public buildings, to extend coverage to architects, technical engineers, draftsmen, and technicians; to the Committee on Education and Labor.

H. R. 2345. A bill to amend Public Law No. 846, Seventy-fourth Congress (S. 3055), an act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. LEONARD W. HALL:

H. J. Res. 145. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; to the Committee on Ways and Means.

By Mr. PHILLIPS:

H. J. Res. 146. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOLLIVER:

H. J. Res. 148. Joint resolution to direct the Federal Communications Commission to make a study of the problem of allocating television frequencies for use by educational institutions for the purpose of nonprofit educational programing; to the Committee on Interstate and Foreign Commerce.

By Mr. FARRINGTON:

H. J. Res. 149. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. REED of New York:

H. J. Res. 150. Joint resolution proposing an equal-rights amendment to the Constitution; to the Committee on the Judiciary.

By Mr. WERDEL:

H. J. Res. 151. Joint resolution granting the consent of Congress to joinder of the United States in suits in the United States Supreme Court for adjudication of claims to waters of the Colorado River system available for use in the lower Colorado River Basin; to the Committee on the Judiciary.

By Mr. BATTLE:

H. Con. Res. 53. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. McCORMACK:

H. Con. Res. 54. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the celebration of the one hundred and seventy-fifth anniversary of the fortification of Dorchester Heights, Mass., and the evacuation of the British from Boston, Mass., to be held in Boston, Mass., on March 17, 1951; to the Committee on Rules.

By Mrs. KELLY of New York:

H. Res. 112. Resolution creating a select committee to investigate circumstances relating to issuance of the order of the Postmaster General restricting mail deliveries, and for other purposes; to the Committee on Rules.

By Mr. PATMAN:

H. Res. 113. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 33; to the Committee on House Administration.

By Mr. VINSON:

H. Res. 114. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 38; to the Committee on House Administration.

By Mr. JAVITS:

H. Res. 115. Resolution requesting the President to appoint a bipartisan commission relating to American policy in Germany; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADAIR:

H. R. 2346. A bill for the relief of Odette Louise Tirman; to the Committee on the Judiciary.

By Mr. BARING:

H. R. 2347. A bill for the relief of Mrs. Carolyn W. Cheatham; to the Committee on the Judiciary.

By Mr. DEVEREUX:

H. R. 2348. A bill for the relief of Andrew Louis Mastellone; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 2349. A bill authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Crow Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. ELSTON:

H. R. 2350. A bill for the relief of Elfriede Johanna Antonia Steinhaus; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 2351. A bill for the relief of Naoki and Yoshiki Sakamoto; to the Committee on the Judiciary.

H. R. 2352. A bill for the relief of Mrs. Towa Tanoue; to the Committee on the Judiciary.

H. R. 2353. A bill for the relief of Kazuyoshi Hino and Yasuhiko Hino; to the Committee on the Judiciary.

H. R. 2354. A bill for the relief of Ariel Ta-wei Char; to the Committee on the Judiciary.

H. R. 2355. A bill for the relief of Nobuko Hiramoto; to the Committee on the Judiciary.

H. R. 2356. A bill for the relief of Sokan Ueoka; to the Committee on the Judiciary.

H. R. 2357. A bill for the relief of Lucia Adamos; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:

H. R. 2358. A bill for the relief of Joseph R. La Porta; to the Committee on the Judiciary.

By Mr. HART:

H. R. 2359. A bill for the relief of Lillian Taylor (nee Rose Mary Lillian Walker); to the Committee on the Judiciary.

H. R. 2360. A bill for the relief of Edna Perfetti; to the Committee on the Judiciary.

H. R. 2361. A bill for the relief of Anthony Perfetti; to the Committee on the Judiciary.

H. R. 2362. A bill for the relief of Mrs. Mildred Aprea; to the Committee on the Judiciary.

H. R. 2363. A bill for the relief of Emil Sbarbori; to the Committee on the Judiciary.

H. R. 2364. A bill for the relief of the legal guardian of Venus Sarkisian; to the Committee on the Judiciary.

H. R. 2365. A bill for the relief of Eugene J. McMaster; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 2366. A bill for the relief of Maly Braunstein and her daughter, Aurelia Rappaport; to the Committee on the Judiciary.

By Mr. LOVRE:

H. R. 2367. A bill for the relief of Libuse Chalupnik Pavlish; to the Committee on the Judiciary.

By Mr. McMULLEN:

H. R. 2368. A bill for the relief of Warren Simon Johansen, Nicholas Glent Johansen, and Eric Rolff Johansen; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 2369. A bill for the relief of Panagiota Kolintza Karkalatos; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 2370. A bill for the relief of Carl Schmuser; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 2371. A bill for the relief of James Gordon Burgess; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 2372. A bill for the relief of Michael Post-Posniakoff and Zinaida Post-Posniakoff; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 2373. A bill to authorize the appointment of Sidney F. Mashbir as a colonel, Adjutant General's Department, United States Army; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

34. By Mr. SMITH of Wisconsin: Resolution of the Women's Auxiliary to the Rock County Medical Society of Wisconsin, passed at a meeting held in Janesville, Wis., on February 23, 1951, in regard to socialized medicine; to the Committee on Interstate and Foreign Commerce.

35. By the SPEAKER: Petition of Jack Harrison, county judge, Angleton, Tex., relative to the Eighth Air Force application for the establishment of a permanent danger zone in the Gulf of Mexico adjacent to Matagorda Peninsula; to the Committee on Armed Services.

36. Also, petition of Bombola M. Ali, Camp Keithley, Dansalan City, Philippines, relative to "honest claimants of Lanao"; to the Committee on Foreign Affairs.

SENATE

MONDAY, FEBRUARY 5, 1951

(Legislative day of Monday, January 29, 1951)

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

Rev. Kiyoshi Tanimoto, minister, the Nagaregawa United Church of Christ, Hiroshima, Japan, offered the following prayer:

Our Heavenly Father, we thank Thee for the great blessing Thou hast granted America in enabling her to build in this last decade the greatest civilization in human history.

We thank Thee for America's great spiritual heritage expressed so beautifully in her sacrificial rehabilitation of human life throughout the war-torn countries; thus halting the ravages of postwar conditions which would have been greater than the destruction of war itself.

We remind ourselves, O Father, how mercifully American officials and humanitarian leaders have treated the defeated nations and exemplified to them the true way of democracy.

We thank Thee, too, O Lord, for the policy-making achievements of this Senate which graciously stands behind these American leaders around the world.

We thank Thee, God, that Japan has been permitted to be one of the fortunate recipients of American generosity. We thank Thee that our people have been given the gift of freedom, enabling

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them to rise from the ashes of ruin and be reborn. Under the leadership of the United States we pray Thee, our Father, that Japan may receive a new birth of freedom and take her place with the Christian democracies of the world.

God, bless all Members of this Senate and grant unto each Member of it Thy abundant blessing, Thy spirit, Thy wisdom; and lead them in their great tasks of turning this confused world into the final goal of Thy kingdom, of the oneness of the human race, and the peace of Thy dear Son, in whose name we pray. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of Thursday, February 1, 1951, 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 request of Mr. McFARLAND, and by unanimous consent, Mr. HOLLAND was excused from attendance on the sessions of the Senate during this week.

On request of Mr. McFARLAND, and by unanimous consent, Mr. LONG was excused from attendance on the sessions of the Senate during this week.

On his own request, and by unanimous consent, Mr. FULBRIGHT was excused from attendance on the sessions of the Senate for the remainder of the week.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under an order of the Senate made many years ago, it devolves upon the Chair to appoint a Senator to read Washington's Farewell Address on the 22d day of February. Such appointments alternate between the two sides of the Senate. Inasmuch as a Democrat was designated last year, the Chair now designates the Senator from Vermont [Mr. FLANDERS] to read the address this year.

TAXATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 53)

The VICE PRESIDENT. On last Friday, February 2, the President sent a message to the House of Representatives on the subject of taxation which was read and printed in the CONGRESSIONAL RECORD of that day. In view of that fact, the Chair does not deem it advisable to have the identical message just received from the President printed in the RECORD as of today. It is sufficient that reference be made to the fact that it appears on pages 884–885 of the CONGRESSIONAL RECORD of Friday, February 2, as presented to the House of Representatives.

The message will be referred to the Committee on Finance.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Green	Morse
Anderson	Hayden	Mundt
Bennett	Hendrickson	Murray
Brewster	Hennings	Neely
Bricker	Hickenlooper	Nixon
Bridges	Hill	O'Conor
Butler, Md.	Hoey	O'Mahoney
Butler, Nebr.	Humphrey	Pastore
Byrd	Hunt	Robertson
Cain	Ives	Russell
Capehart	Jenner	Saltonstall
Carlson	Johnson, Colo.	Schoeppel
Case	Johnson, Tex.	Smathers
Chapman	Johnston, S. C.	Smith, Maine
Chavez	Kefauver	Smith, N. J.
Clements	Kem	Smith, N. C.
Connally	Langer	Sparkman
Cordon	Lehman	Stennis
Duff	Lodge	Taft
Dworshak	McCarthy	Thye
Eastland	McClellan	Tobey
Ecton	McFarland	Watkins
Ellender	McKellar	Welker
Flanders	McMahon	Wherry
Frear	Malone	Williams
Fulbright	Martin	Young
George	Maybank	
Gillette	Monroney	

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Washington [Mr. MAGNUSON] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS] and the Senator from West Virginia [Mr. KILGORE] are absent on public business.

The Senator from Florida [Mr. HOLLAND] is absent by leave of the Senate.

The Senator from Oklahoma [Mr. KERR] is absent on official business.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. McCARRAN] are absent by leave of the Senate on official business.

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Michigan [Mr. FERGUSON], and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to make insertions in the RECORD, to submit reports, to introduce bills and present petitions and memorials, and transact other routine business, without speeches.

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

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of the District of Columbia Alley Dwelling Act, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1950.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 2, 1951.*

NOTE.—The report accompanied a similar message to the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

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

RESERVATIONS FROM APPROPRIATION LANDS WITHIN INDIAN RESERVATIONS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that no reservations from appropriation lands within Indian reservations valuable for power or reservoir sites or necessary for use in connection with irrigation projects had been made during the calendar year 1950; to the Committee on Interior and Insular Affairs.

REPORT ON STOCKPILING PROGRAM

A letter from the Chairman of the Munitions Board, Washington, D. C., transmitting, pursuant to law, a report on the stockpiling program, together with a confidential statistical supplement to the stockpile report (with accompanying documents); to the Committee on Armed Services.

REPORT ON SPECIAL ASSISTANTS EMPLOYED BY THE DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report showing the special assistants employed by the Department of Justice during the period July 1 to December 31, 1950 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY FEDERAL SECURITY AGENCY

A letter from the Acting Administrator of the Federal Security Agency, transmitting, pursuant to law, a report on tort claims paid by the Agency for the calendar year 1950 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the activities of the Department relating to the disposal of foreign excess property for the fiscal year ended June 30, 1950 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

FREE TRANSPORTATION OF MAIL OF CERTAIN UNITED NATIONS COMMANDS

A letter from the Postmaster General, transmitting a draft of proposed legislation to provide for free transmission of official mail of members of certain United Nations Commands (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON DISPOSAL OF ARMY EXCESS PERSONAL PROPERTY LOCATED OUTSIDE CONTINENTAL UNITED STATES

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on foreign excess personal property disposal for the calendar year 1950 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, his report on the activities of the Administration for the fiscal year ended

June 30, 1950 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON WAR CONTRACT TERMINATIONS AND SETTLEMENTS

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a report on war contract terminations and settlements, for the period October 1 through December 31, 1950 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF POTOMAC ELECTRIC POWER CO.

A letter from the president of the Potomac Electric Power Co., Washington, D. C., transmitting, pursuant to law, the report of the company for the year ended December 31, 1950 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF WASHINGTON GAS LIGHT CO.

A letter from the president of the Washington Gas Light Co., Washington, D. C., transmitting, pursuant to law, the annual report of the company, for the year ended December 31, 1950, together with a list of stockholders (with an accompanying report and document); to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the board of trustees of the village of Park Forest, Ill., favoring the enactment of legislation to include the village of Park Forest in any system of rent control; to the Committee on Banking and Currency.

A resolution adopted by the National Music Council of New York, N. Y., offering its services for use in musical activities in the Armed Forces and throughout the Nation for the stimulation of the people in the national emergency; to the Committee on Labor and Public Welfare.

By Mr. LANGER:

A resolution of the Legislature of the State of North Dakota; to the Committee on Foreign Relations:

"Senate Resolution 1

"Resolution calling upon Congress and the President to withdraw our troops from Korea, develop a strong home defense, and unify American views on foreign policy

"Be it resolved by the Senate of the State of North Dakota, That the Congress and the President of the United States are respectfully urged to take immediate action for the following purposes:

"1. To withdraw all troops and military personnel from Korea;

"2. To recognize the principle that no political or military commitment with respect to foreign policy that may involve the lives of Americans is binding upon the people of the United States unless it is first approved by the Congress;

"3. To strengthen our continental defenses and prepare for effective action when the safety of our Nation is imperiled;

"4. To provide leadership on foreign policy in which the people may have the utmost confidence;

"5. To provide the people of the United States with realistic information so that public opinion may crystalize in the form of a unified and unselfish foreign policy that history will applaud; and

"6. To disassociate ourselves from the Korean policy, a policy which has brought to our youth the tragedies of war without a candid recognition of the existence of a state of war, a policy which has made us the policeman of the United Nations without the United Nations assuming full responsibility for the eventualities of police action, a policy which risks war wthout first determining whether the objects sought are worth the risk, or a willingness to accept the risk when encountered. That a copy of this resolution be signed by the president and secretary of the senate and sent to the President of the United States, the Secretary of State, and to each Congressman and Senator from North Dakota.

