Calif., for public park purposes"; to the Committee on Public Lands.

By Mr. NORRELL:

H. R. 8680. A bill to provide for the execution of a loyalty affidavit by every officer or employee in or under the executive, legislative, or judicial branch of the Government of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 8681. A bill to amend the Commodity Credit Corporation Charter Act to prescribe the share of lending agencies in the interest derived from loans made in carrying out loan programs of the Corporation; to the Committee on Banking and Currency.

MEMORIALS

Under clause 3 of rule XXII memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisian; requesting the insuring of the proper administration and processing of applications under the Displaced Persons Act of June 25, 1948; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BOGGS of Louisiana:

H. R. 8682. A bill for the relief of Karel Anton Kovacic and Mrs. Maria Petrovic Kovacic; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 8683. A bill for the relief of Simone Lucacich; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 8684. A bill for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 8685. A bill for the relief of Mrs. Myrtle E. Moe; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8686. A bill for the relief of the Overseas Navigation Corp.; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 8687. A bill for the relief of Angelo Messina; 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:

2171. By Mr. HART: Resolution adopted by Board of Commissioners of the Mayor and Council of the City of Hoboken, N. J., protesting rent increases of excessive amounts granted by the regional Federal housing expediter; to the Committee on Banking and Currency.

2172. By Mr. RICH: Resolution of chapter 246, WOT Moose, Renovo, Pa., urging that order of Postmaster General curtailing postal service be rescinded; to the Committee on Post Office and Civil Service.

2173. By the SPEAKER: Petition of J. C. Watchman, vice president, Greater New Castle Association, Inc., New Castle, Pa., opposing any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2174. Also, petition of F. Frank Ward, secretary, Vernal Chamber of Commerce, Vernal, Utah, requesting the defeat of any attempt to socialize medicine, and to prevent the enactment of House bill 6766; to the Committee on Interstate and Foreign Commerce.

2175. Also, petition of May Nakanishi, secretary, Japanese-American Citizens League, Salt Lake City, Utah, requesting Congress to increase the appropriation now allotted for the Justice Department to administer the evacuation claims program during the fiscal year 1951; to the Committee on the Judiciary.

2176. Also, petition of Generoso Tanseco, president, Filipino Shipowners Association, Manila, Philippines, vigorously opposing the enactment of House bill 7665, which would authorize the purchase of certain war-built vessels by citizens of the Republic of the Philippines; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, JUNE 1, 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:

Eternal God, who in these searching days art sifting out the souls of men before Thy judgment seat, who hast ushered us into this strange world where no good thing cometh save as we fulfill the conditions of its coming, strengthen us for the high enterprise of being laborers together with Thee in building a more decent world where Thy children may dwell in plenty and fraternity and liberty. Though the road to peace for our time and for our children's children be tedious and toilsome, still lead us on, with patience following the gleam of Thy guidance, with clear heads and pure hearts, worthy of the trust the Nation has committed to our hands. We ask it in the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 1, 1950.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
President pro tempore.

Thereupon Mr. HAYDEN took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. O'MAHONEY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 31, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate because of his appointment as a member of the committee to attend the funeral services of the late Representative William Lemke, of North Dakota.

On her own request, and by unanimous consent, Mrs. SMITH of Maine was excused from attendance on the sessions of the Senate from June 2 to and including June 12, for the purpose of attending the UNESCO Conference at Florence, Italy.

On his own request, and by unanimous consent, Mr. TOBEY was excused from attendance on the session of the Senate on Monday next.

CALL OF THE ROLL

Mr. O'MAHONEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant journal clerk (James Anton) called the roll, and the following Senators answered to their names:

Benton	Hendrickson	Myers
Bricker	Hill	Neely
Bridges	Hoey	O'Conor
Butler	Holland	O'Mahoney
Byrd	Humphrey	Pepper
Cain	Ives	Robertson
Capehart	Johnson, Colo.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Darby	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taft
Dworshak	Leahy	Taylor
Eastland	Lehman	Thomas, Utah
Ecton	McCarran	Tobey
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	Magnuson	Wherry
Frear	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Withers
Gillette	Millikin	
Hayden	Mundt	

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Connecticut [Mr. MCMAHON] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Montana [Mr. MURRAY] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Minnesota [Mr. THYE], the Senator from

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The ACTING PRESIDENT pro tempore. A quorum is present.

UNVEILING OF THE BRIGHAM YOUNG STATUE

Mr. THOMAS of Utah. Mr. President, I have been asked by the committee in charge to inform the Senate that the ceremonies in connection with the unveiling of the Brigham Young statue, which is Utah's statue to the Nation, will begin today at 2 o'clock in the rotunda of the Capitol.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT ON MUTUAL DEFENSE ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 613)

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 7930.)

RELIEF OF CERTAIN CONTRACTORS IN CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the legislative clerk:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill 794, entitled "An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif."

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 1, 1950.*

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred, as indicated:

REPORT OF DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report of the activities of the Department of Justice for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on the Judiciary.

EXCLUSION OF CERTAIN MATTERS FROM THE MAILS

A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON PERSONNEL CEILINGS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, his report of personnel ceilings for the quarter ended March 31, 1950 (with an accompanying report); to the Committee on Post Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"House Concurrent Resolution 2

"Concurrent resolution memorializing the Congress of the United States, the President of the United States, and the Displaced Persons Commission, to insure the proper administration and processing of applications under the Displaced Persons Act of June 25, 1948

"Whereas under the provisions of act of the Congress of the United States of June 25, 1948, commonly referred to as the Displaced Persons Act, certain displaced persons and refugees from Europe are being allowed entry into the United States of America; and

"Whereas under the administration of said act the probability of entry into the United States of Communists and other undesirable aliens is very great; and

"Whereas due to the strained relations existing at the present time between the United States and certain foreign powers such entry and infiltration of such undesirable aliens would in the opinion of the legislature be highly prejudicial and definitely detrimental to the peace and security of this country: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the legislature respectfully request, recommend, and implore the Members of the Congress of the United States, the President of the United States, and the members of the Displaced Persons Commission to use every means and power at their command to insure the proper and efficient administration of the Displaced Persons Act of June 25, 1948, and require rigid and strict processing and screening of any and all applications for entry into the United States under the provisions of said act; be it further

"Resolved, That the legislature do respectfully request, recommend, and implore the Displaced Persons Commission to reject any and all applications for entry under the provisions of said act filed by persons who are or have been members of the Communist Party or other organizations of similar subversive character; be it further

"Resolved, That the secretary of the state of Louisiana be and he is hereby directed to send certified copies of this resolution to the President of the United States, the House of Representatives and the Senate of the United States, and to the Displaced Persons Commission.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

Two concurrent resolutions of the Legislature of the State of Louisiana; to the Committee on Finance:

"Senate Concurrent Resolution 2

"Concurrent resolution memorializing Congress to preserve the present income-tax depletion allowance on oil and gas

"Whereas there has been proposed by the Secretary of the Treasury of the United States a reduction of the existing Federal income-tax depletion allowance on the production of oil and gas; and

"Whereas the said existing depletion allowance has been preserved intact through many sessions of Congress, not by oversight, but upon mature consideration; and

"Whereas the said existing depletion allowance has become an established factor in the economic structure of the oil and gas industry and banking and financial commitments have been based on it; and

"Whereas it has had a wholesome and beneficial effect upon the oil and gas industry in particular and upon the welfare and safety of the Nation as a whole by encouraging continual reinvestment of tremendous sums of risk capital and the continual discovery of new sources of oil and gas, so vital to the welfare and safety of our Nation in time of war; and

"Whereas the maintenance of said existing depletion allowance is of particularly vital importance to small, independent, and marginal producers of oil and gas and any substantial reduction of said depletion allowance would cripple production and eliminate altogether many independent producers: Therefore, be it

"Resolved, That the Legislature of Louisiana, upon the concurrence of the senate and the house of representatives, does hereby memorialize the Congress of the United States to refrain from enacting any legislation reducing the existing income-tax depletion allowance provided for the oil and gas industry; and be it further

"Resolved, That copies of this resolution be sent to the presiding officer of the House of Representatives and of the Senate of the United States; to the chairman of the House Ways and Means Committee; the chairman of the Senate Finance Committee of the United States Congress, and to the Members of the Louisiana congressional delegation.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

"Senate Concurrent Resolution 3

"Concurrent resolution memorializing Congress to restrict imports of foreign oil into the United States

"Whereas the excessive importation of foreign oil into the United States have resulted in repeated curtailments of domestic productions, with resultant heavy loss of revenues and income to domestic operators and the landowners of this State and loss of tax revenue to the State of Louisiana; and

"Whereas it appears that the State government is sustaining loss of some $8,000,000 per year in tax and royalty revenues, as well as untold losses in sales and other tax revenues because of the reduction of drilling and development and production operations; and

"Whereas said reduction of revenues poses not only a serious menace to the financial structure of the State government, but a growing danger to the welfare and security of the Nation as a whole by reason of the discouragement of development of those reserves of oil so vitally necessary in time of war: Therefore be it

"Resolved by the Legislature of Louisiana, upon the concurrence of the senate and house of representatives, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to enact appropriate legislation restricting the importations of foreign oil; and be it further

"Resolved, That copies of this resolution be sent to the presiding officer of the Senate and of the House of Representatives of the Congress of the United States, to the chairman, EUGENE J. KEOGH, and members of the

Oil Imports Subcommittee of the Small Business Committee of the House of Representatives, to the Senators and Representatives in Congress from this State, to the Honorable S. L. Digby, State conservation commissioner, and to Hon. O. G. Collins, chairman of the State mineral board.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

A resolution of the House of Representatives of the State of Louisiana; to the Committee on Labor and Public Welfare:

"House Resolution 15

"Resolution memorializing the Congress of the United States not to federalize the practice of medicine

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

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

"Whereas the experience of all countries where Government has assumed control of medical care has been a progressive deterioration of the standards and quality of that care to the serious detriment of the sick and the needy: Therefore be it

"Resolved by the House of Representatives of the State of Louisiana, a majority of the members elected agreeing thereto:

"1. The Congress of the United States is hereby memorialized not to enact any proposed legislation the effect of which will be to bring the practice of medicine in this country under Federal direction and control, either through a form of compulsory insurance or any system of medical care designed for national bureaucratic control.

"2. The Senators and Representatives from Louisiana now in the Congress of the United States are hereby respectfully requested to bend their every effort and utilize all facilities at their command to prevent the enactment of such legislation.

"3. Copies of this resolution shall forthwith be transmitted to the President of the United States, to the presiding officer of each branch of the Congress, and to each Senator and Congressman from Louisiana."

A resolution adopted by the delegates to the Hawaiian Constitutional Convention, Honolulu, T. H.; to the Committee on the Judiciary:

"Resolution 38

"Whereas House Joint Resolution 238 of the Eighty-first Congress of the United States to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, passed the House of Representatives on June 6, 1949, and is now pending in the Senate; and

"Whereas under the present provisions of section 303 of the Nationality Act of 1940, as amended, the right of naturalization is denied Japanese, Burmese, Koreans, Malayans, Maoris, Polynesians, and Samoans; and

"Whereas there are today in the United States some 90,000 aliens lawfully admitted for permanent residence who are denied the privileges of naturalization under Federal laws solely because of race; and

"Whereas most of these aliens who are ineligible to citizenship have resided in the United States and its territories for at least the greater part of a half century and have demonstrated their capacity for citizenship and allegiance and loyalty beyond all question of doubt, and have earned the right to naturalization by every standard of citizenship: Now therefore, be it

"Resolved by the delegates to the Hawaii Constitutional Convention here assembled, That we go on record endorsing House Joint Resolution 238 of the Eighty-first Congress providing the privilege of naturalization for all aliens lawfully admitted into the United States for permanent residence; and be it further

"Resolved, That we request favorable action, as speedily as possible, by the Senate of the United States; and be it further

"Resolved, That certified copies of this resolution be transmitted to the President of the United States of America, the President of the Senate, the Speaker of the House of Representatives, the chairman of the Senate Committee on Immigration and Naturalization, the chairman of the Senate Committee on Interior and Insular Affairs and the Delegate to Congress from Hawaii."

"CONSTITUTIONAL CONVENTION OF HAWAII OF 1950,
"Honolulu, T. H., May 24, 1950.

"We hereby certify that the foregoing resolution was this day adopted by the Constitutional Convention of Hawaii of 1950.

"SAMUEL WILDER KING,
"President of the Convention.
"HEBDEN PORTEUS,
"Secretary of the Convention."

A resolution adopted by the Eastern District Council of the Japanese American Citizens League, at Washington, D. C., relating to increased appropriations for the Department of Justice to administer the evacuation claims program during the fiscal year 1951; to the Committee on Appropriations.

A letter in the nature of a petition from the New Jersey Association of Housing Authorities, of Newark, N. J., signed by Murray M. Bisgaier, executive director, relating to the appropriation for the Administrative Budget of the Public Housng Administration; to the Committee on Appropriations.

A letter in the nature of a petition from the Liberal Party of New York State, New York, N. Y., signed by Marx Lewis, national legislative committee chairman, and Ben Davidson, executive director, relating to amendments of the so-called standby draft bill; to the Committee on Armed Services.

A letter in the nature of a memorial from the Beverly (Mass.) Council of Churches, signed by Eleanor M. Goodwin, remonstrating against the appointment of a representative of the United States to the Vatican; to the Committee on Foreign Relations.

A telegram in the nature of a petition from the Third Iowa District, Veterans of Foreign Wars, of Charles City, Iowa, signed by Wm. J. Hayes, adjutant, praying for the enactment of House bill 5965, to provide for the construction of certain Veterans' Administration hospitals, and H. R. 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Labor and Public Welfare.

A resolution adopted by the Vernal (Utah) Chamber of Commerce, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Maryland Branch of the Catholic Central Verein of America, and the Maryland Branch of the Catholic Women's Union, both at Baltimore, Md., favoring the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

A petition of members of the Forget Me Not Club of the Volunteers of America, and Clubs Nos. 1 and 2 of the Old Age Assistance Union of Illinois, assembled at Chicago, Ill., praying for the enactment of House bill 6000, providing for the extension and improvement of old-age assistance, with certain amendments; ordered to lie on the table.

THE GENOCIDE CONVENTION—PETITION

Mr. LUCAS. Mr. President, I have in my hand a letter in the nature of a petition from the Lithuanian-American Council, Inc., Chicago, Ill., praying for the ratification of the Genocide Convention, and giving its reasons therefor. I ask unanimous consent that the letter be incorporated in the RECORD and referred to the Committee on Foreign Relations.

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

LITHUANIAN AMERICAN COUNCIL, INC.,
Chicago, Ill., June 1, 1950.

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

DEAR SENATOR LUCAS: The Lithuanian American Council, which we have the honor to represent, embraces almost 1,000,000 American citizens of Lithuanian descent, living in all the States of the Union.

As the president, secretary, and treasurer of the council, we respectfully urge you to support the ratification of the Genocide Convention, for the following reasons:

1. Our members are deeply concerned over the genocide practices that the Soviet Union is carrying out against the Lithuanian nation behind the iron curtain, by such means as killing off intellectuals, political leaders, clergy, and all those who are providing leadership in community life, and by deporting thousands of families to Siberia in such conditions that families are broken up and never meet again. The Lithuanian people are subject to the type of destruction described in the Genocide Convention.

2. The Soviet Union, according to our information, also is practicing genocide on other Baltic nations and on the Ukraine. It is known that these nations are very friendly to the western allies and, in case of conflict, they can render important services to this country. Therefore, the destruction of these people is a threat to American security.

3. Fourteen nations have already ratified the Convention. Six more are necessary to make it a binding law upon nations. America took a leading part in the drafting and adoption of the Convention, and it would be inconceivable with the American position of leadership in the world if this country would not ratify the Convention immediately.

4. The Convention is a logical development of the foreign-aid program. If nations are helped economically, they should also be helped morally, legally, and politically in their struggle for survival.

5. The Genocide Convention will prove to be a most useful instrument in the cold war. By exposing Soviet Russia as the Cain of nations, we will prevent her from spreading her influence and penetration into other nations to whom Russian agents now promise liberation. It would also help us in our fight against communism—by showing that communism leads to genocide of the Soviet type.

We know that you are familiar with these problems, but we have taken the liberty to put a special emphasis on them at this crucial time.

We will be very grateful to you for your kind and urgent consideration.

Respectfully yours,

L. SIMUTIS,
President.
P. GRIGAITIS,
Secretary.
M. VAIDYLA,
Treasurer.

PUBLIC HEARINGS ON PUERTO RICAN CONSTITUTION BILL—PETITION

Mr. TYDINGS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in

the RECORD a letter in the nature of a petition signed by R. Arjona Siaca, a citizen of Puerto Rico, relating to public hearings in Puerto Rico on the Puerto Rican constitution bill.

There being no objection, the letter was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

MAY 18, 1950.

To the Honorable the Members of the Committee on Interior and Insular Affairs, Senate of the United States, Washington, D. C.

MY DEAR SENATORS: Moved by a spirit of cooperation with that committee in the loyal fulfillment of its duty to both the people of the United States and the people of Puerto Rico, I address this letter to all its distinguished members. Please consider it as an appeal to your civic conscience, with the hope that elemental political justice be not denied to the Puerto Rican people by limiting to Washington, D. C., and not holding also in Puerto Rico hearings regarding the pretended constitution bill now under your consideration.

There are, Sirs, many distinguished citizens in this island who, despite their deep respect for the opinion of the official authors and supporters of the bill, dare to sustain a contrary view regarding it, and are ready to show that, instead of being a serious measure toward the solution of a really unconcealable political problem, it could be considered—with less candorous judgment—as an act disdainful of the enlightened constitutional traditions of the United States. But almost all of these last-mentioned citizens are unable to afford the expenses of appearing in Washington to cooperate with you, in arriving at an adequate and just solution of the problem, a solution which would be worthy of the Nation's historic and contemporaneous place in the world's struggle for the survival of American principles of liberty and democracy.

Should those citizens be denied the opportunity to be heard in Puerto Rico, the result would be not only to deprive the committee of their more effective personal cooperation with it, to that end, but to make more onerous their poverty and more odious a situation so unbalanced in favor of the powerful bureaucrats of our over-centralized quasi-monopolistic one-party government, who, while dodging public discussion of the matter in Puerto Rico are financially able to appear personally before you at Washington in support of the measure, covering their expenses out of their considerable personal incomes or from a lavishly prodigal public treasury, wholly at their limitless command.

I am morally certain that the people of the whole Nation would consider such a result contrary to the lofty concepts of justice for all, which are the basis of the Nation's outstanding position in the world, particularly in its dealings with communities, as in the present case, subjected to its official might. That result would, furthermore, be more abhorrent if it should spring from a hasty or ill-advised metropolitan action regarding the basic process of all civilized, mature communities—the constitutional genesis which is vital and supreme to all Americans—to all, without distinctions.

I assume that in regard to proposed Federal legislative action, specifically or exclusively affecting your respective States, you would not think of holding hearings only in the Nation's Capital; and that, either officially or personally, you would also effectuate them in your own constituencies where it would be easier for your constituents—the less fortunate ones, I mean—to appear before you and express their ideas about the measure. The so-called constitution bill affects profoundly and almost exclusively the people of Puerto Rico. As a fellow citizen I therefore sincerely appeal to your spirit of justice and entreat you to apply the Golden Rule, which should by no means be exiled from political processes, in dealing with the paramount problem of the Puerto Ricans.

Very respectfully,

R. ARJONA SIACA.

RESOLUTIONS OF BOARD OF COUNTY COMMISSIONERS OF ST. LOUIS COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, two resolutions adopted by the Board of County Commissioners of St. Louis County, Minn., relating to Federal funds for repairs to roads and bridges as a result of the recent flood damage, and a Federal survey of waters in the Superior National Forest and border areas of northeastern Minnesota.

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

To the Committee on Appropriations:

"Resolution 456

"Whereas unusual flood conditions in northeastern Minnesota, on lands owned by the Federal Government, have caused serious damages to roads and bridges to such an extent that an emergency exists: Now, therefore, be it

"*Resolved*, That Congressman JOHN A. BLATNIK, of the Eighth Congressional District, and the United States Senators of the State of Minnesota, EDWARD J. THYE and HUBERT H. HUMPHREY, are hereby requested to seek an appropriation of emergency funds to the United States Forest Service, so as to permit said United States Forest Service to reconstruct and repair roads and bridges which were damaged or destroyed, on lands owned by the United States Government situated within the Counties of Lake, Cook, and St. Louis."

To the Committee on Public Works:

"Resolution 453

"Whereas the owners of lake-shore lands, homes, summer homes, cabins and resorts on and adjacent to Birch, White Iron, Bear Island, Farm, Garden, Fall, Newton, Basswood, Moose, Newfound, Fourtown, Boot, Burntside, and Shagawa Lakes and connecting waterways, are suffering increasing damages to our lake-shore and river-front properties as a result of the ever-widening fluctuation of water levels in the upper and lower Kawishiwi River Basins; and

"Whereas from year to year the extreme contrasts of water levels on above chain of lakes creates dangerous and hazardous conditions which continue to get worse as the old dams further deteriorate, causing flood stages to become higher and low-water stages to become lower, and as a result, all property owners are suffering irreparable damages to their properties. Navigation to and adjacent to the wilderness areas is being impeded to a point of extreme hazard and danger to navigation and the natural propagation of fish is suffering to a considerable degree because of this water level fluctuation: Now, therefore, be it

"*Resolved*, That JOHN A. BLATNIK, Congressman in the Eighth Congressional District, and United States Senators EDWARD J. THYE and HUBERT H. HUMPHREY are hereby requested to submit a formal petition to the War Department Engineers with the request that said engineers conduct a survey within the Superior National Forest and border waters area in northeastern Minnesota, and to make recommendations thereon after such a survey is conducted."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 3380. A bill to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; with an amendment (Rept. No. 1755).

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

H. R. 1103. A bill for the relief of Miriam Barkle; without amendment (Rept. No. 1756);

H. R. 1293. A bill for the relief of the Franco-Italian Packing Co.; with an amendment (Rept. No. 1757);

H. R. 1482. A bill for the relief of Frances L. Marshall; without amendment (Rept. No. 1758);

H. R. 4011. A bill for the relief of Stavros Matheos (also known as Steve Matheos or Matheou); without amendment (Rept. No. 1759);

H. R. 4371. A bill for the relief of Shiro Takemura; with amendments (Rept. No. 1760);

H. R. 5150. A bill for the relief of Ira D. Doyal and Clyde Doyal; without amendment (Rept. No. 1761);

H. R. 5295. A bill for the relief of C. R. Springman; without amendment (Rept. No. 1762);

H. R. 5639. A bill for the relief of Ivan E. Townsend; without amendment (Rept. No. 1763);

H. R. 6364. A bill for the relief of Yoshiko Matsumura; without amendment (Rept. No. 1764);

H. R. 6485. A bill for the relief of Jodeene Lehrman; without amendment (Rept. No. 1765);

H. R. 7082. A bill for the relief of Mrs. Isamu Tarasawa; without amendment (Rept. No. 1766);

H. R. 7096. A bill for the relief of Mrs. Maria Salome Holland; with an amendment (Rept. No. 1767);

H. R. 7283. A bill for the relief of Mrs. Jack B. Meyer; without amendment (Rept. No. 1768);

H. R. 7292. A bill for the relief of Erio Louis Tomita and Fumiko Tomita; with an amendment (Rept. No. 1769);

H. R. 7363. A bill for the relief of Suzuko Yagi and Anne Yagi; with an amendment (Rept. No. 1770); and

H. R. 7485. A bill for the relief of Mrs. Maria Margarite Noe; without amendment (Rept. No. 1771).

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

H. R. 1095. A bill for the relief of Pittsburgh DuBois Co.; without amendment (Rept. No. 1772).

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

H. R. 697. A bill for the relief of Samuel W. Poorvu; without amendment (Rept. No. 1773).

BILLS INTRODUCED

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

By Mr. BUTLER:

S. 3683. A bill to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Winnebago Indian Agency, Nebr.; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 3684. A bill for the relief of Eileen Watkins; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3685. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International

Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

By Mr. MILLIKIN:

S. 3686. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Interior and Insular Affairs.

REORGANIZATION PLAN NO. 24 OF 1950—RELATING TO TRANSFER OF RFC TO COMMERCE DEPARTMENT

Mr. FULBRIGHT submitted the following resolution (S. Res. 290), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That the Senate does not favor the Reorganization Plan No. 24 of 1950 transmitted to Congress by the President on May 9, 1950.

DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. HUMPHREY submitted an amendment intended to be proposed by him to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

HEARINGS BEFORE BANKING AND CURRENCY COMMITTEE ON SMALL BUSINESS—RECOMMITTAL OF BILL

Mr. MAYBANK. Mr. President, for the information of the Senators, I announce that the Banking and Currency Committee will hold small-business hearings beginning Monday, June 12. The hearings will be held on the several small-business bills presently before the committee.

There is now on the Senate Calendar a bill of mine to establish a Small-Business Coordinator. In order that the committee may consider all of this legislation as a single package, I ask unanimous consent that the bill (S. 2943) to liberalize the lending policies of the Reconstruction Finance Corporation and of the Federal Reserve Banking System in favor of independent small-business enterprises; to adjust the registration provisions of the Securities Exchange Act, as amended, in order to enable independent small-business concerns to issue securities at a reasonable cost; to develop the productive facilities of the national economy; to further the interest of independent small-business enterprises; to provide for the appointment of a Small-Business Coordinator; and for other purposes, be taken from the calendar and recommitted to the Committee on Banking and Currency.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

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

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following reports of nominations were submitted:

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

William Robert Wallace, of Oklahoma, to be United States district judge for the northern, eastern, and western districts of Oklahoma, vice Bower Broaddus, deceased, favorably;

Rabe Ferguson Marsh, Jr., of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Robert M. Gibson, retired, favorably;

Myron Wiener, of New York, to be a member of the War Claims Commission, vice David N. Lewis, deceased, favorably;

Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission, adversely; and

John A. Marzall, of Illinois, now holding recess appointment, to the position of Commissioner of Patents, favorably.

By Mr. MAYBANK, from the Committee on Banking and Currency:

Edward Lee Norton, of Alabama, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1950, vice Ernest G. Draper; favorably; and

Roy Blough, of Illinois, to be a member of the Council of Economic Advisers, favorably.

ADDRESS BY THE VICE PRESIDENT AT NATIONAL TRIENNIAL CONVENTION OF B'NAI B'RITH

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address delivered by the Vice President of the United States on the occasion of the National Triennial Convention of B'nai B'rith, in Washington, D. C., March 21, 1950, which appears in the Appendix.]

COMMENCEMENT ADDRESS BY SENATOR KILGORE AT DAVIS AND ELKINS COLLEGE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an address by him delivered at the commencement exercises of Davis and Elkins College, in Elkins, W. Va., May 30, 1950, which appears in the Appendix.]

REEDUCATING GERMANY WITH NAZI HISTORY—ARTICLE BY TELFORD TAYLOR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Reeducating Germany With Nazi History," written by Telford Taylor and published in the New York Times Magazine of May 28, 1950, which appears in the Appendix.]

ACHIEVEMENTS OF FREEMASONRY IN THE HISTORY OF AMERICA—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at a meeting of the Reading (Pa.) Consistory, Scottish Rite Masons, at Reading, Pa., on Friday, May 26, 1950, which appears in the Appendix.]

ATLANTIC UNION—ADDRESS BY SENATOR GILLETTE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD the address delivered by Senator GILLETTE before the Atlantic Union Committee at its luncheon in Washington, D. C., June 1, 1950, which appears in the Appendix.]

REBUTTAL OF BOARD OF TRADE ARGUMENTS AGAINST HOME RULE FOR THE DISTRICT OF COLUMBIA

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD answers in rebuttal prepared by him to arguments of the Board of Trade in opposition to home rule for the District of Columbia, which appear in the Appendix.]

EXCERPTS FROM ADDRESS BY SENATOR HUMPHREY AT ANNUAL CONVENTION OF INTERNATIONAL LADIES' GARMENT WORKERS UNION

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD excerpts from an address delivered by Senator HUMPHREY at the annual convention of the International Ladies' Garment Workers Union, at Atlantic City, N. J., on May 25, 1950, which appear in the Appendix.]

MEMORIAL DAY ADDRESS BY SENATOR LEHMAN BEFORE THE HYDE PARK HOME CLUB

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address delivered by him before the Hyde Park Home Club, at its fourth annual Memorial Day service, at Hyde Park, N. Y., which appears in the Appendix.]

REORGANIZATION OF THE GOVERNMENT DEPARTMENTS—EDITORIAL FROM THE NEW YORK TIMES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Sixteen of Twenty-one," published in the New York Times of May 25, 1950, which appears in the Appendix.]

A SENATOR'S VOTE: A SEARCHING OF THE SOUL — ARTICLE BY SENATOR DOUGLAS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "A Senator's Vote: A Searching of the Soul," written by Senator DOUGLAS, and published in the magazine section of the New York Times on April 30, 1950, which appears in the Appendix.]

INVESTIGATION OF INTERSTATE GAMBLING AND RACKETEERING

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of interstate gambling and racketeering, together with a radio speech and several newspaper editorials on the same subject, which appear in the Appendix.]

KANSAS IN THE SPRINGTIME—EDITORIAL

[Mr. DARBY asked and obtained leave to have printed in the RECORD an editorial entitled "Spring in the Flint Hills," written by R. M. Seaton, publisher of the Coffeyville (Kans.) Daily Journal and printed in a recent issue of that newspaper, which appears in the Appendix.]

THE PRIVATE ENTERPRISE SYSTEM AND THE CHURCH—ADDRESS BY REV. DANIEL A. POLING

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered by Rev. Daniel A. Poling before the Conference of Business Public Relations Executives, in New York City, which appears in the Appendix.]

ALL-AMERICAN CONFERENCE TO COMBAT COMMUNISM WINS ENDORSEMENTS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD resolutions adopted at the Illinois State Convention of the Knights of Columbus, which appear in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF CARRICK H. BUCK, OF HAWAII, TO BE FIRST JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, June 9, 1950, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Carrick H. Buck, of Hawaii, to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Buck is now serving in this post under an appointment which expired April 13, 1950. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Washington [Mr. MAGNUSON], and the Senator from Wisconsin [Mr. WILEY].

REOPENING THE AMERASIA CASE

Mr. KNOWLAND. Mr. President, there may be some who question the value of reopening the Amerasia case after a lapse of 5 years. First there is the need to close any loopholes in our wartime espionage laws, inasmuch as classified Government documents were found in the Communist-connected Amerasia magazine before VJ-day, while American forces were still locked in combat with a hostile power. Second, if the investigative job was bungled, as is contended by some of those who defend the lack of zest on the part of the Department of Justice in prosecuting the case, then it is important to find out why that happened. If it was because of jurisdictional handicaps in the relationship of the OSS with the FBI, then, too, it is important to solve this problem now, before the same mistakes are made again.

But if there are still in the Government men who acted as transmission belts for the leakage of information to Communist-connected Amerasia in 1945, are not they more dangerous to the security of our Nation in 1950?

In terms of ultimate destructive impact upon our free institutions, what difference does it make whether an American citizen, such as Gold, betrays his country, or whether our country is betrayed by an alien such as Dr. Fuchs? What difference does it make whether the betrayal is done for pay or for love of the Soviet system? What difference does it make whether it is done by a card-carrying Communist member or by a pervert who, being in a key position, has been blackmailed to deliver state secrets? What difference does it make whether the secrets are stolen by a burglar from an office at night or whether they are carried out in daytime by a naive employee with a gold badge and a tarnished sense of responsibility? The end result is the same, and those who set the policies and were careless or tolerant or ignorant, cannot escape their responsibility at the bar of American public opinion by pleading nolo contendere.

Another reason to press for a complete review of the Amerasia case was given, it seems to me, by George F. Kennan, counselor of the State Department, in an address he delivered before the Institute of United States Foreign Policy at Milwaukee, Wis., on May 5, 1950. In discussing the time lag in foreign affairs and its result he said:

> It seems to me that in the field of foreign affairs there is generally a great time lag—as much as 5 or 10 years on the average—between cause and effect in major developments. This is something that few people in this country are aware of. Their unawareness expresses itself in a demand for quick results where such results simply cannot be obtained. It also expresses itself in a tendency to lay the blame or credit for current developments on people who happen to bear public responsibility at the moment, even though the real causes of these developments may go much deeper in time and in complexity.

Mr. President, in the Amerasia case we find the threads of a network of Communist-connected individuals, fellow travelers, and those who by design or coincidence shared the common viewpoint that the Communists in China should be encouraged at the expense of the non-Communist Republic of China. Now, some 5 years later, the harvest they helped to plant and nurture is about to be reaped in southeast Asia, with north Korea and the mainland of China already in the Communist bins. Yes; "These developments go much deeper in time and complexity."

As distinct from the current investigation of current security risks in the State Department or in other Government agencies, for which a strong case can be made for executive sessions during the investigative period, it seems to me that the Amerasia case needs open hearings, with the full spotlight of press and public directed on the strange facets of this strange case.

While the statute of limitations has run on the participants, the committee can by intelligent probing get the facts not yet disclosed. Perjury by any witness will be a violation of the law which can be currently prosecuted.

Neither the Senate nor the country will be satisfied with semiexecutive hearings, where some prepared statements are released, but the cross-examination is not, or where a part of the story is told and much of it is kept behind the committee's iron curtain. There has already been far too much of that in the Amerasia case.

While it is true that our final judgments must not be based upon a case that is based alone on the premise of "guilt by association," there is likewise no need to ignore totally our early childhood teachings by parents, church, and school that "a man is known by the company he keeps."

The announcement last week that the FBI had arrested Harry Gold in Philadelphia as a member of a ring which transmitted to the Soviet Union atomic information secured by Dr. Klaus Fuchs has confirmed information previously suspected. This arrest, coming on top of the confession of Dr. Fuchs in Great Britain that he had stolen atomic secrets while in the United States, is sufficient in itself to cause additional great concern to the Congress and the Nation. Coming on top of the inquiry by the Canadian Royal Commission, which showed that atomic secrets were being stolen from Canada by the Soviet Union even before VJ-day, when we were all allies, the arrest is sufficient to help explain the accelerated rate of the Soviet's development of the atomic bomb.

It was last September that President Truman made known to the American people that an atomic explosion had taken place in the Soviet Union. This indicated that they had progressed at least approximately as far in their development as we had at the time of the Alamorgordo explosion in 1945. Since we had to gain our information the hard way, while the Soviet Union has gained much of its information by espionage and treason, its developments may be much further along than the mere lapse of time would indicate. The full consequences of the atomic espionage may even yet not have made its full impact upon the American people.

The fact of the matter is that by this treachery in behalf of a foreign power a citizen of Great Britain and at least one American have helped to make possible the killing of millions of their fellow countrymen if war should break out in the future.

This is another reason why many of us believe a complete investigation should be made of the Amerasia case. Espionage is a thing that grows throughout a government or a country, and, if there are leakages of information in one government department, the network or apparatus that is built up may be used to steal other secrets of equal or greater value.

The chairman of the Foreign Relations Subcommittee, the Senator from Maryland [Mr. TYDINGS], in a press interview carried in the papers of Wednesday, May 24, relative to the stolen documents, told the reporters that only 1 percent were of military importance.

In the first place, even if the amount is 1 percent, that is 1 percent more than should get out of Government files into the hands of a publication sympathetic to the Communist cause. In the second place, the test is not whether the documents were of military importance or not. In wartime there is much information of economic or political nature that properly may and should be classified as top secret, secret, or confidential, which, if disclosed, would be detrimental to the security of our country and beneficial to an enemy in time of war.

For some strange reason, this discounting of the importance of the loss of official Government documents has persistently occurred in the Amerasia case from the very beginning down to the statement of the chairman of the subcommittee [Mr. TYDINGS] of last week.

If there was or is an attempt to soft-pedal this case, the country is entitled to know the reason why. If there was inept handling of the case by any of the investigative agencies, that fact in itself is of utmost importance. Nor in the future can we afford to have jurisdictional

controversies between investigative and prosecuting agencies that may result in purloiners of official documents going free or being let off with small fines.

A thorough investigation of the Amerasia case rather than a whitewash of it may develop valuable information as to changes needed in our wartime espionage laws. The time to close the barn door is before the next horse is stolen, not afterward.

On Monday, May 22, for the first time there was revealed to the country and to the Congress a transcript of the record in the Amerasia case, based on the hearings before the subcommittee of the House of Representatives Judiciary Committee. This transcript of testimony may be found beginning on page 7438 of the CONGRESSIONAL RECORD at that date. I believe that every Member of the Senate should take the time to read it.

Amerasia, while having only a circulation of approximately 2,500, was far more influential than its size warranted.

