorable Paul A. Dever, Governor of the Commonwealth of Massachusetts, regarding natural gas for Massachusetts and New England.

OUR NEED FOR NATURAL GAS IN MASSACHUSETTS AND NEW YORK

(Economic brief filed by Gov. Paul A. Dever, of Massachusetts, before Federal Power Commission)

I. THE UNNECESSARY BURDEN CARRIED BY THE CONSUMING PUBLIC OF MASSACHUSETTS

In my inaugural address to the General Court of Massachusetts on January 6, 1949, I emphasized the fact that "we have witnessed an ever-growing and increasingly crushing burden on the wage earner due to the rising cost of the necessaries of life. The prices of food, fuel, and clothing have continued to rise above limits already intolerable. Gas, electricity, telephone, and transportation exact more and more dollars from the already overburdened weekly pay check. In the case of these latter, numerous petitions for additional increases in rates are presently pending, and each day brings more demands for still further increases." A year later, in my annual message to the general court, I called attention to the several respects in which the economic position of the wage earner has deteriorated during the course of the year. This deterioration is especially marked with respect to fuels and public-utility services. Within the last 12 months the prices of some consumer goods remained constant while others actually decreased. But fuel prices and utility rates continued their seemingly irresistible advance. When it is recalled that these increases are added to the highest fuel and electric costs of any area in the United States, it then becomes apparent that immediate and decisive action must be taken to correct a situation which long since has passed the bounds of the tolerable.

Both in my inaugural address and annual report I recommended the enactment of legislation to establish a revitalized Commission on the Necessaries of Life. I proposed that the new Commission should begin an immediate investigation of the possibilities of bringing into this Commonwealth by means of a pipeline a sufficient amount of natural gas to effect reductions in the price of gas. With the passage of time, the need for natural gas becomes, if possible, more urgent. The unhappy consequences for Massachusetts' consumers and industries resulting from the present exorbitant cost of fuel necessitate my personal intervention before this Commission to petition that authority be granted at once for the transmission of natural gas to the Commonwealth of Massachusetts.

The direct savings of millions of dollars to be realized by the consuming public through first checking and then reversing the present trend of gas rates are obvious. Nor is this the only gain to be derived by our consumers from the introduction of natural gas. The freedom of the individual consumer to choose for himself is as basic a condition for the existence of a democratic economic society as is the freedom of the individual voter to choose among rival political candidates a condition for the survival of political democracy. Political democracy is destroyed when the voter finds, as he does in so many dictatorial countries, that there is but one name on the ballot. In exactly the same sense economic democracy loses its meaning when the consumer finds that the number of alternative goods and services from which he may choose is arbitrarily restricted by the monopolistic actions of government or business. For all practical purposes the consumers of our State have no real freedom of choice with respect to fuels for home heating purposes. Gas rates are so high that only the wealthy can use gas for this purpose. This situation reminds me of the days when the right to vote was restricted to men of property. We in Massachusetts have observed how frequently consumers in other States, when allowed the choice, express a preference for gas over other fuels. We believe that the cleanliness and convenience of gas will exercise a similar appeal to our consuming public. In any case, it is the individual's prerogative in a democratic society to decide this issue for himself. The welfare of our consumers is not advanced when either business or government makes the decision for the individual. The withholding of natural gas from the consumers of Massachusetts is an arbitrary, monopolistic restraint upon economic freedom. It cannot be defended on any grounds that are compatible with the conditions required for a healthy economic society.

II. HOW THE INCREASED AVAILABILITY OF GAS WOULD AID MASSACHUSETTS INDUSTRY

It is sometimes asserted that only the consumer would benefit from the transmission of natural gas to Massachusetts. The charge comes, of course, from those interests which wish to continue to deprive our consumers of the right to use gas. But even if the assertion were correct, it would nevertheless provide adequate support for our petition. In the final analysis the sole purpose of economic activity is the creation of more benefits—a higher living standard—for the consuming public. However, the needs of the consumer are integrated with the needs of Massachusetts industry. Our citizens cannot enjoy the living standards to which they aspire if industry in our State continues to be deprived of the opportunities that would arise from a more adequate and less costly supply of gas. Our manufacturers have expressed their views on this subject in clear and unmistakable fashion. We refer to the responses given to a questionnaire sent out to 633 New England manufacturers by the Federal Reserve Bank of Boston. The purpose of the survey was to determine what factors in New England constitute an important advantage or disadvantage to our manufacturers in their competition with producers located elsewhere. Of the strictly economic factors, three were considered by the manufacturers to be the greatest net disadvantages of a New England location. These disadvantages were the costs of fuels, transportation, and electric power. These were the greatest handicaps to our producers in their attempts to survive in competition with manufacturers located in other areas. The rapid spread of natural-gas pipelines to all other major areas of the Nation constantly increases the competitive disadvantages suffered by Massachusetts producers.

The need of Massachusetts industry for an increased supply of gas at lower cost is evident not only from the direct testimony of our manufacturers but is demonstrated as well by our industrial history for the last 30 years. During this period the industrial structure of the Commonwealth has been subjected to constant change. Certain aspects of this revolution in the pattern of our industrial life create profound problems. Two of our principal industries—textiles and leather—have steadily reduced the amount of employment they offer to our workers. The decline of these major industries continues into the present. Within the last 12 months 10,000 jobs were lost in the city of Fall River alone. This was not merely a temporary loss of employment occasioned by a momentary decrease in business activity. The transfer of textile operations to other areas means that these jobs are lost forever. New Bedford and other cities heavily dependent upon textiles or leather have suffered comparable losses. In 1949 a contraction in new textile

and shoe orders produced large-scale unemployment throughout Massachusetts and New England. The number of applications for compensation and relief exceeded those in any other area of the country. This is a vicious circle. Should unemployment develop, then Government expenditures and taxes would rise as a result. Higher taxes do not encourage the establishment of new plants or the expansion of existing ones. These are some of the features of a problem with which we in Massachusetts have lived for a long time.

Fortunately the transformation of our economy has a brighter side. Over the years the employment lost through the contraction of some of our basic industries has been offset by the expansion of other industries. Only by the continuation of this process can we hope to absorb in new employments the workers who must find other employment due to the long-run readjustment of our industrial structure. For this reason we must improve the locational advantages of Massachusetts in every possible way. Among the specific improvements which can be made immediately is an increase in the supply and a reduction in the cost of gas.

I want to illustrate in very specific terms the role gas plays in the industrial development of Massachusetts. Our metal working and machinery industries have their origins in the colonial period. Throughout the decades they have grown steadily until today they are a major employer of workers in our State. In a hundred different ways these industries use gas as a tool in manufacturing operations.

In the 1880's the manufacture of electrical machinery and equipment was initiated in the Thomson-Houston plant in Lynn. It was from this plant, under the guidance of Massachusetts businessmen, that the General Electric Co. developed. One cannot state fully all the benefits derived by our citizens from the growth of the electrical manufacturing industry. Today thousands of our workers are dependent upon it for employment and thousands more benefit from it in a less direct fashion. Gas plays a very important part in the production operations of this industry. Had it not been for the high cost and limited availability of gas our share of the industry would be even greater than it is. Various branches of the industry located in other sections due to superior fuel advantages there.

Printing and publishing is a major Massachusetts industry. Through the years it has enjoyed a slow but steady growth. Its high-speed rotary presses employ gas for drying purposes. Our paper industry, one of the oldest and most substantial industries in the State, is now exploring the possibilities of gas for drying purposes. This application of gas has been proved successful in other areas. To this list of major Massachusetts industries can be added many others that are engaged in the preparation of food, the manufacture of instruments, the production of plastics, and so on virtually without limit.

In a very real sense the industries singled out for special reference may be said to have saved the Massachusetts economy from catastrophe. These are the industries whose development has filled the gap left by the gradual decline of the textile and leather industries. They have provided employment for thousands of workers who otherwise would be unemployed or forced to migrate to other areas. We in Massachusetts are most grateful that the gap was filled. It is a fundamental objective of our policy to provide our industries with every possible advantage so that they may continue to grow and prosper in Massachusetts. We cannot conceive how ever-rising gas rates are consistent with this objective. We have every confidence that the leather and textile industries will be stabilized in their Massachusetts location. Our shoe industry, although it employs fewer workers than in years past, produces more shoes with a greater market value than in any previous period. Today, it is a more productive industry and as a result is much better prepared to survive the competitive struggle. Through the years the woolen industry has demonstrated that it is well adapted to its present location. Nylon, orlon, and other new materials give every promise of stimulating output and unemployment in mills formerly devoted to cotton textiles. The expansion of our rayon production in recent years suggests the potentialities of the newer materials. For many years gas has been an indispensable tool in the singeing of cloth. Revolutionary and highly productive innovations in the drying of cloth are currently being introduced in the textile industry. We are resolved, since gas can be used in these new operations, that the producers in our State shall not suffer due to the unattractive terms upon which gas is presently available.