"RAY SCHNELL,
"President of the senate.
"W. J. TROUT,
"Secretary of the senate."

DRAFTING OF CONSCIENTIOUS OBJECTORS—RESOLUTION OF GRAND ISLAND (NEBR.) POST, NO. 53, THE AMERICAN LEGION

Mr. BUTLER of Nebraska. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by Grand Island Post, No. 53, the American Legion, of Grand Island, Nebr., relating to the drafting of conscientious objectors.

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

Whereas it has come to the attention of Grand Island Post, No. 53, the American Legion, Department of Nebraska, that there is a problem facing the local draft boards of various counties in the State of Nebraska, regarding the deferment of conscientious objectors; and

Whereas it is our considered opinion that the provisions of the Selective Service Act of 1948, pertaining to conscientious objectors, are being abused and used as a loophole for draft evasion, and that such abuses are hampering these local draft boards to the extent that they are unable to meet their monthly quotas: Now, therefore, be it

Resolved, That the Congress of the United States be petitioned to amend the existing Selective Service Act of 1948, so that the conscientious objectors shall be drafted or accepted into the Armed Forces of the United States, and assigned to duties therein, as consistent as possible with their objections, in order that they shall be given the privilege and opportunity in aiding in the maintenance and defense of our freedoms.

Done at Grand Island, Nebr., this 10th day of January 1951.

E. C. ALCORN,
Commander.

OUTLAWING THE COMMUNIST PARTY—RESOLUTION OF JEWISH WAR VETERANS OF UNITED STATES, DEPARTMENT OF MARYLAND

Mr. O'CONOR. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution of the Jewish War Veterans of the United States, Department of Maryland, calling for outlawing of the Communist Party.

The views expressed in the resolution will appeal, I am sure, to every patriotic American.

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

Resolved, That the Jewish War Veterans of the United States, Department of Maryland, call upon our National and State legislators to outlaw the Communist Party which heretofore has enjoyed the privilege of using the elective processes of our freedom-loving Government.

We are convinced that the Communist Party has no place in our democratic way of life. We believe it to be inspired by Soviet direction and policy; its existence here in our Nation is a sham and a fraud; a hypocrisy and deceit.

It is a crafty stratagem to keep Soviet ideology before our people and intends to destroy and demolish every basic principle which we hold dear and precious.

We brand the Communist Party of America as a dangerous menace to our institutions; and, be it further

Resolved, That a copy of this resolution be forwarded to our brother veteran organizations, the public press and all high officers of Government now entrusted with leadership and responsibility.

Attest:

SAMUEL M. MICHELSON,
Adjutant.

REDUCTION IN FEDERAL NONDEFENSE SPENDING—RESOLUTION OF BALTIMORE (MD.) ASSOCIATION OF COMMERCE

Mr. O'CONOR. Mr. President, the board of directors of the Baltimore Association of Commerce adopted, on January 26, 1951, a resolution calling for reduction in nondefense spending by the Federal Government, which is so much in line with the thinking not only of our own citizens in Maryland, but of millions of citizens throughout the country, that its publication in the CONGRESSIONAL RECORD will serve a sound purpose, I am sure. Therefore, I present the resolution for appropriate reference and ask unanimous consent that it be printed in the RECORD.

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

Whereas the Baltimore Association of Commerce believes that not only accelerated military preparedness but a sound budget is essential to our survival in these critical times; and

Whereas businessmen, like all Americans, are willing to make all proper sacrifices necessary for the common defense, but at the same time believe that new socialistic experiments and other projects masquerading under the false pretense of promoting the national defense—or having but a remote and indirect connection with it—should and must be exposed and eliminated from the Federal budget; and

Whereas the nondefense items of the budget should be drastically reduced so as to provide in part the funds and manpower so desperately needed for military purposes; and

Whereas the association believes that such proposals as that of Senator BYRD to reduce the national budget by $7,000,000,000 should be supported, and that Congress should assert its constitutional powers over appropriations, and should not in this crisis blindly follow the proposals of the executive department; and

Whereas it will profit us little to build up the necessary military defense and yet to suffer defeat through inflation and national bankruptcy; and

Whereas this association takes great pride in the fact that our Maryland delegation in Congress, in accordance with our Maryland traditions and irrespective of party, has consistently supported efforts to prudently manage our national fiscal affairs: Now, therefore, be it

Resolved, That this association earnestly urges our Maryland Senators and Representatives to make a determined effort to eliminate from the budget all waste and all new socialistic experiments and other projects not necessary to the defense effort, and to reduce where possible nondefense items, to the end

that our country may remain financially strong and that we may thus back up our military forces with a sound economy; and be it further

Resolved, That copies of this resolution be sent (1) to the Maryland delegation in Congress; and (2) to the members of the Association of Commerce and commercial and trade organizations throughout the State.

DISPERSAL OF GOVERNMENT DEPARTMENTS AND AGENCIES—RESOLUTION OF MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. O'CONOR. Mr. President, the people of Maryland in the area adjacent to the District of Columbia are very much interested in, and somewhat concerned over, the pending proposals for the dispersal of Government departments and agencies.

A great deal of time and thought has been expended, with very beneficial results, in the planning of the newer developments in that area and it is sincerely hoped that any further developments, whether by the United States Government or within the limits of private enterprise, may be integrated with the long-range plans of the area.

I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution of the Maryland-National Capital Park and Planning Commission, dealing with this whole question of planning, which thoroughly deserves the attention of the Congress in connection with any plans for dispersal of Government agencies.

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

Whereas there is now under consideration by the Congress of the United States a bill (S. 218) (H. R. 1728) to authorize a program to provide for the construction of Federal buildings outside of, but in the vicinity of and accessible to, the District of Columbia and for other purposes; and

Whereas the proposed bill appears to be an essential measure to provide for Federal building in dispersed areas to permit continuity of important governmental functions in case of an attack on the Nation's Capital; and

Whereas the said bill provides not only for acquisition of sites by the Administrator of General Services but for appurtenant and accessory facilities, such as utilities, roads, highways, bridges, and other off-site facilities, as may be necessary, and authorizes the Administrator of General Services to enter into contracts with State and local bodies for such purposes and to such extent as he may find to be in the public interest; and

Whereas one of the stated policies of the bill is to provide "for the sound development of the District of Columbia and its adjacent areas"; and

Whereas any program for dispersal will necessitate the immediate and rapid extension of plans to guide the development of the outlying areas and will require coordination and integration of proposed new facilities with others existing and presently planned in the area, including highways, utilities, and other public facilities and services; and

Whereas the Maryland National Capital Park and Planning Commission, a bicounty agency of the State of Maryland, is authorized by chapter 992 of the Laws of Maryland, 1943, and amendments thereto, to make and adopt and, from time to time, amend, extend, and add to a general plan for the physical development of the Maryland-Washington regional district, embracing some 320 square miles of Montgomery and Prince Georges Counties, Maryland, adjacent to the District of Columbia; and

Whereas this general plan is for the purposes of guiding and accomplishing the coordinated, comprehensive, and systematic development of the said Regional District and the coordination with public and private development of other parts of the State of Maryland and that of the District of Columbia; and

Whereas the Commission is authorized to act in conjunction and cooperation with the National Capital Park and Planning Commission, is designated by the State of Maryland as its representative, and is empowered to act in conjunction and cooperation with other representatives or officers of the United States Government; and

Whereas the Maryland Commission is further authorized and empowered to exercise any of its functions in portions of Montgomery and Prince Georges Counties outside the said Maryland-Washington Regional District upon the request of the governmental agency having jurisdiction over the area: Now, therefore, be it

Resolved, That the Maryland-National Capital Park and Planning Commission hereby endorses in principle the said dispersal bill, since it appears to be essential in the interest of defense of the seat of government and the vital functions thereof concentrated in the Washington area; and be it further

Resolved, That, for the purpose of carrying out the intent of Congress in the provision for sound development of the District of Columbia and its adjacent areas, an amendment be inserted in the said bill to accomplish the following purposes:

1. To designate the National Capital Park and Planning Commission as a central planning agency for Federal operations and for the coordination of Federal plans with local plans;

2. To allocate, from the funds appropriated for the purposes of the said bill, a reasonable allotment to the National Capital Park and Planning Commission for the purpose of extending its studies in the dispersal area and surrounding communities; and

3. To make provision for the reallocation by the said National Commission to local planning agencies of such funds as may be required to assure and expedite local planning coordination with the dispersal program; and be it further

Resolved, That this resolution be transmitted to the chairman of the Senate Committee on Public Works and to the chairman and members of the Senate Subcommittee on Public Buildings; to the chairman of the House Committee on Public Works and to the chairman and members of the House Subcommittee on Public Buildings and Grounds; to the Honorable HERBERT R. O'CONOR and the Honorable JOHN MARSHALL BUTLER, Senators from the State of Maryland; to the Honorable HARRY FLOOD BYRD and the Honorable A. WILLIS ROBERTSON, Senators from the Commonwealth of Virginia; to the Honorable LANSDALE G. SASSCER, Representative from the Fifth District of Maryland, and the Honorable J. GLENN BEALL, Representative from the Sixth District of Maryland; to the Honorable HOWARD W. SMITH, Representative from the Eighth District of Virginia; to the Administrator of General Services; to the National Capital Park and Planning Commission; to the county commissioners of Prince Georges County, Md., and the county council of Montgomery County, Md.; and to the Upper Montgomery County Planning Commission, the Northern Virginia Planning and Economic Development Commission, the Arlington County Planning Commission, the Fairfax County Planning Commission, the Falls Church Planning Commission, and the city of Alexandria Planning Commission.

IRWIN I. MAIN,
Chairman, the Maryland-National Capital Park and Planning Commission.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 508. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs; without amendment (Rept. No. 78); and

S. Res. 55. Resolution extending the time for investigation of problems relating to the airline industry, the United States merchant marine, domestic land and water transportation, and radio, telegraph, and telephone communications; with an amendment; and, under the rule, referred to the Committee on Rules and Administration.

STUDY OF RECONSTRUCTION FINANCE CORPORATION—INTERIM REPORT OF BANKING AND CURRENCY COMMITTEE RELATING TO FAVORITISM AND INFLUENCE (S. REPT. NO. 76)

Mr. FULBRIGHT. Mr. President, from the Committee on Banking and Currency, I submit, pursuant to Senate Resolution 219, Eighty-first Congress, to conduct a study of the operations of the Reconstruction Finance Corporation, an interim report relating to favoritism and influence, and I ask unanimous consent that it be printed with an illustration.

The VICE PRESIDENT. The report will be received, and without objection, printed, as requested by the Senator from Arkansas.

MATERIAL SHORTAGES—REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (S. REPT. NO. 77)

Mr. SPARKMAN. Mr. President, from the Select Committee on Small Business, I submit a report on material shortages.

The VICE PRESIDENT. The report will be received and printed.

INVESTIGATION OF PROBLEMS RELATING TO BANKING AND CREDIT LEGISLATION, SMALL BUSINESS, AND ECONOMIC STABILIZATION

Mr. MAYBANK. Mr. President, from the Committee on Banking and Currency, I report an original resolution, to investigate problems relating to banking and credit legislation, small business and economic stabilization, and I submit a report (No. 79) thereon.

The VICE PRESIDENT. The report will be received, and, under the rule, the resolution will be referred to the Committee on Rules and Administration.

The resolution (S. Res. 64) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed during the Eighty-second Congress, until February 15, 1952, to make a full and complete study and investigation of such problems as it may deem proper relating to (1) adequacy of banking and credit legislation, including (A) international banking

matters; (B) encouragement of venture capital investment in new enterprises; (C) problems relating to the Federal Reserve System and Federal Deposit Insurance Corporation, such as credit policies, bank reserves, marginal requirements, merger of Federal Reserve banks with State banks, and deposit insurance; and (D) adequacy of present monetary system; (2) small business, including matters exclusively within the jurisdiction of the Committee on Banking and Currency, (A) financial aid to small business enterprises, (B) financial aid to veterans operating small business enterprises, and (C) adequacy of Reconstruction Finance Corporation loan authority and extensions thereof; and (3) economic stabilization, including (A) construction of housing, (B) permanent and temporary war housing, and (C) proposed amendments to the rent control act and administration of rent control legislation.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eighty-second Congress, until February 15, 1952, (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable; and (3) with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. IVES:

S. 772. A bill to confer jurisdiction upon the District Court for the Northern District of Illinois to hear and determine the claims of the Aetna Insurance Co. and others; and

S. 773. A bill for the relief of Lee Oy Gum; to the Committee on the Judiciary.

By Mr. LANGER:

S. 774. A bill for the relief of Abdul Whab, Abdul Kadir, and Khushad Ullah;

S. 775. A bill for the relief of Dr. Anthony M. Opisso; and

S. 776. A bill for the relief of Loyab Uddin, Loyhaid Ali, and Ambulla Mohamed (also known as Mohamed Ambulla); to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 777. A bill for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka; and

S. 778 (by request). A bill for the relief of Giovanni Pepe; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

S. 779. A bill for the relief of Ziemowit Z. Karpinski; to the Committee on the Judiciary.

By Mr. HILL:

S. 780. A bill to authorize the payment by the Veterans' Administration of increased compensation on account of service-connected total deafness to veterans in receipt of compensation; to the Committee on Labor and Public Welfare.