Amerasia might well be called "the transmission belt" for the conveyance of pro-Chinese Communist views of Communists, fellow travelers, and sympathizers in this country, to our policy-making body on foreign policy, the United States Department of State.

In his testimony before the House Judiciary Subcommittee on May 13, 1946, reprinted on page 7444 of the CONGRESSIONAL RECORD of May 22, 1950, Mr. Larsen, one of the six arrested, in answer to an inquiry by Representative CHELF as to what good Mr. Jaffe could do with a magazine which did not have a widespread circulation, replied as follows:

> Two thousand or something like that, but the magazine hits vital spots. That is the danger of a magazine like that.

Further on in his testimony Larsen stated:

> I told him, Jaffe is going all out here. It goes to the State Department. It went to the Office of Strategic Services, every agency.

Representative FELLOWS then said:

> It has been an important textbook?

Mr. Larsen replied:

> Yes.

Mr. CHELF said:

> He hoped to get it over in a few key spots the circulation covered.

Mr. Larsen replied:

> He did not worry about the average American.

Mr. President, there appeared in articles in two newspapers yesterday paragraphs which I wish to insert in the RECORD at this time. The first is taken from the story by Bert Andrews, which appeared yesterday in the New York Herald Tribune. Mr. Andrews is one of the outstanding reporters of the country, a man who has performed some useful services on many occasions for his country and for his newspaper. I quote from his article:

> One document, over the signature of former Secretary of State Cordell Hull, seemed, on the surface, to picture "Amerasia," a magazine plugging for Soviet interests in Asia, as a veritable bible on what to do in the Far East.
>
> It seems a certainty that Secretary Hull never saw the message.
>
> The questions remain:
>
> Who sent it over his name?
>
> Why?

On the same day, there appeared in the Washington Daily News an article by Mr. Frederick Woltman, who has done a considerable amount of research on the Amerasia case. By mentioning these two gentlemen, I do not mean to exclude others who have also been at work, but these two articles happen to be in point on the use to which Amerasia magazine was put. I want to insert these in the RECORD immediately following the quotations from the testimony of Mr. Larsen, one of those who had been involved in the Amerasia case. In his article, Mr. Woltman says:

> A message addressed to the American Embassy in China, and sent by the State Department over the name of the former State Secretary Cordell Hull. In it, the Secretary purportedly called the Embassy's attention to an article in the July 1944 issue of the pro-Soviet magazine, Amerasia, which was the center of the stolen documents case.
>
> The Amerasia article urged that the United States build up Japan's leading Communist, Susomo Okano, into the Tito of Japan. It urged also that this country supply arms to the Chinese Communist guerrilla and consult with China's Red leaders about postwar plans for Japan.

Mr. President, I took the liberty of getting from the Library of Congress the article mentioned. I have not the time today to read the article, nor do I believe I should encumber the RECORD by putting the entire article into it at this point, but for those who may be interested in it, I invite attention to the fact that the article appears in the August 1944 issue, rather than in the July issue, as stated. I am informed that, as is the custom with magazines, the August issue probably came out sometime late in July. So the publication was probably available in July though its date line is August 1944. On the front cover of Amerasia magazine appears the heading of the article which appears inside, "Candidates for Japan postwar leadership potential anti-Fascist forces in Japan," and so forth. There can be no question in the mind of anyone who reads this particular article that someone in the State Department felt justified in sending a message to China calling attention to this article advocating the selection of a Communist to be one of the important figures in postwar Japan. I think it is fortunate for the security of the United States and for the peace of the world that persons who had any such idea were not in control of the situation in Japan, but that rather a man of the caliber of Gen. Douglas MacArthur has been in charge of American policy and the policy of the supreme command in that area of the world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article relating to the Amerasia case which appeared in the Washington Times-Herald of this morning, and which was written by Mr. Willard Edwards.

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

SECRET CABLE IN AMERASIA SCANDAL BARED—HULL'S WARTIME PRO-SOVIET NOTE REVEALED—TRUMAN AND AIDES KEPT SECRET 6 YEARS

(By Willard Edwards)

A secret wartime cable, one of the top exhibits in the Amerasia stolen documents scandal, came to light last night. Dated July 28, 1944, and hidden for 6 years by the Truman administration for obvious reasons, the document bares pro-Soviet influence in the State Department at top levels.

The cable is marked "Hull to Chungking" and is a confidential message to the American Ambassador in China. Cordell Hull, then State Secretary, resigned in November 1944. Now ailing, he was not available for comment on whether he authorized the dispatch, which bore his name, with its startling implications.

AMERASIA WAS QUOTED

At the time the message was sent, John Carter Vincent, now Minister to Switzerland, was head of the Office of Chinese Affairs. Alger Hiss, convicted recently of perjury to conceal espionage, was deputy director of special political affairs. Dean Acheson was Assistant Secretary of State.

The dispatch quoted the pro-Soviet magazine, Amerasia, in outlining policy for China and Japan. Earl Browder, then head of the Communist Party, had a hand in the founding of Amerasia. Philip Jaffe, its editor, was arrested less than a year later for the theft of hundreds of secret documents from Government departments. He finally pleaded guilty but received the light penalty of a $2,500 fine in a deal with the Justice Department into which an investigation was recently reopened.

The contents of the cable supports Communist leader Browder's boast before a congressional committee recently that he was a wartime White House agent, securing information from Chinese Communists which he passed on to the late President Roosevelt.

WAS STATE TEXTBOOK

The message also shed light on testimony before a House committee in 1946 that Amerasia was circulated in the State and other departments as an important textbook.

The Hull message was one of 1,700 secret Government papers locked from the public gaze since they were seized by the FBI in 1945 in the offices of Amerasia in New York City. A huge photostating apparatus was discovered and investigators reported there was no doubt that the magazine was being used to funnel a constant stream of confidential papers to Soviet Russia.

Jaffe and five others, including two State Department officials, John S. Service and Emmanuel Larsen, were arrested in what the FBI termed an airtight case. Seven months later, all six were free. Two had been fined and the four other cases were dropped by the Justice Department.

This paper learned the text of the Hull document shortly after James M. McInerney, Chief of the Justice Department's Criminal Division, told reporters he had studied all the documents in the Amerasia case and denied they included one, bearing the signature of Hull, plugging Amerasia as an authoritative policy source.

The Hull-to-Chungking cable follows:

"July issue of Amerasia suggests possibility of using Japanese Susomo Okano in the role of Tito of Japan to help Japanese people to establish a government which will discard aggression and the present ruling oligarchy.

"The magazine, however, voices uncertainty as to whether the United States State Department will support the program

advocated by Okano and his followers or will prefer to favor the so-called liberal elements in Japan's present ruling class."

RED TIE-UP PLAN CITED

"The same issue proposed that the opposition to Japan throughout eastern China should be strengthened by the Allies through establishing a close-working relationship with the guerrilla Communist forces now operating behind the Japanese lines and to bolster the activities with material and financial aid.

"Amerasia advocates that the Allies follow the policy adopted toward the guerrilla group of Yugoslavia where political considerations were eventually superseded by military necessity.

"Amerasia claims to have information proving the northern guerrilla forces (Communist) have carried on their resistance to the Japanese and have persistently contributed to the work of educating the people to participate in that resistance.

"Amerasia contends the time has passed when internal political considerations can be allowed to supersede military necessity and insists the immediate reformation of the potential strength of the guerrilla (Communist) forces, involving the dispatch of liaison officers, technical aid, and munitions, has become of primary importance for the success of the United States future offense against the Japanese."

The effect of this message, backed by the prestige of Hull's name, veteran diplomats said, would have been to impress upon the recipient that the policy advocated by Amerasia was one which was receiving favorable consideration. There were no comparable messages, quoting any other publication, in the file of confidential dispatches.

NAVY SECRET REVEALED

Assistant Attorney General McInerney also denied that the secret Amerasia documents disclosed the wartime disposition of United States submarines in the Pacific. One of the documents in the file is dated November 1944, and discloses the contents of a confidential talk by Grew to State Department personnel. (Joseph C. Grew was then State Under Secretary.)

This paper, apparently copied for espionage use, states definitely that the Navy would continue blocking a certain Japanese strait (named in the document) and that 25 submarines were stationed there. Grew also disclosed, according to the document, that "island-hopping for bomber bases" was continuing and discussed the use of the Japanese Emperor after the war as "an instrument for orderly peace."

Both the military and policy information in this document would have been of invaluable aid to Russia at the time, it was noted.

Other secret Amerasia documents stolen from Government wartime files contained the following information:

1. The Navy's formal wartime organization plan for setting up counter intelligence operations throughout the United States. It was sent by the Director of Naval Intelligence to the ranking intelligence officers of the Nation's 14 naval districts.

2. A confidential forecast of the trends of the war in the Pacific, delivered by Grew to top officials.

MALAYA SET-UP SET FORTH

3. A document setting forth in detail the composition of Allied troops in Malaya.

4. Details about two 1944 messages from President Roosevelt to Chiang Kai-shek, the Chinese generalissimo, proposing that Gen. Joseph Stillwell be made commander of all armies in China, including the Communist armies. These reports bore the top-secret classification of "for eyes only" which meant that they were to be delivered for reading only to Army officers in China and not kept by any recipient.

Two FBI officials, Louis B. Nichols and D. Milton Ladd, testified secretly before the Senate Foreign Relations subcommittee headed by Senator TYDINGS, of Maryland, which is inquiring into the Amerasia whitewash. TYDINGS refused to give any details of their testimony and a statement prepared by the witnesses for publication was withheld.

TYDINGS was asked concerning statements by Senator HICKENLOOPER, Republican, of Iowa, in Iowa, that the Amerasia documents revealed military installations and the location of fleet units during the war with Japan. He refused to comment but expressed interest concerning the source of HICKENLOOPER's information.

TYDINGS was told that HICKENLOOPER had denounced TYDINGS' characterization of most of the Amerasia documents as "casual and unimportant." He remarked only that HICKENLOOPER had not heard all the testimony.

Senator MCCARTHY, Republican, of Wisconsin, whose charges initiated the Tydings investigation, was told of McInerney's denials concerning the contents of the Amerasia documents, and remarked:

"I know beyond the slightest shadow of a doubt that not only those documents but other documents equally important in the Amerasia case are in the possession of the Justice Department."

The Tydings subcommittee finally agreed to question all six defendants in the Amerasia case. It will begin with a closed-door session next Monday at which Larsen, the only defendant in addition to Jaffe who received a penalty ($500 fine) in the case, will be quizzed.

Mr. KNOWLAND. Mr. President, it would perhaps be well at this time to go into the background of the Amerasia magazine to see how such a publication could be looked upon as an authoritative source by American policy-making officials. On page 7436 of the CONGRESSIONAL RECORD of May 22 Representative SAM HOBBS, of Alabama, who had been chairman of the House Judiciary Subcommittee which investigated the Amerasia case in 1946, has this to say:

I want to say one other word which may escape your thinking if I do not at this time. Although no connection with Russia has been shown, I believe with the gentleman from Georgia [Mr. Cox] that there was a vital connection, because here was a little magazine losing $5,000 a month and still they had all of this magazine equipment for duplication and they had all of these locked files that cost them thousands and thousands of dollars. I believe I know well where the money came from, and I think everyone else will agree that there was something terribly phony about that outfit.

Mr. HOBBS is an able and experienced legislator and commands a high standing among his colleagues in the House. He would not, in my opinion, have made that statement unless he had some substantial basis for believing what he said.

In his series of articles on the Amerasia case, Mr. Frederick Woltman has this to say:

What the cofounders, the judge and the public weren't told was that Amerasia, where the FBI found hundreds of classified wartime documents, was an outgrowth of China Today. China Today was a brain child of Earl Browder, Communist Party boss. Browder picked Mr. Jaffe to run it. Under Mr. Jaffe it stridently called for a Red revolution in China.

In its first issue, China Today's masthead listed its three editors: J. W. Phillips, Hansu Chan, and Frederick Spencer.

These three organized Amerasia. Phillips became Phillip J. Jaffe, managing editor, Hansu Chan became Ch'Ao-Tin, a member of Amerasia's editorial board, Spencer became Frederick Field, chairman of the Amerasia board.

Two of the individuals I have just mentioned have appeared and given testimony at public sessions of the subcommittee of the Foreign Relations Committee now investigating security risks, past and present, in the State Department. These two are Earl Browder and Frederick Vanderbilt Field. Keep in mind the relationship between the point of view of Amerasia magazine and the predecessor publication China Today, which is reputed to have received encouragement from Earl Browder, whose own interest in China was spotlighted in the following testimony of Thursday, April 27, 1950, found on page 1338 of the official transcript of these subcommittee hearings:

Mr. BROWDER. I would say that in 1937 I, in particular, as the secretary of the Communist Party, was giving a great deal of attention to the question of China; very great events were taking place in China at that time that affected the fate of the entire world.

Further on in his testimony on the same page, the committee counsel asked a number of questions to which Browder responded. I read:

Mr. Morgan—

Mr. Morgan was committee counsel—

How long were you in China at that time, Mr. Browder, for the record?

Mr. BROWDER. I was in China for several months in 1927; and, for the largest part of 1928.

Mr. MORGAN. I would presume, as a result of that period in China, that you have had a rather constant and direct interest in China; is that correct?

Mr. BROWDER. I had a direct interest in China ever since.

On page 1365 the following questions and answers took place between the committee counsel and the former secretary of the Communist Party in the United States:

Mr. MORGAN. Well, that was not exactly what I had in mind, but I think you have helped us in your answer to that, or your observation there.

During the course of the war, did you, as secretary of the Communist Party in this country, receive letters and other communications from leaders of the Communist movement in China?

Mr. BROWDER. Yes, I did.

Mr. MORGAN. Were those communications that you received, the predicate for any official or unofficial action by the Communist Party in this country?

Mr. BROWDER. In my capacity as the secretary of the Communist Party, and without consulting anyone else, I used information which I received from Mao T'se Tung, the head of the Communist Party in China, of China, to inform the President of the United States about the military situation inside of China, placing at his disposal, information concerning the diversion of 1,000,000 Chinese Government troops from the anti-Japanese front to the blockading of the Communist territory.

On page 1367 the following appears:

Mr. BROWDER. I would say that further, in 1942, it became unnecessary any longer to bring such pressure upon the Government

of the United States because the officially declared policy, from that time until 1946, was, the United States pressed upon China the coalition of the Kuomintang, the Communist and all the democratic mass forces in one united government. From 1942 to 1946 that was the official policy of the American Government, and it was therefore no occasion for the Communists, I would say from 1942 to 1945—the only period of which I can speak—there was no occasion for the Communists to press for a change of policy in the United States Government at that time.

With reference to Philip Jaffe, who took an active part in the publication of both China Today and Amerasia, the following testimony appears on page 1354 of the official record:

Mr. MORGAN. From 1937 to 1945, according to information available to the committee, the managing editor of this magazine, Amerasia, was one Philip Jaffe. I believe you testified that you knew Mr. Jaffe.

Mr. BROWDER. I know Mr. Jaffe.

Mr. MORGAN. Now, you know Mr. Jaffe as a member of the Communist Party?

Mr. BROWDER. I did not.

Mr. MORGAN. In your association with him did you accept him as a member of the Communist Party, and so consider him?

Mr. BROWDER. I accepted him as a friend.

Mr. Frederick Vanderbilt Field was formerly secretary of the Institute of Pacific Relations, and according to photostats available to the Senate committee was a financial contributor to the American Council, Institute of Pacific Relations, by checks dated September 12, 1943; November 27, 1942, January 15, 1942; January 22, 1942; and December 16, 1941.

The following interrogation may be found on pages 1353 and 1354 of the Browder testimony of April 27:

Mr. MORGAN. I have asked you earlier, Mr. Browder, about the Institute of Pacific Relations, and I think your observations are now in the record.

I would like to ask you if you are familiar or have been familiar with a publication known as Amerasia?

Mr. BROWDER. I am familiar with it.

Mr. MORGAN. I believe in, from 1937 to 1944, the chairman of the editorial board, of at least this publication, was a man named Frederick Vanderbilt Field. I believe that you testified that you knew Mr. Field.

Mr. BROWDER. I know Mr. Field.

Mr. MORGAN. Did you know or do you know Mr. Field to be a member of the Communist Party?

Mr. BROWDER. I would not be able to say definitely. I met him under the circumstances where we were cooperating and it never occurred to me to ask him if he was a member, because cooperation was complete at that time.

Mr. MORGAN. Did you accept him as a member?

Mr. BROWDER. I assumed he was, although I didn't know.

On Friday, April 28, Mr. Frederick Vanderbilt Field was himself a witness before the committee.

On page 1433, Field testified as follows:

I was employed by the Institute of Pacific Relations from 1928 to 1940, in the last 6 years as executive secretary of its American branch.

On page 1436, the following testimony appears:

Mr. MORGAN. I asked Mr. Field if he is now, or has ever been, a member of the Communist Party. Your answer?

Mr. FIELD. I decline to answer on the ground I stated.

Mr. MORGAN. Would you care to state those grounds again?

Mr. FIELD. My privilege, under the fifth amendment of the Constitution.

Mr. MORGAN. Is it your understanding that to answer this question would incriminate you in some way or another?

Mr. FIELD. Mr. Morgan, I think I stated my ground fully. I have a copy of the fifth amendment with me. I think it includes the privilege that I have invoked.

On pages 1452 and 1453 the following testimony was presented to the committee:

Mr. MORGAN. For the time being, Mr. Field, I am going to another matter. Are you familiar with the publication known as Amerasia?

Mr. FIELD. Yes; I am.

Mr. MORGAN. Were you ever associated with that publication in any official capacity?

Mr. FIELD. Yes; I was.

Mr. MORGAN. What was that capacity?

Mr. FIELD. I was chairman of its editorial board from the time of its inception, which was sometime, I think, in 1937, until I believe it was November 1943.

Mr. MORGAN. Did you write articles for that publication?

Mr. FIELD. Yes; a great many.

No one who has read the testimony of the public hearings can doubt a Red network existed which ran from the Communist Party to the magazines China Today to Amerasia and which included among others Earl Browder, Frederick Vanderbilt Field, and Philip Jaffe.

It was to this magazine, Amerasia, that literally hundreds of documents belonging to the Government of the United States were going on some kind of transmission belt, the full nature of which has not even to this day been fully disclosed.

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

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator yield to the Senator from Wisconsin?

Mr. KNOWLAND. I am glad to yield.

Mr. McCARTHY. I think what I am about to say is apropos what the Senator is discussing at this point. I wonder whether the Senator is aware of the fact that the secret testimony taken before the committee shows that there were 17 Communist writers who wrote for both the American Council of the Institute of Pacific Relations and Amerasia. That was not disclosed in the public testimony. I refer to the secret testimony before the committee.

Mr. KNOWLAND. I am not familiar with that particular testimony.

On page 2 of the report of Subcommittee IV of the Committee on the Judiciary, House of Representatives, Seventy-ninth Congress, second session—House Report No. 2732—the committee states as follows:

Among the documents seized in the possession of Jaffe at the Amerasia office in New York City at the time of his arrest were 267 prepared by the State Department, including 2 copies of a top-secret classification, 20 originals or duplicate originals and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification, 1 original or duplicate original and 4 copies of a confidential classification.

On a Meet the Press television program of Sunday, May 21, 1950, Mr. Frank Bielaski, former Director of Investigation of the OSS, who led the original raid on the Amerasia office, had this to say:

I think that the Hiss and Chambers case was "chicken feed" compared to this case. I think that we can calculate that there was a total of about 3,000 documents involved in the Amerasia case in a period of 3 months.

The significance of the letter of resignation of Ambassador Patrick J. Hurley on November 26, 1945, needs reexamination in the light of the events that have taken place in China since that time and the part we now know was played by those connected with Amerasia.

For those who may be interested in reading the entire letter, I refer to pages 581 to 584, inclusive, of the China white paper, published in August of last year. For the purpose of this discussion, however, I desire to read three paragraphs which I believe are extremely important, as follows:

I was assigned to China at a time when statesmen were openly predicting the collapse of the National Government of the Republic of China and the disintegration of the Chinese Army. I was directed by President Roosevelt to prevent the collapse of the Government and to keep the Chinese Army in the war. From both a strategical and diplomatic viewpoint, the foregoing constituted our chief objective. The next in importance was the directive to harmonize the relations between the Chinese and American Military Establishments and between the American Embassy in Chungking and the Chinese Government. It will readily appear that the former objective could not be accomplished without the accomplishment of the secondary objective as a condition precedent. Both of these objectives were accomplished.

Listen to this, Members of the Senate:

While these objectives had the support of the President and the Secretary of State, it is no secret that the American policy in China did not have the support of all the career men in the State Department. The professional Foreign Service men sided with the Chinese Communist armed party and the imperialistic bloc of nations whose policy it was to keep China divided against herself. Our professional diplomats continuously advised the Communists that my efforts in preventing the collapse of the National Government did not represent the policy of the United States. Those same professionals openly advised the Communist armed party to decline unification of the Chinese Communist Army with the National Army unless the Chinese Communists were given control.

Mr. President, I wish to interpose again to say that I am reading from the letter of resignation of Ambassador Hurley, who had the confidence of and was sent on missions by two distinguished Presidents of the United States, President

Franklin D. Roosevelt and President Harry S. Truman. President Truman had asked him to continue as Ambassador to China, but General Hurley found it necessary to resign. I continue reading from Ambassador Hurley's letter of resignation:

Despite these handicaps we did make progress toward unification of the armed forces of China. We did prevent civil war between the rival factions, at least until after I had left China. We did bring the leaders of the rival parties together for peaceful discussions. Throughout this period the chief opposition to the accomplishment of our mission came from the American career diplomats in the embassy at Chungking and in the Chinese and far eastern divisions of the State Department.

I requested the relief of the career men who were opposing the American policy in the Chinese theater of war. These professional diplomats were returned to Washington and placed—

I might interpose here to inquire, where do Senators think these men who were relieved at the request of Mr. Hurley, the Ambassador to China, were placed? He promptly tells us. He said they were placed—

in the Chinese and far eastern divisions of the State Department as my supervisors. Some of these same career men whom I relieved have been assigned as advisers to the supreme commander in Asia. In such positions most of them have continued to side with the Communist armed party and at times with the imperialistic bloc against American policy. This, Mr. President, is an outline of one of the reasons why American foreign policy announced by the highest authority is rendered ineffective by another section of diplomatic officials.

Mr. President, on November 28, 1945, Representative GEORGE A. DONDERO, of Michigan, made a speech on communism in our Government which appears on page 11150 of the CONGRESSIONAL RECORD of that date. He was at that time discussing the Amerasia case. This was the speech which probably set off the investigation by the House committee. I quote Representative DONDERO.

Let me give one more example which is particularly illuminating and of present great importance to our policy in China. This stolen document was a lengthy detailed report showing complete disposition of the units in the army of Chiang Kai-shek, where located, how placed, under whose command, naming the units, division by division, and showing their military strength. It is easy to visualize the consequences of this information in the hands of the Communist forces in China, then and now. Is it possible that this information reached the headquarters of the Communist forces in China, enabling them to arrive at strategic places at the opportune time to accept the surrender of Japanese arms to serve their own purposes?

I continue to quote from Representative DONDERO's speech:

The six defendants in the case were arrested on or about June 7 of this year, but for a considerable time prior thereto these conspirators were under constant surveillance by agents of our Government and particularly by the FBI.

During this time, the San Francisco Conference was called and was in session to establish world peace. In the delegation from China to that conference was one duly accredited Communist officially representing the Communist regime in North China. His name was Tung Pi Wu and, until recently, he was here in Washington. It is not improbable that he may have alienated from Chiang's government the friendship and assistance promised by the United States at Cairo. He has been dividing his time between Washington and New York, working in the cause of communism.

Our Government records will show that one of his first acts upon arrival in San Francisco was to take a plane for New York City. The records will also show that Tung Pi Wu conferred with Philip Jaffe, one of the convicted conspirators, in New York, and a third person participating in the conference was Earl Browder, then head of the Communist Party in the United States and now planning a trip to Russia. He is the same man who served a term in a Federal penitentiary for passport fraud committed when he masqueraded in China under a false identity while engaged in organizing the Communist Party in China.

The conference between Jaffe, Tung Pi Wu, and Browder lasted approximately 5 hours. At the conclusion of that meeting, Mr. Tung Pi Wu hastened back to the San Francisco Conference for world peace. Is there any doubt in anybody's mind what became of the secrets which Jaffe then possessed as stolen property of our Government?

With further reference to the conference between Browder, Jaffe, and the Chinese Communist representative, Tung Pi Wu, it is interesting to examine the testimony of Mr. Browder before the subcommittee of the Senate Committee on Foreign Relations on Thursday, April 27, 1950. This testimony is found on pages 1391 and 1392 of the transcript. I read from the transcript:

Senator HICKENLOOPER. Do you know Tung Pi Wu, the Chinese Communist leader?

Mr. BROWDER. I do.

Senator HICKENLOOPER. When was the last time you conferred with him, or saw him?

Mr. BROWDER. I met him in New York when he was on his way to the conference that founded the United Nations. He was a member of the Chinese Government delegation.

Senator HICKENLOOPER. Was that the last time you ever saw him or met him, or talked with him?

Mr. BROWDER. Yes.

Senator HICKENLOOPER. Who was at that meeting?

Mr. BROWDER. I do not remember, and if I did, I would not give information about a meeting which I held with such a person, and who was present. I think that such questions as that are not in order.

Senator HICKENLOOPER. The determination of that, Mr. Browder, will be made by the committee.

I thoroughly agree with the statement of the Senator from Iowa [Mr. HICKENLOOPER] in that regard, because certainly this meeting is of high significance in connection with the whole question of the Amerasia case, the stolen documents, and the responsibility which may rest on certain officials of the Government of the United States for the debacle which has taken place in China and the Far East.

A pattern begins to emerge of this Red network which through active party members, fellow travelers, or dupes, played their part in influencing American policy and American public opinion to the end that support would be withdrawn from the Republic of China. When that happened the road for Communist expansion in Asia was facilitated.

There are same basic questions which must be answered. These include:

First. Who was the individual attending the United Nations Conference at San Francisco who brought pressure on the Department of Justice to delay prosecution of the Amerasia case? Was Alger Hiss directly or indirectly involved?

In the light of that, Mr. President, I think I should call the attention of the Members of the Senate, who, busy as they are, may not have had an opportunity to read the transcript of what occurred before the House subcommittee, to what appears on page 7460 of the CONGRESSIONAL RECORD of Monday, May 22, 1950. This is testimony given by Mr. Gurnea, who is with the FBI. He says:

On May 31, 1945, the Department of Justice advised the Bureau that any prosecution in connection with this matter was to be held in abeyance until the conclusion of the San Francisco Conference.

I understand that some of the men who were connected with the San Francisco Conference—Mr. McGranery may be able to give you more detailed information than I—but they were of the opinion that a prosecution of this case, at that particular time, might cause friction at the San Francisco Conference, and it was felt it should be postponed until a later date.

Before reading further, Mr. President, I might parenthetically say that if this was not a case of espionage, if there was not a case of leakage of information going to the Soviet Union, how would the Soviet Union at the San Francisco Conference be embarrassed by people who had merely illegally taken documents to help them in the publication of a magazine? It just does not make sense.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Has it ever been disclosed who it was at the San Francisco Conference that requested that no prosecution be had in this case?

Mr. KNOWLAND. So far as I know, it has not been disclosed. I believe that to be one of the great unanswered questions in the Amerasia case.

Mr. FERGUSON. But, as the Senator has said, it is clearly indicated that the Amerasia case was an espionage case and that the papers must have been obtained for another government. The meeting at San Francisco was a joint meeting of governments to establish a United Nations; therefore, it would by necessity mean that the documents were obtained for another government, and that the other government was not to be brought into the matter because, as we say, it might upset the apple cart in the Conference.

Mr. KNOWLAND. It seems to me that that is prima facie true. If, as it has since been attempted to show, this was merely the surreptitious taking of a few inconsequential documents for the use of a magazine, why would any foreign power be interested in the matter, and why should the prosecution of such a case be delayed until after the San Francisco Conference?

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is it not true, then, that it is very important that we ascertain who the persons involved at the San Francisco Conference were, and what they were told which caused them to form the opinion that no prosecution should be had?

Mr. KNOWLAND. There can be no question about that. Unfortunately all the persons who attended the San Francisco Conference may not be available to testify on the subject, because some have died since that time. But it is not only important, I will say to the Senator from Michigan, to know who actually picked up the telephone or who sent a cablegram to say "Hold this up," but it is important to know who consulted with him and advised him to do it, because a person might have innocently done that in San Francisco on the advice of someone else.

Mr. FERGUSON. Therefore it is important that the Senate and the people of the country obtain all the facts to show why the block was put in; and whether or not Washington had full knowledge of what was going on. Is that not true?

Mr. McCARTHY rose.

Mr. KNOWLAND. There can be no question about that. I think it is even more important when I read the following three paragraphs, and then I shall yield to the Senator from Wisconsin. I continue to read from the testimony before the House committee:

> The Attorney General was advised of that fact. For that reason, there was no further action taken on the case until further word was received.
>
> However, on June 2, 1945, General Holmes, of the State Department, contacted the President, personally, relative to the case, and advised him, at that time, that it was being held in abeyance.

General Holmes, who was in the State Department and was thoroughly familiar with this case, apparently became so alarmed at this word from the Department of Justice which they said had come from the State Department, apparently without his knowledge, that immediately upon hearing it he took the unusual step of going direct to the highest authority in the land, the President of the United States.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Does the Senator realize that at that time, before an arrest could be made of a State Department official, the head of the Department, the Secretary of State, had to be consulted respecting such arrest? Is the Senator familiar with that fact?

Mr. KNOWLAND. I have understood that that was the case, and I also understood from a reading of the testimony and such other facts as I have been able to obtain in this case, that that formula had been followed prior to that time. Apparently there had been not only a clearance but the State Department, General Holmes, and other authorized persons, including Under Secretary Grew, had definitely told them to go ahead, that clearance had been received.

Mr. FERGUSON. Does the Senator understand then that facts must have been presented to General Holmes and Under Secretary Grew indicating there was sufficient evidence upon which to base a conviction, or at least to bring a prosecution, against those connected with the State Department who were to be arrested?

Mr. KNOWLAND. I think the record is very clear in that regard.

Mr. FERGUSON. Therefore something else must have occurred, some other representations must have been presented which caused the block of this prosecution to come from San Francisco.

Mr. KNOWLAND. The fact remains also, I might say, that all this occurred about the time of the San Francisco Conference. Certainly Ambassador Grew knew that a conference was going to be held. That the conference was going to be held had been known in the Government for a considerable period of time. General Holmes and Ambassador Grew, both competent public officials, long experienced in the State Department, must have taken all those facts into consideration. The advice to hold off the prosecution must, therefore, have come from someone else. Who is that someone else?

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator appreciates, of course, that Mr. Hiss was one of the advisers at San Francisco.

Mr. KNOWLAND. He was not only one of the advisers, he was, I believe, Secretary General of the UN Conference at San Francisco, and, of course, had gone to Yalta as an official adviser to Secretary Stettinius. If the Senator will read the book written by the late Mr. Stettinius, former Secretary of State, in which he deals with the Yalta question, the Senator will find numerous places in that book where former Secretary Stettinius tells of his high regard for Mr. Alger Hiss, of Mr. Hiss being invited into the various conferences in which policies were formulated and established, and that at one time Mr. Hiss was called in when they were trying to work out something with the President of the United States. Unfortunately, Mr. Stettinius died prior to the conviction of Mr. Hiss by the jury. But there can be no doubt that at the time of the Yalta Conference and at the time of the San Francisco Conference Alger Hiss was in a position of great influence with American officials.

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

Mr. KNOWLAND. Yes.

Mr. FERGUSON. Would not the facts recited from former Secretary Stettinius' book indicate that the one man who would have been consulted in relation to this case, it being a case of an international nature, was the adviser or the chief adviser or architect of the plan, Mr. Hiss? Is it not reasonable to suppose that he is the man who would be consulted?

Mr. KNOWLAND. Of course, none of us knows the answer to that question. But certainly when I read the next paragraph from the testimony of Mr. Gurnea, it will be apparent to everyone that this is a lead which has never been followed through, so far as I know, to its ultimate conclusion. It is a very important lead in this whole network of individuals who were either actively engaged in the Communist Party in this country, were fellow travelers, or were at least guided by the same general principles, in the hope that China would become entirely Communist dominated.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is it not important that the particular advice be disclosed and who gave the advice, so that all persons who were at the San Francisco Conference who had nothing to do with this matter would be freed from suspicion that the prosecution was held up upon their advice?

Mr. KNOWLAND. There can be no question about it. As a matter of fact I do not believe the Senate or the country are going to be satisfied until the committee requests, and there be made available, all the cables and telegrams which passed between San Francisco and the State Department dealing with this subject.

Mr. FERGUSON. I agree with the Senator.

Mr. KNOWLAND. The next paragraph I desire to read, which to me makes this whole thing even more significant and makes it more necessary to follow it through, is the amazing testimony by the FBI representative before the House committee in its hearings in 1946. I read what he said. Remember I had stopped reading when I mentioned that General Holmes had gone directly to the President.

> The President called the Bureau and stated he wanted action taken on the case as quickly as possible, and wanted it to be vigorously followed, and in the event we received instructions from anyone that the case was to be held in abeyance, we were to contact him personally and let him know what instructions had been issued.

There was certainly a strong indication shown by the President of the United States that the stopping of the prosecution had not been warranted, for he found it necessary to issue personal instructions to the FBI to follow the case, and he apparently was so concerned that somebody else would drop some filings into the machinery of justice, that he said, "If they try to stop it again, personally inform me." I think that is a very unusual precaution for a President of the United States to have to take in a case of this kind, one involving the stealing of many highly classified documents.

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

Mr. KNOWLAND. I yield.

Mr. McCARTHY. I may say that I had planned to wait until the Senator concluded his remarks before I asked questions; but I must leave shortly, so perhaps the Senator will permit me to ask one or two questions at this time.

In the early part of his remarks the Senator from California said the statute

of limitations had run. I think the Senator had in mind section 793 of title 18 of the United States Code. However, the offense in the Amerasia case I think unquestionably would come under section 794 of title 18, which calls for a penalty up to and including death. That statute has been tolled during the war, so the statute of limitations would not have run, insofar as the defendants in the Amerasia case are concerned.

Mr. KNOWLAND. In that connection, I would say that I am not a lawyer, but am a newspaperman. So that is a legal question which I would not feel competent to pass upon. I had understood from others that the statute had run. Perhaps it has not run, but I am not qualified to discuss that point.

Mr. McCARTHY. I brought up that point because I think it is the general impression that the statute has run. However, I have gone into that question in some detail with some of the best legal minds which can be found; and, in fact, I have also contacted the Department of Justice, and the attorneys there agree that the statute of limitations on section 794 of title 18 was tolled during the war and, the war still being on, the statute is still tolled.

I would also like to call the attention of the Senator to some documents which I hold in my hand at this time. None of them have ever before been made public. The Senator from California thought it was important to find out who was financing Amerasia. The Senator will recall that Frederick Vanderbilt Field was asked whether or not he was doing any of the financing; but he refused to answer, on the ground that his answer might incriminate him.

Of course, I think it is fairly general knowledge that Amtorg and Frederick Vanderbilt Field were so financing. However, there is a long step between feeling sure of something and being able to prove it. The Senator from California, having been a newspaperman, knows that when photostats which are obtained from hostile sources show contributions of $2,000 or $3,000 or $4,000, undoubtedly they represent only a small portion of the total amounts paid.

I now hold in my hand, and I shall give them to the Senator from California, photostats of checks totaling $2,500, paid by Frederick Field to support the magazine Amerasia.

Mr. KNOWLAND. Are those over and above the checks the Senator from Wisconsin turned over to the committee and mentioned to the Senate—checks dealing with the Institute of Pacific Relations?

Mr. McCARTHY. These have nothing whatsoever to do with the Institute of Pacific Relations. I may say that these checks were written at the same time when Mr. Field was also financing the publication of the American Council of the Institute of Pacific Relations, and at a time when Mr. Philip Jessup, our present Ambassador at Large, was in charge of the American Council's publication. He was physically in charge in 1943 and 1944; he was head of the research advisory council, which gave him complete charge of the editorial policy.

So Field, who has spent I do not know how many hundreds of thousands of dollars for Communist causes, was financing Mr. Jessup's publication, which was following the Communist Party line on China, and also we now find that Field was financing Amerasia. I think that is interesting information.