Up to this point I have referred only to well-established industries which have been with us for many years. With the end of the war, a whole new era began in Massachusetts. Let us look at some of the industries which are now emerging as important elements in the State's economy. We have firms pioneering in the construction of instruments for control engineering. One firm launched the production of an entirely new line of products which includes polaroid glass, a radically different kind of camera and a new type of film. A Boston concern was the first to find industrial applications for atomic materials and now manufactures instruments and chemicals in the field of radioactivity. Other companies are pioneering in the development and manufacture of electrostatic generators, precision research apparatus for nuclear physics, spectrochemical instruments for the chemical analysis of metals and gases, improved types of flexible tubing, high precision mechanical, hydraulic, and electrical devices, radar equipment for industrial and domestic use and many other novel products of which the public is not yet aware. In some of the new industries gas is preferred to other fuels because of its convenience and control features. In other instances, gas is an indispensable agent in the production process. It must be used regardless of cost.

The significance for Massachusetts of these postwar industries is beyond expression. Not for a moment can we tolerate the thought that they might move elsewhere due to the unfavorable fuel situation in our State. Immediate and favorable action upon an application for the transmission of natural gas is the best guaranty that we can have that these industries will not transfer their activities to other areas.

Through these brief illustrations I have attempted to convey an idea of the extent to which gas is needed in Massachusetts industry. By this limited means we cannot adequately measure the full extent of our need for larger and less expensive fuel supplies. The full measure of our need becomes apparent only when viewed in terms of the long-run transformation of our industrial structure. This transformation has brought with it the basic problem of developing new industries to replace declining ones. Failure in this venture means that a substantial proportion of our citizens might have to migrate to other areas or go unemployed. Here we have the basic and compelling need to improve the locational advantages of our State. Here, also, we have the most fundamental expression of the need to improve the fuel situation in Massachusetts.

In no other area of the Nation has there yet occurred the far-reaching industrial transformation we have experienced in Massachusetts for the last 30 years. Consequently our problems are not always understood by persons from other areas. I have, therefore, devoted the following sections of this petition to a more detailed analysis of the nature of our basic economic problems and to an explanation of their causes.

The economy of Massachusetts is integrated with the economies of our neighbor New England States. A list of the 10 major New England manufacturing industries coincides exactly with the 10 major industries of Massachusetts. Industries cross State lines, as do the operations of individual companies. Our centers of population are frequently dispersed over State borders and are dependent upon common industries. The Providence-Fall River-New Bedford metropolitan area, for example, contributes to the welfare of both Rhode Island and Massachusetts. For all these reasons, we have made repeated references in the following sections to the other New England States.

III. THE BASIC MASSACHUSETTS PROBLEM

We have indicated how for the last 30 years the Massachusetts economy has been undergoing a process of profound structural change. During this period major Massachusetts industries have fallen from their former preeminent positions. In these industries there has been a substantial decrease in the number of operating companies and a resultant loss of employment opportunities for our citizens. However, over the same period of years, many new industries developed and these provided new opportunities to replace those lost through the decline of the old industries. In terms of employment the forces of growth and expansion have on balance more than offset those of contraction and decline. As a result more persons are employed in all Massachusetts industry today than were employed 30 years ago. Despite this currently happy outcome the outlines of the basic Massachusetts problem are clearly evident. If for any prolonged period of time, the forces of contraction should prove more powerful than those of growth, then Massachusetts must be prepared to face the inevitable consequences. Should this possibility prove to be a reality, we would have either a large volume of unemployment or a large scale migration of our citizens to other areas. Neither of these alternatives is acceptable to us. It is for these reasons that we in Massachusetts welcome any new development which promises to expand the range of industrial opportunity available to Yankee enterprise. To the extent that any new development promotes the forces of expansion on the one hand or reverses those of contraction on the other it will contribute to the solution of the basic, Massachusetts problem.

Employment trends in Massachusetts and New England

An idea of the magnitude of the problem created by the secular contraction of selected manufacturing industries can be obtained from a study of the employment situation in the textile, leather and lumber industries. In 1919 these three industries afforded employment to approximately 685,000 persons in New England. By 1949 less than 375,000 individuals found employment in the combined industries. During this period employment opportunities in textiles, leather and lumber were extinguished at an average rate of 10,000 a year. Between 1919 and 1939 employment in all New England manufacturing industries decreased from 1,509,000 to 1,121,000, a net loss of jobs at an average rate for the period in excess of 19,000 a year. A part of this total loss can be traced to the lower level of business activity in 1939 which characterized the Nation as a whole as well as the New England States. Nevertheless, as the employment figures for 1949 indicate, at least half of the loss in manufactur-

ing employment in our area is due to the long run decline of activity in textiles, leather, lumber and other industries. By 1947, due in part to the stimulus of war and postwar conversion, total manufacturing employment in New England had risen considerably above the 1939 level, although it still fell short of the volume achieved in 1919. Employment in all manufacturing industries has again declined from the high 1947 level. In January, 1950, approximately 150,000 fewer jobs were available in manufacturing than had been provided in 1947.

Among the New England States, Massachusetts is the largest employer of manufacturing labor. Between 1919 and the present employment trends in Massachusetts conformed to the general New England pattern. However, the severity of the decline in the volume of manufacturing employment between 1919 and 1939 was markedly greater in our State than in the rest of New England. Whereas employment in this period decreased by 19 percent in the other New England States, it fell by 31 percent in Massachusetts. The net effect of these decreases was to reduce the Massachusetts share of the total New England manufacturing population. Fifty-three out of every 100 New England manufacturing employees—as opposed to employees in all industries—were engaged by Massachusetts concerns in 1919, while 49 out of every 100 were so employed in 1939. In this period the greater part of the burden of adjusting to the dislocation of the textile and leather industries fell upon Massachusetts. Contraction in the Massachusetts branches of these industries was the primary cause of the greater severity of the fall in our manufacturing employment. Between 1939 and 1947 employment recovered by approximately the same percentage amount (32 percent) in our State as in the other New England States. Since the latter date manufacturing employment has fallen off by somewhat less than 10 percent both in Massachusetts and New England.

There is a second aspect to our problem of maintaining full employment in New England. Each year, as a result of population growth, new additions are made to the New England working population. Between 1920 and 1946 employment in all New England nonagricultural industries—manufacturing and nonmanufacturing alike—rose at an average rate of approximately 32,000 annually. This figure does not measure the total yearly increase of new workers, for in stated years all those seeking work were not successful in finding it. The figure may be taken as a minimum estimate of the annual increase in our working population on the assumption that no substantial change occurs in the rate at which our population grows.

The basic Massachusetts problem would be complicated enough if it consisted of nothing more than creating a sufficient number of jobs to absorb each year's supply of new workers. But, as we have seen, we have the additional task of providing for the reemployment of those workers who have lost their jobs because of fundamental changes in the industrial structure of our economy.

The persistent challenge to the ingenuity of the residents of Massachusetts is how to create adequate employment opportunities for the thousands of workers who annually seek employment. Our community is fully aware of the extent and seriousness of the challenge. For many years individuals, business associations, community groups and Government organizations have sought to create conditions more favorable to the development of new concerns and industries in this region. On balance these efforts have been successful. Massachusetts has much to offer new enterprises. In response to these advantages, companies from other areas have moved here or established branch plants. Within Massachusetts many new industries have been created. While we are fully cognizant of the attractiveness of our State as an industrial location, we are aware also of the fact that all attempts to foster the industrial development of our area confront and, in some cases, are limited by certain immutable physical factors. Among these are two of particular importance. Massachusetts is not richly endowed with many of the raw materials required in important sectors of modern industry. Geographically our State is not advantageously placed with respect to the sources where some of these raw materials must be acquired. The existence and importance of these factors make it imperative that everything possible be done to improve Massachusetts' position with respect to those other factors over which a degree of control can be exercised. Every effort must be directed toward minimizing the relative disadvantages suffered by Massachusetts as compared with other areas. A concerted attempt must be made to broaden the range of industrial opportunity open to the Massachusetts producer.