By Mr. HUNT:

S. 781. A bill to provide more efficient dental care for the personnel of the United States Army and the United States Air Force; to the Committee on Armed Services.

S. 782. A bill providing for civil suits against the United States by persons suffering damage as a result of defamations committed by Members of Congress in the course of their official activities; to the Committee on the Judiciary.

By Mr. GILLETTE:

S. 783. A bill to amend section 22 of the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

By Mr. HOEY:

S. 784. A bill for the relief of Ethel Hudson Morrison; to the Committee on Finance.

S. 785. A bill for the relief of Nabiha Elias Audi; to the Committee on the Judiciary.

S. 786. A bill to provide funds for cooperation with the public-school authorities of Person County, N. C., in the construction, extension, and improvement of public-school facilities; to the Committee on Labor and Public Welfare.

By Mr. MARTIN (for himself and Mr. DUFF):

S. 787. A bill authorizing the issuance of a special series of postage stamps in commemoration of the one hundred and sixtieth anniversary of the birth of President James Buchanan; to the Committee on Post Office and Civil Service.

By Mr. MORSE:

S. 788. A bill for the relief of Dora Jenny Wagner; and

S. 789. A bill for the relief of Joseph Veich, also known as Guiseppe Veic; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 790. A bill for the relief of Roton Point Corp.;

S. 791. A bill for the relief of Arthur Cleveland Taylor; and

S. 792. A bill for the relief of Yamaguchi Michiko; to the Committee on the Judiciary.

S. 793. A bill for the relief of Capt. Merton Jesse Clark; to the Committee on Armed Services.

By Mr. SMITH of New Jersey:

S. 794. A bill for the relief of Mrs. Shu-Ting Liu Hsia and her daughter, Lucia; to the Committee on the Judiciary.

(Mr. MURRAY (for himself, Mr. NEELY, Mr. HUMPHREY, Mr. DOUGLAS, Mr. LEHMAN, and Mr. MORSE) introduced Senate bill 795, to prohibit labor espionage, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. O'MAHONEY:

S. 796. A bill to increase criminal penalties under the Sherman Antitrust Act; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 797. A bill for the relief of Winifred Margaret Short; to the Committee on the Judiciary.

By Mr. CASE:

S. 798. A bill to authorize the Secretary of Agriculture to conduct research and experiments with respect to methods of controlling and producing precipitation in moisture-deficient areas; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 799. A bill for the relief of the Reverend Daisuke Kitagawa; and

S. 800. A bill for the relief of Marit Haugom; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 801. A bill to amend Veterans Regulation No. 1 (a) with respect to subsistence allowance to be paid to veterans pursuing apprentice or other training on the job; to the Committee on Labor and Public Welfare.

S. 802. A bill to establish parity in the rates of disability and death compensation payable for disability or death resulting from service-connected disability; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

S. 803. A bill to authorize the sale of post route and rural delivery maps, opinions of the Solicitor, and transcripts of hearings before trial examiners, at rates to be determined by the Postmaster General; and

S. 804. A bill to rescind certain details required by law to be included in the annual report of the Board of Trustees of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. LANGER:

S. 805. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes;

S. 806. A bill to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians, North Dakota, and for other purposes; and

S. 807. A bill to promote the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLANDERS (by request):

S. J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States recognizing the authority and law of Jesus Christ; to the Committee on the Judiciary.

By Mr. McMAHON:

S. J. Res. 30. Joint resolution to extend for 1 year the issuance of visas authorized by section 3 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

PROHIBITION OF LABOR ESPIONAGE

Mr. MURRAY. Mr. President, on behalf of myself, the Senator from West Virginia [Mr. NEELY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. LEHMAN], and the Senator from Oregon [Mr. MORSE], I introduce for appropriate reference a bill to prohibit labor espionage, and I ask unanimous consent to make a few remarks in connection with the bill.

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

The bill (S. 795) to prohibit labor espionage, introduced by Mr. MURRAY (for himself, Mr. NEELY, Mr. HUMPHREY, Mr. DOUGLAS, Mr. LEHMAN, and Mr. MORSE), was read twice by its title, and referred to the Committee on the Judiciary.

The VICE PRESIDENT. How much time does the Senator wish?

Mr. MURRAY. Approximately a minute and a half.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. MURRAY. Mr. President, I have just introduced a bill to prohibit labor espionage. Senators NEELY, HUMPHREY, DOUGLAS, LEHMAN, and MORSE have joined me in sponsoring this measure. If enacted, it would make labor espionage in interstate commerce a crime punishable by fine and imprisonment.

It came as a great surprise and shock to me to learn that such legislation is needed. The very term "labor espionage" recalls the jungle of violence in which labor existed prior to enactment of the Norris-LaGuardia Act, the Wagner Act, and other progressive labor legislation.

Many years ago in Montana I had personal experience with labor espionage. At that time, during the great Montana mining boom, when miners were subjected to pitiless exploitation by ruthless mine owners bent on quick riches regardless of the cost to humanity, labor unions began to spring up spontaneously in the mining camps. They were met by every form of resistance from subtle propaganda to murder. Thugs, strike breakers, and labor spies were im-

ported and paid to destroy unionism by crime and oppression. Of them all, perhaps the most dangerous and revolting was the labor spy.

While paid to do everything in his power to prevent self-organization, it is the function of the labor spy to pretend to believe in unionism, to infiltrate the ranks of the workers, to agitate for unionism and thus ascertain those most sympathetic to it, to appear in the guise of friend so that he may the more effectively destroy; and, by earning under false pretenses the confidence of his fellow workers, place himself in the most effective position to betray them.

Many times the practices of labor espionage have been exposed, by Congress and courts, in factual studies and even in fiction. The last great exposé was that of the LaFollette committee during the middle thirties. And since it had been so completely exposed, we supposed that it had thereby been annihilated. But we were wrong.

Mr. President, during the last year the Senate Subcommittee on Labor-Management Relations, of which I have the honor to be the chairman, has found that labor espionage still flourishes in some American industries. Most decent employers have long since abandoned it for the loathsome thing it is. But in some of our industrial byways, it still sprouts and poisons labor-management relations. We have found it in the textile industry, in the furniture industry, and elsewhere. The most shocking system of labor espionage we discovered in the marine divisions of some of our great oil-tanker companies.

It is only fair to say that once we exposed it the responsible officers of American industry have disavowed it and suppressed it. But it still presents a challenge to Congress.

Mr. President, in time of international emergency our maritime industry is at once vulnerable and of paramount strategic importance. Since it is almost exclusively interstate commerce, it is peculiarly the problem of Congress. It is the duty of Congress to take every possible step to promote stability of labor relations in the maritime industry and to prevent sabotage by excluding, so far as possible, criminals and subversives. Labor espionage, of course, is an unfair-labor practice under the Taft-Hartley Act. However, the act carries no deterrent other than condemnation by the Board and courts. It is quite clear that the type of character who would engage in labor espionage is more apt to be deterred by punishment than by public censure.

For these reasons the Subcommittee on Labor-Management Relations has unanimously recommended the introduction of a bill to punish labor espionage as a crime, and the standing committee on Labor and Public Welfare has unanimously adopted the report of its subcommittee. I assume my bill will be referred to the Committee on the Judiciary.

DISTRIBUTION OF MOTOR-VEHICLE TIRES—AMENDMENTS

Mr. LANGER submitted amendments in the nature of a substitute intended to be proposed by him to the bill (S. 629) to provide for the distribution of motor-vehicle tires, and for other purposes, which were referred to the Committee on the Judiciary, and ordered to be printed.

AMENDMENT OF CONSTITUTION AFFORDING EQUAL RIGHTS TO WOMEN—ADDITIONAL COSPONSORS

Mr. O'CONOR. Mr. President, on January 8, 1951, I introduced a joint resolution, Senate Joint Resolution 3, proposing an amendment to the Constitution of the United States relative to equal rights for men and women. I now ask unanimous consent that I may be permitted to announce the names of Senators who desire to cosponsor the joint resolution, and I ask that their names be added as cosponsors of the joint resolution. I further ask that I may be permitted to address the Senate for 2 minutes on the joint resolution.

Mr. LANGER. Mr. President, reserving the right to object, what is the purpose of the joint resolution?

Mr. O'CONOR. The purpose of the joint resolution is to afford equal rights to women.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and the Senator from Maryland may proceed.

Mr. O'CONOR. Mr. President, the joint resolution, the purpose of which is to submit to the States of the Union a proposed amendment to the Constitution affording equal rights to women, is cosponsored jointly by the senior Senator from Maine [Mr. BREWSTER], the senior Senator from Nebraska [Mr. BUTLER], the junior Senator from Maryland [Mr. BUTLER], the junior Senator from Washington [Mr. CAIN], the senior Senator from Indiana [Mr. CAPEHART], the senior Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Montana [Mr. ECTON], the junior Senator from Michigan [Mr. FERGUSON], the junior Senator from Vermont [Mr. FLANDERS], the senior Senator from Iowa [Mr. GILLETTE], the junior Senator from New Jersey [Mr. HENDRICKSON], the junior Senator from Iowa [Mr. HICKENLOOPER], the junior Senator from Wyoming [Mr. HUNT], the junior Senator from Indiana [Mr. JENNER], the senior Senator from California [Mr. KNOWLAND], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Nevada [Mr. MALONE], the senior Senator from Pennsylvania [Mr. MARTIN], the junior Senator from California [Mr. NIXON], the senior Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Kansas [Mr. SCHOEPPEL], the junior Senator from Maine [Mrs. SMITH], the senior Senator from Minnesota [Mr. THYE], the senior Senator from Utah [Mr. WATKINS], the senior Senator from Wisconsin [Mr. WILEY], and the junior Senator from North Dakota [Mr. YOUNG].

It would seem to be a late day to have decided the simple and single issue of whether such a great proportion of our population should be guaranteed similar rights and privileges as are enjoyed by the remaining citizenry. Yet better late than never it is imperative that the Constitution proclaim to all the fundamental guaranty that no discrimination because of sex shall be legalized.

Especially at this period of conflicting ideologies should it be declared in unmistakable terms that American citizens of both sexes are accorded equal rights.

Those who espouse foreign ideologies point critically to the fact that women are denied certain privileges in the United States while members of their sex are entitled to every right guaranteed to men under foreign flags. We should tolerate no such condition which is seized upon by our enemies to decry our democratic institutions.

Singularly enough this proposal has been before the Congress since 1923, and has never received an unfavorable report. But session after session it has failed to achieve approval by both Houses of the Congress.

The equal rights movement began at Seneca Falls, N. Y., in 1848—over 100 years ago. It was just after the conclusion of the First World War that the women of America won national suffrage for the first time. Their contribution to victory in that conflict was great, but the production miracle of the Second World War, for which women of our Nation were also partly responsible, has earned them, at the very least, equality of economic opportunity and equal rights under the laws of our land.

Can we ignore the remarkable progress which women of America have made, particularly in recent years, in all fields of endeavor, the professions, the industries and the arts—yes, and in public office—and tell them that even these accomplishments are insufficient to warrant removal of the discriminatory restrictions under which, and despite which, they have made such outstanding progress?

Certainly, in the field of government there is not only wide opportunity but great need for the peculiar talents and abilities which the women of America can bring to bear upon today's problems. In my own State of Maryland, during the 8 years in which I was privileged to occupy the governor's chair, we found it desirable, and in many cases I might even say necessary, to call upon outstanding women of the State for assistance in matters of government, and particularly in matters affecting the welfare and safety of our people during the emergencies of the war years.

We can no longer tolerate discrimination against American women either in the Nation as a whole or in the several States. The equal rights amendment is the instrument by which this discrimination can be eradicated.

FIGHTING INFLATION—STATEMENT BY LIFE INSURANCE ASSOCIATION OF AMERICA

[Mr. IVES asked and obtained leave to have printed in the RECORD a statement entitled "Fighting Inflation," published by the Life Insurance Association of America in January, 1951, which appears in the Appendix.]

THE STRIKE OF SWITCHMEN—EDITORIAL FROM THE WASHINGTON SUNDAY STAR

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "Strong Words Are Not Enough," having reference to the pending Switchmen's strike, published in the Washington Sunday Star of February 4, 1951, which appears in the Appendix.]

THE MARTINSVILLE SEVEN—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Martinsville Seven" published in the Washington Evening Star of February 4, 1951, which appears in the Appendix.]

UNWANTED CRITICISM — EDITORIAL FROM THE JAMESTOWN (N. Y.) SUN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Unwanted Criticism," dealing with the subject of Government expenditures for public assistance, published in the Jamestown (N. Y.) Sun of January 20, 1951, which appears in the Appendix.]

"PERFECTIONISM" AND THE UNITED NATIONS—ARTICLE BY BENJAMIN V. COHEN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "'Perfectionism' and the United Nations," written by Benjamin V. Cohen, former Counselor to the State Department, and published in the Washington Post of January 22, 1951, which appears in the Appendix.]

THE KOREAN WAR—LETTER BY DALE D. DORMAN, JR.

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter regarding the Korean War, written by Dale D. Dorman, Jr., of Graham, Mo., to the editor of the Maryville (Mo.) Daily Forum, and published in that newspaper, which appears in the Appendix.]

A LETTER TO MR. TRUMAN—ADDRESS BY RABBI ABBA HILLEL SILVER

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "A Letter to Mr. Truman," delivered by Rabbi Abba Hillel Silver, at the Temple, Cleveland, Ohio, on December 17, 1950, which appears in the Appendix.]

A PROTEST AGAINST DEFEATISM—EDITORIAL FROM THE NEWARK STAR-LEDGER

[Mr. TAFT asked and obtained leave to have printed in the RECORD an editorial entitled "A Protest Against Defeatism," published in the Newark (N. J.) Star-Ledger, which appears in the Appendix.]