Mr. KNOWLAND. Mr. President, the Senator from Wisconsin has performed a useful service in bringing this information to the attention of the Senate and of the country. I trust that he will, if he has not already done so, make this information available to the committee investigating the case. Frederick Vanderbilt Field was accepted by Earl Browder as a Communist and Browder never felt it was necessary to question him abount that. Field had been active with the Institute of Pacific Relations, and had been on the board of Amerasia magazine; but this is the first direct indication I have seen that he also had been financing Amerasia magazine.

Mr. McCARTHY. Mr. President, I may say to the Senator that these documents have not been submitted to the committee. I do not mean to go into that subject at this time; but I believe the entire Senate knows why I am reluctant to waste my time trying to convince the committee of the situation which exists.

These documents are only some of the many documents which perhaps will not be presented to the committee, but certainly will be presented to the Senate and to the country.

I may also call attention to the fact that although I do not have the documents showing who were the founders of Amerasia, yet Mr. Jaffe's attorney, when he appeared in court, told the judge—all this is a matter of record—that the cofounder of Amerasia was a man by the name of Mr. Owen Lattimore, of whom the Senator may have heard before. As the Senator will recall, Mr. Jaffe pled guilty and was fined $2,500. He was named by Mr. Budenz as a Communist espionage agent.

Mr. KNOWLAND. Mr. President, the second question which I think should be answered, and which I think the Senate and the country have a right to expect to be answered, is, Who was it in the Government who insisted, over objections of officers of the United States Navy, that a suspected fellow traveler should be placed in the Office of Naval Intelligence?

Third, was the judge presiding at the time when Philip Jaffe pled guilty and when Larsen plead nolo contendere fully informed by the prosecuting attorneys of the Communist background and affiliations of Amerasia magazine and the significance of some of the documents that were taken?

Mr. McCARTHY. Mr. President, would the Senator like to have those photostats inserted in the RECORD? If so, I shall leave them with him. Otherwise, inasmuch as they are the only copies I have, I will keep them, for I would not like to lose them.

Mr. KNOWLAND. Then, Mr. President, I ask unanimous consent that the photostats may be printed at this point in the RECORD.

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

The photostats are as follows:

Madison Avenue office, Guaranty Trust Co. of New York, New York, N. Y.

AUGUST 28, 1942.

No. 65.

Pay to the order of Amerasia, Inc., one thousand dollars.

$1,000.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

SEPTEMBER 1, 1942.

Madison Avenue office, Guaranty Trust Co. of New York, New York, N. Y.

OCTOBER 16, 1942.

No. 68.

Pay to the order of Amerasia, Inc., one thousand dollars.

$1,000.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

OCTOBER 18, 1942.

Madison Avenue office, Guaranty Trust Co. of New York.

NEW YORK, N. Y., *January 16, 1942.*

No. 211.

Pay to the order of Amerasia, Inc., five hundred dollars.

$500.

FREDERICK V. FIELD,

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

Pay to the order of any bank, banker, or trust company, January 20, 1942, or through the New York Clearing House.

Prior endorsements guaranteed.

Corn Exchange Bank Trust Co., Park Avenue branch.

Mr. McCARTHY. I ask the reporter to see that the photostats are returned to me, please.

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

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Is not the record very clear that the judge in that case, at the time of the plea and the sentence, was not informed as to the Communist connections with the case we are now discussing? The Senator from Michigan is one of those who feel a responsibility for requiring that the stenographers in all Federal courts report and transcribe all the proceedings in connection with pleas of guilty and the acceptance of pleas of guilty, so that the public may know later exactly what occurred at the time of the plea and at the time of the sentence.

So in this case the record is clear, it seems to me, that the stenographic notes, which have appeared in the record, and have been mentioned today by the distinguished Senator from California, indicate that the judge was not told of the Communist activities and

was not told all the facts in connection with the case. Is not that correct?

Mr. KNOWLAND. I think the record I have read, which has been made available, certainly indicates that the judge was not so informed.

Mr. FERGUSON. Does not the record also show, from the facts presented to the judge at that time, that a "deal" was made with Jaffe, outside the courtroom, in relation to his plea of guilty, to the effect that he was not to receive a jail sentence, but would receive only a small fine? Would not the Senator read that between the lines, and would not he know it from the record?

Mr. KNOWLAND. It certainly would appear to be so, from reading the record. I do not know that I can find that point in the transcript while we are discussing this matter now; but I will say that I was rather shocked, as a layman, upon reading the transcript of the testimony before the court in the Larsen case, to read a statement which we might expect to be made by defense counsel but to find that the statement was made by the Government attorney in that case, so that the defense counsel had very little to say, other than "me, too," in regard to the very pleasant hue which the Government attorney had put upon the whole matter—as though it had been something rather inconsequential, something to the effect that, "The boys made a mistake; but, after all, they were in the publication business, and, you know, newspaper men have to have background material."

On the contrary, the fact of the matter is that we do not find on the part of any legitimate publication in the United States any such rifling of secret and top-secret Government documents, taken for any such purpose. I say it is a slander and a libel upon the newspaper and publishing industry of America that 1,700 stolen documents would be in the files of a magazine of any kind, particularly a magazine of this kind.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator is familiar, is he not, with what happened after this item came out, so far as interviewing distinguished members of the press is concerned, and that they stated they did not have such access? Those newspapermen, responsible representatives of the press of America, did not have the opportunity to obtain hundreds of documents. In fact, the majority of them stated that if they ever got any information, it was read to them, or, if by way of a document, its possession was obtained by the official who gave it to them.

Mr. KNOWLAND. That is correct. I recall the article which appeared within the past few days.

Mr. FERGUSON. So the record is clear that that was not the practice of reputable newspapermen.

Mr. KNOWLAND. I am sure it is not their practice.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator stated that, as a layman, he was shocked, upon reading this record, to find that the district attorney pleaded for the defense. Is the Senator familiar with the ethics of the legal profession, and particularly those respecting the bench, which would prohibit, and, in fact, would make it a matter of contempt of court, to enter into any such agreement as the one indicated by Mr. Hitchcock, where, outside the court, an agreement is made with a defendant, in effect telling him what the sentence will be? Is the Senator familiar with the fact that a proceeding of that kind, in a matter pending in a court of justice, is considered by judges to be contempt of court?

Mr. KNOWLAND. I am not so familiar with that as is the Senator, although I have generally understood that to be the case.

Mr. FERGUSON. Does the Senator understand that when a defendant is brought before a judge for sentence, it is the judge's duty to ascertain whether any promises have been made by anyone in order to obtain a plea of guilty?

Mr. KNOWLAND. No; I do not. I may say to the Senator, I am not familiar with that.

Mr. FERGUSON. That is an established rule of procedure. It is the established rule of all courts, in taking pleas of guilty. In other words, the Attorney General of the United States represents all the people. In effect, he must be fair and truthful with the defense. Therefore, he cannot promise that a man will receive only a sentence of a certain kind, or a fine without a jail sentence. To do so, would be a breach of the fundamental ethics of the legal profession and of the bench and bar of America.

Mr. KNOWLAND. I may say to the Senator from Michigan that, on May 22, there was placed in the CONGRESSIONAL RECORD the testimony before the subcommittee of the Committee on the Judiciary of the House. That testimony very clearly indicates that a deal was entered into with the attorneys for Jaffe, to the effect that he would get a fine of not more than $5,000—he later was actually fined $2,500—and that there would be no jail sentence.

Mr. FERGUSON. That is correct.

Mr. KNOWLAND. Whether that is ethical and legal, I cannot say, for I am unable to put my finger on a particular rule or statute to that effect, as the Senator from Michigan is able to do. But certainly, from reading the testimony, I should say a deal of that kind was entered into.

Mr. FERGUSON. The Senator from Michigan now states for the RECORD that comment of that kind is unethical. It is a contempt of court. The procedure followed by the Attorney General of the United States would not be becoming even to those who practice law in the police courts of the great cities of the United States if the record of what Mr. Hitchcock said is correct. The defendant's attorney was kept in another room so that he could not get out to ascertain what had been filed in a court, and there was therefore obtained from him a plea of guilty on behalf of his client. Such conduct would not be permitted in the police courts of the United States, let alone in the District Court of the United States for the District of Columbia.

Mr. KNOWLAND. I may say to the Senator from Michigan that from what I have been privileged to read to date, it seems to me that the Department of Justice is trying to pin upon the FBI or the OSS some mishandling of the investigative phases of this work. But, on my responsibility as a Senator, from a reading of the testimony which has been available to me, I venture to say that the bungling which has taken place in the Amerasia case rests in the Department of Justice of the United States and with others who may have been on the outside in any other Federal department who were advising them.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. When the Senator from Michigan learned that the Senator from California was about to make this speech on the floor of the Senate today, being familiar with the record, having read the record in the Hobbs case, and other information which he has been able to obtain, he discovered just what the distinguished Senator from California found—that there was the idea of placing upon the Federal Bureau of Investigation, rather than upon the office of the Attorney General, the responsibility for the difficulty in this case, and there was an attempt to make it appear that the bungling of the FBI was the cause of there having been no prosecution in this case.

I have therefore brought to the Senate, and will later in the day use, by way of questions or otherwise, legal authorities which indicate that a prosecution could be had in this case. It was not the fumbling or bungling of the FBI. In fact, the FBI, according to the record, appears to have done a good job. They were working under wartime conditions. I want to cite to the Senate later what Mr. Justice Holmes said about wartime conditions and their effect upon searches and seizures and upon freedom of speech. But will the Senator yield for but one further observation?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is the Senator familiar with the fact that while, as Mr. Hitchcock says, they kept the attorney for Jaffe in another room, concealing from him the fact that certain documents had been filed in the District Court of the United States, at the same time, or at some later time, the United States district attorney was making a deal: Larsen was called in and was told, "If you will enter a plea of nolo contendere"—and a long discussion ensued as to what is meant by "nolo contendere," which I shall not discuss at this time—"If you will plead nolo contendere, which to all effect is a plea of guilty upon the record at least, for the purpose of a fine and a sentence, "we will have Jaffe pay your fine."

In other words, they were making an agreement with him—knowing that they could get the judge of the United States district court not to sentence him—to have Jaffe pay his fine, and not only to pay his fine, but they used the persuasion that they would pay his attorney

fees. So when he was taken to the court on Saturday morning to enter the plea of nolo contendere, and the judge fined him $500, the money was provided by Jaffe for the purpose of paying his fine. Larsen's attorney reached into his pocket, took out a bill for $2,000, and presented it, and Jaffe paid $2,000 as an attorney fee.

Has that been brought out by Mr. Hitchcock? Does not the Senator feel that it is material to the issue as to whether they were doing this for the purpose of covering up evidence, so that the people of the United States would not know what was going on? Does the Senator feel that that is indicated by such a deal?

Mr. KNOWLAND. I say to the Senator from Michigan that, in the judgment of the Senator from California, this is only one of the many unexplained facets of the Amerasia case which should be thoroughly gone into. If it is not thoroughly gone into, neither the Congress nor the country will be satisfied that there has not been a major cover-up in the whole proceeding.

Mr. FERGUSON. I thank the Senator.

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

Mr. KNOWLAND. I yield.

Mr. McCARTHY. On page 1467 of Field's testimony Senator HICKENLOOPER asked Mr. Field this question:

> Have you contributed any funds or property of value to either Amerasia, the magazine Amerasia, or the magazine or organization known as Far Eastern Survey?
>
> Mr. FIELD. I must decline to answer those questions on the ground that the answers might be self-incriminating.

In other words Mr. Field said, "I will not tell you whether I helped to support Amerasia because that might incriminate me."

In view of the fact that we have a few photostats here showing his financial support of Amerasia, would the Senator agree with me that the committee should do what I have been urging and coaxing it to do for weeks, namely, to subpena Mr. Field's financial records to find out to what extent he actually financed Amerasia and to what extent he financed the IPR publication.

In addition to that, I should like to invite the Senator's attention to something of which he may or may not be aware, namely, that after Mr. Field was called and refused to answer certain questions and the committee considered the wisdom of citing him for contempt, he then sent word that he was now willing to talk. I assume that means that he was willing, also, to furnish his financial records. At that time the counsel for the committee, Mr. Morgan, made the statement that he doubted whether Mr. Field should be given that privilege, in other words, the privilege of giving the committee the information it wanted. Since that time, for some mysterious reason, all mention of Mr. Field has been dropped. He has not been called, and no attempt has been made to have his records made available.

Is the Senator also aware of the fact that originally I produced photostats of checks totaling $3,500 which Field had paid to another publication?

Mr. KNOWLAND. Yes; I mentioned that in my remarks.

Mr. McCARTHY. Subsequently the State Department issued a white paper to prove, in effect, that McCARTHY was a liar. It stated that Mr. Field contributed only $3,500, and that was a small portion of the cost of running that publication. All the Department had to do was to call in Jessup and ask him how much Communist money was given to his organization.

I have been digging up additional photostats. I have now furnished photostats of checks totaling $6,000 which Field paid toward the support of Mr. Jessup's organization.

In view of this, does the Senator agree with me that it is important that we get the Field records and also find out how much in excess of $6,000 was paid? Up to this time I have succeeded in getting photostats only up to 1943. It was called to the President's attention that Mr. Jessup was in charge of the publication which was spearheading the Communist Party line of attack on the anti-Communist forces in China. It was called to his attention that while Mr. Jessup's publication was performing this task for the Communists, they were being supported by Communist money, and that the only action taken—and I think this is a very important thing for the people of the country to realize—was to give Mr. Jessup secret clearance to all H-bomb information.

Mr. KNOWLAND. I will say to the Senator that of course I do not know the answers to all the questions which the Senator has presented, but it certainly seems to me that the committee would be derelict in its duty to the country and to the Senate if it did not pursue this matter to get the complete answers to the questions. Certainly I do not believe, in the light of the known association of Mr. Field with Mr. Browder in the whole China situation, that we can ever get the complete threads of the network until we have supenaed the financial records of Mr. Field.

Another question, Mr. President, that should be raised at this time is why should not the documents in the Amerasia case be made available to the Congress and the Nation so that they may judge for themselves as to the importance of the documents? There have been statements to the effect that only 1 percent of the documents were really of a highly important nature. I have covered that point in my previous remarks by saying that even if only 1 percent of the documents were important, it would still be a serious situation.

On my responsibility as a United States Senator I say that the documents which were classified as confidential secret, and top secret, greatly exceed 1 percent. Certainly, there was a major leakage out of Government departments into the office of the Amerasia magazine. Certainly, in this case, as distinguished from the current question of security risks in Government departments, what it needs more than anything else is a full spotlight of public opinion. It may be that in connection with the testimony given by persons who were connected with the Amerasia case there may be others who are not now known who can supply the committee with information which would show whether perjury had been committed; but if star-chamber proceedings are conducted in this case which is now some 5 years old, we may never get the full facts of the case.

I should like to raise a final question: Does the Foreign Relations Subcommittee intend to subpena Philip Jaffe, Kate Mitchell, Mark Gayn, Emmanuel Larsen, John Service, and Andrew Roth and press for answers as to who constituted the transmission belt from Government classified files to the office of Amerasia and whether or not any such still remain in the Government service?

In concluding Mr. President, I merely want to say that in 1899 a great Secretary of State, John Hay, had this to say:

> The storm center of the world has gradually shifted to China. Whoever understands that mighty empire socially, politically, economically, and religiously has a key to the politics for the next 500 years.

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

Mr. KNOWLAND. I yield to the Senator from Pennsylvania.

Mr. MARTIN. I have not heard all the remarks of the distinguished Senator from California, but I have been greatly interested in what I heard. I think he has performed a great service to the United States in bringing this matter into the open. Did the Senator make any reference to the paraphernalia which was used for recopying, and so forth, in the rear of the main office of Amerasia?

Mr. KNOWLAND. No; I did not go into that subject in these remarks, because at a later date I expect again to deal with the subject. However, in answer to the question of the Senator from Pennsylvania, the testimony which is now on record shows that in the office of this little magazine Amerasia, which had a circulation of approximately 2,500, there was quite a photostatic establishment. It was of the type which would be used in a publication of a much greater size. When Mr. Bielaski led the first OSS raid on the Amerasia office be found countless photostats of secret and other classified documents in the office of Amerasia. I very diligently searched through 2 years of the files of Amerasia in the Library of Congress and I have yet to find a single photostatic reproduction in any of those issues.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Would that not indicate that there may have been other documents which had been photostated and returned.

Mr. KNOWLAND. There is no question about the fact that it would be hardly necessary to keep the originals when they had photostatic copies. It may be that there was such a volume of documents that they had not had a chance to return the remaining documents to the Government files before they were found in the office.

Mr. FERGUSON. I indicated that I would have something to say about

search and seizure, but I understand that the Senator from Maine desires the floor. Therefore, I shall not take any more time in asking questions of the Senator from California. Later I shall seek the floor in my own right and put this legal matter into the RECORD.

Mr. KNOWLAND. I think the Senator would be performing a very useful service if he were to do so, because I believe some misconceptions have arisen as a result of the material put out by the Department of Justice. The material which the Department of Justice has put out would indicate that there was no law case, and that that was the excuse for not pursuing the matter diligently.

In conclusion, Mr. President, it becomes more apparent each day that the men in the Kremlin have understood the importance of China far better than many of those in our own State Department. I only hope that it is not too late and that the fall of the mainland of China, carrying with it the implication of the ultimate loss of most of Asia, will not be fatal to the cause of peace in the world and ultimately undermine the security of the United States of America.

The PRESIDING OFFICER (Mr. IVES in the chair). In his capacity as a Senator, the Chair suggests the absence of a quorum, and the clerk will call the roll.

The clerk proceeded to call the roll.

Mrs. SMITH of Maine. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

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

THE GROWING CONFUSION—NEED FOR PATRIOTIC THINKING

Mrs. SMITH of Maine. Mr. President, I would like to speak briefly and simply about a serious national condition. It is a national feeling of fear and frustration that could result in national suicide and the end of everything that we Americans hold dear. It is a condition that comes from the lack of effective leadership either in the legislative branch or the executive branch of our Government. That leadership is so lacking that serious and responsible proposals are being made that national advisory commissions be appointed to provide such critically needed leadership.

I speak as briefly as possible because too much harm has already been done with irresponsible words of bitterness and selfish political opportunism. I speak as simply as possible because the issue is too great to be obscured by eloquence. I speak simply and briefly in the hope that my words will be taken to heart.

Mr. President, I speak as a Republican. I speak as a woman. I speak as a United States Senator. I speak as an American.

The United States Senate has long enjoyed world-wide respect as the greatest deliberative body in the world. But recently that deliberative character has too often been debased to the level of a forum of hate and character assassination sheltered by the shield of congressional immunity.

It is ironical that we Senators can in debate in the Senate, directly or indirectly, by any form of words, impute to any American who is not a Senator any conduct or motive unworthy or unbecoming an American—and without that non-Senator American having any legal redress against us—yet if we say the same thing in the Senate about our colleagues we can be stopped on the grounds of being out of order.

It is strange that we can verbally attack anyone else without restraint and with full protection, and yet we hold ourselves above the same type of criticism here on the Senate floor. Surely the United States Senate is big enough to take self-criticism and self-appraisal. Surely we should be able to take the same kind of character attacks that we "dish out" to outsiders.

I think that it is high time for the United States Senate and its Members to do some real soul searching and to weigh our consciences as to the manner in which we are performing our duty to the people of America and the manner in which we are using or abusing our individual powers and privileges.

I think it is high time that we remembered that we have sworn to uphold and defend the Constitution. I think it is high time that we remembered that the Constitution, as amended, speaks not only of the freedom of speech but also of trial by jury instead of trial by accusation.

Whether it be a criminal prosecution in court or a character prosecution in the Senate, there is little practical distinction when the life of a person has been ruined.

Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—

The right to criticize.

The right to hold unpopular beliefs.

The right to protest.

The right of independent thought.

The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know some one who holds unpopular beliefs. Who of us does not? Otherwise none of us could call our souls our own. Otherwise thought control would have set in.

The American people are sick and tired of being afraid to speak their minds lest they be politically smeared as Communists or Fascists by their opponents. Freedom of speech is not what it used to be in America. It has been so abused by some that it is not exercised by others.

The American people are sick and tired of seeing innocent people smeared and guilty people whitewashed. But there have been enough proved cases, such as the Amerasia case, the Hiss case, the Coplon case, the Gold case, to cause Nation-wide distrust and strong suspicion that there may be something to the unproved, sensational accusations.

As a Republican, I say to my colleagues on this side of the aisle that the Republican Party faces a challenge today that is not unlike the challenge which it faced back in Lincoln's day. The Republican Party so successfully met that challenge that it emerged from the Civil War as the champion of a united nation—in addition to being a party which unrelentingly fought loose spending and loose programs.

Today our country is being psychologically divided by the confusion and the suspicions that are bred in the United States Senate to spread like cancerous tentacles of "know nothing, suspect everything" attitudes. Today we have a Democratic administration which has developed a mania for loose spending and loose programs. History is repeating itself—and the Republican Party again has the opportunity to emerge as the champion of unity and prudence.

The record of the present Democratic administration has provided us with sufficient campaign issues without the necessity of resorting to political smears. America is rapidly losing its position as leader of the world simply because the Democratic administration has pitifully failed to provide effective leadership.

The Democratic administration has completely confused the American people by its daily contradictory grave warnings and optimistic assurances, which show the people that our Democratic administration has no idea of where it is going.

The Democratic administration has greatly lost the confidence of the American people by its complacency to the threat of communism here at home and the leak of vital secrets to Russia through key officials of the Democratic administration. There are enough proved cases to make this point without diluting our criticism with unproved charges.

Surely these are sufficient reasons to make it clear to the American people that it is time for a change and that a Republican victory is necessary to the security of the country. Surely it is clear that this Nation will continue to suffer so long as it is governed by the present ineffective Democratic administration.

Yet to displace it with a Republican regime embracing a philosophy that lacks political integrity or intellectual honesty would prove equally disastrous to the Nation. The Nation sorely needs a Republican victory. But I do not want to see the Republican Party ride to political victory on the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

I doubt if the Republican Party could do so, simply because I do not believe the American people will uphold any political party that puts political exploitation above national interest. Surely we Republicans are not so desperate for victory.

I do not want to see the Republican Party win that way. While it might be a fleeting victory for the Republican Party, it would be a more lasting defeat for the American people. Surely it would ultimately be suicide for the Republican Party and the two-party system that has protected our American liberties from the dictatorship of a one-party system.

As members of the minority party, we do not have the primary authority to formulate the policy of our Government.

But we do have the responsibility of rendering constructive criticism, of clarifying issues, of allaying fears by acting as responsible citizens.

As a woman, I wonder how the mothers, wives, sisters, and daughters feel about the way in which members of their families have been politically mangled in Senate debate—and I use the word "debate" advisedly.

As a United States Senator, I am not proud of the way in which the Senate has been made a publicity platform for irresponsible sensationalism. I am not proud of the reckless abandon in which unproved charges have been hurled from this side of the aisle. I am not proud of the obviously staged, undignified countercharges which have been attempted in retaliation from the other side of the aisle.

I do not like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity. I am not proud of the way we smear outsiders from the floor of the Senate and hide behind the cloak of congressional immunity and still place ourselves beyond criticism on the floor of the Senate.

As an American, I am shocked at the way Republicans and Democrats alike are playing directly into the Communist design of "confuse, divide, and conquer." As an American, I do not want a Democratic administration white wash or cover up any more than I want a Republican smear or witch hunt.

As an American, I condemn a Republican Fascist just as much as I condemn a Democrat Communist. I condemn a Democrat Fascist just as much as I condemn a Republican Communist. They are equally dangerous to you and me and to our country. As an American, I want to see our Nation recapture the strength and unity it once had when we fought the enemy instead of ourselves.

It is with these thoughts that I have drafted what I call a Declaration of Conscience. I am gratified that the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. IVES], the Senator from Minnesota [Mr. THYE], and the Senator from New Jersey [Mr. HENDRICKSON] have concurred in that declaration and have authorized me to announce their concurrence.

The declaration read as follows:

STATEMENT OF SEVEN REPUBLICAN SENATORS

1. We are Republicans. But we are Americans first. It is as Americans that we express our concern with the growing confusion that threatens the security and stability of our country. Democrats and Republicans alike have contributed to that confusion.

2. The Democratic administration has initially created the confusion by its lack of effective leadership, by its contradictory grave warnings and optimistic assurances, by its complacency to the threat of communism here at home, by its oversensitiveness to rightful criticism, by its petty bitterness against its critics.

3. Certain elements of the Republican Party have materially added to this confusion in the hopes of riding the Republican Party to victory through the selfish political exploitation of fear, bigotry, ignorance, and intolerance. There are enough mistakes of the Democrats for Republicans to criticize constructively without resorting to political smears.

4. To this extent, Democrats and Republicans alike have unwittingly, but undeniably, played directly into the Communist design of "confuse, divide, and conquer."

5. It is high time that we stopped thinking politically as Republicans and Democrats about elections and started thinking patriotically as Americans about national security based on individual freedom. It is high time that we all stopped being tools and victims of totalitarian techniques—techniques that, if continued here unchecked, will surely end what we have come to cherish as the American way of life.

MARGARET CHASE SMITH,
Maine.
CHARLES W. TOBEY,
New Hampshire.
GEORGE D. AIKEN,
Vermont.
WAYNE L. MORSE,
Oregon.
IRVING M. IVES,
New York.
EDWARD J. THYE,
Minnesota.
ROBERT C. HENDRICKSON,
New Jersey.

Mr. SMITH of New Jersey. Mr. President, prior to the address just delivered by our distinguished colleague, the Senator from Maine, she suggested to me that she thought the address she was about to make to the Senate might contain some matters with which I might disagree.

I wish to say to my distinguished colleague that I have listened with the greatest intentness to her speech; I left my desk and took a seat close to her desk in order that I might hear every word of her speech. I wish to state that I am in wholehearted agreement with everything she has said, and I congratulate her and commend her for the magnificent address she has just made to the Senate.

Mrs. SMITH of Maine. I thank the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I wish to state for the record that the address which has just been delivered by the distinguished Senator from Maine is one of the best addresses I have heard since it has been my privilege to be a Member of this distinguished body. The address was inspiring and thought-provoking, and it sounded a clarion warning to which every one of us should pay heed. In the future, as we undertake our deliberations on the floor of this body and as we proceed to meet our daily obligations, we should keep in our minds this fine, ringing message.

I compliment and congratulate my distinguished colleague, the Senator from Maine; and as she goes forth on her new mission abroad, I hope she will remember that she has given us today this inspiring message—and to good advantage.

Mr. TYDINGS. Mr. President, it is not necessary for any of us to be in complete agreement with all the statements made by the distinguished Senator from Maine, who has just entertained us and instructed us on the highest level of statesmanship. I think there is much food for thought in the central theme of her magnificent address. This country is faced with terrific perils. The whole world is looking to us for leadership. Regardless of whether we like it or do not like it, there is no other place than America to which the free democratic world can turn.

I take the address just delivered to the Senate by the distinguished Senator from Maine to be a real contribution to the world situation and particularly to the situation existing in the Senate and the situation existing in the House of Representatives. She has been temperate, constructive, imaginative and, I believe, fair in her comments generally upon the passing scene. I wish to compliment her both personally and as a fellow Senator upon her breadth of view and the reasonable detachment from political affairs which she has stated in such a delightful manner in the thoughts to which she has given expression. Those of us of the male sex must coin a new word in order to aptly fit her magnificent address, and I suggest the word "stateswomanship."

Mr. LEHMAN. Mr. President, I deem it a great privilege to congratulate the distinguished Senator from Maine upon her masterly and very timely address. I think she has said things this afternoon in condemnation of the current smear campaign which had to be said and should have been said long ago, things which many of us on the floor of the Senate have felt and were in agreement with.

I think she has brought home to the American people both the evil and the danger of trial by accusation, not trial based on evidence or on proof, but merely on accusation, innuendo, and smear. She has well expressed her antipathy for what she aptly called the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

She has said the things which are in our minds and hearts, and she has done so in a manner which I think none of us who had the privilege of listening to her will lightly or quickly forget.

I think she has pointed out, too, the great danger under which we here have been working for the past few months, namely, the danger that the people of America, through the endless repetition of unproved charges against the State Department and Government employees generally, will lose confidence in their Government. She pointed out the even greater danger that the freedom-loving people of other nations will lose confidence in the leadership of the United States. If that should happen, I would see very little hope for the free world.

Again I wish to take this opportunity both to congratulate and to thank the able junior Senator from Maine [Mrs. SMITH] for her very thoughtful address.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the

committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6655) for the relief of Taeko Suzuki, and it was signed by the Acting President pro tempore.

MILITARY AID TO OTHER FREE NATIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and referred to the Committee on Armed Services:

To the Congress of the United States:

I recommend that the United States continue to provide military aid to other free nations during the fiscal year 1951, as part of the common effort to increase the strength of the free world in the interest of world peace. New authorizations are necessary to extend the program begun last year and advanced so successfully since that time.

This program is a further strengthening of the principles of peace on which this country bases its foreign policy. Through the Charter of the United Nations, the member nations have pledged themselves to the settlement of disputes by peaceful means, and to refrain from the threat or use of force against the territory or independence of any nation. In spite of those solemn pledges, there is clear evidence that certain adherents to the Charter will not hesitate to use force and to threaten the integrity of other countries if it suits their purposes. It has proved necessary to take further steps to defend the principles of the Charter, and the freedom of the member nations against this threat.

The United States and other free nations must be strong if they are to remain free. Communist imperialism has shown itself ready to exploit weakness and to seize nations which do not have the strength to resist. That imperialism seeks to gain its ends by intimidation, by fomenting disorder, and by attempts to force internal collapse.

But experience has shown that the designs of Communist imperialism can be thwarted if the intended victims of that imperialism are strong. Communist aggression can be successfully countered by people who value their independence and are determined to take the actions necessary to remain free.

The strength that is necessary to meet the Communist thrusts must take many forms—moral, political, economic, and military—because the Communist challenge takes all those forms. Furthermore, the strength to meet communism must be the combined strength of the free nations. No one nation alone can be successful.

Recognizing these facts, we have entered wholeheartedly into cooperative action with other free nations. We are contributing to the greater strength of the free world, and our own strength is being enhanced by the contributions of the other free nations joined with us.

The cooperative economic programs in which we are engaged—principally the European recovery program—are excellent examples of the way joint action can add to the strength of all of us. By such joint economic action, the free nations are building the foundation of their own security. Economic strength is now, and will continue to be, a prerequisite to the attainment of lasting political and military strength, and world peace.

To enhance this strength, we are engaged in cooperative action to build a stronger defense against aggression. In the Western Hemisphere and the North Atlantic area, we have entered into collective security arrangements within the framework of the United Nations Charter. In other parts of the world, we have helped to strengthen individual countries whose security is important to peace, and to our own security.

Our major effort has been devoted to western Europe, because two great wars in this century have shown us beyond any doubt that our prosperity, our security, and indeed our survival, are bound up with the fate of the nations of western Europe. In the face of the Communist threat to the common peace and security, we entered last year into a compact with 11 other countries in the North Atlantic area. Together, we announced the principle that an attack on one would be regarded as an attack on all.

This was a historic step that has great meaning both here and abroad. It was evidence that our people, and the people in the other countries which signed the North Atlantic Treaty, reject the dangerous futility of isolationism and understand the necessity of cooperation with other countries if peace and freedom are to be preserved.

Following the ratification of the Treaty, the nations set about the practical task of providing for their common defense. The prompt enactment by the Congress of the Mutual Defense Assistant Act was one step toward that goal. To assist western Europe and other nations whose freedom was threatened, the Congress authorized three types of aid: First, the direct supply of certain essential items of military equipment; second, the assistance of specialists in military production and training; and third, the transfer of machine tools and materials to enable increased production of military equipment. For these purposes, the Congress last year made available $1,314,010,000 in funds and contract authority. A detailed description of the specific accomplishments of the mutual defense assistance program will be found in the report of activities under the program which I am submitting separately to the Congress.

One billion dollars of the sum made available last year was to promote the integrated defense of the North Atlantic area. We have made great strides toward this objective in the short period since the act became effective. We have created an organization, and established procedures, which will assure the prompt carrying out of the program. Equipment has begun to flow abroad.

The North Atlantic Treaty countries have agreed on the general role which each is to play in the common defense. We are succeeding for the first time in history in overcoming considerations of national prestige and tradition, under which each nation felt bound to equip itself completely with men and resources in every branch of military activity. Our common defense planning, instead, will be based on a considerable degree of specialization. This will bring a much larger total strength from the resources devoted to defense purposes.

The recent meeting of the North Atlantic Treaty Council emphasized the need for balanced collective forces, and established a permanent group, one of the tasks of which will be to function continuously in giving direction to the joint efforts of the treaty partners toward this objective.

The complex work of preparing detailed defense plans, based on the concept of balanced collective forces, is now going forward. We have not yet fully determined the size and the nature of the forces and equipment necessary to insure ourselves against future aggression directed toward the North Atlantic area. But one thing is already plain. The military establishments of western Europe are below the minimum level consistent with security. Those countries must build up their forces as swiftly as their resources permit, assisted by such help as we can afford. To this end, I recommend that the Congress authorize additional funds in the amount of $1,000,000,000 for the next fiscal year. In conjunction with our own defense budget, and the defense budgets of the other treaty countries, this will continue the work so well begun to bolster the defenses of the North Atlantic area.

The emphasis on the defense of western Europe has not diverted our attention from the threats to the integrity of nations in other parts of the world whose security is closely linked to our own. The problem of security is world-wide. The threat of aggression casts its shadow upon every quarter of the globe.

The military assistance we have given Greece and Turkey since 1947 has brought impressive results. In Greece, it has brought guerrilla warfare to an end, and has paved the way toward political stability and economic progress. It has given Turkey the ability to maintain its territorial and political integrity. Our military aid to Greece and Turkey must continue, but the amount required will be less than half that needed in the current fiscal year. For military assistance to Greece and Turkey for the next fiscal year, I recommend that the Congress authorize funds in the amount of $120,000,000.

That Iran remains an independent country in spite of continuous Soviet pressure is due in part to the strong support of the United States. The security of the Republic of Korea is under the constant menace of the Communist-dominated regime in North Korea, whose purpose is to destroy the new Republic established after free elections held under the auspices of the United Na-

tions. The independence of the Philippine Republic, freely given it by the United States, has become a symbol to the Far East, and, indeed, to the whole world. Today, it is under attack by a subversive element among its own people, whose objective is to serve the ends of Communist imperialism. For military assistance to Iran, Korea, and the Philippines, for the next fiscal year, I recommend that Congress authorize $27,500,000.

The problem of security against Communist aggression extends to certain other countries of the Far East which have been emerging as new and independent states. Recent events make it evident that the forces of international communism do not want these countries to grow in freedom—instead, the Communists seek to dominate them. The $75,000,000 which the Congress authorized last year for assistance to countries in the general area of China has been available to help these nations ward off the threat to their security from subversive Communist forces within their countries, and to help them prevent the further extension of Communist imperialism in the Far East. The value of having these funds available has been amply demonstrated. Programs of assistance to countries in this area, such as Indochina, are now underway.

The rapidly changing conditions in and around China require the constant reevaluation of the situation in that area, and constant readiness to act in the interests of peace when we can do so effectively. Accordingly, I recommend the authorization of an additional $75,000,000 for military assistance to countries in the general area of China during the next fiscal year.

The security of the United States and the free world may demand prompt emergency assistance on the part of the United States to other imperiled nations whose continued integrity is of vital importance. I, therefore, recommend to the Congress that limited provision be made for authority to cope with such emergencies. It will not be necessary to provide additional funds for this purpose. Such emergencies will be sufficiently provided for if a small portion of the funds made available for military assistance may be shifted to meet such situations should they arise.

The present provisions of the statute under which the United States is authorized to provide military assistance to countries which can afford to pay for such assistance have proved unnecessarily restrictive. As enacted, the law limited the countries to which the United States could provide military equipment on this basis to those countries designated in the law and to those which have joined with the United States in a collective or regional security arrangement. There are, however, other countries the security of which is of importance to the United States and to which it would be in the national interest to provide military equipment at no expense to the United States. Moreover, limitations respecting the amount, time, and security of payment have tended to frustrate the purposes of the present provisions. I, therefore, recommend that Congress take action to modify the present provisions.

In addition to direct military supplies, assistance is now being provided to certain other countries in the limited form of materials and machine tools. We are helping our partner nations to increase their ability to help themselves by producing the equipment they need. The limitations in the law which prevent the furnishing of production equipment other than machine tools has interfered with programs of additional military production in a way which I am confident was not intended by the Congress. Accordingly, I recommend that the Congress authorize the provision of production equipment without limiting it to machine tools.

The recommendations I have made will, I believe, contribute to greater common strength among the free nations. They are designed, just as our own defense program is designed, to build the necessary level of military strength to discourage aggression, without undermining the economic strength which is fundamental to long-run security. In this field, as in others, we must preserve the momentum we have gained by our actions to build a stable peace.