The significance of natural gas to the Massachusetts economy

It is with respect to these imperative necessities of the Massachusetts economy that the proposed introduction of natural gas derives its fundamental significance. Natural gas, as such, will not give this region an advantage over other areas. At best its introduction is merely a step in the direction of correcting existing disadvantages. Other sections of the country have enjoyed the benefits of natural gas for many years. More recently these advantages have been conferred upon all other areas of the Nation with the sole exception of New England. In particular, the introduction of natural gas into the Middle Atlantic States, where many of our most active and direct competitors are located, constitutes a real threat to the stability of employment in Massachusetts industry.

The importance of natural gas as a means of increasing the range of industrial opportunity in Massachusetts cannot be fully determined at this time. Evidence has been presented to illustrate the utility of gas in various regional manufactures. I have no doubt that a considerable volume of additional testimony could be offered to demonstrate how known gas technology could be applied in our industries once an adequate supply of gas is made available. But such testimony would not bring out the full potentialities this fuel holds for our economy. I have no sympathy for the contention sometimes made that gas in Massachusetts has only a very limited industrial use. At one time or another exactly the same argument was made with respect to coal and oil. I feel reasonably certain that 90 years ago Colonel Drake, upon initiating the commercial production of oil in America, never visualized more than a very small part of the tremendous industrial developments that were to result from his discovery. I doubt that the imaginative horizon of any of his contemporaries was any broader. Today the industrial applications of atomic energy are largely unknown. Yet there are few persons who would argue that the development of atomic energy in all its aspects should be abandoned.

In estimating the industrial possibilities inherent in natural gas, allowances must be made for all the new uses which may be found for it within the unique New England industrial structure. It is highly unlikely that other areas with their different industrial structures have developed and exploited all the possible uses of gas. While from nature our area has inherited locational and resource disadvantages, through science our States have acquired important advantages. The university and industrial laboratories of Massachusetts make this the research capital of the world. They create new techniques and products on a scale which is not surpassed in any other State of the Union. Of all the benefits promised by the increased availability of gas in Massachusetts, none is of greater significance than the prospect it holds of expanding the range of industrial opportunity open to Yankee enterprise.

IV. THE CHARACTERISTIC MANUFACTURING INDUSTRIES OF MASSACHUSETTS

A more detailed understanding of why the introduction of natural gas is so important to the stability of the Massachusetts economy can be obtained from an analysis of the structure of our economy. A comparison between the United States and Massachusetts shows that in Massachusetts the percentage of all employees engaged in manufacturing industries is very much higher than for the Nation as a whole. The large percentage of the work force occupied in manufacturing is the most characteristic feature of our economic structure. Table 1 presents the percentage distribution among 10 principal industry groups of employed persons in the United States and Massachusetts for the year 1940. Comparable data are also given for the other New England States. From the statistics of table 1 it can be seen that 23 out of every 100 employed persons in the United States are engaged in manufacturing activities while 19 out of every 100 employees are occupied in agriculture, forestry, and fishing. In contrast, 37 out of every 100 Massachusetts employees derive their salaries or wages from manufacturing occupations whereas only 3 out of every 100 are similarly dependent upon agriculture, forestry, and fishing. The exceptional degree of our dependence upon manufacturing explains why we must do everything within our power to maintain the competitive strength of these industries.

Table 2 ranks the major manufacturing industries of Massachusetts according to their relative importance in the economy of the State. The measure of importance is the one used previously; namely, the percentage of all employed persons in the State that is engaged in the given industry. For comparative purposes there is placed to the left of each industry group the percentage for the United States as a whole.

An examination of the information contained in table 2 suggests that a broad distinction may be drawn between the industrial structures of southern and northern New England. In the southern New England States, the machinery, metallurgical, and transportation equipment industries form an important part of the industrial structure. In the northern New England States a group of substantial manufacturing industries is based upon forestry products. Thus the paper, logging, furniture, and lumber industries absorb 10.4 percent of Maine's employed population, while in New Hampshire and Vermont 9.1 and 6.4 percent, respectively, of the employed populations are so occupied.

The industrial structure of Massachusetts shares the characteristics of its neighbor States. Throughout all the New England States one ubiquitous industrial pattern is encountered. Either the textile or the leather industry is the first or second most important industry in every State with the sole exception of Connecticut where textiles rank fourth in importance.

We noted previously the major decline in the volume of manufacturing employment which occurred in Massachusetts during the period 1919–1939. In that period employment contracted by 32 percent or at an average rate of 1.6 percent annually. Over the 20-year period employment opportunities were lost at a rate of more than 12,000 a year. The greater part of this loss can be

traced to the decline of our textile and leather industries. Yet, even following the drastic liquidation of textile and leather concerns, these industries remain as the principal sources of wages and salaries for Massachusetts employees. Our past experiences have demonstrated to us the disastrous possibilities inherent in the delicate balance between the forces of economic expansion and contraction in Massachusetts. We were reminded of these unpleasant possibilities in 1949 when large scale unemployment developed in the textile and leather industries. Our changing industrial structure creates the need for offsets to the threatening flood of unemployment whose source is to be found in the declining industries of our State. Any new supply of materials or fuels which can be made available to New England in greater quantity or at a lower cost must be welcomed for the prospect it holds of widening the range of industrial opportunity.

V. COMMON CHARACTERISTICS OF MAJOR MASSACHUSETTS AND NEW ENGLAND MANUFACTURING INDUSTRIES

Not every type of industry can locate in Massachusetts or New England and hope to survive. As a general rule, industries which consume large quantities of raw materials—as opposed to semi-manufactured materials—will not find that this is an advantageous location. The reasons for this have been mentioned before. Our area is not richly endowed with the raw materials of modern industry. Industries in other areas are better situated with respect to supplies of raw materials and, consequently, enjoy a relative advantage in transportation costs. The data of table 3 provide a basis for ascertaining the common characteristics of the major manufacturing industries. The industry groups listed therein are those used in the census of manufacturers. In the first column information is provided on the ratio of the cost of materials to the value of product for each industry in the United States. For all industries material costs amount to 56.6 percent of the value of products. Each industry is ranked in the first column according to the ratio its material costs bear to the value of its products. Thus in the industry designated products of petroleum and coal material costs constitute 77.1 percent of the value of the product while in the printing and publishing industry such costs amount to only 31.5 percent of the value of the product. From this column we can determine the relative importance of material costs to the several industries of the United States. By comparison we can discover the extent to which Massachusetts and New England industries are heavy, light or average consumers of materials.

Nine major New England industries are indicated by the letter "X" in the second column of table 3. In January 1950, these nine industries accounted for 76 percent of all Massachusetts manufacturing employment and for 71 percent of such employment in New England. The proportion of the Massachusetts working population employed in each of these industries exceeds the national average. (See table 2.) With the exception of the food industry, the same condition holds for New England as a whole. The data presented provide the basis for a number of conclusions concerning the characteristics of the major Massachusetts and New England industries.

The major Massachusetts and New England industries as indicated in the second column of table 3 divide into two groups. Those in the first group have the common characteristic that the ratio of material costs to value of product is above the average ratio (56.6 percent) for all industry groups in the United States. With the exception of the leather industry they share a second characteristic. The food, apparel and paper industries derive their principal materials from local New England sources. Locally supplied pulp wood is available to the paper industry. The food industry processes the raw milk, fruits, vegetables, poultry and fish produced by New England agriculture and fisheries, and the apparel industry completes the fabrication of semimanufactured goods derived from the textile industry. One other factor plays an important role in the location of the food industry. The production of bakery products is necessarily oriented with respect to the final market for those products. Only the leather and leather products industry appears as an apparent exception to these locational principles. Actually, it is not an exception for the industry has been in a period of decline for over 30 years.

The second group of major Massachusetts and New England industries have very low material-value ratios. They are also the expanding industries of the area. While materials imported from other regions are used in these industries, the materials constitute a relatively small part of the value of the products produced. The material-value ratio in the textile industry approaches more nearly the ratios prevailing in the first group. The raw materials are derived almost exclusively from other regions. All available data support the conclusion that a condition for an industry's survival and expansion in Massachusetts and in the other New England States is a comparatively low material-value ratio, unless local raw materials can be relied upon or unless the product is necessarily oriented toward the ultimate consumer. Changes in raw material sources and technology can alter the effect of these general conclusions. New technical processes may reduce the transportation disadvantage of our location with respect to raw material sources. The development of new raw material sources—particularly when water transportation is involved—may place Massachusetts midway between raw material and consumer markets. Given these developments which are already beyond the stage of anticipation, the increased availability of lower cost fuel becomes even more crucial as a determining factor in our economic growth.