IMPRISONMENT OF JOSEF CARDINAL MINDSZENTY—SERMON BY REV. JOHN L. BAZINET, S. S.

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a sermon paying honor to His Eminence Josef Cardinal Mindszenty, prince primate of Hungary, by Rev. John L. Bazinet, S. S., which appears in the Appendix.]

TAX-FREE INCOMES—ARTICLES FROM UNITED STATES NEWS AND WORLD REPORT

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article entitled "Tax Till It Hurts—Whom?" published in a recent issue of United States News and World Report, which appears in the Appendix.]

VETERANS' ADMINISTRATION HOSPITAL AT DESHON, PA.—EDITORIAL FROM THE BUTLER (PA.) EAGLE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Our Deshon Hospital Takes It on the Chin," published in the Butler (Pa.) Eagle of February 2, 1951, which appears in the Appendix.]

AN IRRESPONSIBLE BUDGET—EDITORIAL FROM NEWSWEEK

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled, "An Irresponsible Budget," written by Henry Hazlitt, and published in Newsweek for January 29, 1951, which appears in the Appendix.]

SENATOR LODGE'S EXPOSÉ OF SOVIET PLANNING—EDITORIAL FROM CHARLESTON (S. C.) NEWS AND COURIER

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Too Clever for Vishinsky," published in the Charleston (S. C.) News and Courier of November 21, 1950, which appears in the Appendix.]

TELEGRAM BY SENATOR THYE TO THE PRESIDENT REGARDING THE PRESENT TRANSPORTATION CRISIS

Mr. THYE. Mr. President, I should like to read into the RECORD a telegram which I have addressed to the President of the United States:

WASHINGTON, D. C., *February 5, 1951.*

The PRESIDENT,
The White House, Washington, D. C.:

The transportation crisis must be ended. Supplying of food, ammunition, and medical supplies for American boys fighting and dying on the battlefields in Korea, as well as meeting the general public health and welfare needs of our people, must not be further jeopardized by continuation of the slowdown on our railroads brought about by the absence of railroad workers in large numbers reporting illness. Mr. President, I appeal to you to use every power of your great office to bring an end to the present crisis. If there is a real epidemic among the workers, have the medical resources of our armed services and the agencies of the Public Health Service been utilized to the fullest extent? As Commander in Chief of the Armed Forces, have you used every power to prevent absenteeism of civilian employees of the railroad, now under Army control, which menaces life and health? Have you used the powers of the Executive to bring about arbitration of the dispute that will assure our workers a fair wage but will not permit shutdown of vital transportation? If you need additional powers, what steps have you recommended that Congress take to help you deal with this situation? Severe winter conditions throughout the Nation, but especially in Northern States, which have experienced the worst winter in years, have accentuated the shortage of fuel shipments on the railroads to the point where an emergency situation exists. Hardship and suffering are certain to result to many of our people. Our men in uniform, already making the greatest of sacrifices, will feel the dire results of our failures at home. A supreme obligation rests upon the Government to end this intolerable situation. I urge you to take every necessary step open to you as President and as Commander in Chief to meet this grave crisis.

EDWARD J. THYE,
United States Senator.

VOLUNTEER FREEDOM CORPS—LETTER FROM FORMER CZECHOSLOVAK AMBASSADOR

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Dr. Juraj Slavik, former Czechoslovak Ambassador, concerning the proposed legislation which has been introduced by the Senator from Maine [Mr. BREWSTER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New York [Mr. IVES], the Senator from South Dakota [Mr. MUNDT], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Wyoming [Mr. HUNT], and myself, providing for the enlistment of aliens in a Volunteer Freedom Corps.

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

JANUARY 11, 1951.

Mr. HENRY CABOT LODGE, Jr.,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LODGE: I am hastening to congratulate you and your colleagues who signed the bills S. 238 and S. 239. I hope that the Congress of the United States will enact very soon this very important legislation. Your statement gives very good arguments for such an action, which would be welcomed not only by the anti-Communist refugees from behind the iron curtain, but also by the peoples of the enslaved satellite nations of Soviet Russia. I am convinced that those nations, and especially my compatriots of Czechoslovakia, would be happy to join the glorious Army of the United States in securing freedom and giving hope and encouragement for the victims of Communist aggression. I am further convinced that, in spite of the fact that the Kremlin masters and their Czechoslovak gauleiters are purging constantly the Czechoslovak Army and especially the officer corps—which seem to them unreliable—the Czechoslovak Army as well as the other armies behind the iron curtain are basically opposing the Communist doctrine and practice in the same percentage as the population in general, and that therefore—should these armies be used against the western democracies—they would gladly go over to the western armies so as to be able to fight communism and get rid of their oppressors and tormentors. Such situation would need at least cadres for national armies, and I therefore think that the Volunteer Freedom Corps should be—fighting under the American flag—the nucleus of such national units. I would therefore prefer that the different nationalities enrolled in the Volunteer Freedom Corps should be organized in special units and should be allowed also some distinction in the national colors of the respective nationals. That would facilitate in a later state to form national units, including those anti-Communist forces that would come over in great numbers from the Soviet lines. Such national units would form a great attraction to all Czechoslovak nationals in exile, but even a greater one to those who would be forced to fight against the allies in the satellite armies. Mass desertion would result, and the existence of national units abroad would be the most important driving force to join these national units.

I am sure that thousands of my young compatriots would take the opportunity to join the Volunteer Freedom Corps. I got hundreds of letters from Czechoslovak political refugees—many of them veterans of World War II—in Germany, Austria, and in free countries after the Korean aggression, who offered their services for military serv-

ice against the aggressor. So did also former Czechoslovak airmen who served in the RAF in Great Britain. There are more than 45,000 Czechoslovak refugees who escaped from the country after the Communist coup. Many thousands of them are young men, eager to fight communism.

I have another suggestion, which would necessitate a slight change in the bill—section 6. The Secretary of the Army is authorized to appoint civilian citizens of the United States and of other nations to serve with the VFC. I agree, of course, with this provision, but I suggest to authorize the Secretary of the Army to appoint also former officers of other nations and to change therefore the words "civilian citizens" to "persons" or only "citizens," as to enable to employ in such future national armies, as I suggested above, also Czechoslovak, Polish, Hungarian, etc., generals, colonels, and other officers who are, of course, more than 35 years of age.

I would be very grateful should you consider it possible to discuss this problem with me or with Czechoslovak military experts, who are at your disposal in Washington.

Very sincerely yours,

JURAJ SLAVIK,
Former Czechoslovak Ambassador.

Mr. LODGE. Mr. President, immediately following the letter which I have just had printed in the RECORD, I ask unanimous consent to have printed an editorial from the Boston Post bearing on the same subject, and an article from the Washington Post, in which it is stated that the national commander of the Catholic War Veterans also favors this proposed legislation.

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

[From the Boston (Mass.) Post of January 31, 1951]

ANTI-RED SLAVS

With all the emphasis placed on raising manpower for the defense of Europe, it is surprising more has not been done toward mobilizing the 2,000,000 anti-Communist Slavs that could be made available for military duty with a little effort. Senator HENRY CABOT LODGE, JR., mentioned this number in a recent speech and also revealed that he has been doing what he can to make it possible to employ the services of these men, who are so eager to oppose the Reds on personal and spiritual grounds. They certainly should be given their chance to join the ranks of the defenders of freedom. As Senator LODGE pointed out, these men cannot fight in the armies of their own countries, since those countries are already under Communist rule, but that should not mean they ought not to be given an opportunity to oppose the forces that took freedom from their homelands. On the contrary, they can be depended upon to be counted among the most valiant defenders of a way of life that they can truly appreciate.

[From the Washington Post]

VOLUNTEER ALIEN ARMY CORPS URGED

The national commander of the Catholic War Veterans last night urged Congress to speed legislation that would permit enlistment of aliens in an Army "volunteer freedom corps."

Commander Donald J. McQuade called for the action at a testimonial dinner in his honor sponsored at the Elks Club by the District department of Catholic War Veterans.

McQuade pointed out that thousands of qualified Poles, Czechs, Hungarians, Yugoslavs, and members of other nationalities would rush to enlist in such a corps as haters of communism.

"These men," McQuade said, "would be welcome additions to the comparatively few American, French, British, and Italian divisions now available for the defense of Western Europe.

"They would also conserve American manpower and, in case of war, unquestionably would save many American casualties."

McQuade said he supported Senate bill 238, introduced by Senator LODGE, Republican, Massachusetts, for this purpose.

Archbishop Patrick A. O'Boyle, of Washington, was represented at the dinner by the Reverend Philip J. Hannan, vice chancelor of the archdiocese. Thomas R. Callahan was toastmaster. Other speakers included Commander Edward Peters, of the District department of Catholic War Veterans, and the Reverend James H. Brooks, department chaplain.

RECRUITMENT OF AN AMERICAN FOREIGN LEGION

Mr. BREWSTER. Mr. President, on this day, when a series of Lincoln Day observances is beginning throughout the country, I should like to read a letter which has come to my attention, bearing the endorsement of Abraham Lincoln. It will take but a moment to read the letter into the RECORD.

The VICE PRESIDENT. Without objection, the Senator from Maine may proceed.

Mr. BREWSTER. This letter came to me only this morning. It deals with a matter bearing on the bill introduced by the Senator from Massachusetts [Mr. LODGE], and several other Senators, regarding the recruitment of a foreign legion. The letter, which is from the National Committee for the Liberation of Slovakia, reads:

FEBRUARY 2, 1951.

Hon. OWEN BREWSTER,
United States Senator,
Washington, D. C.

DEAR SENATOR: I like to bring to your kind attention the following historical event, which I beg you to use in some way at the Lincoln Day celebration. This would help our resistance movement and also encourage the Americans of Slovak origin to participate wholeheartedly in our fight.

On February 4, 1861, the following letter was sent to President Lincoln by Capt. G. Mihalotzy, who as a Slovak fled his native country after the revolution in 1848:

"To the Honorable A. LINCOLN.

"DEAR SIR: We have organized a company of militia in this city composed of men of Hungarian, Bohemian, and Slavonic origin. Being the first company formed in the United States of said nationalities, we respectfully ask leave of your excellency to entitle ourselves 'Lincoln Riflemen of Slavonic Origin.'

"If you will kindly sanction our use of your name, we will endeavor to do honor to it, whenever we may be called to perform active service.

"Respectfully in behalf of the company,

"G. MIHALOTZY,
"Captain."

To this letter, the Great Emancipator responded in his handwriting:

"I cheerfully grant the request above made.

"A. LINCOLN."

I am enclosing a printed copy of that letter.

In this connection I like to inform you that the chairman of this committee, Dr. V. S. Krajcovic, who is an exile of Slovakia overridden by communism maintains the position that now is the time to organize freedom militias—as it was during the Civil War—from all the descendants of all those countries under Communist domination. Since we have thousands of exiles like Mihalotzy, his memory and heroic deeds will inspire everybody for the liberation of countries behind the iron curtain.

That is the end of the letter which I received. It seems to me it has a very interesting bearing on the proposed legislation which is now being considered by the Congress, regarding the possibility of forming an American foreign legion.

BOY SCOUTS OF AMERICA—STATEMENT OF APPRECIATION BY SENATOR HILL

Mr. HILL. Mr. President, this is National Boy Scout Week, and I ask unanimous consent that there be printed in the body of the RECORD at this point a statement of appreciation of the Boy Scouts of America and their fine work.

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

STATEMENT OF SENATOR LISTER HILL

The Nation's Capital, because of its very significance, has received hundreds upon hundreds of distinguished visitors over the years. Kings, princes, potentates, prime ministers, and other men of responsibility have come and gone in the everyday transactions of world affairs.

Last night (Sunday) there arrived in Washington an American citizen who holds a distinction rare among his fellowmen. He is just completing 41 years of service as scoutmaster. I refer to Charles A. Kelso of Troop 55, Boy Scouts of America, St. Louis, Mo. Scoutmaster of that same troop since 1910, a unique record in the annals of Scouting.

Scoutmaster Kelso is coming here as part of a Nation-wide observance of Boy Scout Week, an observance in which more than 2,000,000 Scouts and leaders will participate in every part of the United States.

President Truman will officially open Boy Scout Week when he receives at the White House 12 young men, all Eagle Scouts, who will travel from the various regions of the Nation, representing the entire membership of the Boy Scouts of America. Scoutmaster Kelso, who will be a member of the official party, will represent 78,716 fellow scoutmasters, cubmasters, and explorer leaders, all of whom are giving their services on a voluntary basis.

These Eagle Scouts when calling upon the President, will leave with him a Report to the Nation, indicating not only the steady growth of the Boy Scouts of America, but their remarkable record of service on a community and national basis. Hundreds of thousands of Scouts have lived up to their slogan, "Do a good turn daily."

This Boy Scout Week we are celebrating the forty-first anniversary of the Boy Scouts of America. From a small beginning in 1910 the movement grew steadily, enrolling over the years a total of 17,500,000 boys and leaders in all parts of the Nation. Today's membership of 2,750,000 is the all-time high in the history of Scouting.

The Scout program and its code of high ethical living has enriched the lives of many of today's leaders in the Nation's business, for numerous Boy Scouts of yesterday are now to be found in high places everywhere, yes, even this distinguished assembly may count among its members men who were Boy Scouts in their teens.