The great concerted program of the free nations is a positive and dynamic program of constructive action, to use our combined resources to expand freedom and increase the well-being of all free people. The elements of our program—moral, political, economic, and military—are all interrelated. Each is an indispensable part of the whole effort to increase the strength of the free world against Communist aggression—each is vital to the effort for peace and human advancement.

Our program for peace is consistent with the legitimate aspirations of all nations—it is a program which can be joined, fully and honorably, by any nation which sincerely desires to work for peace with freedom and justice. The United States is not interested in building up power blocs which compete for resources and seek to dominate others. We are striving for conditions of peace under which all nations and all peoples can advance together toward greater freedom and happiness.

That is why we are continuing to give unfaltering support to the United Nations, and to all efforts to make it a more effective agency for world order.

That is why we are continuing to work toward world economic recovery, and a structure of international economic relationships which will permit each country, through the free flow of trade and investment, to achieve sound economic growth.

That is why we must continue to strengthen the common defense of free nations to the point where Communist imperialism comes to realize the impossibility of taking them over. When this is done, the leaders of this imperialism will recognize that their own interests will be served by cooperating with the free nations. Then—and only then—will a lasting peace be achieved.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 1, 1950.*

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. DONNELL was excused from attendance on the sessions of the Senate tomorrow until 3 o'clock p. m., for the purpose of attending the graduation exercises at the United States Naval Academy.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. BRICKER. Mr. President, during the past year, at the last session and the present session, Senate bill 1008 has been before us for a great length of time. This bill represents hundreds of hours of work on the part of the Senate as a whole and many of its Members. It seems appropriate at this time to point out that this vast expenditure of time and effort was occasioned solely by the failure of the Supreme Court to respect the division between the legislative and judicial powers of the Government. It seems safe to predict that when this Congress adjourns, in August or September, many worthy bills will die simply because we did not have the time to consider them. Many of those bills might have been reached had not the basing-point controversy been forced upon us by judicial legislation of the Supreme Court.

Before the decision in the Cement case on April 26, 1948, there was no law against delivered pricing. No law prevented sellers from absorbing freight in order to meet competition in localities where competitors had a freight advantage.

The campaign of the Federal Trade Commission against delivered prices began in the early 1920's. When the bill which became the Robinson-Patman Act was being considered in 1936, the Commission tried to sell Congress its economic theory that only f. o. b. mill pricing should be permitted. Congress emphatically rejected that theory. Not satisfied with the decision of Congress, the Commission waged its campaign against basing-point and delivered pricing in the courts. It argued that the Robinson-Patman Act, in making price discriminations which injure competition illegal, defined price to mean the seller's mill net; that is, the portion of what the buyer pays that remains after deducting transportation charges. Obviously, under any basing-point system sales to distant customers on which freight is absorbed result in varying mill net prices. The Commission's argument was carefully considered by the Supreme Court in 1945 and was rejected in *Corn Products Refining Co.* v. *Federal Trade Commission* (324 U. S. 726). Referring to the definition of price which Congress had

rejected in the original Robinson-Patman bill, the late Chief Justice Stone said:

> The practical effect of this provision would have been to require that the price of all commodities sold in interstate commerce be computed on an f. o. b. factory basis, in order to avoid the prohibited discriminations in selling price. It would have prohibited any system of uniform delivered prices, as well as any basing-point system of delivered prices. These effects were recognized in the committee's report. * * *
>
> Such a drastic change in existing pricing systems as would have been effected by the proposed amendment engendered opposition, which finally led to the withdrawal of the provision by the House Committee on the Judiciary (80 CONGRESSIONAL RECORD 8102, 8140, 8224). We think this legislative history indicates only that Congress was unwilling to require f. o. b. factory pricing, and thus to make all uniform delivered price systems and all basing-point systems illegal per se (pp. 736–737).

Still the Federal Trade Commission was not satisfied. It argued before the Supreme Court in the *Cement case* (333 U. S. 683) that a basing-point system of pricing is illegal, even in the absence of any agreement or conspiratorial action by competitors. The Supreme Court accepted that contention, even though evidence of conspiracy made the argument of the Commission unnecesary. Only one member of the Supreme Court, Mr. Justice Burton, protested the action of the Court in approving the Commission's assertion of power which had been specifically denied by the Congress. Mr. Justice Burton's quotation from the opinion of the court below deserves repetition:

> We know of no criticism so often and so forcibly directed at courts, particularly Federal courts, as their propensity for usurping the functions of Congress. If this pricing system which Congress has over the years steadfastly refused to declare illegal, although vigorously urged to do so, is now to be outlawed by the courts, it will mark the high tide in judicial usurpation.

The decision in the Cement case threw the legal profession and business, large and small, into a state of utter confusion. The Eightieth Congress launched a full-scale investigation in the closing days of its second session. Almost immediately apologists for the Supreme Court and the Federal Trade Commission claimed that no legislation was necessary, because the Cement case was merely declaratory of existing law. Technically, of course, this was true. The Federal Trade Commission had made a two-pronged attack on the cement industry basing-point system. It skillfully blended the argument of illegality per se with evidence of collusion. Inasmuch as the Supreme Court was not required to pass on the legality of a basing-point system not established by conspiratorial action, many of its remarks in the Cement case could be treated as unfortunate dicta, at least until its decision in the Rigid Steel Conduit case—*Triangle Conduit & Cable Co.* v. *Federal Trade Commission* (168 F. (2d) 175).

The Rigid Steel Conduit case proved that the Supreme Court did not speak carelessly when it indicated in the Cement case that the Federal Trade Commission could prohibit any system of freight absorption—delivered pricing, basing-point pricing, or zone pricing—even without evidence of the use of such a system as part of a price-fixing scheme. Two counts were involved in the Rigid Steel Conduit case. One count charged that the industry's basing-point pricing system was illegal even in the absence of any conspiracy. With reference to that count the circuit court of appeals said:

> We now turn to consider petitioners' contention that the individual use of the basing-point method, with knowledge that other sellers use it, does not constitute an unfair method of competition. * * *
>
> In the light of that opinion [in the Cement case] we cannot say that the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition. (*Triangle Conduit & Cable Co.* v. *Federal Trade Commission* (168 F. 2d 175, 180–181 (1948)).)

The Rigid Steel Conduit case was affirmed by an evenly divided Supreme Court in April 1949. Since the effect of this action was to make individual and independent use of the basing-point method of pricing illegal per se, S. 1008 was converted from a moratorium measure into permanent legislation by the O'Mahoney substitute introduced in May 1949. S. 1008 has emerged from conference for the second time in substantially the same form as introduced by Senator O'MAHONEY. Sections 1 and 2 of S. 1008 merely reassert the original intent of Congress and what had always been the law prior to the Cement case, namely, the right of a seller to offer his goods at delivered prices and to meet the destination prices of his competitors so long as the meeting of such prices is done in good faith.

The time has come, Mr. President, for a thorough revision of our antitrust laws and a more definite formulation of antitrust policy. With relatively few exceptions, the Department of Justice has tried to carry out a policy of promoting vigorous competition. The Federal Trade Commission, on the other hand, seems to be dedicated to a policy of protecting competitors from the natural consequences of hard-hitting competition. The fact that the Department of Justice and the Federal Trade Commission frequently work at cross purposes is due in some degree to conflicting policies expressed in the Sherman Act and in statutes enforced by the Federal Trade Commission.

As a result of these conflicting policies, businessmen are often required by the Federal Trade Commission to perform certain acts, which, if done voluntarily, would subject them to prosecution under the Sherman Act. The resulting confusion has not been dispelled by the courts. The basing-point controversy is a perfect example of the difference between the policy of free competition generally advocated by the Justice Department and the policy of the Federal Trade Commission to soften the impact of free competition. Senate bill 1008 was drafted in cooperation with officials of the Antitrust Division of the Department of Justice and the Department endorses the conference version of the bill. The Federal Trade Commission is somewhat hostile to the bill. Because the conference version of Senate bill 1008 supports the Justice Department's policies of free competition and rejects the Federal Trade Commission policy of restricting competition, I intend to vote for the conference report.

It would serve no useful purpose at this time, Mr. President, to review all the evidence showing how insistence on f. o. b. mill pricing would disrupt the economy of this Nation. There are hundreds of commodities such as cement for which buyers will not pay 1 cent more per unit for one brand than for any other. At any particular time, it is only natural that the prices of all sellers will be identical. But identity of prices for fungible or standardized products does not, as the Federal Trade Commission contends, imply collusive price fixing. If, as the Federal Trade Commission admitted in the Cement case, buyers will not pay 1 penny more for the cement of one manufacturer than they will for another, why should not a competitor's prices be identical most of the time? The inevitable result of preventing manufacturers of cement or other homogeneous goods from meeting competitors' prices through freight absorption is to confine every manufacturer to selling in his freight-advantage territory.

Nevertheless, those who support the Federal Trade Commission's policies of soft competition have conducted a thorough, and somewhat successful, campaign to enlist the aid of small business. As a result, many of the Nation's small-business men have been led to believe that their future is threatened by the basing-point bill. It is obvious, Mr. President, that some of the basic contradictions of our antitrust policy will never be ironed out if small business accepts the doctrine of the Federal Trade Commission that no one should get hurt by free competition. I propose to demonstrate, Mr. President, that small business has every reason to support Senate bill 1008 in preference to the restrictive devices with which the Federal Trade Commission would shackle competition.

Section 1 of the bill amends section 5 (a) of the Federal Trade Commission Act by permitting delivered pricing and freight absorption by a seller acting independently. The Supreme Court indicated in the Cement case that members of the Federal Trade Commission are "experts," and that their presumed expertness in interpreting unfair competition as used in section 5 (a) of the Federal Trade Commission Act prevented the Federal courts from questioning its judgment. It is difficult for me to believe that the small-business men of this country want the Federal Trade Commission rather than the courts to make the final determination of what constitutes unfair competition. Section 1 of the bill places both the Commission and the courts on notice that businessmen have a right to judicial review in the meaning of "unfair competition."

Moreover, section 1 of the bill, in declaring freight absorption not to be an unfair method of competition, benefits small business much more than large business. For many industries the effect

of compulsory f. o. b. mill pricing is to limit manufacturers to the territory in which they enjoy a freight advantage over more distant competitors. Any large business which found itself confined to an uneconomic trading area could widen its market by setting up warehouses and branch plants. A small business would undoubtedly lack the capital required to build new warehouses and new plants.

Another effect of compulsory f. o. b. pricing is the advantage gained by plants located near large metropolitan areas where most sales are made. Manufacturers located in small towns and at a considerable distance from primary markets might be unable to compete if prevented from absorbing freight costs, even though favorably situated with regard to other costs of production. Since most of the manufacturing in the small towns is small business, small business would suffer more than large business by artificial trade barriers which the Federal Trade Commission has tried to erect.

The Federal Trade Commission's geographical pricing theories would lessen competition by creating a series of local monopolies. Buyers, instead of having the choice of buying the product of many sellers, would be compelled to deal with the nearest seller. It is true, of course, that the addition of transportation costs to f. o. b. prices would result in a multitude of different prices. Unfortunately, any attempt to forbid noncollusive identical prices means that competition in the sale of standardized commodities is also forbidden. It is possible that some small businesses might benefit temporarily from a monopoly position created by the Federal Trade Commission. It is safe to assume, however, that neither the general public nor the Department of Justice would tolerate monopolies based only on the accident of location.

For industries selling fungible goods where transportation represents a significant portion of the sales price, one of the most effective methods for the allocation of trade territory and the elimination of competition is f. o. b. pricing. Any such agreement among competitors would be quickly attacked by the Department of Justice and condemned by the consuming public. Yet that is precisely the set-up which the Federal Trade Commission sought to enforce in the Cement and Rigid Steel Conduit cases. Small business will, in my opinion, have a much better chance of avoiding Government regimentation if it insists on a Nation-wide free market. Although that means more competitors for business at any particular point, it also means that no business is limited by an artificial geographical trade barrier.

I would much rather trust the growth and prosperity of small business to a free market than to the whims of bureaucrats who seek to protect small business against what they conceive to be excessive competition.

Section 2 of the bill provides that it shall not be an unlawful discrimination in price under section 2 (a) of the Clayton or Robinson-Patman Act for a seller, acting independently:

"B. To absorb freight to meet the equally low price of a competitor in good faith (except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition), and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains.

Mr. O'CONOR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from Maryland?

Mr. BRICKER. I shall be happy to yield to the Senator from Maryland.

Mr. O'CONOR. Inasmuch as the Senator has just completed his very enlightening discussion as to section 1, I thought possibly I might ask him a question with regard to it without interrupting his thought. The Senator has very ably discussed the matter and has analyzed the situation pertaining to small business. Approving, as I do, of what he has said, I think the Senator could be of very great help to the Congress by a little elaboration of the statement, so that we may have the benefit of his sound judgment. It is true that in our opinion this bill will be beneficial to small business, despite a number of expressions of concern which have been voiced on the Senate floor. I was wondering whether the Senator does not think that by reason of the efforts to extend the field of competition and to increase possible competition, it will, if enacted, inure to the benefit of small-business men.

Mr. BRICKER. I am quite confident that the Senator is correct in his conclusion, that it will inure to the benefit of small-business men who grow strong under competition, with as few restrictions as may be possible, designed to protect small business against the power of concentrated wealth in big business. That is the way in which our industries have developed. As a result of the action of the Supreme Court, I think there is a restriction upon opportunity to the small-business man to start at the bottom and grow strong in free competition with big business and with his fellow competitors in the field of what we might call small business, although it is a misused term at the present time. The bill protects the small-business man against territorial restrictions.

Mr. O'CONOR. Mr. President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. O'CONOR. The Senator has used in his address a very apt expression, "the accident of location." May I ask him whether he agrees with the statement that an enterprise located in a certain area—there is an example of it in my own State of Maryland at the present time—which might enjoy a benefit from f. o. b. pricing rather than through the other system, may feel that it is being benefited at present, and yet ultimately it will work to the disadvantage of that enterprise as well as to the disadvantage of many other enterprises throughout the country if the present uncertain state of affairs is allowed to continue in which large industries and other industries are not at all confident of what may be their rights in the present state of the law?

Mr. BRICKER. I think the confusion which has resulted from the decision of the Supreme Court in the referred to case and the activities of the Federal Trade Commission since have created uncertainty in industry generally and uncertainty and flux in the pricing market throughout the country. I believe that the Senator will concur in my statement that the opinion of the Federal Trade Commission, as sustained by the Supreme Court, will not attract small business into the territory of established large business. It will further concentrate their power rather than give small business a chance in the outlying territory. The big fellow can take care of himself. We want to develop the small business. Rather than helping the outside small-business man, under the present situation his opportunity is restricted.

Mr. O'CONOR. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. O'CONOR. In the instance where big business is established at the present time, this bill, if enacted, would invite and attract smaller enterprises, thus adding to competition?

Mr. BRICKER. Yes; it would expand rather than restrict business, in my judgment.

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

Mr. BRICKER. I yield.

Mr. HUMPHREY. Did I understand the Senator to say that it was his view that freight absorption would not be possible if the present Commission orders were maintained?

Mr. BRICKER. That would be the ultimate end of it. There can be no question about that. That was not true at the time of the Cement case. I do not think there was any unanimity of agreement, but in the Steel Conduit case——

Mr. HUMPHREY. Does the Senator contend that there could be no freight absorption?

Mr. BRICKER. Ultimately; that is correct. That is the purpose of the Federal Trade Commission. That was the original idea with which they started and which was presented to the Congress, and rejected.

Mr. HUMPHREY. Without freight absorption real liability and restriction are put on the development of industry in other areas?

Mr. BRICKER. In the outlying areas. I believe that is true.

Mr. HUMPHREY. I wonder whether the Senator is familiar with the statement which was put into the RECORD yesterday by the Senator from Illinois [Mr. DOUGLAS]. The Senator from Illinois put in a statement regarding absorption of freight by cement companies, following the Cement decision, as indicated by compliance reports to the Federal Trade Commission. In the State of Ohio 13 companies were listed, including Alpha Portland Cement Co., Superior Cement Corp., Universal Atlas Cement Co., Southwestern Portland Cement Co., Pittsburgh Plate Glass Co., Diamond Portland Cement Co., Medusa Portland Cement Co., Huron Portland Cement Co., Lehigh Portland Cement Co., and Diamond Alkali Co. Of the 13

companies 10 companies already had absorbed freight under the present ruling following the Conduit case and the Cement case; one company said it had no information pertaining to freight absorption; another company said it would absorb freight; and the other company said there was no information on freight absorption which they would be willing to give.

Mr. BRICKER. I was in the Chamber when that table was put in the RECORD. The table is so extensive, that it is very hard to analyze, in the first place, and there is great confusion regarding it. I do not believe it brings out any principle. I think most of those prices were fixed subsequent to the decision in the Cement case and during the hearings conducted by the Committee on Interstate and Foreign Commerce. I do not think that many of them have been put into effect since the Conduit case. If they have, they would not mean anything until the Federal Trade Commission gets time to give consideration to them and the ultimate effect of law upon them.

Mr. HUMPHREY. Is it not true that the companies which the Senator from Illinois listed in his statement are as of the present moment absorbing freight, that freight absorption of itself is not illegal, and that freight absorption or the basing-point practice is illegal only when it is in combination to restrain the flow of commerce or to restrain competition, or when it is in conspiracy.

Mr. BRICKER. I do not believe that is the ultimate end under the ruling of the Federal Trade Commission or the decision of the Supreme Court, and it does not comply with the intent of the Federal Trade Commission's rulings in the field.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. O'CONOR. Does the Senator not know that subsequent to the decision to which the Senator has referred numerous representatives of chambers of commerce throughout the country sought advice and opinions from the Federal Trade Commission as to the legality of the proposed practices, and could not obtain satisfactory answers?

Mr. BRICKER. Not only could they not obtain satisfactory answers, but the Senate committee, as the Senator well remembers, could not get any unanimity of opinion on the part of the members of the Federal Trade Commission or on the part of counsel of the Federal Trade Commission. That was one development which led to the moratorium suggestion of the Senator from Illinois.

Mr. O'CONOR. Is it not true that in view of the state of affairs following the Rigid Steel Conduit case, in which the Supreme Court split 4 to 4, as a result of which the lower court's decision stood, if tomorrow a decision from another circuit came up to the Supreme Court which was absolutely opposite to the lower court decision in the Rigid Steel Conduit case, and if we assumed for the sake of the discussion that the Supreme Court would be equally divided, the state of affairs would then be absolutely opposite to what it is now?

Mr. BRICKER. There would be utter confusion. If the Supreme Court divided 4 to 4 the decision would be one way in one district and another way in another district.

Mr. President, it would be foolish, of course, for Congress to declare freight absorption not to be an unfair method of competition, but at the same time permit the Federal Trade Commission to outlaw freight absorption under its mill-net theory. Accordingly, section 2 of the bill simply reinforces and makes effective the intent of Congress expressed in section 1 of the bill. For reasons which have previously been stated, small business has much to gain and nothing to lose from the enactment of section 2 of the proposed bill.

My only objection to section 2, Mr. President, is that the parenthetical provision might be interpreted so as to nullify the value of the entire paragraph. First, the Federal Trade Commission has generally contended that systematic freight absorption substantially lessens competition. Secondly, sellers, as a practical matter, cannot predict whether or not the effect of their freight absorption will be interpreted by the Commission as substantially lessening competition. It is unfortunate that the right to absorb freight should have been so qualified. However, a court properly should construe the qualification in such a way as not to nullify the general purpose of Congress to legalize freight absorption.

However, I do not know that we can be greatly encouraged along that line in view of the fact that the decision in the Cement case was not only acted upon by the Federal Trade Commission, but absolutely nullified the express intention of Congress at least in two instances.

Section 3 of the bill appeared for the first time in the O'Mahoney substitute. It is not directly related to delivered pricing or freight absorption. Section 3 is concerned with the defense of meeting competition to a charge of price discrimination under section 2 (b) of the Robinson-Patman Act. It is this section of the bill which has drawn most of the fire from small-business associations.

The existing law provides that a seller may rebut a prima facie case of price discrimination by showing that his lower price was made in good faith to meet an equally low price of a competitor. It was held by the Seventh Circuit Court of Appeals in *Standard Oil Company* v. *Federal Trade Commission* (173 F. (2d) 210) that good-faith competition was not a defense because Standard's wholesale prices, although competitive with those of other wholesalers, reduced competition at the retail level in Detroit. This case was argued on January 10, 1950, before the Supreme Court but has not yet been decided.

I cannot understand, Mr. President, how section 3 in its present form can possibly prejudice small business generally or independent retailers in particular. In the first place, the protection accorded to independent retailers by virtue of State fair-trade laws and the Miller-Tydings Act is in no way diminished. Quantity discounts which are justified by cost savings are legal under existing law and are not affected by section 3. It has been suggested, however, by the National Association of Retail Druggists that section 3 legalizes price discriminations by permitting a large seller to justify a discriminatory price on the ground of meeting the discriminatory price of another large seller. Mr. President, that interpretation of section 3 is erroneous. The defense of meeting the equally low price of a competitor must still satisfy the good-faith condition. The Supreme Court has already held that a seller does not meet competition in good faith when it adopts the unlawful pricing policies of its competitors—*Federal Trade Commission* v. *A. E. Staley Mfg. Co.* (324 U. S. 746).

Section 3 of the proposed bill appears to have been designed to relieve sellers of the dilemma posed by Standard's Detroit case. Standard's Detroit case involved the right of Standard to sell to jobbers at lower prices than it sold to its own retail stations. Obviously, there were cost savings in sales to jobbers, but the differential could not be justified on that basis alone, because the jobber price was determined by competition and not cost accountancy. Four of Standard's jobbers also operated retail outlets. It was the ability of these jobbers to undersell Standard's retail customers which led the Federal Trade Commission to conclude that competition at the retail level was substantially lessened by the difference between Standard's jobber and retail prices. The decision of the circuit court, in effect, compelled Standard to refrain from selling to jobbers who sold gasoline at retail for a lower price than to retailers supplied by Standard.

This is the dilemma faced by Standard and many other sellers in a similar position. If sellers refuse to sell to wholesalers and jobbers who engage in price cutting at the retail level, they can be convicted under the antitrust laws. The Supreme Court decided that question in 1940 in *Ethyl Gasoline Corp.* v. *United States* (309 U. S. 436), where it was held that Ethyl violated the antitrust laws when it refused "to grant licenses to jobbers who cut prices." On the other hand, the decision of the court in Standard's Detroit case requires sellers to refuse to sell to jobbers engaged in price cutting at the retail level.

Because of this difference of opinion, the Department of Justice refused to argue before the Supreme Court on behalf of the Federal Trade Commission's position. In addition, the Department of Justice opposed both the Kefauver and Carroll amendments to section 3 because those amendments would have retained the rule laid down by the circuit court in Standard's Detroit case, which the Department felt conflicted with the policy of promoting free competition.

In any event, reversal of the doctrine advanced in Standard's Detroit case does not prejudice small business and does not even harm the independent gasoline retailers who were involved in that case. The circuit court said that all Standard had to do to comply with the order was to "discontinue selling to wholesalers at a price different than that made to re-

tailers." Since Standard had only four wholesalers in the Detroit area, the elimination of sales to these wholesalers by Standard would obviously not cripple the company. However, these four wholesalers with retail outlets would have been perfectly free to buy from other suppliers at wholesale prices, provided those suppliers did not have their own retail outlets. The effect on competition at the retail level would be exactly the same because Standard's exjobbers could still undercut Standard's retail stations.

It is easy to sympathize, Mr. President, with the plight of small independent retailers who are squeezed by price-cutting activities. However, small business should be reluctant to support any measure which promises protection against price cutting and the possibility of maintaining uniform retail prices. If the public is deprived of the benefits of vigorous competition, it will accept, or even demand, Government regulation to insure fair prices.

Section 4 of the proposed bill corrects another piece of judicial legislation by the Supreme Court. In *Federal Trade Commission* v. *Morton Salt Co.* (334 U. S. 37) the Supreme Court invalidated a quantity discount schedule because of a "reasonable possibility" that the discounts might have an adverse effect on competition. In previous cases the Court had interpreted the Clayton Act to require the record to show a "reasonable probability" that particular conduct would injure competition. Congress had approved these earlier cases because in various amendments to the Clayton Act it reenacted the same language which the Court had construed to require a test of reasonable probability.

The "reasonable possibility" test laid down in the Morton Salt case allows the Federal Trade Commission to obtain cease and desist orders based on only a gossamer thread of evidence. In his dissenting opinion, Mr. Justice Jackson said:

> The law of this case, in a nutshell, is that no quantity discount is valid if the Commission chooses to say that it is not. That is not the law which Congress enacted and which this Court has uniformly stated until today (p. 58).

Even the Federal Trade Commission was taken by surprise when the Supreme Court in the Morton Salt case said that the taking of testimony to prove an injurious effect on competition was not required. Later, the Commission described the Morton Salt case as a "radical interpretation of the law"—FTC Statement of Policy Toward Geographical Pricing Policies, October 12, 1948.

The Court's "reasonable possibility" test applies to a number of provisions of both the Federal Trade Commission and Clayton Acts. Unfortunately, the test of reasonable probability in section 4 of S. 1008 applies only to portions of the Clayton and Federal Trade Commission Acts which are amended by the bill. Although a fair standard of proof should apply to the Federal Trade Commission and Clayton Acts in their entirety, section 4 is a step in the right direction.

Mr. President, I do not believe that small business wants the Federal Trade Commission to have power to enter cease and desist orders based on a mere "hunch" that certain conduct at some time might possibly injure competition. In my opinion, no businessman wants, or should have, the burden of proving his innocence, once the Federal Trade Commission accuses him in a complaint.

THE EFFECT OF THE BASING-POINT BILL (S. 1008) ON THE FUTURE OF THE SOUTH, THE WEST, AND NEW ENGLAND

Mr. KEFAUVER. Mr. President, the issue before us is nothing less than the question of employment versus unemployment, of expanding production versus idle plants, of rising incomes versus bread lines, of hope versus despair. It is no less than the question of whether or not the economy of the United States will be able to expand sufficiently to provide employment opportunities for our steadily increasing population. It is no less than the question of whether or not jobs will be provided for those millions of persons entering the labor market as a result both of the natural increase in population and the continued decrease in agricultural employment.

Perhaps there are those among this body who will think I am placing far too much emphasis on the importance of a bill which is designed merely to clarify certain features of the antitrust laws. But I believe that when I have finished my remarks, I will have established the following propositions:

First. That if widespread unemployment is to be prevented, the American economy must experience a great expansion in nonfarm employment within this decade.

Second. That this needed expansion must take place throughout all parts of the country, but particularly within the great underdeveloped areas of the South and the West.

Third. That the basing-point system will prevent this needed expansion from taking place, nipping in the bud the expansion now under way within most of these areas which, if anything, must be accelerated if we are to escape the catastrophe of widespread unemployment.

Mr. President, in order to establish and clarify these points which I have just summarized, I will have to go rather thoroughly into such matters as the requirements, both national and regional, for economic expansion, and the way in which the basing-point system, if restored, will prevent expansion from taking place. I ask the indulgence of the other Members of this body in bearing with me through this discussion; but I believe that when I have completed my remarks, each Member will be able to see clearly the way in which the passage of the bill now before us, S. 1008, will affect his own State.

Mr. President, within 5 years the southeast region of the United States will have to develop over 900,000 new nonfarm jobs above and beyond its 1947 nonfarm employment of 7,856,000 persons.

The Southwest will have to create over 400,000 new nonfarm jobs above its 1947 total of 3,116,000.

The Northwest will have to develop approximately 200,000 new nonfarm jobs above its 1947 employment of 2,056,000.

The far West will have to develop over 1,000,000 new nonfarm jobs above its 1947 nonfarm employment of 4,744,000.

In other words, these four regions combined must develop a total of more than 2,500,000 new nonfarm jobs by 1955, above and beyond their aggregate 1947 nonfarm employment of 17,781,000. Twenty-five years from now, by 1975, these four regions combined will require no less than 9,000,000 new nonfarm jobs above and beyond their 1947 nonfarm employment level of 17,781,000, or an increase of 52 percent.

Mr. President, I wish to include at this point in the RECORD a footnote which shows the basis and source of the material from which these estimates or projections have been made, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Without objection, it is so ordered.

The footnote is as follows:

> The basis for these estimates may be summarized as follows:
>
> Using the average rate of decrease in the farm population between 1916 and 1948, the Department of Agriculture has estimated that the total farm population of the United States will decline from 27,500,000 in 1948 to 26,500,000 by 1955, assuming that industrial prosperity continues at about the 1929 or 1947 level. (See Long Range Agricultural Policy, Committee on Agriculture of the House of Representatives, 80th Cong., 2d sess.) Allocating the estimated decline in total farm population to the various regions of the country on the basis of the rates of decline prevailing in these regions over the period 1916–48, projected farm populations for the various regions in 1955 are as shown.

Mr. KEFAUVER. Mr. President, we are faced with this requirement to create these millions of new jobs in industry and commerce for the simple reason that the population of the United States will continue to increase for at least the next quarter of a century, while the population living on farms will continue its long-term decline.

From a little over 38,500,000 in 1870, the total population of this country almost doubled by 1900; and, barring some unforeseen disaster, it will have more than doubled again by 1955. Despite the war's interruption to family life and the long stay overseas of several million young men, the growth in the total population during the last decade substantially exceeded that of the 1930 decade.

At the same time that the total population has been rising, farm population has been decreasing. The percentage of American families living on farms started downward as early as 1820. And in terms of absolute numbers, the number of persons living on farms reached its peak in 1916. From a total of 32,530,000 in 1916, the farm population gradually declined to 30,169,000 in 1930, and, it is estimated, will decline even further to somewhere in the vicinity of twenty-six to twenty-seven million by 1955. This figure may actually understate the extent of the movement off the farm in view of such revolutionary new technological

developments as the mechanical cotton picker and the flame cultivator.

Mr. President, I ask the Members of this body whether they have ever seen the mechanical cotton picker in operation. It is something to behold and something to think about. It will surely displace millions of farm workers for whom new jobs must be found. According to the Pace committee—a House committee which made a very thorough study of farm trends, farm populations, and technological developments—in its report on the cotton South, the cotton picker and the flame cultivator, together, will reduce labor per bale of cotton by 75 percent; that is, from 191 man-hours in 1940 to approximately 48 man-hours. Based on a production of 13,000,000 bales, this will result by 1965 in a net cumulative displacement of more than 550,000 workers. In addition, the continued introduction of the tractor and related equipment will displace another 1,600,000 farm workers in the South by 1965—or a total displacement of approximately 2,150,000 farm workers by 1965, resulting from farm mechanization in the South.

The sharp difference between the trends of total population and farm population means, of course, that the country is confronted with a great increase in its nonfarm population. Expressed in percentage terms, the nonfarm population for the Nation as a whole will be about 8.5 percent higher in 1955 than in 1948.

This increase, however, is by no means evenly distributed within all of the regions. The greatest increases will occur in what are generally referred to as the outlying or underdeveloped areas. As contrasted to this figure of 8.5 percent, the nonfarm population on the Pacific coast will rise by about 20 percent, in the east south central region by about 13 percent, and in the west south central area by about 9 percent. Taking the so-called underdeveloped areas as a group, the south Atlantic, the east south central, the west south central, the west north central, the mountain, and the Pacific areas, their nonfarm population will be about 11 percent higher in 1955 than in 1948.

Translated in terms of numbers of jobs, these figures on total population mean, as I have pointed out, that there must be created in the underdeveloped areas no less than 2,500,000 new nonfarm jobs by 1955, and no less than 9,000,000 by 1975.

There may be those from the older and more established areas of this country who are not greatly concerned with this problem of the increase in population, regarding it as a problem for the other areas to worry about. Such indifference is the indifference of the ostrich with its head in the sand. Those from the older areas should be greatly concerned with this problem for at least two reasons: First, these so-called older areas will themselves experience increases in population, which, although less pronounced than in the underdeveloped areas, are nonetheless significant. Thus by 1955, the nonfarm population in the great east north central area will be approximately 7.5 percent higher than in 1948; and in the Middle Atlantic region, approximately 6 percent higher.

Second, unless the underdeveloped areas are able to create within themselves the new jobs required by the expansion of their population, the burden of providing employment, or at least the means of subsistence, for the workers displaced in the underdeveloped areas will fall directly upon the older regions, as has been the case in the past. Everyone knows that if workers in the South and the West are unable to get jobs, they will surely drift to the great metropolitan centers of the northeast. If this happens, the problems which now beset those cities will be multiplied many times. Like all other communities, the cities must provide at the minimum some sort of food, some sort of shelter, and I might add, some amount of water, to the persons residing in their confines, whether permanent residents or migrants.

Mr. President, if anyone has any doubts on this point, may I suggest that the mayors of the principal northeastern cities be asked to give their opinion as to the problems they would face if two and a half million persons looking for work from the South and the West descended on them in the next 5 years.

Mr. President, there may be those here who believe that my remarks in calling attention to this central problem of providing employment for the increase in our nonfarm population are not particularly relevant to the consideration of the bill now before us, S. 1008. In answer, I say that if S. 1008 is enacted, the basing-point system will be restored, and the economic expansion of the underdeveloped areas which is now underway will be stopped dead in its tracks, with ruinous consequences for every part of the country.

Mr. President, I should like to turn now to a description of the way in which the basing-point system retards the growth of the underdeveloped areas, first, in general terms, and then with reference to the individual regions.

From the point of view of the underdeveloped regions, the basing-point system is a variant of one of the oldest and most vicious types of monopolistic practices—predatory dumping. The way in which predatory dumping typically operates can be visualized by contrasting the competitive relationships between a large and small producer where both are located at the same location as against those which prevail when the two are located at widely separated places.

In the first situation, that is, where the two producers ship from the same location, they are on equal terms insofar as pricing is concerned. The smaller producer may hold only a fraction of the sales volume in each of the market areas, but nonetheless a price-cut initiated in any one market area by either of the producers results in a proportionate decline in revenue to both producers.

But in the second situation, that is, where the two producers are at widely separated locations and freight costs are such that each producer would tend to sell predominantly in his nearby areas, the possibilities for local price cutting become particularly disadvantageous to the smaller producer. In such circumstances the large producer may force the small producer to absorb income losses without, himself, having to share proportionately in such losses. The large producer need only undercut the delivered price in the small producer's area, perhaps even selling therein below costs, while maintaining full prices on his superior sales in his own area. Of course, the smaller producer is equally privileged to undercut the price in the large producer's area, and to ship his goods thereby absorbing the freight charges. But unless he can quickly expand his capacity and unless he possesses sufficient resources to sustain him through a period of prolonged losses—in which case he would not be small in the first place—he cannot, of course, drive the price down generally in the larger demand area, since he cannot offer to supply all of the customers there who might care to buy at his price.

In this case, then, since the identical monetary losses suffered by both producers have a disproportionate effect upon the smaller producer, it is only a question of time before he withdraws from the large producer's territory and, depending on whether the large firm continues price cutting or merely matches prices in the small firm's territory, either tries to match the price cutting or contents himself with sharing his home market with the large firm. In the former event, he goes out of business, and in the latter he implicitly accepts a definite restriction or limitation on his growth and development. This is not a matter of efficiency, it is only a matter of size and geography; and the basic relationships are the same whether the industry is such that the two producers ship to customers from their mills, one surrounded by a heavy-demand area and the other by a light-demand area, or whether the industry is a retail type of operation in which the smaller producer has established outlets in one area, while the larger has outlets in several areas.

It should be obvious that, as long as predatory dumping is practiced, economic expansion in the underdeveloped areas will be seriously retarded, since through the use of local price cutting, the new firm in the underdeveloped areas can quickly be wiped out and through local price matching it can be forever stunted in its growth by the requirement of sharing its own local market with the large, outside firm.

The basing-point system is nothing more than a sophisticated type of predatory dumping, involving the alternative of price-matching as against price-cutting, but on an automatic, systematic basis. And, as under any form of price-matching on the part of large outside firms, the growth of the small firm in the underdeveloped area is cut short by the necessity of sharing its home market with its distant, larger competitor. It is, in effect, condemned to a position of high prices and low volume—a position which has the correlative restrictive effect of retarding the development and growth of its own local fabricator-customers.

The essence of this system is that the nonbase producer—that is, the producer

who is not located at a basing point and who is usually, but not always, the weaker commercial rival—allows the distant base-mill producer to share his market area freely, and upon price terms decided by the base-mill producer. In exchange for the privilege of sharing the nonbase producer's market area, the base-mill producer generally, though not always, agrees, in turn, not to take punitive action against the nonbase producer by "local price cutting."