In the third column, the ratio of wages and salaries to value of product is presented for each of the several industries. For the country as a whole, wages and salaries represent 20.5 percent of the value of manufactured products. In seven of our nine major industries the ratio exceeds 20.5 percent. In other words, New England specializes in those industries where labor costs are a comparatively large part of the value of products and where material costs are a relatively small part of the value of products.

VI. THE HIGH COST OF FUEL IN MASSACHUSETTS AND NEW ENGLAND

Fuel costs are higher in New England than in any other area of the United States. Comparative cost data for the several regions of the United States are presented in table 4. For the Nation as a whole the average cost of a million B. t. u. of fuel was 15.8 cents in 1939. In Massachusetts the cost was 26 percent above the national average or 19.9 cents per million B. t. u. Fuel costs here exceeded those in the West South Central States by over 200 percent. What is of more significance for the welfare of our economy is the difference between our fuel costs and those of our closest competitors. The manufacturing industries of the Middle Atlantic States provide direct competition for all nine of the major Massachusetts industries indicated in table 3. In this competition we are handicapped by fuel costs that are 24 percent above those of the Middle Atlantic area.

The relationship between the quantity of fuel consumed in industry and its price is demonstrated by the data given in table 4. In the West South Central States, where fuel could be obtained at a cost of 6.6 cents per million B. t. u., 1,946,000,000 B. t. u. were used per wage earner. In New England, where fuel costs were 215 percent higher, only 299,000,000 B. t.u. were used per wage earner. Consumption per wage earner in the West South Central States exceeded that in New England by 550 percent. On the same basis, consumption in the Nation as a whole exceeded that in New England by 128 percent. The statistical data support a familiar proposition in economics, namely, that the quantity of any commodity demanded decreases with an increase in its price.

VII. THE HIGH COST OF ELECTRIC ENERGY IN MASSACHUSETTS AND NEW ENGLAND

Massachusetts and New England suffer even greater disadvantages in the cost of electric energy than in the cost of fuels. Table 5 presents the relevant data for the several principal areas of the United States. The cost of electric energy in Massachusetts exceeded the national average by 47 percent. Our costs were 53 percent above those of our principal competitors in the Middle Atlantic States and 260 percent higher than those of the State with the lowest costs.

The relationship between the kilowatt-hour cost of electric energy and the kilowatt-hour consumption per wage earner is of the same form as that established for fuels. Consumption per wage earner in the United States exceeded consumption in Massachusetts by 80 percent. On the same basis, consumption in the Middle Atlantic States was 80 percent higher than in Massachusetts. Outside of New England, only two States in the Union, Florida and New Mexico, consumed less electric energy per wage earner than Massachusetts.

Developments in the fields of fuels and electric energy since 1939 have increased the cost disadvantages suffered by Massachusetts. Two developments are of particular importance. Public power projects in several areas have increased the spread between electric energy costs in those areas and in Massachusetts. Lower fuel costs in other regions have resulted from the introduction of natural gas. Massachusetts has not enjoyed the benefits resulting from either of these developments. To the contrary, our manufacturers have confronted steadily rising fuel and electric energy costs. The practical effect of these extremely unfavorable fuel and electric energy costs is to preclude any possibility of establishing industries in Massachusetts which are even moderately heavy consumers of fuel and energy. This is a highly effective way by which to limit the freedom of our industry to develop.

VIII. THE TRANSMISSION OF NATURAL GAS TO MASSACHUSETTS WOULD PROMOTE THE GROWTH OF INDUSTRY

Our intent in presenting the foregoing material is to show how an increased supply of less costly gas can contribute to the solution of the basic problem we confront. The question of whether or not natural gas should be transmitted to Massachusetts cannot be determined by a mere list of the concerns which currently use gas in their operations. We believe the test of current use is both inadequate and misleading. Applied, for example, to the field of atomic materials and energy it would establish, since the present uses of atomic materials and energy in industry are exceedingly limited, the absurd conclusion that efforts to increase the availability

of these factors should be abandoned. Application of the same criterion to Massachusetts industry in 1900 would have resulted in equally misleading conclusions. Since that time our economy has been transformed by the development of new industries which make an extensive use of gas in their operations. (See table 6.) In the present case erroneous conclusions are certain to result from applying the current use test. We submit that the need for transmitting natural gas to Massachusetts is entirely conclusive when viewed against the background of our changing industrial structure. Rather than looking solely at the number of concerns currently using gas we must look at the direction in which our economy is tending to grow. We must consider the manner in which an increased supply of this fuel at lower cost would complement other factors which promote the expansion of our industry.

From the material presented in the preceding sections a number of conclusions can be formed concerning the characteristics of both the expanding and contracting industries in Massachusetts and New England. As a general rule, successful business ventures in Massachusetts are ones in which labor costs constitute an important part of the value of the product produced. Our expanding industries make an increasing use of highly skilled, technical labor. These features are particularly notable in the cases of those industries, such as machinery and electrical equipment, which developed during the period of maximum decline in the textile and leather industries. They are even more characteristic of the new, postwar industries, whose typical manufacturing operations are often only one stage removed from laboratory work.

A second factor determining the success or failure of business ventures in Massachusetts is the ratio of materials cost to the value of the product. For one group of successful industries the material-value factor is not important. This group derives its raw materials from local sources. Thus the paper, food, and apparel industries are based upon the use of locally available material supplies. Many of our newest industries gain an advantage from access to virtually unlimited sources of scientific and technical advice. Aside from these cases, the expanding industries of Massachusetts are characterized by the low ratio of material costs to value of product and by the relatively small consumption of fuel and electric energy per wage earner. In other words, successful business operation requires an above-average economy in the use of all those materials and services which are supplied from other areas upon relatively disadvantageous terms. Such economy minimizes the disadvantages of a Massachusetts location, such as, the local unavailability of many materials, the great distance from some raw-material sources and the fantastically high costs of fuels and electric energy.

Among these factors are some over which no control can be exercised. Fuel costs, however, can be controlled. We consider the transmission of natural gas to Massachusetts the most immediate and promising method by which the expansion of our industries can be promoted at this time.

IX. OTHER CONSIDERATIONS OF VITAL IMPORTANCE TO MASSACHUSETTS

To this point we have been primarily concerned with the promise natural gas holds for stimulating the development of Massachusetts manufacturing industry. There are two other respects in which the introduction of natural gas would contribute to the promotion of our interests.

The living standards of Massachusetts workers are closely related to this problem. Money wage rates today are determined in part by the cost of living. We in Massachusetts take pride in the relatively high wages earned by our workers. But it must be noted that relative wage rates between two areas do not always measure the actual regional differences in living standards. A worker's living standard is not raised when his wage rate is increased merely as a means of compensating for higher living costs. By virtue of this action, the worker derives no benefit. Indirectly, however, he may be seriously injured by it. When increases in wage rates are only a consequence of higher living costs in a given area, they result ultimately in pricing the labor of that area out of the national market. Employment under these conditions is certain to contract. We in Massachusetts have every reason to be seriously concerned over this problem. Our grounds for concern are obvious. This is especially so in the case of consumer fuel costs. Due to severe winters, fuel costs are a very important part of family budgets in our State. The Bureau of Labor Statistics of the United States Department of Labor publishes a consumer's price index derived from data collected in 35 large cities of the United States. Three New England cities are included in the index. By November 15, 1949, the index of fuel costs for the United States as a whole stood at 139.1. Fuel costs in all three New England cities exceeded the national average by a very consideral amount. The index of fuel costs rose to 153.3 in Manchester, N. H., to 154.4 in Boston, Mass., and to 151.1 in Portland, Maine. Ranked according to the magnitude of these costs Manchester, Boston and Portland were second, third and fifth among the 35 cities included in the survey. If domestic consumers in our State were to use an amount of electric power adequate for the maintenance of reasonable living standards, they would be required to pay the highest electric rates in the United States. This is a type of distinction which New England can ill afford. Since November 1949, fuel costs have again increased. Sooner or later these increases will be reflected in higher wage rates, but the higher wage rates will not confer any benefit upon our workers. Their only consequence will be to make Massachusetts labor relatively more expensive than labor in other areas and to substitute production by workers in other regions for the production which might have been undertaken here.