A listing of prominent business executives, judges, bishops, college presidents, leaders of the Armed Forces, scientists,

United Nations representatives, and other successful men—all former Boy Scouts—would be formidable. Yes, gentlemen, the Boy Scouts of America has taken its rightful place in our national life and is recognized everywhere as one of our greatest assets.

Scouting is teaching our boys to be honorable, to be self-reliant, and to be participating citizens when they attain manhood. Through its program of camping, hiking, swimming, life saving, and other skills, it is preparing our young men to take care of themselves and to help others in time of emergency. Many a veteran of the last world war, yes even in Korea today, has survived or has been able to save the life of a fellow serviceman, because of his Boy Scout training.

Boy Scouts do their best to live up to the Scout oath and law. Before he may become a Scout, a boy must promise: "On my honor I will do my best: to do my duty to God and my country, and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight."

What a challenge that is for all of us. What a world this would be if every boy in every nation could be a Scout and as a man conduct his family, business, and civic affairs on the basis of the Scout oath. What a lesson we legislators may learn in meeting our various responsibilities, not only in the United States, but throughout the world.

Scouting is organized in 47 different freedom-loving lands. It is not permitted in Soviet Russia and has been suppressed in countries now under control of the Kremlin.

The Boy Scouts of America were instrumental in reestablishing the Scout movement in Korea after 1945. Boy Scout handbooks in the Korean language were donated by our Scouts and large shipments of uniforms were sent to the Scouts of that nation. Much of this has been destroyed, but the Korean Scout leaders are prepared to reorganize as soon as peace comes to that unhappy land. Since the overthrow of the former government at Peiping, nothing has been heard from the Chinese Boy Scouts Association. Communism will not tolerate the Boy Scout movement anywhere.

One of the significant events in the history of the Boy Scouts of America was the great national jamboree held at Valley Forge, Pa., last summer. A total of 47,163 Boy Scouts and leaders camped together for 1 week on ground hallowed by the memory of George Washington and his faithful band of men who suffered so much for our freedom and liberty during those winter days of 1777–78. Scouts traveled to Valley Forge from all parts of our great Nation; and were thrilled when President Truman, as honorary president of the Boy Scouts of America, officially opened the jamboree on the evening of June 30. They were again enthusiastic hosts to General Eisenhower on the evening of July 4. The national jamboree was a great assembly of brother Scouts dedicated to their 2-year crusade to "strengthen liberty." It was a great patriotic pilgrimage, and profoundly enriched the Scouts' appreciation of their own United States. This national jamboree was the largest gathering of boys in the Western Hemisphere.

As Scouting completes its forty-first year, let us be thankful that we have in our Nation's life a movement which is dedicated to the character building and citizenship training of our boys and young men. The Boy Scout movement deserves the wholehearted support of the American people. It is a most effective program in preparing tomorrow's men for their duty to God, to other people, and to themselves in their Nation and the world.

ADMINISTRATION OF BLACKFEET RESERVATION IN MONTANA

Mr. ECTON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a news release issued today by George Pambrun, a full-blooded Indian, of Browning, Mont. He is chairman of the Tribal Council of the Blackfeet Tribe of Montana.

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

INDIAN BUREAU INCITING MONTANA RANGE WAR

(Statement of George Pambrun, chairman of the Tribal Council of the Blackfeet Tribe of Montana)

The Indian Bureau is doing its best to stir up an old-fashioned cowboy-and-Indian war on the Blackfeet Reservation in Montana. I predict that the Indian Bureau will not be successful in its efforts to persuade white sheepmen and cattlemen to run their stock on Indian lands and to ignore Indian protests. The Blackfeet Council has run a series of public advertisements in leading Montana newspapers warning sheepmen and cattlemen to keep their stock off tribal lands unless they secure tribal consent. The advertisements point out that the Indian Bureau is violating the law by issuing grazing permits for the use of Indian land without tribal consent and in violation of the Federal law requiring "the consent of the tribe."

Indian Bureau bureaucrats are selling grazing permits on our Blackfeet tribal land over the protest of the tribal council. They are doing this in defiance of the Federal law requiring the "consent of the tribe" for grazing permits on Indian land. They are fooling some cattlemen and sheepmen by telling them that the Blackfeet Council has consented to the sale, when in fact our council has adopted several resolutions—all by unanimous vote—withholding consent to such sales of grazing permits. After all, this land belongs to us Indians. The Indian Bureau bureaucrats charge us with being "picketers" because we warned bidders that the auction was unauthorized and illegal.

Since when does an American citizen become a "picketer" just because he wants to hold on to his own land and refuses to allow a Federal bureaucrat to lease his land without his consent? We Blackfeet may have red skins but we believe in private ownership. The Indian Bureau is now using methods of Communist dictatorship against our people. We are now denied the right to lease or use our own lands as we see fit. Indians, especially veterans, who are running small herds of our own cattle on our own lands are now being liquidated by a 100 percent increase in rentals that the Indian Bureau is imposing, despite the protests of the tribe. The Indian Bureau grazing experts say they know best how our lands should be used, but in fact they are using their control over our Blackfeet lands to reward their friends. Stalin could learn a lot about how to run a dictatorship just by watching the Indian Bureau.

Bidders stayed away in droves from the "phony" Indian Bureau auction of Blackfeet grazing leases last week.

There was active competition on only about 1 percent of the grazing units. On about 39 percent of the range units only a single bid was received, in many cases from friends of Indian Bureau officials. The Indian Bureau wants to dispose of about 50 percent of the grazing units on its own terms to nonbidders. On another 10 percent of the range units the Indian Bureau could not find any bidders or non-bidders to take good Blackfeet land on Indian Bureau terms.

We are asking Secretary of the Interior Oscar L. Chapman to set aside the phony Indian Bureau auction and to see that the Federal laws guaranteeing our own rights to our own land are observed. If that is done, we are prepared to auction off grazing permits to the public on the land we don't need for our own Indian cattle.

THE PRICE OF EGGS

Mr. LANGER. Mr. President, I wish to bring to the attention of the Senate a letter dated February 3, 1951, from Oakes, N. Dak. The letter reads as follows:

OAKES, N. DAK., *February 3, 1951.*

Hon. Senator LANGER,
Washington, D. C.:

Producers are receiving 25 cents for eggs in Oakes while our relatives and friends in Twin Cities—referring to Minneapolis and St. Paul—are paying 69 cents to 72 cents a dozen.

Eggs cannot be produced for 30 cents a dozen. What's to be done about this?

Yours truly,

B. A. STEVENS.

I have also received a letter from Pingree, N. Dak., dealing with the price of eggs, and enclosing a slip showing the price for which the farmer sold eggs. I ask unanimous consent that the sales slip be printed in the RECORD.

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

Name: C. E. Brady.

	Dozen	Eggs	Price	Amount
PB's	2	1	.0.33	$0.69
No. 2		4	.23	.08
B (Large air cells)	4	7	.26	1.19
Tota. amount				1.96
Total	6	12		

Date: Jan. 12, 1951.

PETERSON-BIDDICK CO.

Mr. LANGER. Mr. President, I invite attention to the fact that while farmers are receiving only from 21 to 25 cents a dozen for their eggs, the prices of things which the farmer buys have greatly risen, as is indicated in a letter I have received from George Schonberger, president of the Nonpartisan League of North Dakota. He says:

In 1945 a swather canvas cost me $16. I replaced it in 1949 and it cost $32.50. John Sinner bought the same one in 1950 and paid $51.50, and none compared with the one I bought in 1945.

So we have a situation in which the price of a canvas for a swather jumped from $16 in 1945 to $32.50 in 1949 and $51.50 this year. That is a striking example of how the price of everything the farmer must buy has gone up, while the price of the things he sells remains about the same.

CONTROVERSY BETWEEN OFFICE OF PRICE STABILIZATION AND THE DEPARTMENT OF JUSTICE ON ENFORCEMENT OF CONTROLS

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Enforcing of Controls in Dispute," written by Marshall Andrews, and published in the Washington Post of today.

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

ENFORCING OF CONTROLS IN DISPUTE—LANGUAGE OF ACT LEAVES DOUBT OVER HANDLING OF CASES—OPS HALTS RECRUITING

(By Marshall Andrews)

An apparent discrepancy in the Defense Production Act yesterday threatened a dis-

pute over wage and price enforcement which may have to go to the White House for settlement.

The act under which the Office of Economic Stabilization was set up specifically provides that all litigation arising out of it must be conducted by the Justice Department. But elsewhere it says enforcement of controls cannot be "delegated" to any other agency.

This seeming conflict in the law came to a head Wednesday. F. Joseph Donohue, installed Monday as enforcement officer for Michael V. DiSalle's Office of Price Stabilization, called DiSalle's attention to the language of the law after studying it closely. He told DiSalle OPS apparently was unable to enforce its orders and recruiting of an enforcement staff was temporarily halted.

The Justice Department, meanwhile, had announced formation of a special unit to handle price-control litigation under the Production Act. In some quarters this move was interpreted as a move by Justice to seize powers which should belong to OPS.

This view was rejected flatly last night by Peyton Ford, assistant to the Attorney General. Ford told the Washington Post the Justice Department normally handles all litigation for all but a few Federal agencies.

"We have charge of all litigation under the Defense Production Act," he said, "and we intend to do our duty."

He added that he thought court action by the Justice Department on the basis of investigation by OPS would enforce controls "more effectively than under the old Office of Price Administration," which handled its own civil litigation during World War II.

Civil cases under the act are those in which the Government sues for damages, seeks court orders to obey its rulings, and the like. Criminal cases are those in which an individual or a firm is charged with violations of the act which carry fines and jail sentences as penalties.

One price-control official suggested two methods by which the differences arising from the apparent contradiction in the law might be ironed out:

1. Let the Justice Department redelegate civil prosecution to OPS by appointing several OPS lawyers acting assistant attorneys general.

2. Have Congress amend the act to permit OPS lawyers to appear in court to prosecute civil cases.

Ford said last night that such authority had been redelegated to "many" agencies as suggested by the OPS official. He did not say that this action was contemplated in the present case.

Unless some amicable arrangement is reached, OPS officials fear paralysis of the price-control effort by lawyers for defendants challenging in court the authority of either OPS or the Justice Department to prosecute.

In any event, it seemed clear that somebody will have to decide, at least for the time being, what Congress meant when it wrote a seeming contradiction into the law.

MAYORS' AID ASKED

No doubt Economic Stabilizer Eric Johnston or Defense Mobilizer Charles E. Wilson can decide whether OPS will surrender prosecution of civil cases. But only President Truman can resolve the difference if the stabilization agency insists on its interpretation of the law.

DiSalle, meanwhile, opened a Nation-wide drive for citizens committees to stimulate voluntary observance of control orders. He telegraphed mayors of 1,523 cities asking them to appoint committees whose task would be to keep citizens informed of control measures.

At the same time he promised "relentless prosecution" of price-control violators and told businessmen, who complied with voluntary price ceilings in December, they would be given higher ceilings when compulsory orders go into effect.

Mr. BRICKER. Mr. President, I ask unanimous consent to make a 2-minute statement with regard to the article which has just been placed in the RECORD.

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

Mr. BRICKER. Mr. President, on the first page of this morning's Washington Post there appears an article headed: "Enforcing of Controls in Dispute." The article was written by Mr. Marshall Andrews. It pertains to a controversy which has arisen between officials of the Office of Price Stabilization and the Department of Justice. The difference of opinion stems from what Mr. Andrews calls "an apparent discrepancy" in the Defense Production Act of 1950.

Mr. President, as a member of the Banking and Currency Committee, I recall the hours and the effort which went into the drafting of this legislation. As the author of one of the sections to which this newspaper article refers, I feel some responsibility for defending it and for resolving, if I can, the current misunderstanding. There may well be discrepancies in the Defense Production Act, but there is none in the sections now in dispute. From their language, and from the report of the Senate on the bill, I believe the intent of Congress is as clear and unambiguous as words can make it.

The first section in question is section 403 of the act, which prohibits the delegation of enforcement powers. It reads in part as follows:

At such time as the President determines that it is necessary to impose price and wage controls generally * * * he shall administer such controls * * * through a new independent agency created for such purpose. Such agency * * * shall not delegate enforcement of any of the controls to be administered by it under this section to any other agency or department.

This language was drafted by the Banking and Currency Committee of the Senate, and was accepted by the committee of conference to achieve and preserve a close interrelationship between the price- and wage-control programs, and to insure that the over-all responsibility would lie in the hands of a single administrator, to whom the Congress might address itself. In the words of the Senate report:

The committee was fearful that the delegation of Presidential authority to various executive agencies might lead to the dispersion of the price authority, for example, to two or more agencies with different standards of treatment for different classes of producers; or that the authority to control wages might be too far removed from the authority to control prices. In such cases the coordination by the President could be only nominal because of the great burdens borne by the President. The committee therefore provided that a single, new, independent agency should be responsible for the enforcement of all aspects of the program.

The new and independent agency to which the report refers is, of course, the Economic Stabilization Agency, and the man who is firmly responsible for its operations is Mr. Eric Johnston. So much of the congressional intent was apparently clear and was acted upon accordingly.

Mr. President, were the act otherwise silent on this matter, there would be merit in the contention of the official of the Price Stabilization Agency quoted in the news article in this morning's Post. But the act is specific and detailed with respect to litigation arising under it. Section 706 (b) of the act provides in part:

All litigation arising under this act or the regulations promulgated thereunder shall be under the supervision and control of the Attorney General.