This arrangement has usually involved several serious disadvantages to the nonbase producers, particularly when located in a region where demand is rather small. But the least of these has been that which redounds to the producer from the handicaps which his local customers suffer.

According to the rules of the system, the nonbase producer is, of course, privileged to ship into the territory of the base producer—by absorbing the freight costs and taking the relatively low delivered prices prevailing there. But if he is located at any important freight distance from the base producer, this is a privilege which is likely to be used incompletely, if at all. Whereas the base producer may ship into the nonbase producer's area without absorbing any freight charges, the reverse is not true; the nonbase producer must absorb freight in shipping toward the base mill, and the farther he ships toward the base mill the larger the freight charges he must absorb and the lower his mill net. This fact is particularly disadvantageous to the small producer in a remote region, since, because of the amount of freight he would have to absorb, he may not be able to reach any of the base producer's market area.

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

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

Mr. KEFAUVER. I yield with great pleasure to my distinguished colleague, the junior Senator from Illinois.

Mr. DOUGLAS. Is it not true that the basing-point system, in the main, covers the territory between Pittsburgh and Chicago?

Mr. KEFAUVER. Yes; that is correct.

Mr. DOUGLAS. And prices west of Pittsburgh and Chicago, or south of Pittsburgh and Chicago, or east of Pittsburgh, are higher by the amount of the freight?

Mr. KEFAUVER. That is the way the Pittsburgh-plus or the basing point in the main has always worked.

Mr. DOUGLAS. Is it not true that the outlying mill, while it can ship back toward the base, does so at a double penalty, (a) the farther back it ships toward the basing point, the lower the price will be, and (b) it pays freight in addition?

Mr. KEFAUVER. That is correct.

Mr. DOUGLAS. So that in practice, western mills and southern mills can only go back about half the distance that the base mills can go west and south; in other words, it enables the mills in this area to penetrate the West and the South far more than the southern and western mills can penetrate the basing-point territory. Is that not correct?

Mr. KEFAUVER. That is entirely correct. Furthermore, under the multiple basing-point system the mills generally in the South and the West are so much smaller than the mills in the Pittsburgh-Chicago area that they take a great risk if they try to invade their territory.

Mr. DOUGLAS. So that the system works to the disadvantage of the West, to the disadvantage of the South, and to the disadvantage of New England, does it not?

Mr. KEFAUVER. That is correct; and to the disadvantage of the Chicago-Pittsburgh area, in that, if we are not allowed to develop our own industries in our own areas, workers in those areas will be dumped into the Pittsburgh area.

Mr. DOUGLAS. In other words, that the prosperity, even of the basing-point territory, depends in the main upon general national prosperity, and it is better for them to work for general national prosperity rather than try to get a little advantage over other sections. Is that not correct?

Mr. KEFAUVER. The Senator is entirely correct. Any system which does not result in the orderly and fair development of the resources and industries throughout the United States, not only penalizes those industries which are being retarded, but places an undue burden upon and penalizes industries which, for instance, the basing-point system is trying to protect in a particular area, say Pittsburgh. I thank the distinguished Senator for his usual clear and thoughtful contribution.

Despite the obvious disadvantages of this system to the underdeveloped regions, however, one of the frequent claims of the industries using the system is that it encourages new producers to locate in a backward region sooner than they otherwise would. Moreover, several prominent economists have occasionally repeated this claim. The proposition is usually put in such terms as follows: "Suppose that for maximum efficiency a mill of 100 units is required and there are only 80 units of demand in the region. Thus a mill could locate in the region, take the full price allowed by its distant competitor on 80 units, that is, nonbase price, and then get the 20 other required units by shipping into the concentrated markets on a freight absorption basis." The basic fallacy in this argument is that it fails to describe just how the local producer can manage to secure the 80 units in his home market, when he is required to offer products no better at prices no lower than those offered by the distant competitor, who, in addition, typically has the further advantages of a much larger sales force, expensive advertising, brand names, and so forth. It also overlooks the fact that, once located, the demand in the underdeveloped region is not likely to develop very rapidly if the customers are in competition with others located in more favorable price areas.

Where such an arrangement has been maintained over a period of time, the results are not difficult to see. In the case of steel, it has produced on the one hand expanded capacity at Pittsburgh and some of the less ancient basing points, accompanied by expanding employment in a variety of fabricating industries. On the other hand, it has produced rather static capacity at the nonbase locations surrounded by thin and rather anemic industries dependent upon steel.

Of course, if the hypothetical nonbase producer were allowed to "shade" the official delivered prices in his local area, or to offer a standard differential, he would then, patently, be in an ideal position in terms of short-run profits. But past experience indicates that the nonbase producer who "shades" the price usually finds himself subjected to reprisals—not by just a single large rival, but by community action from his entire industry. This was demonstrated conclusively in the material presented in the Cement case.

Similarly, when the small isolated producer attempts to become a base mill against the wishes of his large distant rivals, he is equally open to reprisals—a fact which was also proved in the Cement case. But taking the system on its own merits—that is, accepting the claim that producers only meet delivered prices in a distant competitor's area—the disadvantages inherent in the position of the small producer are usually sufficient to prevent him from lowering his price. The reason is, of course, that with the fore knowledge that any price reduction he may contemplate will be met by his distant rivals, such a producer can expect to gain little or no increase in volume as a result of his reduction.

On the other hand, there is an occasional situation in which the producer finds it quite profitable to operate as a nonbase mill. This is where the producer finds himself more or less isolated in an area where demand is quite large relative to local capacity. Under these circumstances there have been several industries in which some of the largest members of the industry operated as nonbase mills. Indeed, these instances provide some of the most striking examples of how the regional growth of the fabricating industries has been strangled by the use of this system.

Mr. President, I should now like to describe in specific terms the way in which the basing-point system has retarded the growth of each of the major underdeveloped areas. Because of its stifling effects on regional development, the basing-system for many years has been the subject of attack by regional groups. For example, in January 1919, the Western Association of Rolled Steel Consumers was formed to work for the abolition of the Pittsburgh-plus basing-point system. Another organization, the Associated States Opposing Pittsburgh Plus, was formed for the same purpose by the four States of Minnesota, Iowa, Illinois, and Wisconsin in 1922, which were shortly joined by a number of additional States. Similarly, the Southern Association of Steel Buyers and Consumers vigorously denounced the system, sending protests both to the NRA and on June 30, 1934, to the Federal Trade Commission.

I shall begin my discussion of the effects of the system on the individual areas with an examination of its effects on the South—the region with which I am most familiar.

One of the most overlooked features of this bill is that it would make possible the restoration of one of the most vicious devices of exploitation that has ever been directed against the South. I am speaking of what is commonly referred to as the Birmingham differential.

When the steel industry first went on the basing-point system in this country around the turn of the century, all steel prices were computed on the basis of the old Pittsbugh-plus formula. Under this system, the delivered price for steel at any given destination point in the country was the sum of the Pittsburgh base price plus freight from Pittsburgh. Thus even though the buyer located in Birmingham, Ala., bought steel from a Birmingham mill, he paid phantom freight all the way from Pittsburgh, amounting generally to $15 or more a ton.

To make matters worse, for many years after the establishment of the Birmingham differential a number of steel products were still priced in this incredible manner, among which was wire and wire products. One of the subsidiaries of the United States Steel Corp., the American Steel & Wire Co., has plants around Birmingham for the manufacture of wire and wire products. But since Birmingham was not a basing point for these products, the company charged Pittsburgh-plus on its sales. That meant that consumers in Birmingham paid $15.30 per ton more for such products than did consumers in Pittsburgh. Faced with this almost insurmountable handicap in the cost of their raw materials, southern wire users were obviously not in a position to compete against their northern competitors, and consequently, as the Federal Trade Commission pointed out in the Pittsburgh Plus case, the wire users in the South are very scarce—United States Steel Corp. et al., Complaint, Findings and Order, 8 FTC, page 49. And this was true despite the great market for wire products, such as wire fence, wire nails, and bale ties, which exist in the South.

The evidence on this matter is very revealing as to the attitude of the mind of northern corporations concerning the South. According to the evidence in the Pittsburgh Plus case, the vice president and general manager of sales of the American Steel and Wire Co. stated that if his company put in wire mills at Birmingham it was not his idea that those mills should sell on a Birmingham basis as this might result in giving the southern manufacturers an advantage over northern manufacturers at some of the northern points which, in his own words, of course, would not be advisable.

Commenting on this evidence, the Federal Trade Commission stated:

> The above statement of the respondents' wire company representatives illustrates the arbitrary nature and reason for Pittsburgh-plus prices, even when such prices run $15.30 per ton higher than their Pittsburgh prices. It must not be forgotten that the cost of producing steel in Birmingham, as shown by the evidence in the record, is much less than at Pittsburgh. Yet the selling price of wire and wire products is amazingly more.

Such a protest against the Pittsburgh-plus system went up from the South, however, that the steel industry had to back down somewhat, but only a little. In place of the Pittsburgh-plus system, they instituted what is known as the Birmingham differential. Under this new formula Birmingham was made a basing point, but the base price at Birmingham was arbitrarily set at a figure, first $5, and then $3 a ton above the Pittsburgh base price. This was done despite the fact that the costs of producing steel have been proved to be substantially lower in Birmingham than in any other part of the country. Let me illustrate this with a purely hypothetical example. Suppose the base price at Pittsburgh were $50. Under the Birmingham differential, it would be $53. Thus the Southern buyer of steel would pay as his delivered price the $53 base price plus rail freight from Birmingham. The buyer at Pittsburgh would pay as his delivered price only the base price of $50 plus rail freight from Pittsburgh. Thus the buyer in the Birmingham mills' territory would always pay more than would the buyer in the Pittsburgh mills' territory, even though the Birmingham mills had lower costs.

In its Finding of Facts in the Pittsburgh-plus case against the United States Steel Corp., the Federal Trade Commission described the Birmingham differential as follows:

> The cost of producing steel at Birmingham is approximately 21 percent less than at Pittsburgh, yet the price at which respondents sell their products at Birmingham is much higher. Indeed, as shown by Commission's exhibit 6853, the spread between the cost of producing bars and the selling price of bars is only $2.10 at Pittsburgh, while at Birmingham it is $8. Respondents impliedly threaten to return to the Pittsburgh-plus system in selling bars, plates, and shapes in the Birmingham district by their answer herein which alleges that the Birmingham differential is but a temporary concession from the Pittsburgh-plus prices formerly charged. If they do return to the Pittsburgh-plus prices, the spread between the cost and selling price of bars at Birmingham will be $18.03 as against $2.10 at Pittsburgh. Indeed, it must be assumed that this additional price of $16.20 per ton which the Birmingham public must pay is charged on wire and wire products, for on these products Pittsburgh-plus prices are still charged. The great public interest in a matter where that public is charged a profit at Birmingham which exceeds the profit at Pittsburgh by $16.20 per ton is manifest.

This Birmingham differential was continued up until 1938, at which time it was dropped, apparently in anticipation of the forthcoming investigation of monopoly by the Temporary National Economic Committee, which was headed by the eminent and distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

The elimination of this differential was a great boon to the South and one which was welcomed by representatives of all branches of southern life. Yet I wonder how many of those of us here from the South have realized that the bill now before us, Senate bill 1008, would apparently legalize the restoration of the Birmingham differential? I wish to call attention to section 2 of the proposed bill, which states among other things:

> That it shall not be an unlawful discrimination in price for a seller, acting independently—
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> * * * * *
>
> (b) To absorb freight to meet the equally low price of a competitor in good faith, and this may include the maintenance above or below the price of such competitor of a differential in price which such seller customarily maintains.

Mr. President, I invite explicit attention to the words "and this may include the maintenance of a differential in price which such seller customarily maintains."

Unless I am greatly mistaken, the Birmingham differential, which was customarily maintained in the steel industry for over a quarter of a century, can certainly qualify under this provision.

Mr. President, the passage of a bill which would reimpose the burden of the Birmingham differential on the South is almost unthinkable. And yet, under the guise of a bill which its proponents say is designed only to "clarify" the pricing situation with respect to the right of the individual seller to absorb freight "on a delivered price basis," we find this interesting little joker. The seller may maintain a "differential" in price.

What would be the effects of the restoration of the Birmingham differential upon the South We can obtain an answer on that point only by examining how the differential worked against us in the past.

It so happens that a very detailed analysis of the effect of the Birmingham differential on the South was made by the Tennessee Valley Authority in 1936, entitled "The Pittsburgh-Plus System, the Effects of the Birmingham Differential and Related Aspects of the Steel Pricing Structure Upon the South."

It is one of the most interesting studies which I have had the privilege to read. It was prepared in 1936. It is a case study of what the Birmingham differential did to retard development in the South and Southeast. It is applicable in every respect to what has happened in the West, the Pacific Northwest, and in New England. If anyone wishes to see a blueprint of undeveloped areas everywhere in the country, except where there are located ancient and well-established industries, which believe in the basing-point system and the Pittsburgh-plus system, here is a good example of what has happened in other sections of the United States.

Without burdening the Senate with the details of the 120-page study, I should like merely to quote its principal findings:

> 1. The South has not been producing an amount of steel sufficient for its own needs. During the years 1928–33, the ratio of production to consumption was approximately 65 percent. This figure includes Tennessee, Kentucky, Alabama, Mississippi, Florida, Georgia, South Carolina, North Carolina, and the southern part of Virginia.
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> 2. The Birmingham differential, by holding the price of structural steel from $3 to $1 higher in the Birmingham price zone than

in the price zones controlled by Pittsburgh, Chicago, and Bethlehem, makes it possible for northern structural steel fabricators to secure steel from northern mills and to compete for southern construction jobs. Northern mills are willing to supply this steel because, even though absorbing heavy freight charges, the prices paid by consumers are held high enough to provide satisfactory net yields. This competition from northern fabricators has at times limited seriously the volume of business secured by southern fabricators. The removal of the differential would tend to force such competition northward by a band of territory varying in width from about 50 to 175 miles.

3. The freight-rate scale from North to South tends to increase the competition from northern structural steel fabricators. On shipments to the South, there are groups of towns and cities bearing the same rates even though varying many miles in distance from the northern mill. This grouping permits a northern steel mill to penetrate farther into the South and still secure a more satisfactory net price yield than would be possible if the freight rates progressed more uniformly in relation to distance. Also, there is an over-all freight rate disadvantage to the South of 3½ cents per hundred pounds in shipments of steel between Birmingham and Pittsburgh.

4. Through the removal of the Birmingham differential certain southern manufacturers of products containing steel would gain an additional potential market about 25 percent as large as the market in which they are now selling. Manufacturers of products composed entirely of steel to which the differential applies and carrying the same freight classification as basic steel products would benefit approximately to this degree. Manufacturers of products containing smaller amounts of steel or bearing a higher freight rate classification would benefit to a lesser degree. The fullest benefit of this additional potential market would of course be gained only after a period of sales cultivation by southern manufacturers.

Perhaps a clearer impression of the way in which this differential discriminated against the South may be gathered from a few individual examples. In 1935 the Pittsburgh base price for many steel products was quoted at around $2 per 100 pounds. In other words, a buyer in Pittsburgh could obtain these products at that price. Under the Birmingham differential, a buyer in Nashville, Tenn., paid not $2 but $2.40 a hundred pounds. Without the differential he would have had to pay only $2.25.

A buyer in Bristol, Tenn., under the differential, paid $2.50. Without the differential, he would have had to pay only $2.35.

Under the differential, a buyer in Charlotte, N. C., paid $2.55. Without the differential, he would have had to pay only $2.40.

Under the differential, a buyer in Charleston, S. C., paid $2.60. Without the differential, he would have had to pay only $2.45.

Under the differential, a buyer in Atlanta, Ga., paid $2.40. Without the differential, he would have had to pay only $2.25.

Under the differential, a buyer in Jacksonville, Fla., paid $2.55. Without the differential, he would have had to pay only $2.40.

Under the differential, a buyer in Mobile, Ala., paid $2.45. Without the differential, he would have had to pay only $2.30.

Under the differential, a buyer in New Orleans, La., paid $2.50. Without the differential, he would have had to pay only $2.35.

Under the differential, a buyer in Vicksburg, Miss., paid $2.45. Without the differential, he would have had to pay only $2.35.

The TVA report goes on to show the effects of the differential upon specific industries located in the South. In each, the differential clearly had the effect of confining and holding back the natural market areas of the southern concerns. For example, in the bolt and nut industry, the report found that the removal of the differential on basic steel would have substantially enlarged the market of southern bolt and nut producers, greatly increasing their share of the market in Oklahoma, Texas, Arkansas, Tennessee, Kentucky, and North Carolina. On an overall basis, the elimination of the differential would have increased the market held by southern producers in this industry by 25 percent. Similarly, with the elimination of the differential, the markets of southern wirework producers would have been increased by 25 percent. Likewise, in each of the other industries studied, the elimination of the differential would have increased their markets by amounts ranging from 2 to 12 percent.

Mr. President, every Member of this body from the South should strenuously oppose the passage of any piece of legislation which would have the effect of restoring one of the most vicious types of discrimination ever practiced against any region. Not only would the reimposition of the Birmingham differential halt the remarkable expansion of southeastern industry in its tracks; it would result, as the TVA report has pointed out, in an actual reduction in the market now held by southern manufacturers and fabricators by amounts ranging up to 25 percent.

This means idle factories and rising unemployment in the South. It means fewer working days and smaller pay checks for the southern worker. It means reduced profits to the southeastern industrialist. It means that once again the South will be in bondage to northern monopoly.

Then there is another feature of the basing-point system which works peculiar and extreme hardship upon the South, namely, the practice of computing delivered prices on the basis of all-rail freight even though shipment is actually made by water or truck.

The injury suffered by the South as a result of this practice can be seen by a few comparisons of water rates with rail rates. Thus, as of March 31, 1941, the rail rate for shipping a ton of steel between Pittsburgh and Memphis, Tenn., was $11.40; the water rate for a minimum of 500 tons was only $3.10. The rail rate from Pittsburgh to Vicksburg, Miss., was $13.60; the water rate was $4.15. From Pittsburgh to New Orleans, the rail rate was $13.60; the water rate was only $5.20. From Pittsburgh to Houston, Tex., the rail rate was $14; the water rate only $7.

Although many southern cities put in terminal and barge facilities at considerable expense to themselves and to the Federal Government, this investment, insofar as the basing-point products are concerned, has been largely wasted. Why should anybody ask for delivery by water if he does not receive the benefit of the lower water cost?

I should like to point out that in the South and Southwest we have been continuing to develop our waterways. Some time ago Congress authorized the development of the Tombigbee River, which, connected with the Warrior River, and thence with the Ohio and the Mississippi, would give us additional waterways between the Pittsburgh area, the St. Louis area, and the Gulf of Mexico. However, under the basing-point system the producers and consumers in the South would not benefit by water rates. Even though a product were hauled by water, rail freight rates would still have to be paid on it.

The record on this matter is filled with protests by southern cities against this practice. Yet despite their protests and despite the obvious injustice of the practice, they received no relief until the basing-point system was abandoned by the steel industry following the Cement decision in 1948. Let me cite a few of these protests which have been made by representatives of southern industry:

The Memphis Chamber of Commerce complained against this practice, stating: "This method of selling steel in effect excludes the transportation by water or rail and water, for the purchaser would naturally not accept water or rail-and-water delivery when he is being charged the all-rail freight as the saving would not be for his account but would go in the pocket of the seller. This eliminates Memphis and other river points from enjoying the natural advantages which she possesses and if allowed to maintain would eventually lead to a higher all-rail structure, as our present advantageous position is due to the recognition of the river competition"—FTC report on practices of the steel industry under the code, 1934.

The Mississippi Valley Association of St. Louis, with 437 registered delegates from 26 States, including most of the Southern States, passed a resolution submitted by its traffic committee declaring that the use of all-rail rates are inimical to the interest of the consumers, unjustly eliminate all forms of transportation other than railroads from participation in valuable traffic and tend to destroy water carriers and port facilities.

The Vicksburg, Miss., Chamber of Commerce protested through a Member of Congress that the all-rail basis will not only deprive industries and cousumers located along the inland waterways of a natural advantage but will eliminate the value and usefulness of terminals, and so forth.

The Belknap Hardware Manufacturing Co., of Louisville, Ky.—one of the great concerns in the State represented by the distinguished junior Senator from Kentucky [Mr. CHAPMAN], whom I see on the floor—objected to the all-rail basis on the ground that it arbitrarily and unjustly deprives many taxpayers of the advantages of economical river transportation for which they had paid, and

that the Government had spent hundreds of millions on the development of river transportation, but that the use of the river transportation is prohibited except at all-rail rates.

The Southern States Iron Roofing Co., of Savannah, Ga., stated that prior to the code mills quoted to river points based on river freight rates, that the opening up of water traffic on the Mississippi following large expenditures by the Government was the primary inducement in our opening up a branch factory at Memphis, Tenn. It stated that unless transportation cost was allowed it will probably necessitate our closing our Memphis, Tenn., plant—consequently throwing out of employment a large number of men and will also increase the cost of roofing products to the ultimate consumer and will make practically useless the money spent by the Government opening up traffic on the Mississippi River.

The Crescent Bed Co., of New Orleans, stated that it had been receiving its steel purchases from Birmingham by Government barge line since completion of the waterways system some 5 years ago. The barge line rates were 7 cents per hundred less than the all-rail rates. It stated that the Birmingham mills would only ship by rail and the Government spent so much money building a waterway system, it is a natural thing for us to continue to ship our steel by the barge line and save $1.40 per ton freight. To ship by rail, as far as we are concerned, is just wasting $1.40 a ton and it is handicapping our industry that amount. It requested that the mills be again allowed to use water transportation.

Similar protests have been made by many other representatives of southern industry. These are not the protests of Government agencies or theoretical economists. These are the protests of practical, hard-headed businessmen who have encountered what amounts to the iron hand of a private dictatorship. These southern businessmen have used every means in their power to bring about the elimination of this outrageous discrimination, so that they would have some chance of expanding their business and giving employment to southern workers. But although their protests have been carried to the highest quarters by many Senators and Representatives, it was not until the steel industry abandoned the basing-point system following the Cement decision that the South began to achieve some of the benefits of its marvelous natural system of waterways.

In addition to these very specific features of the basing-point system—the Birmingham differential, the charging of Pittsburgh-plus prices, and the refusal to base delivery charges on anything other than rail freight—the general features of the system, which I have already described, will continue to operate powerfully against the South. Thus, if the basing-point system is restored, the growth of any primary producer, such as a steel or cement manufacturer, will be halted before it gets started by the fear of predatory dumping which will be legalized under this bill. Similarly, with the restoration of the basing-point system, the growth of the fabricating industries in the South will be stunted because of the high and discriminatory prices which they will have to pay for their steel, cement, and any other materials which they used that are sold under the basing-point system.

Mr. President, in the debates which have been held on this bill, I have been very happy to note that most of the Members of this body who come from Southern States are united in opposition to this bill. Those of us who are from the South know how the northern monopolists have held back the growth of southern industry. We know that the vicious practices which these monopolists have instituted today, of which the basing-point system is a conspicuous example, have brought only suffering and want to the South. We know that if the South is to prosper and make effective use of the natural resources with which God endowed it, monopolistic control over southern industry must be brought to an end.

In this connection, I call to the attention of this body the exhaustive report of the Pace Committee on the Cotton South. Comprised of representatives of all walks of southern life and based upon the factual studies of an army of experts, the committee, in its formal recommendations, urged the elimination of monopolistic practices that hold back southern production. The committee went on to state that it regards monopoly as so peculiarly detrimental to the South that it recommends a long-range study of the problem by competent public or private agencies—Study of Agricultural and Economic Problems of the Cotton Belt, Pace Committee Report.

Mr. President, the least we can do in carrying out this recommendation is to defeat this and all other proposals which would have the effect of disastrously weakening our present safeguards against monopoly. As I pointed out in the beginning of my remarks, by 1955 the Southeast will have to develop over 900,000 and the Southwest over 400,000 new nonfarm jobs, or a total for the South of 1,300,000 new jobs in industry and commerce. The least that we can do in performing this staggering task is to give southern industry a fair chance to grow and prosper in a free and competitive market.

Mr. President, turning now to the West, that region has just as great a grievance against the basing-point system as the South. I wonder how many Members of this body know how prices for steel on the west coast are determined under the basing-point system? They are, in effect, the equivalent of base prices from the East, plus freight to the Pacific coast.

Mr. President, there have long been steel mills on the west coast. But the local western buyer, purchasing steel from such a mill—which may be located just across the street—has had to pay a delivered price which includes the fictional charge of a wholly imaginary shipment from one end of the United States to another. In view of this situation, is it any wonder that the growth of industry on the west coast has long been retarded? And is it any wonder that one western group after another has urged the elimination of this outrageous practice?

Mr. President, in support of the statement which I have just made, I would like to summarize the testimony presented before the TNEC by Mr. T. A. D. Loretz, general manager of one of these groups, the Pacific Coast Steel Fabricators Association, Los Angeles, Calif., an association of the principal structural and plate steel fabricators in the far Western States. In his testimony, Mr. Loretz described in detail the way in which delivered prices on the west coast are made up.

Let us take the case of steel bars. Until 1938 the controlling basing point on all deliveries to the west coast for steel bars and all other steel products as well, was Pittsburgh, Pa. But in 1938, in anticipation of the TNEC investigation the industry relaxed a little and established a few new basing points, which resulted in a slight, but very slight, reduction of delivered prices on the west coast. Thus, in 1939, the nearest basing point to the west coast for steel bars was Birmingham, Ala., with a base price, as of November 9, 1939, of $2.15 per 100 pounds. The transportation cost from Birmingham to Los Angeles harbor consisted of the following elements: Birmingham to Mobile, 16 cents; Mobile to Los Angeles harbor, 45 cents; wharfage at Los Angeles harbor, 1¼ cents; car loading at Los Angeles harbor, 1¾ cents; marine insurance, 1 cent; or a total of 65 cents, which, when added to the base price of $2.15, makes a total of $2.80. Now it so happens that the steel industry's official base price on cars, Los Angeles harbor, which was also the base price at other Pacific coast terminal ports, was $2.75. In other words, the official base price on the west coast was approximately the same as the sum of the base price in the East, plus freight and auxiliary charges to west coast ports.

In the case of structural shapes, Philadelphia was the nearest basing point to the west coast. The Philadelphia base price on shapes was $2.31½. Transportation costs from Philadelphia to Los Angeles amounted to 49 cents, or a total delivered price of $2.70½. What was the official base price on the west coast? It was $2.70, a difference of only half a cent from the sum of the Philadelphia basing point price plus freight.

On steel plates, the situation was the same. The base price from the nearest basing point, Sparrows Point, Md., was $2.10. The freight charges from Sparrows Point to Los Angeles amounted to 49 cents, or a total of $2.59. This compared to the official base price on cars, Los Angeles harbor of $2.60.

And on hot-rolled sheets the base price at Sparrows Point was $2, and freight to Los Angeles was 49 cents, or a total of $2.49. The official base price on the west coast was only 1 cent higher—$2.50.

Mr. President, let us consider this situation. In 1939 steel mills were located on the west coast, at San Francisco and Seattle, owned entirely by the United States Steel Corp. and the Bethlehem Steel Co. The western buyer who purchased steel from these mills paid

delivered prices at west coast ports of $2.50 per hundred pounds of steel sheets, as contrasted to only $2 paid by his competitor located at Sparrows Point—that is, Baltimore, Md.—with roughly similar differences existing in other steel products. In other words, under this system the materials costs to the western steel user were 25 percent higher than to his eastern competitor.

Expressed in another way, up to 1938 the amount of phantom freight paid by the western steel consumer averaged about $15 a ton, and after 1938 it ranged from $10 to $13 a ton.

Confronted with discrimination of this magnitude, may I be permitted to inquire just how the western companies are going to be able to continue their recent remarkable expansion, if the basing-point system is restored?

The representatives of the western regional groups do not seek special treatment. They ask only for fair play. Their position was summarized by the spokesmen of the Pacific Coast Steel Fabricators Association in these words:

> The Pacific coast prices are substantially the eastern prices plus actual transportation. It is the contention of the Pacific Coast Steel Fabricators that steel sold on the Pacific coast—steel produced on the Pacific coast, I should say—should be sold based upon its cost of production plus a reasonable profit, whatever that may be, and not based upon eastern prices plus transportation costs. (Hearings before the TNEC, pt. 20, pp. 10897-10914.)

The almost incredible amount of phantom freight paid by western buyers into the pockets of the eastern steel companies can perhaps best be visualized by a specific illustration, such as the case of the American Forge Co. of San Francisco. This firm had formerly purchased its raw steel f. o. b. San Francisco from a local mill at $3 a ton under the Pittsburgh base price. When the NRA was put into effect, the basing-point system was tightened up. Thus, under the NRA code, the nearest basing point for steel was Pittsburgh or Birmingham, thus requiring the addition of freight charges from one of those basing points to San Francisco. The American Forge Co. complained to the American Iron and Steel Institute and to the NRA that under the code the local mill from which it had been purchasing its steel—a subsidiary of the United States Steel Corp.—had informed it that—

> They cannot sell us any more of this material at the old price of $23 per ton.

The complaint went on to add:

> And the price that they now ask, which is $41.30 per gross ton, does not permit us to continue in this business, as our eastern competitors still pay $26 per gross ton for raw material. (FTC Report on Practices of the Steel Industry Under the Code, p. 19.)

Since under the basing-point system they are thus denied the benefits of their natural location—that is, the benefit of their adjacency to western steel mills, western manufacturers and fabricators have been able to secure only a small share of the western market.

In his testimony before the TNEC, Mr. Loretz presented some striking evidence on this point. He showed that during the 18-month period between January 1, 1938, and June 30, 1939, independent fabricators on the Pacific coast obtained, in terms of actual tonnage, only 27 percent of the fabricated structural steel awards made in the three Pacific Coast States. Who obtained the bulk of the awards? Senators can probably guess the answer. The fabricating affiliates of the United States Steel and Bethlehem Steel secured no less than 66 percent.

During the same period, Mr. Loretz showed that out of all the awards for fabricated structural tonnage placed in the Intermountain States of Arizona, New Mexico, Nevada, Utah, Idaho, and Montana, the independent fabricators in this very area received only 3.7 percent of the awards and the independent fabricators on the Pacific coast secured only 2.4 percent. It was again the affiliates of the big eastern steel companies which received the lion's share, 51 percent, of the awards.

The reason for this inability of western fabricators to get anything more than a small portion of the western market is not difficult to determine. The western fabricators have to pay a much higher price for their raw material—approximately 25 percent higher—than their eastern competitors. With this advantage, the eastern firm is frequently able to fabricate the item, ship it all the way to the west coast, and sell it at a lower price than the western firm, even though the western firm is just as efficient as the eastern company.

In this particular case the discrimination was probably even more extreme. The steel used by the affiliated fabricators—which secured the bulk of the awards—may have been produced and fabricated on the west coast. Since both the mill and the fabricator are owned by the same company—either United States Steel or Bethlehem—it is only to be expected that the mill did not charge its fabricating affiliate the $10 to $13 phantom freight which it most certainly did charge the independent western fabricators. In view of these circumstances, then, is it any wonder that the bulk of the western business went to the eastern companies?

Mr. President, we have here a vicious circle. Because the western steel users have to pay higher prices than their eastern competitors, they cannot get anything like a fair share of the western market. And because they cannot obtain the markets which are rightfully theirs, they cannot grow. And because they cannot grow, the market for steel and other raw materials in the West remains restricted. And because it is thus restricted, new steel mills, new cement mills, and new mills to produce other types of raw materials are not built. It is indeed a vicious circle of stagnation, which was broken for the first time by the Supreme Court decision in the Cement case.

Mr. President, the far West is going to have to develop about a million new nonfarm jobs during the next decade. If the basing-point system is restored and this staggering phantom freight charge is reimposed upon far western steel buyers, how, may I ask, is the Far West going to be able to create these new jobs? How can it be expected that western firms will be able to compete when they are forced to pay from $10 to $13 more per ton for steel than their eastern rivals? An untold number of western companies will undoubtedly be placed in the same situation as the American Forge Co. of San Francisco of having to pay a price for its steel so high that it "does not permit us to continue in this business."

Mr. President, I wish to speak very frankly on this matter. From the facts which I have set forth, it should be clear that under the basing-point system, the discrimination against the West is at least as great as the discrimination against the South. And as I have also pointed out, most of the Members of this body who come from Southern States recognize the basing-point system for what it is—a system which automatically and necessarily discriminates against the underdeveloped regions—and have accordingly opposed S. 1008. Yet for some reason unknown to me, there has been no such unanimity among the Members of this body who represent the Western States. I know, of course, that the western Members who support this bill believe its passage is essential in order to permit western companies to ship into eastern markets. But I call their attention to the fact that no legislation is required to make the absorption of freight legal. Freight absorption is now and has always been permissible under the law. The only type of freight absorption which is illegal is the absorption which is part of a conspiracy or which results in discrimination so great as to substantially lessen competition. The Federal Trade Commission has said time and again that freight absorption, per se, is not illegal. The same thing was said by the Supreme Court in the Cement case, and more recently, on August 22, 1949, by Judge Parker in the decision of the Fourth Circuit Court of Appeals in the Bond Crown and Cork case. May I quote what the Supreme Court has to say on this point:

> Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it. As we read the order, all of its separate prohibiting paragraphs and subparagraphs, which need not here be set out, are modified and limited by a preamble. This preamble directs that all of the respondents "do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding or agreement, combination or conspiracy, between and among any two or more of said respondents and others not parties hereto, to do or perform any of the following things." Then follow the prohibitory sentences. It is thus apparent that the order by its terms is directed solely at concerted, not individual activity on the part of the respondents. (*FTC* v. *Cement Institute et al.*, p. 42.)

And may I quote what Judge Parker had to say:

> There has been a great deal of argument with regard to the practice of freight equalization. It should be noted in this connection, however, that the question in this case is, not whether such practice may be enjoined as constituting of itself an unfair

trade practice, but whether it may be considered along with the other facts and circumstances to which we have adverted as tending to establish the conspiracy and combination in restraint of trade, which is the only charge of the complaint. We think that it was properly considered for that purpose.

* * * * *

The practice unquestionably constitutes evidence to be considered, along with other facts and circumstances, as tending to establish the conspiracy charged; and that was the only purpose for which it was considered by the Commission. (*Bond Crown & Cork Co.* v. *Federal Trade Commission*, pp. 12, 14.)

But if despite the clear and unequivocal statements on this matter by the Federal Trade Commission, the Supreme Court, and Judge Parker, some Senators still feel that it might be a good idea to remove any lingering shadow of doubt that might be in the minds of some western businessmen by passing this law, then I say to them that this very slight and unnecessary clarification will be gained only at the expense of consequences which will be ruinous to the West. The steel industry and other basing-point industries have made it abundantly clear that as soon as this bill is passed, they will return to the basing-point system. And if this is done, it means that the west coast will again be saddled with the bonds of the basing-point system which it has been trying to get rid of for over half a century.

Mr. President, I now wish to shift clear across the country to another very important region, New England, which though not underdeveloped in the sense of the South and the West, is certainly underdeveloped with respect to steel capacity.

There is no region in this country which has accomplished as much with the resources at its command as New England. The venturesomeness of New England capital and the boldness of New England enterprise are known throughout the world. Yet, New England has always been largely dependent on other areas for the steel which it uses in its great metal-working industries. In other words, New England has been forced to pay the sort of tribute to the steel monopoly that it refused to pay to the English monopolies before the Revolutionary War.

Indeed, the resistance of the early settlers in New England to the restrictions against English laws prohibiting manufacturing in the colonies contributed in no small part to the Revolution. And after our independence was won, New England enterprises continued to resist, in less direct though nonetheless effective ways, the monopolistic restrictions of that day designed to deny to American firms the use of the industrial technology then available in Europe. Indeed, Samuel Slater's first factory was a triumph of Yankee resistance to restrictions devised to keep textile manufacturing out of the New World which the monopolists of that day had persuaded their Parliament to legalize.

Today, there is absolutely no need for New England to continue to pay this tribute for its steel. Today, New England can and should have its own steel industry, a fact which has become recognized by New England spokesmen. There have been a number of developments which make the development of a New England steel industry an entirely practical and feasible objective. The Boston Herald, for example, listed these developments on August 25, 1949 in a front page editorial entitled "Steel Age for New England." This editorial begins by stating that "a group of unrelated events offer New England an opportunity for prosperity such as we have not enjoyed since the days of the clipper ships." The "events" are then treated in the following order:

First, the decision of the Supreme Court sustaining the Government's power to prohibit the basing-point system.

Second, new technological developments in steel production. In this connection two new developments are mentioned. One, the new oxygenation process whereby the output of a given plant can be greatly increased; and, two, the continuous steel casting process which, as I understand it, now makes new small plants, requiring relatively small investments, quite feasible within the foreseeable future.