There is one final problem to which we wish to call attention. When Massachusetts producers sell cloth to other areas, they receive payments. When the same producers purchase raw cotton from other regions, they make payments. Whether our payments to other areas for all purposes exceed or fall short of payments made to us is a matter of great importance. For a number of years Massachusetts' payments to other regions have exceeded the payments made to us. In short, we have an unfavorable balance of payments with the rest of the United States. Today this is referred to as a dollar shortage, and we are as concerned with our dollar shortage as the Europeans are with theirs. A decrease in the price of raw cotton would mean that our textile manufacturers could obtain the same quantity of cotton by making a smaller total payment for that purpose. To this extent our unfavorable balance would be reduced. Exactly the same situation exists with regard to fuels. With very minor exceptions all fuel consumed in Massachusetts is imported from other regions. A reduction in fuel prices would reduce the payments we would need to make to those regions and thus aid in bringing about a more favorable balance.

Massachusetts cannot maintain an unfavorable balance of payments without limit. It cannot, in other words, continue to buy more than it sells. The continued drainage of funds from our area would reduce the ability of Massachusetts industry to pay higher wage rates at the very time when higher rates must be paid in order to compensate for rising living costs. The proposal to bring natural gas to Massachusetts is the most specific and valuable suggestion yet made for the correction of this situation.

TABLE 1.—*Percentage distribution among industry groups of employed persons in the United States and Massachusetts, 1940*

	United States	New England States					
		Massachusetts	Rhode Island	Connecticut	Maine	New Hampshire	Vermont
All industries (percent of United States total)	100.0	3.4	0.6	1.5	0.6	0.4	0.3
Industrial groups (percent of each area or State total):							
1. Agriculture, forestry and fishing	18.8	2.7	2.1	4.0	14.2	9.1	24.7
2. Extractive	2.0	.1	.1	.1	.2	.2	1.2
3. Construction	4.6	4.5	4.9	4.9	4.3	5.1	4.5
4. Manufacturing	23.4	36.8	45.8	43.5	32.8	39.5	22.0
5. Transportation, communication, etc.	6.9	6.5	4.8	4.9	6.2	5.1	6.3
6. Trade	21.9	24.8	21.2	21.2	18.8	18.1	17.1
7. Personal services	8.9	8.4	7.3	8.1	9.4	9.2	9.9
8. Professional services	8.2	10.2	7.9	8.6	8.0	8.5	8.3
9. Government	3.9	4.3	4.5	3.2	4.1	3.3	4.2
10. Industry group not specified	1.5	1.8	1.2	1.8	2.0	1.9	2.0

Source: Census of Population, 1940.

TABLE 2.—*The characteristic manufacturing industries of Massachusetts and New England—A comparison between the percentage distribution among manufacturing groups of employed persons in the United States and each New England State, 1940*

SOUTHERN NEW ENGLAND STATES

United States	Massachusetts		United States	Connecticut		United States	Rhode Island	
2.6	Textile-mill products	8.3	2.8	Iron and steel and their products	7.4	2.6	Textile-mill products	21.6
.8	Leather and leather products	4.6	2.4	Machinery	7.3	1.8	Miscellaneous	7.2
2.4	Machinery	4.6	.6	Nonferrous metals and products	6.2	2.8	Iron and steel and their products	4.8
1.8	Miscellaneous	3.3	2.6	Textile-mill products	5.9	2.4	Machinery	4.7
1.7	Apparel	2.1	1.8	Miscellaneous	5.7	.6	Nonferrous metals and products	1.4
1.4	Printing, publishing and allied industries	1.9	1.7	Apparel	2.7	1.7	Apparel	1.1
.7	Paper and allied products	1.9	.7	Transportation equipment	2.1			
.7	Transportation equipment except auto	1.2	1.0	Chemicals	1.0			
.6	Nonferrous metals and products	.9	.7	Paper and allied products	.8			

TABLE 2.—*The characteristic manufacturing industries of Massachusetts and New England—A comparison between the percentage distribution among manufacturing groups of employed persons in the United States and each New England State, 1940*—Continued

NORTHERN NEW ENGLAND STATES

United States	Maine		United States	New Hampshire		United States	Vermont	
2.6	Textile-mill products	8.4	0.8	Leather and leather products	12.5	2.6	Textile-mill products	3.3
.8	Leather and leather products	6.3	2.6	Textile-mill products	9.0	2.4	Machinery	3.1
.7	Paper and allied products	5.0	.7	Paper and allied products	3.7	.8	Stone, glass and clay products	2.8
.3	Logging	2.2	.8	Furniture, etc	2.2	1.0	Sawmills and planing mills	2.3
.7	Transportation equipment except auto	1.7	.3	Logging	1.6	.8	Furniture, etc	1.9
.8	Furniture, store fixtures, miscellaneous wooden goods	1.7	1.0	Sawmills and planing mills	1.6	.7	Paper and allied products	1.1
1.0	Sawmills and planing mills	1.5	.7	Transportation equipment except auto	1.4	.3	Logging	1.1

Adapted from Census of Population, 1940.

TABLE 3.—*Major Massachusetts manufacturing industries, cost of materials, wages and salaries, and value of products*

Industry group	Percent cost of materials[1] is of value of product, 1939[2]	Major Massachusetts industries, 1950[3]	Percent wages and salaries are of value of product, 1939[2]
All industry groups	56.6		20.5
Products of petroleum and coal	77.1		7.5
Tobacco manufacturers	73.5		6.0
Nonferrous metals and their products	68.0		15.0
Automobiles and automobile equipment	67.3		18.9
Food and kindred products	66.5	X	11.1
Apparel and other finished products made from fabrics	58.5	X	24.9
Leather and leather products	58.0	X C	25.2
Paper and allied products	56.9	X	19.6
Iron and steel and their products	55.2		24.4
Rubber products	55.0		22.8
Textile-mill products and other fiber manufactures	53.7	X C	27.0
Furniture and finished lumber products	50.6		27.4
Chemicals and allied products	49.7		14.0
Transportation equipment except automobiles	46.6		34.3
Lumber and timber basic products	44.9		32.3
Electrical machinery	42.1	X E	27.6
Miscellaneous	40.3	X	30.1
Nonelectric machinery	39.5	X E	30.9
Stone, clay, and glass products	36.7		28.4
Printing and publishing	31.5	X E	32.0

[1] Includes cost of materials, supplies, fuels, purchased electric energy and contract work.
[2] Based upon *Census of Manufactures*, 1939.
[3] U. S. Department of Labor, Bureau of Labor Statistics.

TABLE 4.—*Consumption and cost of fuels in manufacturing industries, 1939*

	Consumption of fuels	Cost per million B. t. u.'s	Consumption per wage earner
	Billions B. t. u.	*Cents*	*Millions B. t. u.*
United States	5,367,386	15.8	681
GEOGRAPHIC DIVISIONS			
1. West South Central	510,948	6.6	1,946
2. East South Central	309,013	12.1	864
3. Mountain	123,612	14.9	1,785
4. Middle Atlantic	1,563,601	16.1	696
5. South Atlantic	452,176	16.3	458
6. West North Central	218,370	16.8	571
7. East North Central	1,715,751	17.7	781
8. Pacific	186,368	18.4	413
9. New England	285,518	20.8	299
Rhode Island	32,725	16.7	308
Massachusetts	139,856	19.9	304
Connecticut	66,404	20.9	284
Maine	28,312	24.8	374
New Hampshire	13,700	27.6	246
Vermont	4,493	33.0	206

Source: Census of Manufactures.

TABLE 5.—*Consumption and cost of purchased electric energy in manufacturing industries, 1939*

	Quantity purchased	Cost per kilowatt-hour	Consumption per wage earner
	Kilowatt-hours	*Cents*	*Kilowatt-hours*
United States	45,040,075	1.03	5,711
GEOGRAPHIC DIVISIONS			
1. East South Central	3,787,107	.68	10,584
2. Mountain	1,065,388	.76	15,387
3. Pacific	3,263,467	.90	7,236
4. South Atlantic	5,694,100	.96	5,772
5. Middle Atlantic	12,949,780	.99	5,756
6. West South Central	1,960,990	1.02	7,468
7. East North Central	10,882,529	1.17	4,957
8. West North Central	2,051,200	1.25	5,367
9. New England	3,385,514	1.35	3,550
Maine	572,342	.74	7,565
New Hampshire	175,082	1.27	3,139
Vermont	104,785	1.40	4,816
Rhode Island	378,448	1.42	3,561
Connecticut	687,276	1.49	2,943
Massachusetts	1,467,581	1.51	3,186

Source: Census of Manufactures.