Again, I do not see how the intent of the Congress could have been made more clear. Mindful of the abuses which arose during the administration of price controls during World War II, and anxious to avoid a repetition of such miserable administration, the Congress wisely exempted the power to appear in court from the enforcement powers granted to the price and wage control agency, and vested that power where it belongs—in the hands of the Attorney General of the United States. This salutary action on the part of Congress represented no lack of confidence in Mr. Johnston or Mr. DiSalle or Mr. Ching. At that time they had not been appointed, and no one imagined who the personnel would be. It represented, rather, a demonstration of the recognition by Congress that court appearances on behalf of the Government of the United States are peculiarly the exclusive province of the Attorney General. It represented the confidence of the Congress in the integrity of the Attorney General and the United States attorneys throughout the Nation. It represented a protest against and a safeguarding against the methods used during the last attempt at enforcing price and wage controls by a centralized agency in Washington. Finally, it represented a firm belief on the part of the Congress that this law, as any other law, should be finally enforced in court by the properly constituted local representative of the Government of the United States.

In conclusion, Mr. President, I was struck by the suggested remedies for the situation, as reported in this article, attributed to an unnamed official of the price control agency. They are, first, to let the Justice Department redelegate—although there was no delegation in the first place—the powers assigned it to the Office of Price Stabilization, from whom Congress withheld those powers. The second suggestion is that Congress amend the law. At the risk of seeming to propose a revolutionary change, Mr. President, I respectfully suggest a third alternative, namely, that the price-control agency comply with the law as enacted by the Congress of the United States.

REDUCTION OF BUDGET PROPOSALS—ANALYSIS BY SENATOR BYRD

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an analysis with recommendations as to the reduction of budget proposals.

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

ANALYSIS BY SENATOR BYRD

In a letter to the President on December 22, 1950, I suggested reductions in nonessential

spending totaling $7,600,000,000, based largely on estimated expenditures during the present fiscal year.

On January 15 the President submitted his budget for next fiscal year ending June 30, 1952, recommending domestic-civilian expenditures totaling more than $1,000,000,000 in excess of the estimates for this fiscal year. For this reason I am now revising my proposal to reduce nonessential Federal expenditures by $9,100,000,000 in comparison with the President's budget for next year.

Conditions confronting us make an austerity budget imperative, and that is what I propose. At a time when our survival depends upon national sacrifice I would strike pet projects and political spending not essential to defense. Even then my figure would allow more for domestic-civilian purposes than we spent in 1946 when we were descending from peak defense requirements.

For 1952 the President lumps foreign military and economic aid in a total of $7,500,000,000 and it is difficult to determine whether a large part of it is for military or economic assistance. I propose to eliminate all economic aid except that in the so-called pipeline. Previous estimates indicated economic aid this year would approach $4,000,000,000. If economic aid expenditures next year are comparable my proposal would save some $3,500,000,000. We can't send butter and guns.

I agree with the President that we must tax until it hurts and I would go further and reduce nonessential spending until it hurts. Without this combination we cannot hope to balance the budget or curb inflation, and we would impose an impossible burden on the free-enterprise system. We would start a series of deficits which may end in financial disaster.

The free-enterprise system is a greater deterrent to world conflict and a more dependable guardian of peace than a United Nations organization ever will be. It is the only force in the world today that Russia fears. It must be preserved.

Summary of the budget for fiscal year 1952—Receipts and expenditures

[In billions]

Receipts	1950 actual	1951 estimate	1952		
			Present rates estimated by President	New taxes proposed by President	Total
Direct taxes on individuals:					
Individual income	$17.4	$21.6	$26.0		
Estates and gifts	.7	.7	.8	$16.5	
Direct taxes on corporations	11.0	13.6	20.0		
Excise taxes	7.6	8.2	8.2		
Net employment taxes	.8	.8	.9	[1].2	
Customs	.4	.6	.6		
Miscellaneous receipts	1.4	1.3	1.3		
Deduct: Refunds	−2.2	−2.3	−2.7		
Total receipts [2]	37.0	44.5	55.1	16.7	$71.8

[1] $275,000,000 in new payroll taxes requested by President for socialized medicine, 1952 expenditures from these receipts, not shown in regular expenditure items, are estimated to begin at $35,000,000. Net receipts from these new taxes are estimated at $240,000,000.

[2] Figures may not add precisely to totals due to rounding.

Summary of the budget for fiscal year 1952—Receipts and expenditures—Continued

[In billions]

Expenditures	1948 actual [3]	1950 actual	1951 estimate	1952	
				Requested by President	Proposed by Senator Byrd
1. Legislative and judicial	$0.1	$0.1	$0.1	$0.1	$0.1
2. Interest, claims, etc	5.2	5.8	5.7	5.9	5.9
3. Veterans	6.6	6.6	5.7	4.9	4.7
4. Defense (including military, stockpile, NACA, Selective Service, Merchant Marine, Coast Guard, Alaska, Panama, Atomic Energy)	11.6	13.8	22.4	43.4	42.9
5. Foreign assistance (military and economic)	4.6	4.6	4.7	7.5	4.0
6. Domestic-civilian (excluding stockpile NACA, Selective Service, Merchant Marine, Coast Guard, Alaska, Panama, Atomic Energy) [4]	6.1	9.3	8.6	9.8	4.9
Total expenditures	34.2	40.2	47.2	71.6	62.5

[3] Fiscal year 1948 is included in this table because it comes most nearly representing the post-World War II peacetime era and peacetime prosperity.

[4] See tables which follow.

TAXES

Within the past year Federal taxes on income of individuals and corporations have been increased $8,000,000,000.

In his January budget message the President asked for $16,500,000,000 more in taxes during the coming year.

If these should be imposed Federal taxes would be increased more than 60 percent since last year.

EXPENDITURES

The President's expenditure budget proposes increases in every major category except veterans, and there the reductions are principally in World War II adjustment programs which are expiring. There are increases for interest, defense, foreign assistance, and domestic-civilian programs. Interest is the only category in which reductions are impossible.

The President has proposed domestic-civilian expenditures totaling $9,800,000,000, exclusive of defense, foreign assistance, interest on the debt, veterans, and exclusive of military supporting activities such as stockpiling, NACA, selective service, Merchant Marine, Coast Guard, Alaska and Panama development, and atomic energy.

This is an increase of $1,300,000,000 over estimated expenditures for domestic-civilian items for the current year. It is $500,000,000 more than we spent for domestic-civilian items last year. It is $3,700,000,000 more than we spent for domestic-civilian items in 1948 when postwar peace and prosperity were thought to be inclined toward stability. It is $6,200,000,000 more than we spent for domestic-civilian items in 1946 when, as now, we were in a semiwar economy.

Just as in the World War II period, agencies all over the Government are again attempting to increase their expenditures on the grounds that they are contributing to national defense.

Actually the proposed domestic-civilian items in the President's budget include all the major socialistic programs of recent years—socialized housing, agriculture, and medicine, and federalized education. This year we are told they are imperative to preparedness and national defense.

While the domestic-civilian programs include the so-called defense production and civilian defense items, many of them are both priced excessively in the budget and are open to boondoggle exploitation by Federal, State, and local agencies. For instance there would be enough so-called "defense production business loans" available to fill the woods with Lustron corporations.

DEFICIT

When the budget appeared there were increases in more than half of the domestic-civilian programs, decreases in about a third, and the remainder were about the same as estimates for this year.

The President said we must be taxed until it hurts. He did not propose that we reduce domestic-civilian expenditures until it hurts. Instead he relies on last September's $4,000,000,000 tax increase twice doubled to provide a balanced budget. This of course would assume:

1. Enactment of such tremendous new levies on individual and corporate income;

2. Our free enterprise system, already taxed nearly to confiscation, can expand plant, production and employment sufficiently to generate the income to produce this additional revenue; and

3. We shall remain in a "short of war" status.

Failure of any or all of these "ifs" to materialize would precipitate deficits which might easily go to $25,000,000,000 annually, unless we reduce expenditures.

DEBT

We entered World War I with a Federal debt of little more than $1,000,000,000. We started preparation for World War II with a Federal debt of little more than $40,000,000,000. We start the present military-defense-preparedness build-up with a Federal debt of more than a quarter of a trillion dollars. On this plateau of debt we shall pile the deficits we create from now on.

Like Samson's locks, our free enterprise system is the source of our strength—economic and military. The free enterprise system has absorbed an awful lot of hurtful taxes, but it cannot survive in insolvency, or even in an atmosphere of fiscal weakness.

SUGGESTED REDUCTIONS

Obviously our strength and preparedness in all respects depend upon reduction in nonessential spending.

To this end, in a letter to the President on December 22, 1950, I suggested reductions totaling between $7,000,000,000 and $8,000,000,000 in the expenditure budget for the coming year, beginning next July 1.

These reductions included a relatively small amount in Veterans' Administration and nonessential veterans' programs, excluding, of course, veterans' pensions and medical services; a half billion dollars through reduction in civilian employment by the military establishment; $3,500,000,000 from reductions in foreign economic assistance; and $3,600,000,000 from reductions in domestic-civilian programs.

Now that the President has submitted his requests for expenditures in fiscal year 1952, beginning next July 1, I restate my reduc-

tion suggestions in comparison with his new proposals. My suggestions may be summarized as follows:

Billions

1. The Veterans' Administration, now employing nearly 200,000, uses manpower excessively and it has been my observation that its administrative costs could and should be reduced without impairment of any services for veterans to whom the Government is obligated for bona fide war-connected sacrifices. Under terms of the recent single appropriation bill the Director of the Budget has demonstrated the accuracy of this observation and the President's budget proved still further reduction can be made. I suggest additional reductions in administrative costs and nonessential programs to the extent of $0.2
2. The Armed Forces are notorious for extravagant use of civilian manpower. They have been employing approximately 1 civilian for each 2 men in uniform as compared with 1 civilian for each 5 men in uniform at the World War II peak. The military effort would be strengthened if, through greatly needed efficiency, the Military Establishment's projected civilian employment of more than 1,250,000 were reduced by at least 150,000 with a saving of 5
3. In my Dec. 22 letter to the President I proposed a reduction of up to $3,500,000,000 in foreign economic aid. This suggestion was based on the estimate then that $4,000,000,000 would be spent in foreign economic aid in the current year. When the President submitted his budget he failed to disclose his complete estimate of the foreign economic aid expenditures in the coming year. Instead he combined foreign economic and military aid. His estimate for the combined aid in the current fiscal year was a total of $4,700,000,000 and his request for the combined aid in the coming year totaled $7,500,000,000. Such detail as is available in the budget document indicates that military assistance in the current year may be estimated at up to $1,000,000,000, leaving up to nearly $4,000,000,000 in foreign economic assistance. The budget detail reveals only $2,500,000,000 for military assistance in the estimates for the coming fiscal year, leaving up to $5,000,000,000 in foreign aid and other expenditures connected with foreign relations not specifically earmarked for military assistance. The budget message said the preponderance of aid in Europe will be military, but economic aid, through point 4 and other programs, around the rest of the world, with emphasis on Asia, Near East, and South America, was discussed at length. The foreign economic assistance policy was originally adopted by this country on the ssumption that it would expire next year. Military assistance is already overlapping economic aid in most recipient areas. Foreign economic aid in the new budget should not exceed commitments already made. Pending clarification and more specific estimates on expenditures for economic foreign aid I suggest reductions in economic assistance expenditures of up to $3.5
4. With reductions suggested in detail in the tables which follow, expenditures for domestic-civilian programs, including the postal deficit, should be reduced under the President's latest proposals by 4.9

Total reductions under President's Jan. 15 expenditure budget requests 9.1

The following table summarizes:

The suggested reductions under the President's Jan. 15 budget requests in domestic-civilian expenditures by major functions

[Compared with war, postwar, and new emergency years]

Expenditure categorie	Fiscal years (in billions of dollars)					
	War peak 1946 actual	Postwar 1948 actual	New emergency		Truman request 1952	Byrd proposal 1952
			1950 actual	1951 estimate		
DOMESTIC—CIVILIAN						
1. Social welfare, health, and security	1.0	1.9	2.2	2.5	2.6	1.6
2. Housing and community facilities (including mortgage purchases)	−.2	.1	.3	.4	−.1	−.2
3. Education and general research	.1	.1	.1	.1	.5	.1
4. Agriculture and agricultural resources (including CCC)	.7	.6	2.8	1.0	1.4	.8
5. Natural resources	.3	.6	1.0	1.3	1.2	.4
6. Transportation and communication (including postal deficit)	.4	1.0	1.4	1.5	1.1	.4
7. Finance, commerce, and industry	.1	.1	.2	.4	1.5	.4
8. Labor	.2	.2	.3	.2	.2	.2
9. General government	1.0	1.5	1.0	1.2	1.3	1.2
Total domestic—civilian [1]	3.6	6.1	9.3	8.6	9.8	4.9

[1] Figures may not add precisely to totals due to rounding.

Figures in the preceding domestic-civilian expenditure table, and in the more detailed table which is to follow, are exclusive of all military and related expenditure objects such as atomic energy, merchant marine, stockpile, National Advisory Committee for Aeronautics, Panama Canal, Coast Guard, and Alaska construction and transportation projects. They do not include any foreign military or economic aid expenditures. They do not include any veterans costs. They do not include any interest on the debt or refunds of erroneously collected taxes.

STATE AID

Expenditures for State-aid programs, now totaling nearly $3,000,000,000, account for about 25 percent of the domestic-civilian budget. They are to be found running through virtually all of the so-called major functions in this category—public assistance and health, housing, education and research, agriculture, resources development and recreation, transportation (including highways and civilian airports), business promotion, employment, etc.