The third new development listed is the recent discovery of important new sources of iron ore in Labrador and Quebec, which are, as the editorial puts it, "almost at New England's back door."

Fourth, the decision to reduce the Labrador-Quebec ores by electricity to sponge iron before shipment to the United States. Shipment in this form will save on transport costs, and make particularly feasible the operation of small, nonintegrated steel mills such as would be most suited to the needs of New England.

And fifth, the prospective production of iron as a by-product of a new titanium smelter at Quebec, which promises a source of some basic iron in the period before the iron ore deposits are developed. After some discussion of each of these developments, this editorial concludes as follows:

All these factors do not assure a big steel industry to New England. They make such an industry a "natural" for us, but it will not come by itself against the inertia of the country's present industrial set-up. There is already on foot a powerful move to have Congress restore the basing-point system, which, if successful, would tend to freeze the present steel concentration of the country. We need to combat that.

This present iron famine should be exploited to bring home to the steel companies the urgency of our requirements and the growing demands of our hard-goods manufacture, now New England's most rapidly growing industry. We need to bring out that this is the center of an enormous market.

This can be, as we have said, the greatest thing for New England since the clipper ships if we do not muff the opportunity.

The factors mentioned in this editorial and their importance to the prospect of great industrial growth in New England represent no mere editorial dreaming. On the contrary, these are essentially the same conclusions reached by the Federal Reserve Bank of Boston and the New England Council after a careful study and appraisal of all of the factors which, according to the best business and professional economic judgment, have a proper bearing on the question. The staff of this bank made last year, at the request of the New England Council, an exhaustive study to ascertain the effects of the basing-point decisions on the New England economy. It contended, among other things, that a mere tripling of the now scant steel capacity in New England would mean an increase of about 50,000 jobs, counting both the new jobs in steel making and those which would be created in fabricating industries dependent upon steel, and, as the report to the New England Council put the matter—"In taking advantage of the opportunity, New England would be taking nothing from others that is rightfully theirs. Moreover, thanks again to a happy combination of circumstances, New England has several tidewater locations which meet both the requirements for steel facilities and the strategic military requirements set forth by the National Security Resources Board"—Alfred C. Neal, The Effect of the Basing Point Decision on the New England Economy, September 18, 1948.

What this opportunity for New England may mean in terms of growth of the free-enterprise system has been summed up in the report of the Boston Federal Reserve Bank, prepared by Dr. Alfred C. Neal, from which I should like to quote:

For the last few months I have been engaged in some economic detective work, piecing together facts from a collection gathered over a good many years and combining them with what we have found out about the New England economy and about the effects of the basing-point system. I think that we have succeeded in putting together most of the pieces in a massive jigsaw puzzle. When the pieces are fitted together they make a picture showing opportunities for New England unheard of for the last century at least. This picture shows far more than the basing-point system and its effects and far more than New England.

New England has an opportunity—and there may not be another like it for half a century or more—to accomplish far more than to advance its own prosperity, far more than to make more jobs for its people and more business for its utilities and its railroads. It has an opportunity to do far more than to revive its ports and its shipping and to make new opportunities for the investment of its capital. It has a golden chance to do all of these things, but in addition it has an opportunity to strengthen greatly the bonds of mutually advantageous commerce with our Canadian friends, and to expand its foreign trade into the distant places that Yankee captains reached by sailing ships over a century ago. It has an opportunity to advance the cause of free enterprise and of free people that will give another halt to those prophets of the doom of capitalism and our way of life.

Although the opportunity is certainly there, as all these studies and reports have conclusively shown, the hopes of New England for a steel industry of its own will certainly be dashed if this bill is passed and the basing-point system is restored.

If we may reason from the past, we must conclude that under the basing-point system any new mill to be established in New England would in all probability have to operate as a nonbase mill, if for no other reason than that such a

mill would probably be too small to engage in a contest of local price cutting with the large producers, and consequently could be easily penalized and punished for any attempt it might make to reduce prices in the New England market.

Yet under the basing-point system, the establishment of a nonbase mill in New England would be of little benefit either to the New England customer or to the mill itself. Differences between the high prices which local fabricating plants would have to pay and the low prices which their distant competitors would pay would be as great as before; that is, prices to steel customers in New England would be computed as the base price at Baltimore or Buffalo, whichever is the nearer, plus freight costs from these points. Hence the customers would pay the same delivered price for steel as before. The mill would be physically situated in New England but the New England steel buyers would not gain the benefits of its location.

Likewise, under these circumstances, the mill would gain very few benefits from its location. Under the basing-point system, a nonbase mill in New England would have its local market shared fully by the distant steel centers of Pennsylvania and Ohio, with the result that it could attain volume production only by shipping west to distant customers near or beyond those States. Of course, such shipments would not be very profitable, since the New England mill would not only have to accept the relatively low delivered prices prevailing in Pennsylvania, Ohio, and nearby States, but in addition would have to absorb the freight charges for the distant shipments as well.

It is, of course, conceivable, though not very probable, that a new mill in New England might be established as a base mill. But unless such a mill wanted to bring down the wrath of the entire steel industry on its head, it would have to cooperate in playing the game under the basing-point rules. The whole purpose of this game is to keep steel prices sufficiently high to enable the mills in the traditional steel-producing centers to ship into all markets and preempt customers everywhere. This means that even though the New England mill were a basing point it would be able to obtain only a small share of its natural market, the greater part continuing to be held by the old-established mills in Pennsylvania and Ohio.

The only way in which the New England mill could avoid this result would be for it to lower its base price. But this would lead to immediate retaliation, with the established mills probably making the New England mill a punitive basing point, lowering and lowering the price at that point until the New England mill pleaded for mercy.

This is no idle speculation. It is exactly what happens when a smaller independent mill gets tired of sharing its home market with its distant and larger rivals and tries to secure a greater share of that market by lowering its prices. As just one example, let me quote from the Supreme Court decision in the Cement case the account of what happened to an independent mill which decided to take this course of action, and which found that its larger rivals promptly made it a punitive basing point:

> The base price was driven down with relatively insignificant losses to the producers who imposed the punitive basing point, but with heavy losses to the recalcitrant who had to make all its sales on this basis. In one instance, where a producer had made a low public bid, a punitive base point price was put on its plant and cement was reduced 10 cents per barrel; further reductions quickly followed until the base price at which this recalcitrant had to sell its cement dropped to 75 cents per barrel, scarcely one-half of its former base price of $1.45. Within 6 weeks after the base price hit 75 cents capitulation occurred and the recalcitrant joined a portland-cement association. Cement in that locality then bouncel back to $1.15, later to $1.35, and finally to $1.75. (*FTC* v. *Cement Institute et al.*, p. 29.)

To allow companies to do that sort of thing is what the sponsors of Senate bill 1008 would like to inflict again upon the Nation.

New England has indeed a great opportunity for the establishment of its own steel industry. It has access to the materials; it has the labor; it has the capital; it has the market; and above all, it has the essential ingredient, for which New England has always been noted, of venturesomeness and risk-taking. But while the opportunity is beckoning and the reward is great, it should be clear for the reasons I have presented that New England will never have the slightest chance in the world of realizing its hopes if the basing-point system is restored.

Mr. President, the restrictive effects of the basing-point system on economic expansion, which are serious enough during normal times, become even more acute during "boom" times. When the steel mills have plenty of customers they naturally tend to ignore, under the basing-point system, the outlying customers whom they can supply only by absorbing freight. Why, indeed, should they try to supply such customers when they can sell all of their output to nearby buyers without absorbing freight?

Since the end of the war, the inability of many companies, particularly small firms, to obtain steel has been one of our principal economic problems. True enough, the severity of the problem diminished somewhat during the period of "disinflation" last spring and summer, but with the revival of economic activity, the shortage has again become critical.

In the last several Congresses there has been a procession of small-business men appearing before congressional committees complaining of their inabiilty to secure steel. To a very considerable extent these small-business men have placed the major responsibility for their difficulties on this very practice which we are discussing today—the basing-point system. They have testified that they have offered to buy steel f. o. b. mill and pay the cost of transportation themselves, thereby relieving the mill of the necessity of absorbing freight. But while the basing-point system existed, the mills, according to these witnesses, consistently refused to sell steel on this basis for the simple and obvious reason that they did not wish to deviate in any way from the basing-point method of pricing.

Let me quote briefly from the testimony of some of these small-business men before the Senate Small Business Committee. Mr. Richard Kline, treasurer of the Burke Steel Co., a steel warehouse and industrial supply concern, stated that his firm had been in existence for over 100 years and had been buying steel from the same companies for a long period of time, but that since the end of the war its supply had been cut off. When asked why he could no longer secure steel, Mr. Kline stated:

> We possibly exercised poor judgment in restricting our purchases to too few mills. We dealt with some of the larger mills, and to a large extent with a medium-sized mill. We now find ourselves in the position where that mill is not interested or willing to absorb freight to make shipments into our area, as we size it up. (Hearings before the Senate Small Business Committee, 80th Cong., pt. 42, pp. 4481–4482.)

Similarly, Mr. Frank J. Daugherty, vice president of the Gate City Iron Works, Omaha, Nebr., a large warehouse firm in the Missouri Valley area, stated that between 1945 and 1947 his total receipts of steel had declined by nearly half "with the decline still going on." Mr. Daugherty stated:

> These dislocations started to take place some 2 years ago. We are located in the Missouri Valley area, where unfortunately there are few producing mills. Our principal source there is the Chicago area. * * *
>
> The freight absorption has got to the point where they [the steel mills] maintain that they take a loss in shipping as far east as the Missouri River (p. 4504).

The chairman of the Senate Small Business Committee placed in the record a letter from a large steel company which was in reply to a protest from a small concern against being cut off from the mill's schedule and thus being dropped into a "trackless desert." The letter from the steel company is as follows:

> This will acknowledge your letter of November 29. I find it difficult to understand your statement that we have dropped you into a trackless desert.
>
> Actually we have issued ample warning in your own and other unfavorable freight territories from which we have gradually been withdrawing on flat-rolled steel. We are, as you know, still shipping to you and have unfilled tonnage on our books which will be shipped but we can no longer provide a regular place for you and others in your area in our 1948 schedule.
>
> As I told you over the phone, this is not an arbitrary action on our part. All mills are doing it with the ultimate aim of serving their natural trading areas * * *
>
> I am sorry we cannot entertain your offer to make a long-time agreement to pay us f. o. b. mill prices. Such arrangement would be uneconomic and unsound for you when the present rolled-flat stringency is over.
>
> It would violate our established policy of selling only on published-price and basing-point terms. It would likewise divert tonnage from our home areas in which we are obliged to establish ourselves firmly for the long pull (p. 4556).

The Senate Small Business Committee of the last Congress made an exhaustive statistical survey of the steel mills in order to determine whether there was substance to these and other allegations

by small-business men. Between 1940 and 1947 the committee found that shipments of steel sheets increased on the average of 18.8 percent. In contrast, shipments to customers located within the traditional steel-producing centers, principally Ohio, western Pennsylvania, Chicago, and Maryland, increased by no less than 44 percent—more than twice as much as the increase for the Nation as a whole. Yet shipments to the rest of the country showed practically no gain whatever, rising only 2.7 percent. The committee summarized its findings in these words:

The power to govern the distribution of steel is the power of life and death in the economic world. The way in which it is exercised determines which businesses grow and which do not, which industries expand and which do not, which States and regions prosper and which do not. Yet, despite its overwhelming importance, the power appears to have been exercised, for example, so that the 12 areas which happened to be the major centers of steel production received nearly half as much again as their prewar shipments of hot-rolled steel sheets, while the amount flowing into the entire remainder of the country stood practically unchanged, rising only 2.7 percent.

This means that in these other parts of the country which comprise by far the vast majority of our States and cities, their expanded steel-consuming facilities either had to be closed down or operated at considerably less than their full capacity. It means that in these areas both small and large firms were unable to secure their fair share of postwar market expansion. It means a further centralization of productive activities in a few greatly congested industrial centers. (Senate Small Business Committee, 80th Cong., "Changes in Distribution of Steel, 1940–47".)

Since the shortage of steel is again with us—perhaps for an indefinite stay—the restoration of the basing-point system will only mean that countless numbers of small-business men located outside the immediate environs of the steel mills will again find themselves unable to secure the raw materials necessary for their very existence.

If this bill is passed, we will again be confronted with the spectacle of plants located in unfavorable freight territories shutting down because they cannot get steel, while plants near the mills get more steel than they can use and sell their surplus in the gray markets.

Mr. President, we must be realistic in discussing this bill. We must realize that behind it lies the fundamental question of power—the power to determine, as the Senate Small Business Committee has so aptly stated, "which businesses grow and which do not, which industries expand and which do not, which States and regions prosper and which do not." If S. 1008 becomes the law of the land, that power will be placed squarely in the hands of a few great industrial corporations and a few great railroad systems, tied together by financial interests centering in Wall Street. In order to grow at all, any region must have two things: fair transportation rates and fair prices for the raw materials of industry. By the passage of the Reed-Bulwinkle bill in the Eightieth Congress, the railroads have been exempted from the antitrust laws and are substantially free to make railroad rates in any manner which they see fit. If this bill is passed, the steel companies will be given the same power with respect to the price of raw materials.

Moreover, it is not to be assumed that the railroads and the steel companies will act independently of each other. Rather, the record shows that they have a long history of mutual understanding and accord. This is only to be expected since many of the railroads and steel companies were organized originally by the same investment banking companies, and their security issues have been handled by the same financial interests. If anyone has any doubts on this question, let him examine the evidence placed by the Government into the record of the Investment Bankers case now being conducted in New York City.

Most of the cooperative efforts between the railroads and the steel companies are carried out discreetly by telephone or private conference without leaving behind any telltale scraps of evidence. But sometimes there is a slip and very revealing bits of information get into the record. Such is the case of the material gathered by the Department of Justice relating to the successful effort just before the war of the northern railroads and northern steel companies in preventing southern railroads from offering lower freight rates on steel to southern consumers, a full account of which is to be found in the CONGRESSIONAL RECORD of August 11, 1949, on pages 11262–11264. In essence, the southern railroads proposed to make substantial reductions in their freight rates on steel shipped from Birmingham to New Orleans and other Gulf and river cities. The eastern steel producers, acting through the pressures they were able to put upon the Association of American Railroads, were able to block the proposal of the Southern Freight Association. The evidence clearly reveals that the northern railroads and steel companies worked hand in glove in stifling this attempt by southern railroads to help southern industry. I should like to call attention to a few of the salient quotations from letters and memoranda of railroad officials.

On November 29, 1939, the Association of American Railroads held a meeting to discuss this matter, which was described in a letter written on December 4 by Mr. Tilford, vice president of the Louisville & Nashville Railroad, as follows:

The discussion indicated very clearly that the objections of the official territory roads (i. e., the eastern railroads) originated with the northern shippers (i. e., the northern steel producers) now using water service to the Mississippi River crossings and Gulf ports since the delivered prices would be affected by a reduction in the rates from Birmingham, the sales practice being to use Birmingham base price, plus rail rate from Birmingham.

Later, a meeting was held between southern and eastern railroads and the American Iron and Steel Institute, the results of which may be judged from a memorandum from J. G. Kerr, chairman, Southern Freight Association, dated January 20, 1940:

With the exception of Mr. Baker, representing the Andrews Steel Co., and Mr. McBride, representing Kokomo, Indiana producer, practically all, if not all, of the other iron and steel shippers strenuously opposed any reduction. There was a good deal of discussion regarding water movements down the Ohio and Mississippi Rivers which followed the statement that practically all of the iron and steel traffic to Mississippi River points and gulf ports was now moving by water, although it was being sold on basis of rail rates.

On the basis of these quotations and other evidence in the record, there can be absolutely no question but that it was the close and harmonious relationship between the northern railroads and steel companies that prevented this reduction from taking place. No one knows how often this sort of thing takes place. The particular case which I have cited merely represents one of the few which have come to light. But there is every reason to believe that it is a common occurrence, particularly since both the northern railroad and steel companies have the same objective in common—that of maintaining the status quo, preserving the price and rate structures as they are and preventing the growth of industry everywhere which might possibly impair the value of their existing investments.

Mr. President, I wish again to call attention to the inescapable fact that within the next 5 years the South will have to create 1,300,000 new nonfarm jobs, and the far West over 1,000,000 such jobs, over and above their 1947 levels.

Mr. President, I ask this question: How in the world is the South going to reach this goal if the Birmingham differential is restored, if on some products even Pittsburgh-plus prices are imposed, and if rail rates are charged for materials actually shipped by water or truck?

I ask: How is the West going to achieve its goal of creating over 1,000,000 new jobs if western steel users have to pay, for steel actually produced on the west coast, phantom freight from one end of the country to the other, averaging $10 to $13 per ton?

I ask: How is New England going to achieve its goal of 50,000 new jobs, which is almost within its grasp, if its potential steel mills are to be subjected to the vicious attacks and reprisals which the established steel interests in Pennsylvania and Ohio will be in a position to make under the basing-point system?

Mr. President, I wish to conclude my discussion of this extremely important matter now before us with a few remarks to my good friends from the traditional steel producing centers of Pennsylvania, Ohio, Illinois and Maryland. With very few exceptions, the Members of Congress from these States have voted almost solidly for this bill, believing that its passage is essential for the welfare of their people. When the vote was taken on this conference bill in the House of Representatives, only two Members of the 33-man Pennsylvania delegation of both parties voted against the bill. Of the Chicago delegation, only one Representative voted against it. None of the Maryland delegation voted against it. And on this side, the Senator from Pennsylvania was the author of the original moratorium bill, and the Senator from Maryland is handling the present legislation.

Mr. President, I want to make it perfectly clear that I have the fullest respect for the views of the Members from these States. I have listened with great attention to their arguments. I believe there is much in what they have to say. And I know that they have every reason to believe that in fighting for the passage of this bill they are only trying to carry out what they regard as a mandate from the people of their States.

Yet, I wonder whether they have considered all the aspects of this very complicated problem? I wonder whether they have thought about this problem, faced by the underdeveloped areas, of creating 2,500,000 new nonfarm jobs within the next 5 years? I wonder whether they have thought about what would happen if, as a result of the restoration of the basing-point system, the underdeveloped areas are unable to meet this goal, and widespread unemployment consequently develops. I wonder if they have thought about the migration of those unemployed workers which will undoubtedly take place into their own great metropolitan centers, greatly intensifying, as I have pointed out, the tremendous problems already faced by the great cities of the northeast.

And then I wonder whether they have thought about the question of markets for the products of their own industries. I wonder whether they have thought about the question of how their own producers of all types of products are going to find markets if the underdeveloped areas are unable to expand, and if widespread unemployment develops. Do the Members from these States really believe that they can be an island of prosperity in a sea of unemployment?

I wonder whether they have given any consideration to the fact, which history has demonstrated time and again, that the greater the trade between a wealthy and a poorer country, the greater is the prosperity not only of the poorer land but of the wealthy country as well.

I wonder whether they have given consideration to the fact that the elimination of the basing-point system would tend to result in the expansion of the fabricating or finished-goods industries in their own areas, thus providing greater diversification of industry and, hence, greater security against depression.

Finally, in view of the fact that the legality of freight absorption, in and of itself, has now become definitely established, I wonder whether they really regard this bill as essential in order to clarify the law.

Mr. President, in conclusion, I hope statements by various Members of the Senate in regard to the effects of enactment of S. 1008, effects which definitely will be against the interest of the further development of the industries and of an increase of employment in most sections of the country, will reach the people in those areas.

I know we have spent a long time debating this issue; but from the standpoint of regional development and general prosperity throughout the United States, from the standpoint of whether we are going to have employment or whether we are going to have unemployment, I think this measure is the most important one which will be before the Congress at this session.

So it is important that this issue be fully debated, that its implications be fully understood, and that the resultant effects upon various parts of the United States be fully appreciated by the Members of the Senate when they come to the final vote on the pending conference report.

Mr. O'MAHONEY. Mr. President, will the Senator from Tennessee yield for one or two questions?

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

Mr. KEFAUVER. I yield.

Mr. O'MAHONEY. I have listened with the greatest interest to the address of the Senator from Tennessee today, and I have listened with great interest also to the addresses delivered by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Louisiana [Mr. LONG].

It is my understanding from what has been said by these three opponents of the conference report that in their opinion the independent use of delivered prices or of freight absorption is not now prohibited by law. When I use the word "independent," I use it as meaning the action of a seller in absorbing freight and in making delivered prices, without any understanding, express or implied, with any other seller to fix prices or in any way to offend or violate the antitrust laws.

Is that the Senator's belief?

Mr. KEFAUVER. Yes; that is my belief.

Mr. O'MAHONEY. I thought it was.

Then, Mr. President, may I ask the Senator this question: If any seller in the United States were to adopt a delivered-pricing system or were to absorb freight, but if, at the same time, he did not enter into any agreement, express or implied, with any other competitor to fix prices, in the opinion of the Senator from Tennessee, he would not be violating the law; is that the Senator's opinion?

Mr. KEFAUVER. That is my opinion. Furthermore, I think there should be no doubt about that. If there ever was any doubt—which seemingly has caused all this difficulty—it certainly should have been removed by the opinion of the United States Circuit Court of Appeals for the Fourth Circuit, in the case of Bond Crown & Cork Co. against Federal Trade Commission, decided on August 22, 1949, by a very distinguished jurist, who incidentally is a distinguished member of the Republican Party, the Chief Justice of the Fourth Circuit, Justice Parker. As the Senator from Wyoming very well knows, the issue there was presented very clearly and squarely; and Justice Parker, speaking for a unanimous court, held that the independent, separate absorption of freight or selling on a delivered-price basis, without entering into any conspiracy, express or implied, was permissible under the present law.

That is the law of the land, and why, when the matter has now been settled on that basis, anyone should want to amend the Robinson-Patman Act and create a great deal of confusion, requiring the question to be litigated again in the courts, I am unable to understand.

Mr. O'MAHONEY. Mr. President, I of course do not want to undertake to make another explanation now in the Senator's time. I am familiar with the Crown Cap case which the Senator has cited. I cited it myself last fall.

Mr. KEFAUVER. I know the Senator did.

Mr. O'MAHONEY. I cited it when the conference report was before the Senate in a form which I feared did not adequately protect the antitrust laws. But the unfortunate fact is that that was the decision only of a circuit court. As I pointed out to the Senator from Illinois and to the Senator from Louisiana, a week ago, when this debate began, the difficulty arises from the fact that the Supreme Court of the United States divided 4 to 4 in the Rigid Steel Conduit case, and in that case, because the Court divided 4 to 4, the decision of the circuit court of appeals remained undisturbed. In that decision, the circuit court of appeals used language which has filled many honest businessmen with the fear that the individual use of freight absorption, which the Senator from Tennessee, the Senator from Illinois, and I all agree is not prohibited by law, would nevertheless be a violation of the law.

The Senator from Tennessee has made a very eloquent and persuasive plea for an expanding economy. I am for an expanding economy. I am for an expanding economy, to be brought about by the entrance of new competitors. I say to the Senator in all sincerity that if this conference report should not be agreed to, the result would be precisely the reverse of what the Senator believes. It would close the door to expanding free competitive enterprise, and, in the case of steel, would give big steel complete control.

Let me ask the Senator another question.

Mr. KEFAUVER. Just a moment, please. Let me say in answer to the Senator as to what the state of the law is, that all of us know that the Bond Crown and Cork Co. had very capable attorneys. Their attorneys of record were from New York and Baltimore, men who are well known as constitutional and antitrust lawyers. Had they thought that the decision of Justice Parker of the Fourth Circuit did not today represent the law of the land, and that they might have an opportunity of reversing his opinion in the Supreme Court, they had the necessary legal talent and the money, and, of course, would have appealed the case. This case stands as the last word on the subject.

Furthermore, the Senator goes back to the Rigid Steel Conduit case. I have never really seen anything in that case, in the light of other decisions, which casts any doubt on the matter. Certainly there is nothing in the Cement case to indicate that the independent absorption of freight, where it is not done by constructive or express conspiracy, is a violation of the antitrust laws. As a matter of fact, the case implies very strongly, and the entire purport of it is,

that freight absorption, if done independently and not systematically, is not a violation of the antitrust laws.

Mr. O'MAHONEY. Oh, the Senator is quite wrong in that interpretation, because otherwise, what possible reason could there be for four Justices opposing the other four? The issue upon which they divided——

Mr. KEFAUVER. The Senator is talking about the Rigid Steel Conduit case, not the Cement case.

Mr. O'MAHONEY. Oh, certainly; I am talking about the Rigid Steel Conduit case.

Mr. KEFAUVER. After reading the Cement case as a whole, which of course came later, I do not see how any industry could have become alarmed about the situation. As the Senator well knows, the cement industry largely, and most of the units that want to absorb freight, are at the present time doing so independently. They are selling on a delivered-price basis wherever they think it is to their best interests to do so. There has not been any great distress or confusion in the industry. But if the position of the Senator from Wyoming prevails, of writing in a section 1 which will have to be interpreted in the light of numerous laws, and a section 2 which is in direct contradiction of section 3, we are then going to have confusion. If the Senator is trying to eliminate confusion, it seems to me we have the matter pretty well settled now, and we are going to make only for confusion by adopting the pending conference report.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KEFAUVER. No; I want to answer the other point made by the distinguished Senator. The Senator made one other point, namely, that many people are worried about what the state of the law is. When we have the definite statement of the members of the Federal Trade Commission that they feel that the independent absorption of freight, where there is no express or constructive conspiracy, is not illegal; when we have a great many distinguished lawyers saying the same thing; and when we have a former member of the Federal Trade Commission, Mr. Freer, saying the same thing, then I cannot see that there is such a great demand on the part of industry or on the part of anyone else merely to clarify the law.

I am thoroughly convinced, and I have an idea that, since the Senator is satisfied with the present status of the law, he must feel likewise, that there are some people who are interested in making this change in order to get their foot in the door, for the purpose of weakening and breaking down and destroying the effectiveness of the antitrust laws.

Mr. O'MAHONEY. I think the Senator from Tennessee is well enough aware of my opinions and my views on the antitrust laws at least to concede to me that I would not willingly lend my assistance to the creation of any loophole whereby monopolistic practices could be reinstituted.

Mr. KEFAUVER. Yes, I say that. But the Senator, when this matter first came up, and in every discussion when it has been brought up, has said, in the first place, that he is perfectly satisfied with matters as they are, that he feels that the proposed legislation is entirely unnecessary, and that he does not think it unlawful now to absorb freight.

Mr. O'MAHONEY. That is a very different thing from saying that the proposed legislation is not necessary. I do not say that.

Mr. KEFAUVER. The Senator, on June 1, 1949, when the matter was first brought before the Senate—if the Senator will give me just a moment, I shall find where he said he thought it was unnecessary.

Mr. O'MAHONEY. That was the day I moved the substitution, was it not?

Mr. KEFAUVER. Yes. Even without any protecting amendments of the Robinson-Patman Act, the Senator said it was unnecessary at that time. I think I can read to the Senator where he said, when it was first brought up, that he thought the present state of the law was very satisfactory, and that this proposed law was unnecessary.

Mr. O'MAHONEY. No; what I said then, and what I say now, and what the Senator from Tennessee says now, is, namely, that the antitrust laws do not prohibit the individual use of delivered prices—of freight absorption. But, if the Senator will bear with me only for a moment, he will understand why I say that the confusion has reached the Supreme Court, when the Supreme Court divides equally, 4 to 4, on a circuit court case in which the court used this language—and I now quote from the Circuit Court of Appeals, 168 Fed. 2d, at page 181, the Rigid Steel Conduit case—

In the light of that opinion—

That is, the Cement case; that is the language of the court—

we cannot say the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition.

There was a declaration which seemed to imply that the individual use of freight absorption was found by the Federal Trade Commission to be a violation of the law, in being an unfair trade practice; and I say——

Mr. KEFAUVER. But I say the Federal Trade Commission, in its own opinion in the Rigid Steel Conduit case, and upon petition for reconsideration of the Rigid Steel Conduit case, said, by unanimous decision, that it had held in the Rigid Steel Conduit case that independent, separate absorption of freight was not a violation of the law. I have the opinion of the Federal Trade Commission upon the rehearing of that very case. Of course, the Senator is familiar with it.

Mr. O'MAHONEY. I am familiar with it. But the Federal Trade Commission is not the Supreme Court; and when four members of the Supreme Court say that individual freight absorption may be illegal, then I say it is incumbent upon the Congress to declare what the Senator from Tennessee, the Senator from Wyoming, and the Federal Trade Commission agree is the law. I want to promote the investment of private capital in expanding business. I do not want to leave it in its present situation, which brings about the result that big companies, such as Big Steel, are able to strangle the whole country.

Mr. KEFAUVER. The Senator knows that a writ of certiorari is not granted by the Supreme Court of the United States unless certain things happen. That does not mean that four Justices of the Supreme Court have a different view about it.

Mr. O'MAHONEY. They voted 4 to 4.

Mr. KEFAUVER. As to whether to bring up the case.

Mr. O'MAHONEY. That is the thing which introduced the confusion and the doubt.

Mr. KEFAUVER. The Federal Trade Commission in the Rigid Steel Conduit case stated that independent absorption was not illegal. The opinion of the Supreme Court does not create any confusion whatever.

Mr. O'MAHONEY. Let us finish the case we are on, and then we can go to the other. Does not the Senator agree with me that the only difference between him and me is that he contends it is unnecessary for Congress to act because the Federal Trade Commission has said that the individual use of delivered prices and freight absorption is not a violation of the law, whereas I say that though the Federal Trade Commission has so declared, there is so much doubt in the Rigid Steel Conduit case that we should say by law what the Senator from Tennessee, the Senator from Wyoming, and the Federal Trade Commission agree is the law?

Mr. KEFAUVER. The only difference between the distinguished Senator from Wyoming and me is that he said, in the first place, that he did not think there was any necessity for the legislation.

Mr. O'MAHONEY. No; I did not say that.

Mr. KEFAUVER. I shall get the statement and read it to the Senator.

Mr. O'MAHONEY. What I said, and I repeat, was that, of course, I believe that individual delivered pricing and freight absorption are not illegal.

Mr. KEFAUVER. The Senator is willing to take a chance on inflicting upon the South the Birmingham differential which will again retard, if not destroy, the economic and industrial development of a great section of the country; he is willing to take a chance on imposing this iniquitous basing-point system upon his own territory and upon New England and to forego building an expanding economy, affording employment to our increasing population, because some lawyer on the Federal Trade Commission is of the opinion that the law is not clear. The Senator from Wyoming is fairly well satisfied that the latest expression of our courts makes it very clear, and yet he wants to run this risk.

Mr. O'MAHONEY. I do not believe there is any risk involved. I think we cannot fail to do everything within our power to make the law clear, because if we do not do so, the advocates of concentration of economic control, by sowing abroad among honest independents, those who seek to engage in competition, a doubt as to whether their money can

safely be invested, will prevent the expansion of our economy and will create the very unemployment which the Senator fears.

Mr. KEFAUVER. I should like to read to the Senator what he said on June 1, 1949, relative to the Cement case:

Mr. LUCAS. Do I correctly understand that the Senator is quoting from the Cement case?

That was after the Senator from Wyoming had stated that it did not mean that independent absorption was in violation of the law.

Mr. O'MAHONEY. Yes. I think the case is good law——

Mr. O'MAHONEY. I do.

Mr. KEFAUVER. I read further:

In my opinion, all of the interpretations of the law in that case should be approved by the Congress of the United States if we are to maintain what we call the free competitive system.

Mr. O'MAHONEY. Again I say it.

Mr. KEFAUVER. If the Senator is in agreement with the law, why take a chance on wrecking the Robinson-Patman Act and destroying the economy of many sections of the country by reinstituting the basing-point system?

Mr. O'MAHONEY. My answer is that there is nothing in the conference report which would wreck the Robinson-Patman Act.

Mr. KEFAUVER. That is what the Senator thinks, but many other persons do not think so, including the Federal Trade Commission.

Mr. O'MAHONEY. I have never yet seen a statement by anyone in the Federal Trade Commission, even by former Commissioner Freer, whose letter upon this matter I have analyzed—I analyzed it in a letter to Mr. Rankin Peck, of Michigan—which did not, in my opinion, support what we are trying to do. We are seeking to maintain a competitive system, but the great campaign alleging that we are upsetting the Robinson-Patman Act has emanated chiefly from the Retail Druggists Association, which was the sponsor of the Miller-Tydings law, the sole purpose of which was to eliminate competition.

Mr. KEFAUVER. If the Senator wants to protect the Robinson-Patman Act and also the so-called buying-in-good-faith provision, why does he recommend that the Carroll amendment, which says:

Provided, however, That such sales shall not be in violaton of the provisions of this section——

Mr. O'MAHONEY. That is not what the Carroll amendment said. Let me read to the Senator the Carroll amendment. The Senator cannot debate a technical question by misquoting the amendment. The Carroll amendment provided as follows:

If the discrimination is not such that its effect upon competition may be that prohibited by this section.

The reason it should not be in the law is because the very same language is already in it.

Mr. KEFAUVER. If it is in the law, why does the Senator want it changed?

Mr. O'MAHONEY. It was not my amendment. I am telling the Senator that it is not necessary, because the opening sentence of 2 (b) is as follows:

Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection.

I say it is already there. I do not believe in surplusage. That is what promotes confusion.

Mr. KEFAUVER. Which Carroll amendment was the Senator reading?

Mr. O'MAHONEY. The amendment which Representative CARROLL presented. Here is the amendment offered by the Senator from Tennessee:

Other than a discrimination which will substantially lessen competition.

That was stricken out in the House, and in lieu thereof came the Carroll amendment.

Mr. KEFAUVER. Why does the Senator want to take away one of the prohibitions of the Robinson-Patman Act?

Mr. O'MAHONEY. I do not. It is here. Let me show it to the Senator——

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator from Tennessee has the floor. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. KEFAUVER. I do not mind yielding for a question if I can have an opportunity to answer it once in a while.

Mr. O'MAHONEY. I point out, and the Senator from Tennessee may look over my shoulder if he desires, that here are the precise words:

Discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection.

Those words are from the conference report.

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

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

Mr. KEFAUVER. Here is the answer to the Senator from Wyoming. In the first place, section 3 has no place in the bill. It does not deal with basing points at all. It was placed in the bill for a reason which I have never been able to understand. It was placed there by the Senator from Wyoming on the insistence of somebody. It has nothing to do with basing points. Its only purpose is to amend the Robinson-Patman Act, in order to enable manufacturers to maintain a differential and to do away with the decision in the Indiana Standard Oil case. It has nothing to do with basing points whatsoever. However, the section is in the bill, and if the section is to stay in the bill nobody should object to a provision that certain things can be done only if no violation occurs of a sound, fundamental antitrust law of the Nation.

Mr. O'MAHONEY. That was put in by the conferees, but in a different place.

Mr. KEFAUVER. It was not put in by the conferees at all.

Mr. O'MAHONEY. Yes.

Mr. KEFAUVER. They would not even accept the weak amendment which I proposed on the floor to the effect that it shall not substantially lessen competition. That was a very weak amendment. The Carroll amendment improved it. The conferees struck out both proposed amendments, showing that they wanted to amend the Robinson-Patman Act and do away with one of the most wholesome antitrust laws we have on the statute books. The only thing the conferees put in was a restatement of the Sherman Antitrust Act, which has been the law since approximately 1880. We have nothing more now than a great many words which mean nothing. They do not have anything to do with the good faith defense. If the intention is to preserve the Indiana Standard Oil decision, why not say "which may not lessen competition" or "provided it does violate the provisions of the Robinson-Patman Act?"

The point is that the conferees say:

Provided further, That a seller may justify a discrimination—

The old Birmingham-plus system—

by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

In other words, Mr. President, as Mr. Elliston has said, the Indiana Standard Oil case would be decided in favor of the Standard Oil Co. by the Congress of the United States if we passed a bill with that kind of language in it.

In order to placate or make Members of the Senate feel a little better, or perhaps make the public feel a little better, the conferees have included an amendment which says:

And this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains.

Of course, they have been maintaining the Pittsburgh-plus system with respect to the South, West, and New England for a long time, but the conference report says:

Provided, That this shall not make lawful any combination—

We are not talking about combinations. We are talking about the good-faith provision of the Robinson-Patman Act—

conspiracy—

A conspiracy has been a violation since the Sherman Act was enacted—

or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice.

That has also been a violation of the law for a long time.