TABLE 6. *Selected Massachusetts industries currently using gas*

Electrical machinery and equipment: Incandescent lamp making, flange making, stem making, insertion of filament supports, sealing-in, exhaust, basing, sintering for coiled filaments, miscellaneous use.

Fluorescent lamp making: Flange making, stem making, sealing-in, exhaust, basing, lehring (annealing and coating baking).

Tubes: Radio, television and radar equipment.

Electrical equipment and appliances: Flame hardening, plating, baking, baking and finishing, soldering, drying.

Food processing: Roasting, baking, cooking, smoking.

Machinery and metalworking: Annealing, carburizing, coating, cleaning equipment, cyaniding, drying, hardening and tempering, hydrizing, nitriding.

Paper and allied products: Drying.

Plastics: Softening, compression molding, injection molding.

Printing and publishing: Drying, melting.

Textiles and other mill products: Singeing yarns and fabrics, drying.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. DEANE] is recognized for 20 minutes.

FIFTEENTH ANNIVERSARY OF REA LIGHT AND POWER PROGRAM

Mr. DEANE. Mr. Speaker, the Government program that brought light and power and an improved way of life to rural America observes its fifteenth anniversary this month. At this time I would like to pay tribute to its accomplishments and to pledge my support to any measure that will insure its continued progress.

On a day long to be remembered by the farmers of this Nation, May 11, 1935, the Rural Electrification Administration was created by Executive order of the late President Roosevelt. At that time only 1 out of every 10 farms in the Nation had electricity, and there was little chance that the others would ever get it unless the farm people themselves were given the opportunity to do something about it. The REA program provided them that opportunity on a pay-as-you-go basis. Today, better than 85 percent of our farms are electrified.

In 1935, when this great program started, only about three out of every hundred farms in North Carolina had electric service. Now, 15 years later, 8 out of 10 are connected to the highlines.

The first REA loan in my State was made to the Tidewater Power Co., of Wilmington, back in 1935. Since then, 1 other commercial company, 2 municipalities, and 34 cooperatives have borrowed a total of $61,244,552 and the lines that this money financed now reach into all but 4 counties of North Carolina. In my Eighth Congressional District, rural people in all 12 counties are receiving service from REA cooperatives.

More than 129,000 farm families and other rural establishments in North Carolina have been brought electricity by REA-financed lines. Most of them would not have it now except for the REA loans. Almost 7,000 more families—perhaps 28,000 people—will have service as soon as construction already approved is completed.

And the REA co-ops have pledged themselves to keep on expanding their facilities until practically all of the 45,000 farms still unserved in North Carolina have access to power.

There are six of these co-ops serving the rural people in my district. They are the Pee Dee Electric Membership Corp., of Wadesboro; the Davidson Electric Membership Corp., of Lexington; the Davie Electric Membership Corp., of Mocksville; the Union Electric Membership Corp., of Monroe; the Lumbee River Electric Corp., of Red Springs; and the Central Electric Membership Corp., of Sanford.

These cooperatives are doing a fine job and their members have great pride in their accomplishments. Altogether these co-ops are operating more than 8,000 miles of line and are serving nearly 30,000 of my constituents.

At least 500 more families in my district will receive electricity when these co-ops complete construction already approved by REA.

The money that these farm people in my district borrowed from REA to build their facilities is being paid back to the Government at a remarkable rate. The six co-ops have received loans totaling $12,655,000 and already they have made

principal and interest payments totaling $1,290,458, including $162,901 on principal before it was due.

The REA program, as it has been put to work by the farmers of my district and the Nation, provides an excellent example of free enterprise at work. It is indicative of what a Government alert to the needs of its people and its responsibility to serve them can and should do.

Until the REA program was created, more than 287,000 farm families in North Carolina were denied the tools of modern living and farming. They had little hope of ever having electricity and the conveniences it brings; the conveniences which city people take for granted; the things which we are so proud to lump together and call the American standard of living.

Electricity has brought a new and more abundant way of life to the farms of America. Without electric power to lend a helping hand, farming means back-breaking toil from morning until dark. It means endless chores for the housewife, doing the family laundry with an old-fashioned washboard, carrying hundreds of pails of water a month.

That sort of existence was driving thousands of young folk off the farm to seek employment where they could enjoy the comforts of city living. It is vital to the Nation that those young men and women be encouraged to stay on the farm; to grow the food and fiber needs of this country. Electricity coming to the farm has been the greatest single factor in offering them that encouragement.

This, too, has been a big factor in the migration of thousands of young war veterans to the rural areas of America where they have settled with their families in farm homes which offer all the comforts to be found in city dwellings. The wives now are able to enjoy electric refrigerators, electric ranges, washing machines, and other labor-saving appliances.

But even of greater importance is the part electricity has played in helping the farmer to prosper; it has increased his efficiency many times over what it was when all farm chores had to be done by hand. Now, with the flick of a switch, he can put electricity to work for him on more than 400 different chores. It saves him time, money, and effort, and increases his income.

In its role as a banker for the program, which has been hailed by many as one of the most outstanding examples of democracy in action, the REA has invested more than $2,100,000,000 in the electrification of rural America. This money has been used to help start nearly 1,000 new privately owned, privately operated, tax-paying businesses, run by the farmers of this country, and dedicated to bringing electricity to every person in rural areas who wants it.

This goal is being reached at a record rate. During 1949, REA-financed cooperatives connected one consumer to their lines every 15 seconds of every working day. Right now they are operating more than 1,000,000 miles of lines and serving nearly 3,250,000 consumers who otherwise might never have had electricity.

I would like to emphasize that the money borrowed to build these facilities is being paid back to the Government with interest. There is no grant or subsidy whatsoever connected with these loans. Every penny lent by REA must and will be paid back by the borrowers.

Yet there are some who will tell you that this whole program is not American; that through these loans the Government is designing to get into the electricity business.

There is nothing further from the truth. Every pole, every foot of wire, every meter, and every transformer that goes into an REA-financed electric system is owned—lock, stock, and barrel—by the borrower. REA does not own, operate, or control a single piece of electric equipment.

Free, private enterprise is actually flourishing under the REA program.

For example, REA co-ops, during the fiscal year ending June 30, 1949, paid commercial power companies $30,924,331 for wholesale power to serve their farmer-consumers. More than $237,000 of this was paid by the co-ops in my district. More than 57 percent of all the power used by REA co-ops was purchased from these commercial companies. This compares with 51 percent in 1946, 55 percent in 1947, and 56 percent in 1948.

REA co-ops are just about the best customers the private utilities have. The commercial power companies are selling more energy than ever before in history, and REA is one of the principal reasons.

The problem that faces REA today is serious. With 85 percent of the Nation's farms electrified, the REA program is being bogged down by a power shortage. The almost fantastic increase in farm use of electricity in recent years has just about exhausted the capacity of existing suppliers to meet the power needs of the cooperatives.

In fact, a recent survey shows that 22 percent of the co-ops do not now have enough power to meet their present needs. Another 26 percent report they do not have enough power in sight to meet their anticipated growth. Unless additional power sources are opened up, continued progress of rural electrification is threatened.

REA can be forced against the wall unless power can be made available. Two REA's have already been forced to sell.

I am pleased to know that the six REA cooperatives in my Eighth Congressional District are moving forward with renewed interest. It behooves every member to work closely with his local REA board of directors and managers. These men and women are performing a great service and must have the full cooperation of all users.

The farmers of my congressional district, of my State and of the Nation, on this fifteenth anniversary of the REA program, should be congratulated on the fine job they have done in providing themselves with electricity. Let us help them protect the gains they have made and likewise help them do a still better job.

ABANDONED AIRFIELDS SHOULD BE GUARDED

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to revise and extend my remarks, and include a letter from a constituent.

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

There was no objection.

Mr. REES. Mr. Speaker, my attention has recently been forcibly directed to a situation in this country with respect to the manner in which airfields and airports formerly used by our armed forces have been abandoned since the close of hostilities.