In this critical period when the Federal Government must arm this Nation and meet its commitments to prop up half the world, the question of merit under ordinary conditions is not the paramount consideration. The degree to which they support the defense effort must be the controlling factor. These State-aid items must be reached if we are to reduce nonmilitary expenditures to the minimum required to give effective support to the defense effort, as the President promised in his address to the Nation on December 15, 1950. Most of them are tied to long-term statutory commitments.

Changes in State budgets would be necessary in some instances and many would require new basic Federal legislation for repeal, amendment, or suspension. It was to be hoped that the President in his budget message would recommend such legislation. But such recommendations were conspicuous by their absence. The States are now better able than the Federal Government to determine and finance the irreducible minimum of public assistance, public construction, resources development, and public health within their borders. If we are to take action in this matter, as we should, the States should be given notice immediately in order that they may conform.

CIVILIAN DEFENSE

Although the figures are scattered throughout many items in the budget document with no summary, it appears that the President has requested up to approximately $3,000,000,000 for so-called defense production loans and subsidies and for so-called civilian-defense projects exclusive of atomic energy, merchant marine, etc. In this $3,000,000,000 total there are included $265,000,000 for civilian-defense preparation including grants to States and localities for air-raid shelters, etc., something under $200,000,000 for defense housing and community facilities, $164,000,000 for dispersal of Government activities, and about $300,000,000 for economic-stabilization programs, including the cost of controls. The biggest item of all is $1,100,000,000 for so-called defense production loans and subsidies to business. The remainder of the civilian-defense and defense production money is scattered through numerous agencies and programs, including CAA, reclamation, highways, etc.

I suggest that the funds for defense production loans and civilian defense be reduced to not more than $1,500,000,000.

The principal difference between this suggestion and the President's budget proposals would be in the so-called defense production business loans and subsidies and in the virtual elimination of the proposal to disperse Government activities. I suggest elimination from the defense production loan and subsidy funds of all of the money proposed to be used as a club or blackjack over private business as a Government threat to establish plants in competition with private industry. I suggest that, as in the rest of the Nation, only those Government records and activities vital to the continuity of essential Government functions be removed to especially protected and secluded areas.

My suggestions leave adequate money for the civilian-defense program in terms of State and local shelter loans, essential emergency housing in defense areas, administration of necessary controls, and short-term business loans for defense plant expansion.

DOMESTIC-CIVILIAN PROGRAM

As I have shown in the preceding table, domestic-civilian expenditures may be grouped into 9 major functions. My suggested reductions cover nearly 100 domes-

tic-civilian programs within these 9 major functions. In addition to the more detailed discussion of the State-aid and civilian defense programs already given, my suggested reductions within the programs should be considered in view of the following explanations:

1. With respect to the social welfare, health and security function and programs: Most of the reduction proposals would be in public assistance and institutional construction grants to the States. The contributory social security system of course would not be affected. The original purpose of other public assistance grants was to fill gaps in the social security program. Social security insurance has been broadened this year. The war effort will require the labor of all who are able to work. Scarcity of materials automatically will curtail or halt nondefense construction. After the reductions suggested in this item it would still be a quarter of a billion dollars higher than it was in fiscal year 1946 when World War II ended.

2. With respect to housing and community facilities (including mortgage purchases): Adequate war effort precludes nonessential housing construction. This program already has been curtailed. It should be eliminated with the exception of essential defense housing. No new money would be provided, but returns from previous loans should meet the cost of housing for the war effort and finance State and local shelter grants. Repayments in these programs during fiscal year 1943, when the war ended, exceeded expenditures.

3. With respect to education and general research: This item includes an increase for scientific research directed to the war effort which is not evident in the rounded figures. Other items remain virtually unchanged from the present except a reduction in funds for the census.

4. With respect to agriculture and agricultural resources (including Commodity Credit Corporation): Reductions in this item are principally in Commodity Credit Corporation price supports and nonessential rural electrification construction. Price support receipts this year are exceeding expenditures. If food subsidies have to be imposed, such as they were in World War II, price support receipts should meet the cost as they did at that time. The reduced figure contemplates expenditures for rural electrification construction essential to the war effort.

5. With respect to natural resources: Major reductions in this item would be in nonessential public works by the Army engineers and the Bureau of Reclamation. But funds remaining for these projects would be 25 percent more than was available in fiscal year 1946 when we had both war and postwar conditions.

6. With respect to transportation and communication (including the postal deficit): Decreases in this item would be in nonessential highway, airport, and Army engineers construction, and the postal deficit. As in other categories of construction scarcity of materials automatically will halt or curtail all nonmilitary effort construction. The postal deficit should be wiped out under any circumstances. Those who use the mails should be willing to pay for the service. It disappeared during World War II. It should be eliminated now. Funds are provided for navigation aids and facilities, and regulation of transportation and communication necessary to the war effort.

7. With respect to finance, commerce, and industry: Reductions are made in expenditures for ordinary activities under this item but increases would be provided for export and domestic controls along with others provided for in the General Government function. Funds are provided also for short-term capital loans to industry for defense production expansion, but not for establishment of Government plants.

8. With respect to labor: The figures in this item contemplate the 1946 level of activity with an increase provided for labor training.

9. With respect to General Government: Provision is made for increased immigration control costs. It is assumed that some of the civilian controls incident to current conditions will be reflected in the cost of General Government functions. The suggested reduction takes into account increased costs of Federal civilian retirement.

SEMIWAR ECONOMY

It may be worthy of note that the following tables include comparative figures for fiscal year 1946. In that year we were descending from peak military requirements, and a good many wartime controls and activities were still in being, although curtailment was in progress during most of the year. In the coming year we shall be ascending in the direction of peak military requirements with controls and war-economy activities building up. Under my suggested reductions total expenditures for domestic-civilian programs in the coming fiscal year would be 30 to 40 percent higher than they were in fiscal year 1946.

Reductions suggested in domestic-civilian expenditures by programs within major functions are shown in the tabulation which follows:

Reductions in strictly domestic civilian expenditures—By programs within major functions

[In millions of dollars]

	Functions and categories	Fiscal years				
		1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd proposal 1952
	A. SOCIAL WELFARE, HEALTH AND SECURITY					
1.	Public assistance (FSA)	436	1,125	1,282	1,302	440
	Aid to special groups:					
2.	Vocational rehabilitation (FSA)		26	22	24	25
3.	School lunch program (Agriculture Department)	50	83	83	83	83
4.	Indian welfare and other (Interior)	(1)	29	41	43	8
5.	Other (FSA)	13	1	1	1	1
	Retirement and dependents' insurance:					
6.	Railroad Retirement Board	294	583	598	646	646
7.	Federal Security Agency and other	24	9	7	7	7
	Promotion of public health (FSA and other):					
8.	Federal, State, and local health services and medical education	179	242	349	380	225
9.	Crime control and correction (Justice)	78	91	107	106	98
10.	Accident compensation (Labor)	10	24	30	33	25
	Total social welfare	1,084	2,213	2,520	2,625	1,553
	B. HOUSING AND COMMUNITY DEVELOPMENT					
11.	Defense and civil defense housing (FCDA and RFC)	34		15	430	2 (500)
	Aids to private housing:					
	Housing and Home Finance Agency:					
12.	Federal National Mortgage Association		579	189	−530	−530
13.	Federal Housing Administration	−13	−30	−6	−5	−5
14.	Home Owners' Loan Corporation	−275	−242	−80		
15.	Other		5	7	−11	−11
16.	Veterans' Administration: direct loans			73	−5	−5
17.	Farm housing (Agriculture Department)		12	28	23	
18.	Reconstruction Finance Corporation	−45	−25	−40	−20	−20
	Other housing and community development programs:					
	Housing and Home Finance Agency:					
19.	Public housing programs	43	−37	158	−138	−138
20.	Loans to educational institutions			1	36	
21.	Slum clearance and urban development			10	65	
22.	Advance planning loans and other		4	32	15	
23.	Reconstruction Finance Corporation	3	−6	14	24	
24.	Other (including Interior)	73	1	8	14	
	Total housing and community development	−180	261	409	−102	−209
	C. EDUCATION AND GENERAL RESEARCH					
	Promotion of education: Office of Education:					
25.	General aid for operating elementary and secondary schools				290	
26.	Vocational education	27	27	27	27	30
27.	Education of children on Federal property and emergency areas			29	100	40
28.	Other programs		14	1	8	5
29.	Educational aid to special groups	13	5	7	8	8

[1] Indian funds not set forth in these functional categories in 1946.
[2] No new money to be provided. Expenditures to be exclusively out of receipts from previous housing operations

Reductions in strictly domestic civilian expenditures—By programs within major functions—Continued

[In millions of dollars]

	Functions and categories	Fiscal years				
		1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd proposal 1952
	C. EDUCATION AND GENERAL RESEARCH—continued					
30.	Library and museum services	6	9	11	12	6
	General purpose research:					
31.	National Science Foundation	[3] 34			3	[2] 40
32.	National Bureau of Standards		9	12	11	([2])
33.	Seventeenth decennial census (Commerce)	8	42	32	10	5
34.	Other (including Census Bureau)		8	7	8	
	Total education and general research	88	114	143	483	134
	D. AGRICULTURE AND AGRICULTURAL RESOURCES					
	Stabilization of farm prices and income:					
35.	Commodity Credit Corporation, price support supply and purchase programs (net)	—1,329	1,606	—296	238	
36.	Removal of surplus commodities	25	96	92	75	50
37.	International wheat agreement		76	117	115	115
38.	Sugar Act	54	60	61	70	70
39.	Federal crop insurance and other	—285	7	8	6	
40.	Financing farm ownership and operation	30	146	157	141	15
41.	Financing rural electrification and telephones	85	294	312	269	100
	Agricultural land and water resources:					
42.	Conservation and use (including administrative expense accounts)	311	275	309	304	300
43.	Soil conservation service and flood control	39	61	65	63	25
44.	Research and other agricultural services	137	163	161	148	150
45.	Food subsidies (CCC and RFC)	1,634				
	Total agriculture and agricultural resources	701	2,784	986	1,429	825
	E. NATURAL RESOURCES NOT PRIMARILY AGRICULTURAL					
	Land and water resources:					
46.	Corps of Engineers: Flood control	89	438	469	412	90
	Department of the Interior:					
47.	Bureau of Reclamation	62	298	349	265	75
48.	Power transmission (Bonneville, Southwestern and Southeastern Power Administrations)	9	36	54	65	55
49.	Indian land resources	([1])	26	41	25	2
50.	Bureau of Land Management and other	10	10	9	9	5
51.	Tennessee Valley Authority (net)	5	19	171	236	100
52	International Boundary and Water Commission and other	1	4	7	14	1
	Forest resources:					
53.	Forest Service and other (Agriculture)	40	75	86	93	50
54.	Department of the Interior	3	3	2	4	1
	Mineral resources:					
55.	Bureau of Mines and other (Interior)	21	34	29	33	25
	General resources surveys:					
56.	Geological Survey	12	16	18	22	18
	Fish and wildlife resources:					
57.	Fish and Wildlife Service and other		23	28	31	14
	Recreational use of resources:					
58.	National Park Service	5	22	36	33	5
	Total natural resources	257	1,004	1,229	1,242	441
	F. TRANSPORTATION AND COMMUNICATION					
	Provision of navigation aids and facilities:					
59.	Corps of Engineers	93	190	193	217	150
	Promotion of aviation:					
60.	Civil Aeronautics Administration	62	159	182	199	125
	Provision of highways:					
61.	Bureau of Public Roads	90	472	466	468	100
62.	Regulation of transportation	22	16	15	15	25
	Other services to transportation:					
63.	Reconstruction Finance Corporation	—43	—11	—3	—5	—5
64.	Coast and Geodetic Survey	17	12	11	12	12
65.	Postal service (deficit)	161	593	632	160	
66.	Regulation of communication	11	7	7	7	7
	Total transportation and communication	413	1,438	1,503	1,073	414
	G. FINANCE, COMMERCE, AND INDUSTRY					
	Defense production and economic stabilization:					
67.	Expansion of production (net)			260	1,100	200
68.	Allocations, price and wage controls			36	276	200
69.	Rent control	184	22	13	24	22
70.	Export control		4	3	4	4
	Business loans and guaranties:					
71.	Reconstruction Finance Corporation (net)	111	166	26	90	
	Business promotion and regulation:					
72.	Department of Commerce	11	26	19	17	10
73.	Antimonopoly programs	15	8	8	8	5
74.	Other	—2	6	6	6	
	Promotion, regulation of financial institutions:					
75.	RFC (net receipts)	—72	—12	—10	—8	—8
76.	Other (including Securities and Exchange Commission)	5	7	7	7	5
	Total finance, commerce, and industry	30	227	368	1,524	438
	H. LABOR					
	Placement and unemployment-insurance activities:					
77.	Department of Labor	146	214	165	165	75
78.	Railroad Retirement Board	13	13	7	10	10
	Labor standards and training:					
79.	Department of Labor	1	11	14	14	100
80.	Mine safety (Interior)	6	4	4	4	4
81.	Labor relations	18	13	13	13	13
82.	Labor information, statistics, etc	8	8	9	9	9
	Total labor	192	263	212	215	211

[1] Indian funds not set forth in these functional categories in 1946.
[2] No new money to be provided. Expenditures to be exclusively out of receipts from previous housing operations.
[3] 1946 budget included large expenditures within the "education and general research" category for wartime scientific research and development, and these therefore are accounted for in the 1952 proposals for expenditures in this category.