In other words, conferees have put language in the bill which does not refer to the subject matter under discussion. The question is whether the Robinson-Patman Act amendment of 1938, which did away with the absolute good-faith defense is to be preserved. The oratory placed in the bill does not deal with the subject matter at all. Mr. Elliston, of the Standard Oil Co. of Indiana, was eminently correct when he said that the Standard Oil case would be decided

in favor of the Standard Oil Co. by Congress, not by the Supreme Court, if this bill should be enacted. If that is what Senators want, they will at least know that some Members of Congress have tried to warn them about it.

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

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

Mr. KEFAUVER. I yield.

Mr. LUCAS. I should like to ask the able Senator from Tennessee how much longer he expects to discuss the conference report.

Mr. KEFAUVER. I desire to make a point of order with reference to the conference report. I assume that I should make my point of order when the President of the Senate is in the chair. However, I have concluded my remarks.

Mr. LUCAS. Aside from making his point of order when the Vice President is in the chair tomorrow, the Senator from Tennessee has concluded his remarks on the conference report, has he?

Mr. KEFAUVER. Yes.

Mr. LUCAS. I should like to ask the Senator from Tennessee if he is in a position to advise the Senate whether it is possible to enter into a unanimous-consent agreement to vote on the conference report sometime late tomorrow afternoon.

Mr. KEFAUVER. Mr. President, I understand that the distinguished Senator from Louisiana [Mr. LONG] is ill, and perhaps will not be able to return to the Senate until Monday. I do not know what negotiations have taken place. So far as I am concerned, I believe Monday would be a better day on which to vote, because perhaps by then the Senator from Louisiana will be present.

Mr. LUCAS. Monday is a bad day for a number of other Senators; indeed, every time we try to get a unanimous-consent agreement the day suggested is a bad day for some Senator.

Mr. KEFAUVER. Would Tuesday be satisfactory?

Mr. LUCAS. The Senator from Maryland [Mr. O'CONOR], who is tremendously interested in this measure, is leaving for the Old World on Tuesday, and he would like very much to be here to vote on the conference report. Does the Senator from Tennessee have any other suggestion?

Mr. KEFAUVER. Does the majority leader suggest that we should wait until the distinguished Senator from Maryland returns?

Mr. LUCAS. No; not at all. Mr. President, the Senator from Illinois gave notice a week ago that we would finish consideration of the pending conference report some time this week. I believe it was on yesterday that I gave notice to the Senate that we would hold a night session in order that we may finish consideration of the conference report this week. I advised the Senate that we would hold a night session tomorrow so that we could come to some conclusion with respect to voting on this matter. I should like not to hold a night session if it can be avoided. However, Mr. President, I hope the Senate will take me at my word that tomorrow we shall dispose of the pending conference report even if it means sitting until midnight to do it. I hear my good friend from Texas——

Mr. CONNALLY. I am applauding the majority leader.

Mr. LUCAS. I thank the Senator from Texas for applauding me. After all, we must get along with the business of the Senate. We cannot wait for one Senator to return on Monday and another on tomorrow or the next day. I assume that some Senators will be absent tomorrow who will be able to return by Monday. Undoubtedly some Senators will be absent on Monday. I believe the Senators from Connecticut will be absent tomorrow.

Mr. KEFAUVER. At what time is the Senator from Maryland leaving on Tuesday?

Mr. O'CONOR. I am required by appointment of the President to go to Geneva, and expect to leave early on Tuesday afternoon.

Mr. KEFAUVER. I wonder if we could not vote at 1 o'clock on Tuesday?

Mr. LUCAS. That would be inconvenient for my good friend from Pennsylvania [Mr. MYERS]. Certainly the whip should be here. After all, it is his measure. He is the author of the original bill, which sought a moratorium on this matter. Now we have more than a moratorium, I am afraid.

Mr. KEFAUVER. I want to say to the distinguished majority leader that I expected to go to Tennessee late tomorrow afternoon. Incidentally, I had not heard about a night session.

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

Mr. KEFAUVER. Yes.

Mr. WHERRY. Will the Senator yield so that I may propound a question to the distinguished majority leader?

Mr. KEFAUVER. I yield.

Mr. WHERRY. I do not know whether the majority leader had actually asked or whether the distinguished Senator from Tennessee had actually refused to vote at 4 o'clock tomorrow afternoon. Is there objection to that?

Mr. KEFAUVER. Until I have had an opportunity to confer with someone who knows about the situation of the Senator from Louisiana [Mr. LONG], I should have to object.

Mr. LUCAS. I plead with my friend the Senator from Tennessee to talk to Senators who are vitally interested in this measure from his viewpoint, in order to ascertain from them if we cannot unanimously agree to vote on the conference report tomorrow afternoon at 4 o'clock. Such an agreement would give the Senator from Tennessee time to leave for his home State. We must make progress with the legislative business of the Senate.

Mr. KEFAUVER. If the Senator will permit, if it would be possible to vote early Tuesday afternoon, I would even be willing——

Mr. LUCAS. I am not going to agree to that unless the Senate forces me, through some sort of a filibuster, to have the vote on Tuesday. I have advised the Senate twice, and I am not going to retreat from the position I have taken. I feel that I have to follow that course. On another occasion not long ago I said we would have a night session, and some of the Senators on both sides of the aisle canceled dinner engagements and other engagements. When we got here no Senator wanted to have a night session, and finally Senators convinced me that perhaps it would be better not to have one. I cannot break my word as to the session tomorrow evening. I am with the Senator in his position on the conference report, but the opponents of the report are going to keep arguing against the report until they lose the majority leader.

Mr. KEFAUVER. Will the majority leader let us know about when he is going to be lost?

Mr. LUCAS. They will lose me pretty soon if they continue to argue about the conference report and defer the time when we can vote. In all my service in the Senate I have never seen as much argument about a subject as has been made with regard to the pending business. I realize the bill is important, I am not underestimating its importance, but the arguments have been stated over and over again, and every Senator knows exactly how he is going to vote. Senators cannot change any votes by their arguments. They can make a record, of course, but they have made their records once or twice, and in some cases three times, and it seems to me they should let the Senate vote on the report. That is my position, and I am serious about it. I want to finish with the conference report tomorrow, and proceed with other business of the Senate next week.

Mr. President, this conference report on the basing-point bill has been pending some time. The senior Senator from Louisiana [Mr. ELLENDER] has been sitting here for weeks waiting to move the consideration of the bill increasing the capital stock of the Commodity Credit Corporation. The Secretary of Agriculture has spoken to me about that, and he has spoken to the Senator from Louisiana and the other members of the committee about it. It is an important measure, and there will probably not be much opposition to it. The senior Senator from Delaware [Mr. WILLIAMS] is going to speak against it. We have never been able to get it before the Senate. There are other measures which are important, just as important as the pending conference report, and perhaps more so.

I should like to have the Senate get along with its business. We will have been practically a week on the conference report by the time we finish its consideration, and I hope that the Senator from Tennessee and other Senators who are opposing the report will get together and agree on a time for a vote tomorrow, say 4 o'clock, so that we will not have a night session. But I promise that we will have one if we do not get through with the report, and we might have a Saturday session.

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

Mr. KEFAUVER. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to get some information from the majority

leader. There has been a good deal of discussion on both sides as to what might be a suitable time for a vote, and I assure the distinguished majority leader that so far as the Members of the Senate on this side of the aisle are concerned, tomorrow at any hour, 3 or 4 o'clock, or any hour that may be acceptable to him, will be agreeable to them. But if no agreement can be made for Friday, I am quite satisfied that the hour of 5 o'clock on Monday would be very acceptable to Senators on this side of the aisle.

I agree with the majority leader, and I think we should give him our support. This conference report has been debated, it has been kicked around the better part of a year, and to my way of thinking no votes will be changed. I had hoped that the distinguished junior Senator from Illinois [Mr. DOUGLAS] and also the junior Senator from Tennessee [Mr. KEFAUVER] might have been able, if there is to be a vote tomorrow, to agree to it this afternoon, because it is highly important, and it will be a real courtesy to many Senators, if a vote is to be taken tomorrow, to have the announcement made this afternoon.

I appreciate the fact that the majority leader has already said he intends to hold a session Friday afternoon and night, but even though that session is carried to a late hour, it still does not mean there is sure to be a vote on the report.

I go along with the majority leader in suggesting to the distinguished Senator from Tennessee that if there is any chance of getting a vote some time tomorrow afternoon, and we can enter into a unanimous-consent agreement to that effect, it would be well to inform the Members of the Senate.

Mr. LUCAS. If the Senator from Tennessee will yield, I should like very much, when the Senate assembles tomorrow, to be able to get a unanimous-consent agreement, and I am sure the Senator from Tennessee will try to bring that about.

Mr. KEFAUVER. I know it would be of some convenience to Senators if we could get a unanimous-consent agreement now. Would the majority leader be willing to propose that we have a unanimous-consent agreement to vote Monday at 5 o'clock?

Mr. LUCAS. I cannot do that because of the Senator from Pennsylvania, who is the author of the bill and who must be away on Monday.

Mr. KEFAUVER. I will pair with the Senator from Pennsylvania, if that will help the situation.

Mr. LUCAS. What hour did the Senator suggest?

Mr. KEFAUVER. Five o'clock.

Mr. MYERS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Pennsylvania.

Mr. MYERS. I would much prefer to vote tomorrow if possible. I have made several engagements for Monday, thinking the bill would certainly be out of the way by Friday. I had no thought whatsoever that we would be debating the bill all this week and still not be able to vote on it. Of course, if necessary I will have to cancel my plans. I do not think any one Senator should stand in the way of a unanimous-consent agreement. If a unanimous-consent agreement can be secured for Monday, I will cancel my plans and be here. I would not ask the Senator from Tennessee to pair with me, but I really believe that there will be no changes in any votes, and I see no reason why we cannot vote tomorrow. Many Senators will be absent tomorrow, and many will be absent Monday.

Mr. KEFAUVER. The Senator knows the junior Senator from Louisiana [Mr. LONG] is ill.

Mr. MYERS. I understand the junior Senator from Louisiana is unwilling to enter into any agreement except for a vote Tuesday. Some Senators talked to the Senator from Louisiana this afternoon by telephone, and it is my understanding that the only agreement he was willing to enter into today was to vote some time Tuesday. From that information, it would seem to me that he would still object to a vote on Monday.

Mr. KEFAUVER. I think the junior Senator from Illinois and I might be willing to take the responsibility of entering into a uninimous-consent agreement for a vote at 5 o'clock Monday, feeling that the junior Senator from Louisiana will be back by that time.

Mr. MYERS. Would the Senator make it 4 o'clock?

Mr. KEFAUVER. Very well.

Mr. WHERRY. Mr. President, since the majority leader has attempted very earnestly to get a vote on Friday, some of the Senators on this side say that Senators on the other side of the aisle should exhaust every effort to get a vote on Friday before an agreement is reached as to any other day. It was my thought that we should let the majority leader know that, before entering into a unanimous-consent agreement for any other day, in view of the fact that a session has been called for tomorrow night.

Mr. KEFAUVER. In the absence of the junior Senator from Louisiana, I have an idea that it may be very difficult to get an agreement to vote even late tomorrow night.

Mr. LUCAS. Mr. President, other Senators are away, and the secretary to the majority just advised me of a Senator who could not be here Monday, and would object to the unanimous-consent agreement if he were here. Obviously, we would have to have a quorum called before we entered into an agreement of the kind suggested, so I presume we had better let the matter go over until tomorrow, and when the Senate convenes tomorrow we will try to get a unanimous-consent agreement.

If the Senator from Tennessee wants the debate continued tomorrow night, which he indicates he does, in order to have a vote the following Monday or Tuesday, that is one thing. I cannot, however, quite understand the Senator's position. My understanding is that 17 Republicans will be absent tomorrow. I heard a statement to that effect a few moments ago. It seems to me that tomorrow will be just about as good a time as Monday to vote. There is one Senator who says in one breath that he can be present tomorrow, if necessary, so I have been told; yet he wants to have the vote put off until Tuesday. Such a proposal is simply a little more than I can understand, Mr. President, especially in view of the fact that we have been so long debating the measure. Certainly if some Senator wants to begin a filibuster on the conference report tomorrow afternoon and filibuster tomorrow night, I am willing to remain. I think, however, we ought to vote on the measure tomorrow night. I hope we can do so.

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

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I may say that we have just heard from the junior Senator from Louisiana [Mr. LONG]. He is very ill, but he is going to fly here in order to make an effort to be present on the floor. He has authorized me to say that in order to facilitate business he is ready to enter into an agreement to vote at 4 o'clock tomorrow. He is doing this at great personal sacrifice. I believe that for the sake of the RECORD it should be indicated that the Senator from Louisiana has not in any way tried to hold up the proceedings of the Senate, or to filibuster, nor is he interfering with the ordinary procedure of business. He is getting up from a sick bed and coming here when he is in no condition to come. He is doing so in an endeavor to facilitate and not to delay the business of the Senate.

Mr. KEFAUVER. In response to the suggestion of the majority leader that we may be entering into a filibuster, I will state that we have stood ready all along to agree to a unanimous-consent agreement for a vote to be taken any time Monday, and would have agreed to a vote being taken on Friday except for the illness of the Senator from Louisiana, who I know the majority leader would want to be present when the vote is taken. I understand the Commodity Credit Corporation measure is in the Senate and perhaps can be brought up for consideration in the interim.

The PRESIDING OFFICER. Permit the Chair to make a statement. The Chair will advise the Senate that it is not necessary to have a quorum call before reaching an agreement for final vote on the conference report. In view of the fact that the Senator from Tennessee has advised the Chair that he proposed to make a point of order, the Chair feels that he ought to advise the Senator from Tennessee that if a unanimous-consent agreement is entered into definitely to vote on the conference report at a certain time tomorrow, the point of order cannot be made unless provision for it is contained in the agreement.

Mr. LUCAS. Mr. President, I would include in the unanimous-consent agreement——

The PRESIDING OFFICER. That the point of order be in order.

Mr. LUCAS. That the point of order may be presented by the able Senator from Tennessee. If the decision on the point of order is adverse to the Senator from Tennessee, that we then proceed to vote at 4 o'clock in the afternoon, the time to be controlled by the able Senator from Tennessee [Mr. KEFAUVER] and the able Senator from Maryland [Mr. O'CONOR].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. KEFAUVER. Mr. President, reserving the right to object, I wonder if the majority leader would suggest that the Senate meet at 11 o'clock in the morning, and vote at 2 o'clock, because I have an engagement to make a commencement address at the University of Tennessee, Middle Tennessee Branch, tomorrow night, and it is necessary, if I am going to be there, to leave at 2:35 in the afternoon.

Mr. LUCAS. I should be delighted to enter into an agreement to that effect, assuming it is agreeable to my colleague from Illinois.

Mr. DOUGLAS. That is agreeable.

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

Mr. KEFAUVER. I yield.

Mr. WHERRY. Mr. President, if no other way can be found by which we can enter into an agreement for taking the vote, I shall take upon me the responsibility of saying that I shall not object. I have waited for several Senators, two or three of whom are flying back to Washington, but they will not be able to be present by 2 o'clock. However, rather than to delay the vote, and so that we may secure a vote, I shall not object. I will say to the majority leader that while it is a matter of disappointment to one or two Senators, I will take the full responsibility of entering into the agreement.

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

Mr. KEFAUVER. I yield.

Mr. LUCAS. I modify my request in line with the suggestion made by the able Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Illinois asks unanimous consent that the Senate convene tomorrow at 11 o'clock a. m.; that at 2 o'clock the Senate proceed to vote on the question of the adoption or rejection of the conference report, with the proviso that it be in order for the Senator from Tennessee to make his point of order, and for the Chair to rule on the point of order, which means, of course, that if the Chair sustains the point of order, then no vote would be taken at 2 o'clock. Such ruling would be subject to appeal, of course.

Mr. LUCAS. Yes; subject to the rule of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Of course, an appeal would be debatable.

The PRESIDING OFFICER. The appeal would be debatable, but all the debate on the appeal would end at 2 o'clock and then the vote would be taken.

Is there objection to the request of the Senator from Illinois [Mr. LUCAS]? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I thank the Senator from Tennessee and my distinguished colleague from Illinois, and also I want to thank the Senator from Louisiana [Mr. LONG], and other Senators——

Mr. WHERRY. How about the minority leader?

Mr. LUCAS. I will thank the minority leader, too. He does occasionally cooperate.

The PRESIDING OFFICER. The Chair understood the request of the Senator from Illinois also to include that there be an equal division of time; for the time to be controlled by the Senator from Maryland [Mr. O'CONOR] for the proponents, and by the Senator from Tennessee [Mr. KEFAUVER] for the opponents.

Mr. KEFAUVER. Mr. President, although I would be very happy to control the time, inasmuch as the distinguished junior Senator from Louisiana has been so vitally interested in the legislation, I think the control of the time is an honor which is due to him, so I ask that the unanimous-consent request include the provision that the time on behalf of the opponents be controlled by the junior Senator from Louisiana.

Mr. LUCAS. I modify my request accordingly; that the junior Senator from Louisiana control the time on behalf of the opponents.

The PRESIDING OFFICER. Without objection, the time will be equally divided, half the time to be controlled by the junior Senator from Maryland [Mr. O'CONOR] and the other half to be controlled by the junior Senator from Louisiana [Mr. LONG].

Subsequently, the unanimous-consent agreement was reduced to writing, as follows:

Ordered, by unanimous consent, That on the calendar day of Friday, June 2, 1950, at the hour of 2 o'clock p. m., the Senate proceed to vote, without further debate, on the question of agreeing to the conference report on the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices: *Provided, however,* That such agreement shall not prohibit the making of a point of order against said report.

Ordered further, That on said day of June 2 the time between 11 o'clock a. m. and 2 o'clock p. m. shall be equally divided between those favoring and those opposing the report and controlled, respectively, by Mr. O'CONOR and Mr. LONG.

Mr. MARTIN. Mr. President, I should like to speak briefly in behalf of the conference report on Senate bill 1008. I do so with the firm conviction that the enactment of this proposed legislation is vital not only for the protection of jobs in our Pennsylvania factories, but to prevent Nation-wide business disruption.

Both Houses of Congress have voted favorably on this bill, disagreeing only on certain language which we are now called upon to resolve by our vote on the pending conference report.

I believe that the overwhelming majority of Senators and Representatives realize the need for the speedy enactment of Senate bill 1008 to legalize the basing-point method of freight charges on commodities, except where such practice would be in restraint of trade.

The subject has been fully debated. It is not my wish to burden the Senate with a recitation of the arguments which have been so ably presented by many of my fellow Senators.

On last Thursday the junior Senator from Maryland summed up admirably the reasons why the Senate should approve the conference report.

If any doubt remained in my own mind concerning the possible adverse effects of Senate bill 1008 on small business, it was promptly dispelled by the arguments made by our distinguished colleague, the senior Senator from Wyoming [Mr. O'MAHONEY] who, all his life, has been an active foe of monopoly. He would be the last to support proposed legislation which would be harmful to small business.

I am in full agreement with the senior Senator from Wyoming, who said:

> I think it is of such great importance to have the businessmen of the United States know that freight absorption and delivered prices are not a violation of the law, I believe we should not pay attention to what I think are fantastic criticisms of section 2 of this act.

I also agree with the senior Senator from Wyoming when he said:

> I am saying to the Senator and to all others who will listen, and to all who will read, that the conferees did a whale of a good job when they brought section 3 back on the floor. They brought it back in a form which will do no injury to small business, but will do a great deal of good.

Mr. President, it is a fact that delivered prices have fostered competition. The f. o. b. plant system would eventually strangle competition and lead to the creation of local or regional monopolies.

It is my firm conviction that unless this proposed legislation is enacted, the disruption of long-established business practices will cause great confusion and loss to small business.

The charge has been made that the language recommended in the conference report will weaken the Robinson-Patman Act. On the contrary, it is my belief that the Robinson-Patman Act will be strengthened.

Unless we legislate to upset the f. o. b. plant ruling, we shall discourage the investment of new venture capital in new business concerns, because it will restrict their markets and thus will eliminate the greatest incentive for investment, which is opportunity for expansion and reward.

Moreover, it is likely to decrease employment and community prosperity. It will bankrupt some smaller manufacturing concerns, because local consumption is frequently not sufficient for profitable operation.

The disastrous effect of the basing-point decision is shown by the experience of one small manufacturer located in West Virginia, just across the Pennsylvania line, about 30 miles from my home town of Washington, Pa. The firm produces metal cans, and has its market among packers of condensed milk.

In 1948, just before the impact of the basing-point decision had its full effect, this firm produced 309,000,000 cans. They were shipped to 69 milk-condensing plants in 20 different States.

In the next year, 1949, because of the adverse competitive position in which the firm was placed by the basing-point decision, the output of that company

was reduced from 309,000,000 cans in 1949 to 135,000,000 cans. Its customers fell from 69, in 20 States, to 30, in 12 States.

The downward trend has continued this year; and the owners of the business now estimate a production of only 95,000,000 cans, to be supplied to 10 condensing plants in an area restricted to only 4 States.

From these figures it can be seen that the business of this small manufacturer dropped approximately 60 percent with the basing-point decision as the principal cause of the decline. This is one example of many that have been brought to my attention.

Big business—the giants of American industry—have the capital and other resources to locate branch plants in every market. Small business is fighting for its existence without these advantages. Small business in the United States should not be subjected to conditions which, in many cases, are equivalent to a death sentence.

Pennsylvania has more factory workers than any other State in the Union. They are employed to a large extent by firms which qualify as small business. It is in their interest that I intend to vote for the adoption of the conference report.

ADDRESS TO MEMBERS OF CONGRESS BY THE SECRETARY OF STATE—SUGGESTED APPEARANCE OF CABINET MEMBERS ON THE FLOORS OF CONGRESS

Mr. KEFAUVER. Mr. President, I did not have the opportunity to attend the informal meeting of the Senate and the House of Representatives with the Secretary of State in the auditorium of the Library of Congress yesterday. I have read the result of that appearance by the Secretary of State before Congress, and I think it was a very successful and useful occasion.

Mr. President, I feel that one of the great weaknesses of our system of government is that we do not have some method of formalizing the personal appearance of Cabinet Members before the Senate and the House of Representatives under the rules prescribed by the respective bodies. It was intended by the founding fathers that there be actual appearances and particularly that there be consultation and advice with the Senate personally by the Cabinet Members of the executive department.

Of course, ours is the only democratic, parliamentary form of government which does not have some method of enabling such appearances. The result has been that Members of Congress do not have an opportunity to hear, on a face-to-face basis, a discussion by Cabinet members of the problems of the executive branch of the Government, and Cabinet members do not have an opportunity to appear before us for a face-to-face discussion, except in committees. Consequently we cannot keep informed about the over-all administration of the laws by the executive branch of the Government, because sometimes we cannot even attend the committees upon which we serve, let alone all the other committee meetings at which Cabinet officers may appear.

So, Mr. President, undoubtedly Members of Congress would be better informed about current matters and undoubtedly the prestige of Congress would be raised greatly and there would be better understanding and a better working agreement between the executive branch of the Government and the Members of Congress if on a formal basis, in our own Chamber, we could meet with Cabinet members, who would be invited to appear at a certain time by the appropriate committees having jurisdiction of the subject matter. Then we could discuss with the Cabinet officers the problems then under consideration, and Members of the Senate could ask them questions, which would have to be germane to the issues, not questions of a heckling nature.

Furthermore, such an arrangement would help the members of the executive branch of the Government a great deal. They would have an opportunity to reach the entire membership of the Senate, whereas now they must confine their appearances to the committees. Such an arrangement would also give the Cabinet officers an opportunity to make policy decisions, whereas now they may not have such an opportunity. Moreover, they would have to know the operations of their own departments. The appearances they made here would indicate the kind of reception they would receive throughout the country and the esteem in which they were held by people in general.

Mr. President, over a period of many years, beginning in 1941, I sponsored and worked in the House of Representatives for a program of that sort. From time to time it has been tied up in the Rules Committee of the House, although at one time almost half the Members of the House of Representatives said they favored it, and expressed support of it; and at one time every member of the Cabinet, with one exception, unqualifiedly approved the idea.

It seems to me that in these times, when we are besieged by difficult domestic and international problems, high on the agenda of our legislative program there should be some means of improving liaison and understanding, so as at least to make it possible for the executive and legislative branches of the Government to know the same facts.

The distinguished Senator from Arkansas [Mr. FULBRIGHT] at one time, when I was making this proposal in the House of Representatives, made a similar proposal in the Senate. I wish to join other Senators in making the proposal again. Several of us have been sponsoring a resolution for that purpose.

Mr. President, I wish to commend the chairman of the Foreign Relations Committee, the distinguished senior Senator from Texas [Mr. CONNALLY], for his foresight in arranging the meeting yesterday, so as to give all the Members of the Senate and all the Members of the House of Representatives an opportunity to hear the address by the Secretary of State and to participate in the discussion. I think that had a wholesome effect upon the Nation; and I think it did something, at least, to improve the understanding and the relationship between the Members of the Congress and the Secretary of State and the State Department.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from one of the speeches I made in the House of Representatives on the subject of the necessity for better cooperation between the legislative and executive branches of the Government.

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

[From the CONGRESSIONAL RECORD of March 6, 1947]

BETTER COOPERATION NECESSARY BETWEEN LEGISLATIVE AND EXECUTIVE BRANCHES OF GOVERNMENT

Mr. KEFAUVER. Mr. Speaker, it seems to me that since the United States is obviously now in the position where it must assume more and more leadership in the international field and we, the Congress, are being called upon to establish and deal with international policy to an extent that this country has never known before, we should examine our congressional procedure to see whether we are really equipped properly as a legislative body to adequately handle the problems being thrust upon us.

On the domestic front, there is great need for better understanding between the legislative and executive branches of our Government. Several days ago I read an editorial by Marquis Childs in the Washington Post. I would like to read the first two paragraphs. It says:

"Underlying nine-tenths of the confusion and conflict in Washington today is one central, paramount fact that almost no one speaks about or thinks about. It is almost as though a deliberate conspiracy existed to prevent us from considering it.

"When the two corollary powers, executive and legislative, are divided between opposing parties, the machine of government stalls. This has happened again and again and again. Yet we register a kind of puzzled and hurt surprise that all is not harmony and progress on the Potomac."

For many, many years there has been evident need and advocacy of some procedure which will bridge the gap between Capitol Hill and the other end of Pennsylvania Avenue. Even when the Executive and the legislative members of our Government are of the same party, bickerings and differences between the legislative and the Executive commence very soon after the inauguration. I believe that regardless of whether we have a Democrat or a Republican in the White House, or whether we have Republican control or Democratic control of the Congress, Members of both branches sincerely and earnestly want to make the Government work efficiently for the best interests of America. Nowadays it is imperative that Government function smoothly. In this way we can take our place of effective leadership in world affairs. Both of the political parties are devoted to those two objects. We know that the time comes when there is lack of understanding and differences between the President and the Congress, regardless of whether or not there is a person of the same party in the White House as in control of the Congress. For many years I have been advocating a proposal which I think will do much to bring about closer cooperation and understanding between the President and the Congress. Now that we do have a situation which I think has occurred some 28 times in our history, of divided responsibility between the Presidency and one or the other Houses of Congress, it seems to me it is all the more important that we try to devise

ways and means to come to a better understanding and better working together with our national program.

The proposal that I have made this year, as in several years past, is for a so-called report-and-questioning period. It is contained in House Resolution 17. Under that proposal it is provided that once every week, or at least every 2 weeks, there should be set aside not more than 2 hours on the floor of the House for some legislative committee of the House to have the opportunity of inviting a Cabinet member or a top administrator to appear in the Chamber of the House to answer questions previously submitted to him by the legislative committee which issued the invitation. The first half of the time would be devoted to the Cabinet member answering written questions previously submitted, and the second half consumed by questions from the floor. The chairman of the committee and the ranking minority member would control the time for asking questions.

The Rules Committee would fix the order of appearance, in the event more than one request was pending.

Here is an example of how this program would operate: Suppose when Secretary Marshall returns from Moscow, the Foreign Affairs Committee of the House should feel it important that his message be heard by all the Members of the House and such Members of the Senate as might wish to come over. Under this proposal the Foreign Affairs Committee would contact Secretary Marshall, arrange a time, and discuss the agenda. They would prepare questions to be printed in the RECORD 2 days before the hearing. On the date of his appearance, one-half of the allotted time, whether it were 1 hour or 2 hours, would be taken by the Secretary in a discussion of the questions furnished him or agreed upon by him with the members of the Foreign Affairs Committee. After his report, the members of the Foreign Affairs Committee, or any Member of the House, by securing permission from the chairman or the ranking minority member, could ask him supplemental questions which, however, must be germane to the preceding discussion. It would not be a period of heckling. If an improper question were asked, since the Cabinet member came voluntarily, he would not have to answer it. The Speaker could rule the question out of order as not being germane. A point of order could be made by any Member to an improper question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the distinguished majority leader.

Mr. HALLECK. Does not that statement indicate that the members of the executive department would tell us just what they wanted to tell us and nothing else? Does it not follow what they probably are doing now, telling us what they want us to know and not telling us what they do not want us to hear?

Mr. KEFAUVER. I do not think that would be the result at all. What I had reference to as an improper question was a question for heckling purposes or something entirely aside from the point of discussion. I have in mind, of course, that in the case of Secretary Marshall there would perhaps be some matters involving national security that it would be proper for him to refuse to answer in a public appearance.

I am certain that these would be periods of real cooperation between the Cabinet officer and the Members of Congress.

Mr. HALLECK. Mr. Speaker, will the gentleman yield further?

Mr. KEFAUVER. I yield.

Mr. HALLECK. I have felt many times during my service in the Congress that we have been required to legislate in a vacuum, particularly insofar as legislation dealing with our foreign affairs was concerned.

I am convinced that for us to know more about what is going on and what is really before us would be helpful in arriving at the right solution. Does the gentleman believe, however, having regard to the present controversies and difficulties that seem to be coming up to confront us, that General Marshall would feel it proper for him to respond to inquiries that might be addressed to him in respect to the problems involved in our foreign affairs at this time?

Mr. KEFAUVER. I am glad the gentleman asked that question. I believe General Marshall appreciates the fact that the foreign policy of the United States is one that must be understood and participated in by Members of both the Senate and the House. No foreign policy can long last unless it has public support and implementation from the Members of the House of Representatives. And an indication, I may say to the gentleman from Indiana, of the way I think Secretary Marshall would respond to an invitation of this kind can be found in what General Marshall did during the war. The gentleman will recall that on two, if not three, occasions General Marshall in connection with the conduct of the war and the necessity of congressional understanding of what was being done, and of congressional support of the war effort, even went to the extent of arranging meetings in the auditorium of the Library of Congress. I am sure the gentleman attended those meetings. General Marshall spoke on those occasions, as did General Eisenhower, Secretary Stimson, Under Secretary and later Secretary Patterson. Who were the audience they had on those occasions? They were Members of Congress who were eager to know what the over-all picture was. These leaders of our war effort were anxious that the Members of Congress should have a full and complete picture.

The only trouble on those occasions was they told us exactly what they wanted us to hear. We were more or less like school children sitting there to get the message. We had no opportunity of talking with them before the discussion and suggesting matters we wanted them to discuss or of asking questions during the course of the discussion. How much better it would be to have them appear here in our own forum and for us to have an opportunity to participate.

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

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. VORYS. I wanted to point out just the point the gentleman has made, and that is that in these very interesting meetings which General Marshall conducted during the war there was no opportunity to ask questions. Also, I want to point out that often if there had been such opportunity, there would have been no possibility for the public to know what his answers were. This system has worked in parliamentary countries right through the war. When questions were legitimately embarrassing, those questions were not answered. On the other hand, when perfectly proper questions were asked and when Cabinet members in other countries avoided those questions, the public knew about that. Very often that Cabinet member had to come around and explain what the answer was and also why he had not answered. If the gentleman will indulge me a moment further, I would appreciate it.

Mr. KEFAUVER. I am happy to indulge the gentleman as long as he wishes. The gentleman and I have discussed this matter a long time, and I feel it is really his idea, that he is really the sponsor of a proposal of this kind. He saw and expressed the need of a plan like this long before I did. I hope the gentleman will take the lead in its sponsorship.

Mr. VORYS. The gentleman flatters me. I have long been interested in this proposal, and while I was interested in it at previous sessions of Congress, I feel it is of great importance at the present session of Congress when each of the Cabinet members would be of one party and when the control on the Hill is in the other party. It is true that such a question period would give the Cabinet officer a chance to tell his side of the story to all of the Congress at once and to the country as well. Now, that is a good thing, because it would save that Cabinet officer's time in running around to as many as eight or nine different committee hearings in the period of a week, as has been the case in certain instances in the past. This procedure would save the time of the Cabinet officer in answering questions of general interest to Congressmen and to their constituents. In the first place, it would save the time of repeated congressional hearings and, in the second place, it would save his time spent in conferences with Congressmen and Senators and on the phone answering their questions. So it would be of advantage to the Cabinet officer, and I am sure he would take advantage of it to tell his views in this public and important way. On the other hand, it would be of great advantage, it seems to me, to those of us, who might not appreciate or understand or agree with the point of view of the Cabinet officer. It would give us a chance to get his answers in public, and then it would give us the opportunity later on, possibly on the same day, to give our comments on his answers. In this way you would have a tighter, more adequate system for the exchange of views between Capitol Hill and the executive departments, which would be of great benefit to the Republic.

Of course, if this system were instituted, we might have some few members who would try to take undue advantage of it. It is a possibility, although I hope an improbable one, that there might be publicity seekers who would attempt unduly to put a Cabinet officer or other Government official on the spot in an unfair way. There would be two remedies in case such a situation arose. One would be the remedy which I understand the gentleman's proposal provides, and that is that the Speaker would interrupt or would stop an obviously improper question, or that the Cabinet officer would himself refuse to answer it.

There would be a second remedy, however, for improper or unfair questions, and that would be the remedy of public opinion. When you get this arrangement going you will find that the American people who appreciate the spirit of fair play in any sort of public discussion would be quick to resent and show their resentment if a Member of Congress acted unfairly. I firmly believe that the American public and the press and the radio commentators would be just as quick to resent and to show their resentment if a Cabinet officer took unfair advantage of his position here on the floor. So that not only in the rules that the gentleman has set up, but in traditions, customs, and precedents that would be established almost immediately, you would have the sort of exchange that goes on during the question period, for instance, in the British Parliament, where several matters are cleaned up in a short time, with a saving of time to the Cabinet officials, furnishing great clarification to the Members of Parliament sitting there, and explaining the many situations to the public. I certainly feel that this is an experiment worth trying.

I ask the gentleman to forgive this long interruption.

Mr. KEFAUVER. I want to say to the gentleman that I am glad he made his excellent contribution to this discussion. I am sure that the Members of Congress will be greatly interested in the viewpoint of the gentleman from Ohio. We all recognize that he is one of the leading authorities on congressional procedures in the Congress.

Let us examine some of the other reasons why a plan like this should be adopted. In these days there are many great issues with which the Congress has to deal. They transcend the interest of any one committee. There are matters of foreign affairs, as well as matters relating to taxes. Even today we passed a resolution to investigate the Veterans' Administration. Would it not be a very healthy thing if the Committee on Veterans' Affairs, under the proper rules, could have General Bradley come here and discuss the veterans' rehabilitation program and ask him just what is being done? You know, it is impossible for the Members of Congress, or most of them, to attend all of the committee meetings of their own committee, let alone going to the 15 or 16 other committees to hear matters of great public concern which may be brought out by witnesses testifying before them. We need some method here where the Members of the House can keep currently advised of the position of the Government and the plans of the departments on these great issues that transcend the jurisdiction of any one committee. There is no way that we can do that now. The best thing we can do is try to read the committee hearings. Well, you cannot read all of the committee hearings. That is a physical impossibility. The hearings on an appropriation bill, with 1,000 or 2,000 pages of fine print, is an example. If you read all of them, you might have a pretty good picture of what some particular department or section downtown is doing. But we might as well recognize the physical limitations. It cannot be done.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Alabama.

Mr. HOBBS. The gentleman is making a very illuminating and wise, and, to my mind, a statesmanlike statement, and I hate to interrupt. But I do so merely to request, as I have in the past, the privilege of associating myself with his remarks by saying a fervent amen.

Mr. KEFAUVER. I thank the gentleman. That is substantial support and assistance, which I am glad to have. The views of the gentleman from Alabama carry great weight.

The other method by which we are supposed to keep advised of what the departments are doing is through the reading of the annual reports filed with the Congress by the various departments. I have been here almost 8 years. I must say that I have never read any one of the great voluminous annual reports, resembling a Sears, Roebuck catalog. And, besides, they are post mortems. In those reports the administrators tell pretty much what they want to tell about how their department has been conducted. The crying need of the Congress of the United States is for some method to keep currently advised of problems, policies, difficulties, and plans of the executive agencies of our Government. This is the best method I know of doing that. If we try this method and it does not work, we do not have to issue any invitations. But certainly let us at least give it a trial.