There are several hundred in the United States, some of them in Kansas. Nearly all of these airfields are either not policed, or if so, only partially guarded.

I have a letter from Mr. J. E. Schaefer, vice president, Boeing Airplane Co., Wichita, Kans., who has called my attention to this matter, and from which I quote in part:

> As you know, there are several large airfields which have been abandoned in Kansas. This same situation is true in almost every State of the Union. Little or no policing is provided on many of these airfields. * * * These abandoned airports should then either be policed, immobilized, or destroyed. * * * Congress, it seems to me, should request an immediate study of this situation and require whatever defensive action is necessary to preclude any possibility of abandoned airports being used by a potential enemy or its accessories.

Mr. Schaefer has spent a lifetime in the airplane business. He has recently made a careful study of this subject matter to which I have called your attention. He believes we should not sit idly by and permit these hazards to continue, when with comparatively small expense and little effort, they could be amply protected.

I suggest that members of the Committee on Armed Forces give this important problem the attention to which it is entitled.

Mr. Schaefer states Gen. George Kenny, commanding general of the Air Force University, Maxwell Air Field, in a recent visit to Wichita, joined Mr. Schaefer in his opinion.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. AUGUST H. ANDRESEN, on account of official business.

To Mr. DINGELL (at the request of Mr. MCCORMACK), indefinitely, on account of illness.

To Mr. BRAMBLETT, for an indefinite period, on account of important business.

To Mr. ALLEN of California, for 3 weeks, beginning May 13, 1950, on account of official business.

To Mr. SCUDDER, for 3 weeks, on account of official business.

ECONOMY IN GOVERNMENT

Mr. IRVING. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

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

There was no objection.

Mr. IRVING. Mr. Speaker, I desire to address the Members of the House again today on the subject of economy. Yesterday in the Committee of the Whole, while we were debating the $29,000,000,000 omnibus appropriation bill, I spoke twice rather caustically and pertinently about this vitally important subject. The remarks I am about to make cannot in any way be construed in the nature of criticism of the present administration, because it has generally been felt that the ECA or Marshall-plan program has been one that has received nonpartisan support. I supported the program because of its definite worth to all of us as a nation and because it has been so tremendously effective in combatting totalitarianism in the balance of the world where free people still survive. Further, it has for some time been under the direction of a very fine Republican, Mr. Hoffman.

However, it is my purpose to call your attention to this newspaper item date lined Paris, May 10. It is very short, only about 9 or 10 lines, but it is very illustrative of the lack of economy that I am so strenuously opposed to. Waste and inefficiency along with such stupid and ineffective use of the taxpayers' money are things that the American people are objecting to and are so resentful of. Why do not we eliminate such idiotic and careless handling of our financial affairs by those who are so callous and indifferent to the general welfare of our own country.

May I read this little clipping from one of the Washington newspapers:

ECA FUNDS REBUILDING FRENCH GAMING CASINO

PARIS, May 10.—Marshall-plan funds are being used to the extent of four and a half million francs to rebuild the gambling casino at Le Havre. The ECA office here says "this may seem frivolous expenditure, but it is important to help increase the town's revenues."

To me it seems rather inconsistent that the Congress is authorizing the spending of $150,000 for a committee of the Senate to make a nation-wide investigation of gaming or gambling with its resultant crime and corruption, and $20,000 for a House committee to make a similar investigation confined to the District of Columbia. I know it must strike you the same way. The brashness and absurdity of the whole affair would throw a person for a loop or make one throw rocks at their grandmother so to speak. Many a town or city in this country may need to increase its revenues, but we will not agree that this is the proper way for them to do so. Is this the old way of "taking" our touring citizens? We should pay for these contraptions and supply the suckers as well? No indeed, let these schemers go to work producing goods that will benefit their citizens and supply a permanent and legitimate source of revenue, thereby also eliminating the causes of hardships and moral degeneration. More honest work and less dishonest scheming will help solve their problems.

I am sure that most of the Members here will agree that this does make sense. If they do not, then I will say that it is too bad because I am sure the majority of the good people of this country will not condone such reckless and ill-advised spending of their money. And, that is only from the dollar-and-cent viewpoint. There are many who will have some moral compunctions about such activities. Many civic-minded people in our towns and cities, counties, States, and Federal Government, are trying desperately, or should be if they are not, to control, or better yet, to eliminate this grave menace to our own society and Government. These are the aspirations of those who desire to protect fine mothers with their families of good children who are many times utterly helpless to avoid the disgraceful hardships which are inflicted upon them by such nefarious and evil activities. To say they are unlawful is but a mild statement and only a temporizing rebuke. No one can deny that to a great extent the payoffs are in the form of broken homes, separations, divorces, and child abandonment. No one can deny that innocent children are ill-housed, ill-fed, and ill-clad because of commercialized gambling. Nor can anyone say that they are not further harmed by the lack of proper medical care, insufficient schooling, inadequate home training, as well as badly neglected religious instruction. I think I need not go further in my efforts to show how these families are ravaged and the lives of future citizens are jeopardized and imperiled under such circumstances, and I think it well applies to those of other countries. Shall we support them with our tax money? No.

It is not a habit of mine to lecture, nor to moralize, and I have not intended to do so. It has only been a desperate effort on my part to point out as vividly and dramatically as possible for me to, to the pathos of such a situation where we are actually sending our money to another country while we are denying, because of the dire need for economy here, relief for many of our children from the very things that I have spoken of.

Mr. Speaker, it is, to my way of thinking, an atrocious as well as ludicrous proposition to say the least. Now you may say I am making a mountain out of a mole hill. What is four and one-half million francs, you say—maybe not too much, but I would not care if it were only 50 francs under these circumstances. Then again, Mr. Speaker, this is not the first instance of such unwise and unjustified expenditures of ECA money that has come to my attention. No, indeed; some have been reported that would make this sum look like a 5-cent bag of peanuts. Now let me caution you Members as well as the people of this country that we cannot expect perfection in the handling of such a colossal program with all of its many harassing ramifications. It is certainly impossible to expect this huge organization to lay everything on the line to the degree of a gnat's heel. However, let us get down to brass tacks and cut out the monkey business. We must do it if we want the future wholehearted support and cooperation of Mr. Public.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks and include extraneous matter.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SHELLEY asked and was given permission to extend his remarks in two instances.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in two instances.

Mr. DONOHUE asked and was given permission to extend his remarks and include extraneous matter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in four instances and include articles and speeches.

Mrs. HARDEN asked and was given permission to extend her remarks and include a tribute to Johann Sebastian Bach prepared by Mr. Herschel C. Gregory, a resident of Lebanon, Ind.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include an editorial.

Mr. COLE of New York asked and was given permission to extend his remarks and include an editorial.

Mr. HAND asked and was given permission to extend his remarks in two separate instances and in each to include editorials.

Mr. GWINN asked and was given permission to extend his remarks.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in two instances and in each to include newspaper articles.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.), under its previous order, the House adjourned until Monday, May 15, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1441. Under clause 2 of rule XXIV, a letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system, and authorizing the United States to pay for water and water services secured from the District of Columbia water system," was taken from the Speaker's table and referred to the Committee on the District of Columbia.

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. STANLEY: Committee on House Administration. House Concurrent Resolution 182. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress

up to and including the Eightieth Congress; without amendment (Rept. No. 2039). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Concurrent Resolution 176. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the national health plan for the use of the Committee on Interstate and Foreign Commerce; without amendment (Rept. No. 2040). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 551. Resolution authorizing the printing of the report entitled "Unification and Strategy" as a House document; without amendment (Rept. No. 2041). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 557. Resolution authorizing the printing of the committee print entitled 'Congress and the Monopoly Problem—50 Years of Antitrust Development, 1900–1950," as a House document; without amendment (Rept. No. 2042). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 595. Resolution authorizing the printing of the manuscript entitled "The Making of a Congressman" as a House document; without amendment (Rept. No. 2043). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 555. Resolution for the relief of Hazel B. Prater; without amendment (Rept. No. 2044). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 591. Resolution for the relief of Mrs. Rose Margaret Torrance; without amendment (Rept. No. 2045). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 594. Resolution for the relief of Albert A. Wrede; without amendment (Rept. No. 2046). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 506. Resolution providing for the payment of 6 months' gratuity and $350 funeral expenses to the estate of George T. Giragi, late an employee of the House of Representatives; with amendment (Rept. No. 2047). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 534. Resolution providing for additional compensation for certain employees of the House of Representatives; without amendment (Rept. No. 2048). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 524. Resolution providing for the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; without amendment (Rept. No. 2049). Ordered to be printed.

Mr. PETERSON: Committee on Public Lands. H. R. 7722. A bill to provide for the acquisition and preservation, as a part of the National Capital park system, of the Old Stone House in the District of Columbia; with amendment (Rept. No. 2050). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 8287. A bill to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; without amendment (Rept. No. 2051). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4370. A bill for the relief of May Hosken; without amendment (Rept. No. 2052). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8290. A bill for the relief of Jeffrey Bracken Spruill and Susan Spruill; without amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 8479. A bill to provide waiver of premiums on national service life insurance policies for certain totally disabled veterans; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. R. 8480. A bill to establish the counties of Kings and Richmond and the counties of Nassau, Queens, and Suffolk in the State of New York as a separate and complete internal revenue collection district, and for other purposes; to the Committee on Ways and Means.

By Mr. CROOK:

H. R. 8481. A bill to authorize a preliminary examination and survey of the third district area, Elkhart and St. Joseph Counties, Ind., including tributaries of the St. Joseph River, for flood control, drainage, and related purposes; to the Committee on Public Works.

By Mr. DAVIES of New York:

H. R. 8482. A bill to amend section 5 of title 17 of the United States Code, entitled "Copyrights"; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 8483. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8484. A bill to authorize the incorporation of Army and Navy Legion of Valor of United States of America; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 8485. A bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; to the Committee on Agriculture.

By Mr. SCUDDER:

H. R. 8486. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 8487. A bill to authorize the use of penalty envelopes by the National Guard of the United States; to the Committee on Post Office and Civil Service.

By Mr. STOCKMAN:

H. R. 8488. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Public Lands.

By Mr. HARDIE SCOTT:

H. R. 8489. A bill to amend section 5 of the Home Owners' Loan Act of 1933, so as to prohibit the use by Federal savings and loan associations of certain terms commonly used by banks; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 8490. A bill to provide for the retirement of any judge of the United States District Courts for the Districts of Hawaii or Puerto Rico, and the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, or the District Court of the Virgin Islands, any justice of the Supreme Court of the Territory of Hawaii, and any judge of a Circuit Court of the Territory of Hawaii after 10 years of service; to the Committee on the Judiciary.

By Mr. HART:

H. R. 8491. A bill relating to the chartering of war-built vessels and other defense reserve vessels by the United States Maritime Commission; to the Committee on Merchant Marine and Fisheries.

By Mr. LARCADE:

H. R. 8492. A bill to repeal paragraph 1752 (relating to patna rice) of the Tariff Act of 1930; to the Committee on Ways and Means.

H. R. 8493. A bill to amend the Tariff Act of 1930 so as to remove from the free list patna rice cleaned for use in the manufacture of canned soups; to the Committee on Ways and Means.

H. R. 8494. A bill to impose a duty of 2½ cents per pound on patna rice cleaned for use in the manufacture of canned soups and for other purposes, rice meal, and broken rice; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H. R. 8495. A bill to amend the act of July 6, 1945, relating to the classification and compensation of postmasters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BARRETT of Pennsylvania:

H. R. 8496. A bill to provide for the admission to the United States of an additional number of aliens of Italian nationality; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 8497. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and orders, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. RIBICOFF:

H. J. Res. 468. Joint resolution designating June 26 of each year as National Baseball Day; to the Committee on the Judiciary.

By Mr. JAVITS:

H. Res. 601. Resolution to bring about rescission of the order curtailing postal service of the Postmaster General; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BEALL:

H. R. 8498. A bill for the relief of Mr. and Mrs. Istvan Eisasser; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 8499. A bill for the relief of Zora Krizan, also known as Zorardo Krizanova; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 8500. A bill for the relief of Hatsuko Torikai; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 8501. A bill for the relief of Michiko Sato; 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:

2122. By Mr. FORAND: Resolution of the General Assembly of Rhode Island, memorializing Congress to revive the Civilian Conservation Corps for unemployed youths between the ages of 17 and 23; to the Committee on Public Lands.

2123. By Mr. HART: Resolution adopted by the Board of Commissioners of the City of Union City, N. J., condemning the order

of the Postmaster General dated April 18, drastically reducing mail service to the public, etc.; to the Committee on Post Office and Civil Service.

2124. By Mr. HOLMES: Petition of 27 members of John T. Alderson Auxiliary, No. 17, United Spanish War Veterans, Department of Washington and Alaska, of Yakima, Wash., urging approval of House bill 6217; to the Committee on Veterans' Affairs.

2125. By Mr. RICH: Resolution of the Fraternal Order of Eagles, Renovo, Clinton County, Pa., urging that the order of the Postmaster General curtailing postal service be rescinded; to the Committee on Post Office and Civil Service.

SENATE

FRIDAY, MAY 12, 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, who art the abiding peace of the universe, our lot has been cast in this strange and difficult time; so many things distract us; often our lives become feverish and hectic and irritable. Help us so to confront the problems that baffle us that from them may come victory in our own souls and spiritual gain for the world.

Teach us the secret of dwelling in a world full of hate and yet not becoming hateful persons. Giving our best ability to the people's good, may we rise above all bitterness by an unshakable faith in the shining splendor of humanity. So may we be the obedient servants of the Father of all, who shall not fail nor be discouraged till He hath set judgment in the earth and in the isles which wait for His law. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 11, 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. Miller, one of his secretaries, and he announced that on May 10, 1950, the President had approved and signed the following acts:

S. 247. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes;

S. 621. An act for the relief of Horace J. Fenton;

S. 1069. An act to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions;

S. 2590. An act to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins;

S. 2874. An act to amend titles 18 and 28, United States Code, with respect to the time of reporting to Congress rules of procedure adopted by the Supreme Court for criminal, civil, and admiralty cases and the time of their taking effect; and

S. 3255. An act to amend section 415 of the Career Compensation Act of 1949, to extend the effective date of that section to December 31, 1950, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions in which it requested the concurrence of the Senate:

H. Con. Res. 176. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the national health plan for the use of the Committee on Interstate and Foreign Commerce; and

H. Con. Res. 182. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress.

LEAVES OF ABSENCE

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

On request of Mr. LONG, and by unanimous consent, Mr. FREAR was excused from attendance on the sessions of the Senate for the next 10 days or 2 weeks, on official committee business.

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	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Mundt
Bridges	Holland	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Capehart	Jenner	Robertson
Chapman	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Dworshak	Kilgore	Stennis
Eastland	Knowland	Taylor
Ecton	Langer	Thomas, Okla.
Ellender	Leahy	Thomas, Utah
Ferguson	Lehman	Thye
Frear	Lodge	Tobey
Fulbright	Long	Tydings
George	Lucas	Watkins
Gillette	McCarthy	Wherry
Green	McFarland	Wiley
Gurney	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Malone	Young

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate on official business.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate.

The Senator from Montana [Mr. MURRAY] is absent because of illness in his family.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The senior and junior Senators from Ohio [Mr. TAFT and Mr. BRICKER] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that Senators may be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

Mr. DONNELL. Mr. President, I understand that the Senator from Arizona means that his request is made without prejudice to my right to the floor.

Mr. MCFARLAND. Yes; without prejudicing the right of the Senator from Missouri to the floor.

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

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Common Council of the City of Oshkosh, Wis., favoring the enactment of Senate bill 2163, to make farm loan bonds issued under authority of the Federal Farm Loan Act obligations of the United States; to the Committee on Agriculture and Forestry.

The memorial of Mrs. W. J. Munday, of Atlanta, Ga., remonstrating against the extension of rent controls; to the Committee on Banking and Currency.

A letter in the nature of a petition from the Citizens-Taxpayers Association, of Westerly, R. I., signed by A. Fred Roberts, secretary, relating to old-age assistance; to the Committee on Finance.

The petition of Severo S. Guinto, of Batasan, Macabebe, Pampanga, Philippines, relating to his claim for a pension for service in the Philippine Insurrection; to the Committee on Finance.

The petition of Hartman Pauly, of Sacramento, Calif., praying for compensation of certain war damages; to the Committee on the Judiciary.

FLOOD DAMAGE—RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, GRAND FORKS COUNTY, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the