Mr. Speaker, there is a further matter of importance that this procedure would affect. The gentleman from Ohio referred to it. We must recognize that during the years Congress has lost some prestige. Look at almost any newspaper and you see where a Cabinet member has had a press conference. What that Cabinet officer said at his press conference—and I am not blaming him—usually takes the headlines. But you have to go to the inside pages to find out what went on in the two great Houses of Congress. Yet the Congress is supposed to be the predominant branch of our Government. If we could have occasions of report and question period, the great news to the Nation would come from the halls of Congress and not from the press conferences of the members of the executive departments. On the occasions of these periods the galleries would be packed, the newspapers and the radios would carry full reports about what took place on the floor of the House of Representatives. It would do much to help restore the prestige and the standing of the Congress of the United States.

Mr. VORYS. If the gentleman will indulge me further, may I call attention to one way in which this might improve relations between the Hill and the departments? Possibly the gentleman is going to comment on it. If, as, and when questions are presented in advance for answer by the Cabinet official, in many instances he gives the answers informally in advance to the Member, or he explains in advance why it would be difficult to give a full answer. The whole matter is then cleared up before it ever gets to the floor. That is the way the system operates in parliamentary countries that use this system, in that many of the questions which are propounded are not reached on the floor because they have already been disposed of to the satisfaction of the Member and of the official. On the other hand, if the questions are of such a nature that both the Member and the official feel that a statement should be made on them that can also be done. By this system every Member of Congress will be sure that his question will get attention right at the top of any department, instead of having many of the questions on routine matters go to the departments and be kicked around in the mail there for some time before some assistant down the line gets around to answering them.

While the gentleman has been discussing questions of momentous import which might be answered by means of this system, I think it would be wise to bear in mind that many details of government and many criticisms of departmental action could be cleaned up in this way: First, by making sure that they would get attention by the official involved; and, second, by being explained and answered here on the floor of the House. And if the answer is not satisfactory, then it would be time for the Congress to take action, which, of course, is the fundamental reason why the discussion period would be so important.

Mr. KEFAUVER. The gentleman is entirely correct, and I again thank him.

I think this also would be true. Suppose the Committee on Veterans' Affairs was going to ask General Bradley to appear on the floor of the House 2 weeks hence. That fact would be known. Any Member of the House would have an opportunity of filing questions with the Committee on Veterans' Affairs. On the basis of those questions, the general discussion would be decided.

Also I would point out that the questions which would not be asked would be in the files of the committee which would be turned over to General Bradley. He would see that the Member who wanted information and had filed the question with the committee obtained the information that was desired. It would do away with many of the difficulties which cause so much friction between the Cabinet members and the Congress.

I also call attention to the very wholesome effect that this would have on the Cabinet members and the administrators. It would be like the situation with reference to bank examiners. The bank official keeps his house in order because he knows the bank examiner is eventually going to come around. He may not come this month or he may not come for 6 months, but sooner or later he is going to come and examine the condition of the bank. So it is with an administrator. He might not be called for 6 months or a year, and he would not know when Congress was going to invite him to come to the floor of the House to give an accounting of his administration of the program laid out by the Congress and to explain how he is carrying out the congressional intent as contained in the legislation of the Congress. So he would keep his house in good order.

What I am going to say now is not with reference to any Cabinet member. We have a very splendid Cabinet. But Presidents would be even more careful in the selection of Cabinet members if such members were called to give reports here on the floor of the House. He would have to secure very able men. If they did not know their business and make a good impression, it would reflect on the administration of the President. Furthermore, Cabinet members would have to be well versed in the business of their departments before coming to the Congress or make a poor showing. They would have to decide policy matters. If the President had not decided matters of policy on his level, the matters would have to be attended to before a Cabinet member came before the Congress. I think a great deal of value is secured by face-to-face meetings. Any arrangement where we have an opportunity of seeing the man who administers the laws we have passed, and where they have an opportunity of seeing and talking with us, will result in public good. It would give us an opportunity to let them know what we think about the way they are administering the law we had passed, the viewpoints of our constituents, by the questions asked. There is no easy way of bringing Members of Congress and Cabinet members together under our present arrangement.

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

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. VORYS. I had occasion some time ago to talk to one of the Cabinet officers about this proposal and asked him what he thought of it. He thought it was very good. He said he thought it would eliminate from the service any official who was not able to talk and give a good accounting of his department, whether he could make a speech or not; anyone who was unable to express himself, man to man, before a group. He also said that if this became tradition it would probably result in more former Members of Congress being selected for such positions because of their ability to explain their ways on the floor. I pose this opinion for consideration in this matter. I feel sure the gentleman will agree with me that if one result was that our officials become more and more those who were former Members of Congress and who knew the ways of Congress, that might be a very good thing.

Mr. KEFAUVER. I will say to the gentleman I think any Cabinet member who really wanted to do his job well, who appreciates, as he would have to appreciate, that he can do a better job if he gets along with Congress, will be very happy to accept an invitation to come here to explain his department and any difficulties he may be having, and to give information on the floor of this House.

Mr. Speaker, this is not an innovation. It can be done without a constitutional amendment. It is not a party matter. It does not seek to place executive officials under undue domination. It does not seek to give them any dominance over us. It is a simple provision that would enable us to have a face-to-face discussion with the men who are enforcing the laws we make. It would result in much good to the Congress and much good to the members of the executive department and to the Nation.

More than 200 daily newspapers have carried favorable editorials supporting this plan.

RECESS

Mr. MYERS. Mr. President, I move that the Senate stand in recess until 11 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate

took a recess until tomorrow, Friday, June 2, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 1 (legislative day of March 29), 1950:

IN THE AIR FORCE

The following officer for appointment to the position indicated under the provisions of section 504, Officer Personnel Act of 1947:

To be lieutenant general

Maj. Gen. William Ellsworth Kepner, 6A (major general, U. S. Air Force), Air Force of the United States, to be commander-in-chief, Alaskan command, with rank of lieutenant general with date of rank from date of appointment.

The following-named officers for promotion in the United States Air Force under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. All medical officers nominated for promotion have been found professionally qualified for promotion as required by law. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law.

To be majors

Chaplains

Cutress, Albert Leo, [redacted]
McWilliams, Alfred Edward, [redacted]

To be captains

United States Air Force

Acebedo, Bruce Hamilton, [redacted]
×Adams, Donald Earl, [redacted]
Adams, John Bosier, [redacted]
Adler, Bernard Raymond, [redacted]
Alden, John Emerson, [redacted]
Alger, LeRoy, [redacted]
Altman, Roger Gene, [redacted]
×Alven, Harold Fritz, [redacted]
×Alvestad, Russell Carlton, [redacted]
Ambrecht, John Flagg, [redacted]
AmRhein, Anthony Wendolin, [redacted]
Anderson, Russell George, [redacted]
Andrew, Wayne Ewing, [redacted]
Angus, Ralph Howe, [redacted]
Anthony, Richard Price, [redacted]
Apperson, Edward Barbour, [redacted]
Arbogast, Filbert Eugene, [redacted]
Archer, Lee Andrew, [redacted]
Arrington, Henry Thomas, [redacted]
×Aswad, Saleem, [redacted]
Auer, John Richard, [redacted]
Bailer, Harold Walter, [redacted]
Bandorsky, Stephen Michael, [redacted]
Barzee, Kenneth Gregory, [redacted]
Bates, Walter LaVerne, [redacted]
Baydala, Edward Thomas, [redacted]
Beaver, Earl Locksley, [redacted]
×Beckman, Kenneth Norman, [redacted]
Bell, Robert Benjamin, [redacted]
Benedict, Robert Delp, [redacted]
Berry, James Edward, [redacted]
Bertza, Emil, [redacted]
Bigelow, Baxter Blainey, [redacted]
×Bischoff, Hans Martin, [redacted]
Blackwell, Frank Bain, [redacted]
Blair, James Warren, [redacted]
×Blondet, Jose, [redacted]
Blount, Delbert Foster, [redacted]
Bogan, Harry David, [redacted]
Boggs, Kenneth Stratiff, [redacted]
Bolint, Michael John, Jr., [redacted]
Bolyard, John Wesley, [redacted]
Bonnett, Charles Daniel, [redacted]
Boone, Herbert Daniel, [redacted]
Bossa, Amos Loutelle, [redacted]
Boston, Joseph Hartsel, [redacted]
Bosworth, Wallace Clay, Jr., [redacted]
Botvidson Charles Clarence, [redacted]
×Bowden, William Woodrow, [redacted]
×Bower, James Alfred, [redacted]
×Bowland, Orrin Thomas, [redacted]
Bowley, Freeman Wate, Jr., [redacted]
Boyer, Joseph Maria, Jr., [redacted]
Bradford, Leo Galen, [redacted]
Bradley, Charles Hunter, [redacted]
Bradley, Lewis Lawson, Jr., [redacted]
Bragg, Wallace Simeon, [redacted]
×Brannon, Raymond Terrill, [redacted]
Brass, Ernest Herman, [redacted]
Brazie, Charles Leonard, [redacted]
Bridges, Wyman Mayo, [redacted]
Brockmire, William, [redacted]
Brofft, Robert Eugene, [redacted]
Broughton, Thomas Elbert, [redacted]
Brown, Fountain LaRoy, Jr., [redacted]
Brown, Uleces Lamar, [redacted]
Brownlee, Gordon Lawrence, Jr., [redacted]
Bruce, Joe Ben, [redacted]
Bryan, Donald Septimus, [redacted]
Bryan, Howard Youe, [redacted]
Bryant, Ralph Wilber, [redacted]
×Bryson, Eddie, [redacted]
Buckley, Cornelius Erin, [redacted]
Budnik, Eugene Joseph, [redacted]
Bullinger, Rollin Richard, [redacted]
Buls, Milton Richard, [redacted]
Burch, Nolan Edward, [redacted]
Burnett, William Howard, [redacted]
Burton, Carmen Wayne, [redacted]
Butler, James Joseph, Jr., [redacted]
Byrd, Neal Archie, [redacted]
Cadenhead, John Orville, Jr., [redacted]
Cahelo, George, Jr., [redacted]
Cale, Thomas Edison, [redacted]
Callahan, John Arthur, [redacted]
Cameron, Murray, [redacted]
Campbell, Norman Marshall, [redacted]
Carder, Orv l Burton, [redacted]
×Carey, Gates Chapman, [redacted]
Carey, Russell, John, Jr., [redacted]
Carkin, Vernon Eugene, [redacted]
Carlson, R. Barney, [redacted]
Carscaddon, Oliver Clyde, Jr., [redacted]
×Carson, Clarence Lester, [redacted]
Carter, Howard Koehler, [redacted]
Carter, Robert Francis, [redacted]
Cary, Thomas Isaac, [redacted]
Casey, George William, [redacted]
Cash, Hugh Mohl, [redacted]
Cather, Robert Montgomery, [redacted]
Cathey, John William, [redacted]
Chaffee, William Arthur, [redacted]
Chambers, Thomas Lee, [redacted]
×Chapman, Harman Eugene, [redacted]
Chiodo, Vincent Russell, [redacted]
Christensen, Richard Dean, [redacted]
Clark, Don Omar, [redacted]
Clarke, Russell Coen, [redacted]
Clemence, Charles James, Jr., [redacted]
×Coats, Wilbur Le Roy, [redacted]
Collins, Glenn Richmond, [redacted]
Collinson, Newton Brewer, Jr., [redacted]
Connally, Huion Lloyd, [redacted]
Conner, Pre ton E., [redacted]
Conrad, Henry Ward, Jr., [redacted]
Cook, Robert Milton, [redacted]
Cooper, Millard Von Cassell, [redacted]
×Cope, Stanley Smith, [redacted]
Cormier, Emery Oscar, [redacted]
Cotter, Richard Hurley, [redacted]
Cottingham, Jack, [redacted]
Cotton, Allen Beeson, [redacted]
Covell, Dwight Wayne, [redacted]
Cowart, Robert Page, [redacted]
Creech, Norman Oscar, [redacted]
Crego, John Carl, [redacted]
Crosland, Daniel, [redacted]
×Crozier, Gordon Wilson, [redacted]
×Culver, Douglas Eugene, [redacted]
Curran, Francis Eugene, [redacted]
Currie, Alexander Duncan, [redacted]
Curton, Warren Donald, [redacted]
Dahly, Ronald Norman, [redacted]
Dale, Manley Hovey, Jr., [redacted]
Danforth, George Luck, Jr., [redacted]
Davidson, Ross, [redacted]
Davis, Clayton Eugene, [redacted]
Davis, Eddy Donald, [redacted]
Davis, La Voi Blackham, [redacted]
DeLong, Robert Fredrick, [redacted]
Denison, George Fernie, [redacted]
Denman, John Ludlow, [redacted]
DeSutter, Ralph Bernard, [redacted]
DesVoigne, Melvin Charles, [redacted]
Dethman, Ivan Harry, [redacted]
Dick, Wagner Warner, [redacted]
Disbrow, Lorin Carlton, [redacted]
Dowdell, James Nicholas, [redacted]
Dowis, Kendal Burton, [redacted]
Duff, Robert Thomas, [redacted]
Duncan, John Dean, [redacted]
Duncan, Wayne Melvin, [redacted]
Durante, Anthony Raymond, [redacted]
Dyer, John C., [redacted]
Dyke, Samuel Eugene, [redacted]
Dykes, Leo Maurice, Jr., [redacted]
Early, John Stokes, [redacted]
Easley, Preston Warham, [redacted]
Ecelbarger, Paul Richard, [redacted]
Edge, William Cowan, [redacted]
Edwards, Leland Vernon, [redacted]
Eldridge, Truman Kermit, [redacted]
Elliott, William Pettigrew, [redacted]
Esh, Norman Richard, [redacted]
Estes, Eldridge, [redacted]
Evans, Jack Tharp, [redacted]
×Evans, Richard Newton, [redacted]
Evans, William Robert, [redacted]
Everett, Hal William, [redacted]
Eversole, James William, Jr., [redacted]
Fairburn, Craig Hamilton, [redacted]
Fasolas, James Eugene, [redacted]
Fassler, Robert Jacob, [redacted]
Fender, Guy Dale, [redacted]
Ferguson, Clyde Alvin, [redacted]
Ferguson, Howard Gillespie, Jr., [redacted]
Fieker, Virgil Edward, [redacted]
Findlay, Clayton, [redacted]
Finklea, Raymond Archer, Jr., [redacted]
Finley, Charles Buford, [redacted]
Finnan, George Alexander, Jr., [redacted]
Fish, Jules Verne, [redacted]
Fisher, David Glen, [redacted]
Fitch, Arthur Joseph, [redacted]
Fitch, Edward Benjamin, [redacted]
Fitzpatrick, Arthur, [redacted]
Fleak, Dennis Logan, [redacted]
Flynn, Norman Charles, [redacted]
Forbes, Brown Coleman, [redacted]
×Forman, Richard Joseph, [redacted]
×Fory, Garland Vallard, [redacted]
Fowler, Walter Melville, [redacted]
Fox, Roland George, [redacted]
Franck, Lewis Sandlin, [redacted]
Gabrielson, Roy Leonard, [redacted]
Gaines, Edwin Francis, [redacted]
Galarneau, Francis Ellsworth, [redacted]
Gallagher, James George, [redacted]
Gamble, Jack Kenneth, [redacted]
Garlick, Roy Daniel, [redacted]
×Garrison, Vernon Wayne, [redacted]
Gearhart, Fred Zurmehly, [redacted]
Gibb, Robert Duncan, [redacted]
Gibbs, Gordon Meade, Jr., [redacted]
Gibson, Billy Payne, [redacted]
Gill, Robert Edward, [redacted]
Gilmartin, William Patrick, [redacted]
Gipson, Guy Maurice, [redacted]
Goodman, Guy Howard, Jr., [redacted]
Gordon, John Henry, [redacted]
Gotto, George Swift, Jr., [redacted]
Govednik, Martin James, [redacted]
Gravenstine, Donald Joseph, [redacted]
Gray, Lawrence Ulysses, [redacted]
Gregg, Albert Joseph, Jr., [redacted]
Groom, John Frederick, [redacted]
Grosshuesch, LeRoy Victor, [redacted]
Grundmann, William Joseph, [redacted]
Gunn, Charles Daniels, Jr., [redacted]
Gryskiewicz, Lawrence Rodney, [redacted]
Gurd, Stephen John, [redacted]
Halsey, George Edward, Jr., [redacted]
Hamby, Jesse Mellar, [redacted]
Hamill, Jimmy Mearl, [redacted]
×Hancock, Robert Maxwell, Jr., [redacted]
Hanks, Dale Junior, [redacted]
Hanna, Russell James, [redacted]
Harris, Harvey James, [redacted]
×Hartley, James Richard, [redacted]
Hartline, Ralph Thompson, [redacted]
Hassel, Robert Kenneth, [redacted]
Haywood, Vernon Vincent, [redacted]
Heiney, Robert Alan, [redacted]
×Hendrickson, Oscar Stansmore, [redacted]
Hepler, Jesse Benjamin, [redacted]
Heltsley, Charles Morris, [redacted]
Herbert, Donald Joseph, [redacted]

Hersberger, Robert Alvin, [redacted]
Hess, Robert William, [redacted]
Hilbert, Faye Wilmarth, [redacted]
Hill, Cowan Scott, Jr., [redacted]
Hinckley, Ralph Edward, [redacted]
Hirsch, Henry R., [redacted]
Hodges, Hubert Byron, [redacted]
Hoenselaar, Floyd Joseph, [redacted]
×Hollis, William Nick, [redacted]
Holman, Jack Wesley, [redacted]
×Holsclaw, Jack Daniels, [redacted]
Hornick, George, Jr., [redacted]
Horton, John Nairn, [redacted]
Howard, Wilson Wayne, [redacted]
Howse, Benjamin McCausland, [redacted]
Hrkach, John James, [redacted]
Hughes, Alfred Aubrey, [redacted]
Hughes, Claude Allen, Jr., [redacted]
Hughes, Robert Earle, [redacted]
Hughey, Marvin Hutchison, [redacted]
Hugo, Frederick John, Jr., [redacted]
Hume, William Haywood, [redacted]
Hundley, Charles Proctor, [redacted]
Hutchinson, Tom, [redacted]
Ingham, John Stanley, [redacted]
Ireland, Paul Joseph, [redacted]
Irons, Victor Earl, Jr., [redacted]
Jabbour, Nicholas, [redacted]
×Jackson, William Charles, [redacted]
Jacobs, Robert Arthur, [redacted]
Janssen, Jan Walter, Jr., [redacted]
Johns, Gordon Howard, [redacted]
Johns, Mervyn Thomas, [redacted]
Johnson, Carl Herbert, [redacted]
Johnson, Conrad LeRoy, [redacted]
Jones, Billy Jack, [redacted]
Jones, Troy Homer, Jr., [redacted]
Kaluta, William Roman, [redacted]
Karschner, Donald Frank, [redacted]
×Kaufman, Glenn Oliver, [redacted]
Kavanagh, Robert James, [redacted]
Keeling, Rufus Kermit, [redacted]
Kelley, Charles Augustus, [redacted]
Kelley, Frank Robert, [redacted]
Kelley, George John, Jr., [redacted]
Kelly, Joseph Douglas, [redacted]
×Kepler, Paul Hospe, [redacted]
Killeavy, Francis Thomas, [redacted]
Killian, Oliver Marshall, [redacted]
Kimball, Roger Elwood, [redacted]
King, Homer James, Jr., [redacted]
King, Lonnie Tildon, [redacted]
King, Myles Anthony, [redacted]
King, Wayne Elvin, [redacted]
Kinsella, William Edward, [redacted]
Kleinhelter, Robert W., [redacted]
Klerk, Jacob Whitman, [redacted]
Kolvas, Stephen Foster, [redacted]
Kontur, William John, [redacted]
Kost, Stephen Delmarth, [redacted]
Kravchonok, Peter, [redacted]
Kropenicki, John Joseph, [redacted]
Kupersmith, Louis William, Jr., [redacted]
Lamb, Bennett Graham, [redacted]
Lane, Warren Joseph, [redacted]
×Lange, Edward James, [redacted]
Lasalle, Harry Stephen, Jr., [redacted]
Lawrence, Norman Taylor, [redacted]
Leavitt, Roy Delanson, [redacted]
Ledbetter, James Willis, [redacted]
×Lee, Zaden Oliver, [redacted]
Leigon, Charles William, [redacted]
Lewis, James Maybury, [redacted]
Lewis, Lynn Merrill, [redacted]
Lewis, William, [redacted]
Lillard, David Carter, Jr., [redacted]
Lindley, Wesley Ladell, [redacted]
Loney, George Alva, [redacted]
Looker, Carl Satterly, [redacted]
Louden, James Leslie, [redacted]
Lowell, Charles Luther, [redacted]
Luckey, William John, Jr., [redacted]
Lukeman, Robert Patrick, [redacted]
Lutz, Raymond Koliaokalani, [redacted]
Lynn, Mary Cecile, [redacted]
Lynn, Robert Encle, [redacted]
Lyons, Horace Clayton, [redacted]
MacLaughlin, John Thomson, [redacted]
×McCall, Dean Oliver, [redacted]
McCarty, Benjamin Frederick, [redacted]
McCarty, Harold Henry, [redacted]
×McCord, Richard David, [redacted]
McCormick, Raymond Charles, [redacted]
McCormick, Robert Russell, [redacted]
McCoy, Clifford Jack, [redacted]
McDaniel, Henry Byrne, Jr., [redacted]
McGehee, Harold Fisher, [redacted]
McGinniss, Robert Hudson, [redacted]
McHugh, John Francis, Jr., [redacted]
McIsaac, Lewis Gibson, [redacted]
McKay, Calvin Robert, [redacted]
McKenna, Bernard John, [redacted]
McKinney, Fred Dobyns, [redacted]
McLean, Richard Quentin, [redacted]
Mackie, Richard Gavin, [redacted]
Maggio, Charles Ignatius, [redacted]
Mahon, Keith, [redacted]
Mahoney, John Jacob, [redacted]
Malone, S. E., [redacted]
Manning, Simon Wilson, Jr., [redacted]
Manor, LeRoy Joseph, [redacted]
Marcum, Everette Lance, [redacted]
Marcum, Robert Stanley, [redacted]
×Marlin, Roger Thomas, [redacted]
Marsden, William Floyd, [redacted]
Marshall, Wofford Elbert, Jr., [redacted]
Martin, Thomas Wesley, [redacted]
Maughan, Weston Fisher, [redacted]
Mayer, Donald Victor, [redacted]
Meacham, Chauncey Wayne, [redacted]
Meagher, Robert Bruce, [redacted]
Mendenhall, George Warren, [redacted]
Menninger, Charles Joseph, [redacted]
Merrill, Edward Grosvenor, [redacted]
Messer, Frank Albert, [redacted]
×Meyer, Herbert Joe McDowell, [redacted]
Miller, Clarence Montgomery, Jr., [redacted]
Miller, Paul Randolph, [redacted]
Miller, Robert Andrew, [redacted]
×Miller, Robert Lee, [redacted]
Millholland, Robert Douglas, [redacted]
Mitchell, Daniel Boone, [redacted]
Mitchell, John Wilmot, [redacted]
Mitchell, Maurice Scott, [redacted]
Mitchell, Robert Jouett, [redacted]
Mize, Grover Cleveland, Jr., [redacted]
Moench, John Otto, [redacted]
Moore, Howard Marshall, [redacted]
Morgan, Thomas Wendell, [redacted]
Morison, Thomas Orville, [redacted]
Mosby, Milledge James, [redacted]
Mott, Maurice Kent, [redacted]
Moyle, Bennett Oliver, [redacted]
Mozley, Claude Daniel, Jr., [redacted]
Mullen, Bernard Neil, [redacted]
Mullen, John Thomas, [redacted]
Mumbower, Wilbur Eugene, [redacted]
Murphy, John Edwin, [redacted]
Myers, Bill Eugene, [redacted]
Nash, Charles Ellis, [redacted]
Neiswender, Van Arman, [redacted]
Nelson, Hal, Jr., [redacted]
New, Alvin Raymond, [redacted]
Newman, James Edmund, [redacted]
Nickerson, Richard Lawrence, [redacted]
Nixon, Stanley Jones, [redacted]
Norman, James Sidney, [redacted]
North, William Herbert, [redacted]
Norwood, James Pleasant, [redacted]
×Nunneley, Clarence Malcom, [redacted]
Nurnberg, Malcolm Lloyd, [redacted]
Ogozaly, Leo Edmund, [redacted]
O'Leary, Francis Anthony, [redacted]
Oliphant, Stephen Arnold, [redacted]
Olson, Howard Alan, [redacted]
Onks, Marvin Cecil, [redacted]
Osborne, William Finis, [redacted]
Parrish, James Murrell, [redacted]
Parsons, Edward Budd, [redacted]
Patterson, Alfred King, [redacted]
Payne, Joe Winfred, [redacted]
Pearce, Robert Charles, [redacted]
Pedigo, William Edward, [redacted]
Pennington, Alvin Lee, [redacted]
Penton, Gordon Kenneth, [redacted]
Perbetsky, George, [redacted]
Pesacreta, Samuel, [redacted]
Petersen, Nelson Louie, [redacted]
Petrul, Paul Joseph, [redacted]
Pierce, Harry Francis, [redacted]
Pitt, Earl Stellman, [redacted]
Pool, Fain Hulen, [redacted]
Porter, Lester Forrest, [redacted]
Prewitt, Ernest Lensy, [redacted]
Price, Harry Marcus, Jr., [redacted]
Price, Joe Carroll, [redacted]
Price, Robert Young, [redacted]
Pritchard, James Benard, [redacted]
Procopio, Bernardo Joseph, [redacted]
Proulx, Lionel Antonio, [redacted]
Pullen, John Lee, [redacted]
Pusko, Stanley Joseph, [redacted]
Quisenberry, George Burnell, [redacted]
Raisor, Clifford Eugene, [redacted]
Raschke, Wendell Maurice, [redacted]
Reed, Charles Donald, [redacted]
Reiley, Philip Francis, Jr., [redacted]
Renz, Karl Robert, [redacted]
Reynolds, Joseph Francis, [redacted]
Reynolds, Richard Franklin, [redacted]
Rhodes, Donald Frederick, [redacted]
Rhodes, Edwin, [redacted]
Ricci, Vincent Francis, [redacted]
Richards, William Wallace, Jr., [redacted]
Richardson, Howard, [redacted]
Richardson, Zaccheus Camp, [redacted]
Richmond, Clarence Walter, Jr., [redacted]
Richmond, Joe Frank, [redacted]
Richter, Erwin Edmund, [redacted]
Riemensnider, Robert Howard, [redacted]
Riseden, Jack Wiley, [redacted]
Robertson, Hugh William, [redacted]
×Robinett, Russell Norman, [redacted]
×Rodgers, James William, [redacted]
Rodriguez, Edward Frederick, [redacted]
Rogers, Ray Warren, [redacted]
Romaniw, Walter, [redacted]
Ross, Vance Lee, [redacted]
Rosser, Samuel Eugene, [redacted]
Rounds, Kenneth George, [redacted]
Rowland, Richard George, [redacted]
Russell, Burton Earl, [redacted]
Russell, Herbert, [redacted]
Russell, Lloyd George, [redacted]
Sahl, Frederick Hubert George, [redacted]
Sarter, Lee Andrew, Jr., [redacted]
Sauers, Dale Edward, [redacted]
Saunders, Earl Robert, [redacted]
Saunders, Jackson, [redacted]
Saunders, Maurice Edward, [redacted]
×Schardong, John George, [redacted]
Schenker, Edward Richard, [redacted]
Schneider, Victor James, Jr., [redacted]
Schuler, Paul Joseph, [redacted]
Scott, Leonard Bittle, Jr., [redacted]
×Scott, Richard Esker Jackson, [redacted]
Scott, Robert Adair, [redacted]
Scuro, Vito Morris, [redacted]
×Segler, Thomas Franklin, Jr., [redacted]
Shamblin, Richard Roy, [redacted]
Sharp, Edward Elias, [redacted]
Sheehan, Joseph Berchman, [redacted]
Sheidow, Robert Grant, [redacted]
Shelly, James Ellis, [redacted]
Sher, Harry Lewis, [redacted]
×Siebert, Raymond Andrew, [redacted]
Silva, Theodore Deane, [redacted]
Simmons, Alfred Clyde, [redacted]
×Simpson, Robert Franklin, Jr., [redacted]
Singleton, Earl Hallard, [redacted]
Skinner, Ernest Charles, [redacted]
Sloboda, Walter Joseph, [redacted]
Slupe, Harold Dwain, [redacted]
Smalles, Arja, [redacted]
Smith, Arthur William, [redacted]
Smith, James Harrison, [redacted]
Smith, Richard Henry, [redacted]
Smith, William Richard, [redacted]
Smith, William Stanley, [redacted]
Smith, Wylie Arthur, [redacted]
×Spann, Henry Hal, [redacted]
Sparrevohn, Frederic Durand Reidtz, [redacted]
Spindler, Walter Elwood, Jr., [redacted]
Sprinkel, Milton Drake, [redacted]
Stahle, Paul Joseph, [redacted]
Stallsmith, Donald Levi, [redacted]
Stanfield, Louis Paul, [redacted]
Stanton, Charles Richard, [redacted]
Stark, Louis Kenneth, [redacted]
Steelman, William Dale, [redacted]
Steinberger, Alfred Charles, [redacted]
Stephens, Bert Dwight, [redacted]
Stockton, Floyd Calvin, [redacted]
Stoeppelwerth, Earl, [redacted]
Stone, Leon, [redacted]

Strange, Russell Paddock, [redacted]
Street, Marion Scott, [redacted]
Stroud, Joe Forrest, [redacted]
Stuckey, Norman Dale, [redacted]
Stump, Charles Fay, Jr., [redacted]
Sullivan, Richard Donald, [redacted]
Sullivan, Robert Francis, [redacted]
Sullivan, Roy Marcus, Jr., [redacted]
Suprenant, Charles Edward, [redacted]
Suther, Fred Lee, Jr., [redacted]
Swanberg, Sigvard Christ, [redacted]
Sykes, Thomas McQuiston, [redacted]
Tabor, Raleigh Emerson, Jr., [redacted]
Taft, William Bert, [redacted]
Tarwater, Benjamin Wylie, [redacted]
Tate, LeRoy Dale, [redacted]
Taylor, Carroll Alfred, [redacted]
Taylor, Liston Talbott, [redacted]
Taylor, Ulysses Samuel, Jr., [redacted]
Thomas, John Howe, Jr., [redacted]
Thomas, William Herbert, [redacted]
×Thompson, Cary Anderson, Jr., [redacted]
Thompson, Douglas William, [redacted]
Thompson, Edward Leigh, [redacted]
Thompson, John, [redacted]
Thompson, Lassiter, [redacted]
Tillotson, Robert Levi, [redacted]
×Tinges, Anne Weatherbee, [redacted]
Titsworth, James Henry, Jr., [redacted]
Todd, Vernon Richard, [redacted]
Todd, Victor Kenneth, [redacted]
×Toner, James Henry Edward, [redacted]
Treadway, John Earl, [redacted]
Trumbo, Charles E., Jr., [redacted]
Tucker, Stanley Eugene, [redacted]
Vaughan, Harry Hailmon, Jr., [redacted]
Verhulst, Florent Joseph, Jr., [redacted]
×Waggener, Herman Alpheus, Jr., [redacted]
Wagner, James Mark, [redacted]
Walker, Barton Fellows, Jr., [redacted]
Walker, Charles Lynn, [redacted]
Walker, John David, [redacted]
Walker, Lawrence Davenport, [redacted]
Walker, Stewart Burgess, [redacted]
Waller, Charles Skillman, [redacted]
Walsh, Edward Francis, [redacted]
Wampler, Louis Clinton, [redacted]
Ward, Albert Thomas, [redacted]
Ward, John Rowland, [redacted]
Ward, Robert William, [redacted]
Ware, Samuel Houston, [redacted]
Warner, Richard James, [redacted]
×Warren, Johnnie J., [redacted]
Webb, Bert Harry, Jr., [redacted]
Webster, Fredrick Leonard, Jr., [redacted]
×Webster, John Andrew, [redacted]
Webster, Noble Leo, Jr., [redacted]
Wehrman, Kenneth Edward, [redacted]
Wertz, John Charles, [redacted]
West, Sammy Abner, [redacted]
Westermark, Robert Valdemar, [redacted]
Whalley, William Louis, [redacted]
White, Harry Alexander, Jr., [redacted]
White, John Sutton, [redacted]
White, Morris Douglas, [redacted]
×White, Robert Charles, [redacted]
White, Robert Golson, [redacted]
Whitenight, Harry William, [redacted]
Wiedenmann, Neal Louis, [redacted]
Wiggins, Leland Roy, [redacted]
Wilhelm, Andrew Carl, [redacted]
Wilkowski, Ernie William, Jr., [redacted]
Williams, Arthur Franklin, [redacted]
Williams, Evan Edward, [redacted]
Williams, Hubert Swan, [redacted]
Williams, Paul Ray, [redacted]
Williams, Robert George, [redacted]
Williams, Thomas Ferdinand, [redacted]
×Wills, Robert Martin, [redacted]
Wilson, Clifford Allen, [redacted]
Wilson, Francis Earl, [redacted]
Wilson, Homer Henry, [redacted]
Wilson, Roy Edwin, [redacted]
Wilton, David Nichols, [redacted]
Wine, Paul Harvey, [redacted]
Wirt, Robert Eliot, [redacted]
Wise, John Warren, [redacted]
With, Cleland Davis, [redacted]
Wood, Edwin Arthur, Jr., [redacted]
Wozniak, Stanley Edmund, [redacted]
Wright, Noble Dean, [redacted]
Wylie, Billy Clifford, [redacted]
×Young, Barnett Braswell, [redacted]
Youngs, James Roy, Jr., [redacted]
Zedler, Donald Louis, [redacted]
Zurivitza, William, [redacted]

Medical

Bickerton, John Harvey, Jr., [redacted]
Buker, Richard Steele, Jr., [redacted]
Cashman, Charles Albert, [redacted]
Chambers, George Henry, [redacted]
Dobyns, James Harold, [redacted]
Farrell, Donald Francis, [redacted]
×Good, Frederick Dale, [redacted]
Haynes, James William, [redacted]
Jahnke, Edward John, Jr., [redacted]
Kennedy, James Vincent, [redacted]
Mahoney, David Ignatius, Jr., [redacted]
Marshall, Charles Benton, Jr., [redacted]
Patterson, Roy Russell, [redacted]
Peterson, William Frank, [redacted]
Sedlacek, Richard Leo, [redacted]
Stein, Ignatius Joseph, [redacted]
Streete, Billie Gordon, [redacted]
Tkach, Walter Robert, [redacted]
Turner, William Robertson, [redacted]
Walton, Lowell Clair, [redacted]
Watts, Charles Clyde, Jr., [redacted]

The following-named officers for promotion in the United States Air Force under the provisions of section 107 of the Army-Navy Nurses Act of 1947. All officers have been found professionally qualified as required by law. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law.

To be captains

Air Force Nurses

×Askegaard, Elizabeth Ann, [redacted]
Deegan, Florence Irene, [redacted]
×McNally, Mary Jane, [redacted]
Staudt, Veleska Barbara, [redacted]

NOTE.—Dates of rank will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 1, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, who art found by all who truly seek Thee, grant that our minds and hearts may be kindled with a greater devotion to Thee and our beloved country.

Emancipate us from every sin which darkens and defiles our souls and which makes us unworthy and unfit to serve Thee and our fellow men.

Keep us in the ways of honor and integrity. Gird us with faith and with fortitude. Give us patience and perseverance as we labor for the coming of that blessed day when reason and righteousness shall be gloriously triumphant.

May we never lose heart and allow our faith to become eclipsed by that debasing spirit of cynicism and defeatism which would have us believe that our search for peace and good will among men is a forlorn hope and a vague impossibility.

Hear us in the name of the Prince of Peace. Amen.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on May 31, 1950, the President approved and signed a bill of the House of the following title:

H. R. 6329. An act for the relief of Betsy Sullivan.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6655. An act for the relief of Taeko Suzuki.

The message also announced that the Senate had adopted the following resolutions:

Senate Resolution 288

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN LESINSKI, late a Representative from the State of Michigan.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

Senate Resolution 289

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM LEMKE, late a Representative from the State of North Dakota.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2596) entitled "An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944)"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. HILL, Mr. DOUGLAS, Mr. TAFT, and Mr. MORSE to be the conferees on the part of the Senate.

UNVEILING OF STATUE OF BRIGHAM YOUNG

Mrs. BOSONE. 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 gentlewoman from Utah?

There was no objection.