Reductions in strictly domestic civilian expenditures—By programs within major functions

[In millions of dollars]

Functions and categories	Fiscal years				
	1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd proposal 1952
I. GENERAL GOVERNMENT					
83. Dispersal of government facilities	----------	----------	6	164	----------
Federal financial management:					
84. Bureau of Internal Revenue	} 350	{ 227	248	254	254
85. Customs collection, debt management and other		{ 129	139	134	120
86. General Accounting Office and other	47	35	33	31	31
Other central services:					
87. Central property and records management (mainly GSA)	152	118	139	164	[4]164
88. Civil Service Commission	9	16	18	20	9
89. Legal Services (Justice)	5	8	9	10	5
90. Government Printing Office	9	9	10	11	10
91. Government payment toward civilian employees general retirement system	245	302	305	320	315
92. Executive direction and management	8	7	12	8	[5]100
Other general government:					
93. Immigration control (Justice)	35	31	33	36	35
94. Public buildings construction (GSA)	----------	9	38	9	([6])
95. Weather Bureau	25	24	25	26	25
96. Claims and relief acts (Treasury)	50	71	96	50	50
97. Other	33	58	67	41	30
Total general government	968	1,044	1,178	1,278	1,148
Grand total, domestic-civilian	3,553	9,348	8,618	9,767	4,960

[4] Includes emergency construction funds.
[5] Includes emergency civilian defense funds for Government agencies.
[6] Included in item I (87).

EFFICIENT OPERATION OF GENERAL ACCOUNTING OFFICE

Mr. MARTIN. Mr. President, I ask unanimous consent that I may speak for 3 or 4 minutes at this time, in making a statement for the RECORD.

The VICE PRESIDENT. Is there objection? Without objection, the Senator from Pennsylvania is recognized for 4 minutes.

Mr. MARTIN. Mr. President, in this time of expanding and wasteful Government, I desire to pay public tribute to a man and an agency for proving that efficient economy can be practiced—even here in Washington. It only takes the will to do it.

I refer to Lindsay C. Warren, the Comptroller General of the United States, and to the General Accounting Office which he heads.

I understand every Member of Congress received a copy of the letter of Mr. Warren dated January 29. The letter mentioned several important facts, including the reduction in personnel achieved by GAO in the past 5 years. In April 1946 the agency reached a peak of 14,904 employees. This number was whittled away, until it was down to 7,063 by the beginning of 1951. This was a reduction of 7,841 persons. It was done by increasing efficiency.

However, there are some figures which were not included in Mr. Warren's letter. I asked for them. I have just received the information, and want to call it to the attention of the Senate. It is further proof of the remarkable job done by Mr. Warren.

The salaries of the 14,904 employees in 1946 totaled $39,236,900 for that year. If there had been no reduction in staff during the past 5 years, the various salary increments to Federal employees in that period would have brought the total salaries up to $61,702,560 for this year.

But the General Accounting Office's budget for the new fiscal year asks only $30,325,000 for salaries. Thus, the saving in personnel will mean an important dollar saving for the taxpayers in the 1 year. It comes to $31,377,560.

Let me go further and remind the Senate of another point. In the past several years, most Federal agencies have grown in staff size. They have not reduced. Consider the millions of additional dollars it would cost our citizens if the General Accounting Office had been growing.

The GAO is an example of how big cuts can be made in the civilian personnel of the nondefense agencies; and I am sure greater efficiency and economy could be brought into the defense agencies, as well.

The saving of 7,841 persons in personnel is the equivalent of more than two full regiments of infantry.

If this kind of efficiency were spread all across the Government, we would have hundreds of thousands of civilians who could be used for the Armed Forces and for essential jobs. It would go a long way toward reducing the manpower squeeze. The saving could bring many divisions to the armed services.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, Mr. Warren's letter, a copy of which was received by every Senator.

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

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, January 29, 1951.

DEAR SENATOR: With the many vital problems before the Congress today, I know you don't have time to read annual reports of Government agencies. Anyway, ours is still in the process of printing. But, knowing of the interest of Members in the General Accounting Office, an agent of the Congress and a part of the legislative branch, I believe there are certain facts you will want to know. That is the reason for this letter.

The General Accounting Office is an independent and non-political agency. It is a part of our system of checks and balances. It audits and settles the accounts and claims of the Government, and advises and assists the Congress and the agencies on matters relating to expenditures.

The Comptroller General is appointed for a term of 15 years and cannot be reappointed. He can be removed from office only by the Congress.

During recent years, when it seems the Government has been expanding beyond all reasonable comprehension, the GAO has proved that it is possible to reduce employees. In April 1946, the number of employees reached a peak of 14,904. There were 7,063 employees on January 1, 1951, a reduction of 7,841 in the last 5 years, of whom 779 were transferred to the Post Office Department. This has been accomplished through constant surveys of our work and the elimination of procedures which serve no useful purpose under present conditions.

For example, just recently I abolished the Accounting and Bookkeeping Division of the GAO. This Division employed 325 people. Certain of the work formerly carried on by that Division has been transferred to other divisions. However, it will be possible to carry out the work transferred with 61 people, making a reduction of 264 people and an annual salary savings to the GAO of nearly $1,000,000. There will be no loss of control of public funds. In fact, the revised procedures should enable the GAO and the Government generally to do a more competent job.

While practically every agency of the Government will ask for increased funds for 1952, the GAO will request less money than was made available to us for 1951.

A few statistics on our work in the last year: 25,300,000 vouchers audited; 492,000 claims settled; 318,000,200 checks reconciled; 12,400 decisions rendered to departments, agencies, claimants, and others; inspections made of 945 different Government offices; 34 comprehensive audits submitted to Congress (for the first time since the Government Corporation Control Act of 1945 audits of Government corporations were up to date); 685 reports made to Congress and its committees; and 3,500 replies made to inquiries from individual Members of Congress.

The GAO is one of the few agencies that not only pays its way but in addition makes a substantial contribution each year to the

Treasury. Collections from 1941 through December 31, 1950, total $718,100,000. This money had been illegally or otherwise improperly paid out and it is a fair statement to say that little of it would have ever been recovered except for the General Accounting Office. Collections are impressive, but also important is the prevention of illegal or improvident use of funds without waiting to collect back what has been paid out illegally.

The joint accounting program inaugurated in December 1947 by the Secretary of the Treasury, the Director, Bureau of the Budget, and myself is achieving remarkable success. As a result of the program and of legislation enacted by the Congress, accounting improvements and red-tape cutting are going forward with rapid acceleration.

The GAO is expanding comprehensive, on-the-site audits which bring about broader coverage, more effective results, less paper work, and reduced flow of documents into Washington.

During the Eighty-first Congress, the GAO supported the enactment of a number of laws which made possible some of the improvements just mentioned. Probably the most important are the Budget and Accounting Procedures Act of 1950, and the Post Office Department Financial Control Act of 1950. The Budget and Accounting Procedures Act, among other things, permits the elimination of certain procedures upon determination that the interests of the Government are otherwise protected. This made possible the abolishment of the Accounting and Bookkeeping Division mentioned above, but this is only an example. Many other benefits have resulted and will continue to come about. The revisions of procedures and improvements made have reached into every agency of the Government.

The Post Office Department Financial Control Act made possible the abolishment of the Postal Accounts Division of the GAO last November 15. The administrative accounting work which had been done for the Post Office Department has been turned over to that Department. The GAO should never have been given those duties in the first place. I have set up a new Postal Audit Division which will make comprehensive, up-to-date audits of postal financial transactions.

It is essential to our economic survival not only that the national defense be strengthened, but that it be done as effectively and economically as possible. On this score, the GAO bids fair to make a real contribution. We will not only audit defense spending, but will also concentrate to seek out excesses, waste, and extravagances in the defense program. At the same time, we will continue to keep a watchful eye on civilian spending to ferret out those extravagances and frills which our country should not and cannot now endure.

This letter is for your own information and no reply is necessary.

With best wishes, I am,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. MARTIN. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, Mr. Warren's memorandum to me setting forth these figures.

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

Appropriation for the General Accounting Office for the fiscal year 1946, when a peak of 14,904 employees was reached	$39,236,900
Had reductions in personnel not been made in the past 5 years and 14,904 were required for the fiscal year 1952, and taking into consideration pay raises that have been given employees by law since 1946, there would be required for the General Accounting Office for 1952 an appropriation of	$61,702,560
Budget estimates for the General Accounting Office for the fiscal year 1952 are	30,325,000
Projected cost on the basis of 14,904 for 1952	61,702,560
Actual budget estimates for the fiscal year 1952	30,325,000
Difference	31,377,560

NOTE.—The amounts shown are for salaries only. Additional amounts were included and will be included for 1952 for housekeeping functions such as rents, rental of equipment, supplies, etc.

WILLIAM THE SILENT AWARD

Mr. MORSE. Mr. President, I have two matters I wish to have inserted in the RECORD, but I should like to have unanimous consent to read two pages of explanation of one, and unanimous consent to take not more than 2 minutes to explain the other.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. MORSE. Mr. President, recently the people of the Netherlands established an annual journalism award, known as the William the Silent Award, to commemorate 14 brave American correspondents who were killed in an airplane crash near Bombay on July 12, 1949, on their return trip from an assignment in Indonesia. The first annual award was presented to Daniel L. Schorr, special correspondent of the Christian Science Monitor, at a reception and dinner at the Waldorf Astoria on November 2, 1950. The President of the United States, deeply moved by this gesture of friendship on the part of the people of the Netherlands, gave his blessing in the following message:

I am indeed happy to take note of the gracious gesture which the people of the Netherlands are making through establishment of the William the Silent Award, in memory of the 14 distinguished American correspondents who were killed in a plane crash while returning from Indonesia a year ago. In terms of money the award is most generous, but even more impressive is the spirit which prompted it. There could be no more suitable memorial to the newspapermen who so tragically lost their lives than this splendid contribution to a better understanding among the peoples of the world.

By way of digression, Mr. President, I desire to say that it is not at all surprising that the President of the United States should send such an inspiring message to the banquet at the Waldorf Astoria on the occasion of the awarding of this particular award. One has only to read the great inspirational speech of the President last Saturday at Philadelphia in dedicating the memorial to the four war hero chaplains honored at that service to understand the deep human feelings and human understanding of the President of the United States. In this particular message which he sent to the meeting at the Waldorf Astoria in connection with this award, he again demonstrated that depth of human understanding.

Also at that meeting Dr. William Drees, Prime Minister of the Netherlands, expressed his fullest approval by the following message:

I warmly approve of the establishment of the annual William the Silent Award for Journalism in memory of the American journalists who lost their lives in the line of duty on their return from Indonesia.

The bonds between Holland and the United States of America are centuries old. Netherlands initiative has contributed to the establishment of the first settlements on the North American Continent. During the formation of the American Republic, Benjamin Franklin testified how much Americans and Dutch had in common in their pursuit of freedom. This the William the Silent medal will commemorate.

The Second World War, during which America contributed so much to the liberation of the Netherlands, has forged new ties. May this award, which through its name and its symbol is dedicated to the great founder of Netherlands freedom, further fortify these ties between us.

This event, Mr. President, is, in my considered opinion, one of great international import and deserves to be recorded in the annals of human relations. In these troublous times, when the world democracies seek to draw closer together to form an impenetrable ring against the threat of totalitarian aggression, any gesture which aims at cementing friendships between those democracies with a common goal, becomes by itself a project for the advancement of human welfare and the attainment of world peace.

The United States, Mr. President, is now facing formidable enemies whose plan and purpose are to attack the very foundation of our democracy and the concept of human dignity to which our Government and Nation are dedicated; but the United States can proudly count upon the friendship of many nations whose devotion to a common democratic ideal is well-known to everyone. Among these nations is the Netherlands. I was deeply moved, Mr. President, as were the President of the United States and many other Americans prominent in every walk of life, by the noble example of the people of Holland in connection with this award.

Although I knew casually many of the newspapermen who lost their lives in the crash in Indonesia, I had two very close personal friends among them, Frederick W. Colvig, of the Denver Post, formerly of the Portland Oregonian, and George Moorad, of the Portland Oregonian. As an Oregonian, I desire to join in my expression of deep appreciation to the officials of the Netherlands for the tribute and recognition they have given to these great newspapermen, in memory of their heroic services in Indonesia on the mission which ended in their deaths. With this in mind, I ask unanimous consent to insert in the body of the RECORD an account of the proceedings of the presentation of the William

the Silent Award, together with the text of the article which won the award.

There being no objection, the account of the proceedings and the text of the article which won the award were ordered to be printed in the RECORD, as follows:

FIRST WILLIAM THE SILENT AWARD PRESENTED AT WALDORF—FOURTEEN AMERICAN CORRESPONDENTS WHO DIED IN BOMBAY CRASH HONORED IN SILENT TRIBUTE—FOUR HUNDRED GUESTS PROMINENT IN GOVERNMENT AND JOURNALISM ATTEND PRESENTATION DINNER—DANIEL L. SCHORR, CHRISTIAN SCIENCE MONITOR CORRESPONDENT, WINS FIRST ANNUAL AWARD

At a reception and dinner at the Waldorf Astoria Hotel on November 2 the first annual William the Silent Award for Journalism was presented to Daniel L. Schorr, special correspondent of the Christian Science Monitor. Four hundred guests prominent in journalism, education, and government witnessed the presentation of a gold medal and $2,500 in cash by Albert Balink, chairman of the award committee, to Erwin Canham, editor of the Monitor, who accepted the prize for Mr. Schorr, who is now in Amsterdam.

The award was given to Mr. Schorr for having written, in the opinion of the judges, the best article published in an American newspaper or magazine during 1949 on United States-Netherlands relations.

His article was a simple story of the reciprocation of a small Netherlands town to a town in Arkansas when it was struck by a tornado in January 1949. The town was Borculo, Holland, which in 1925 had suffered a similar catastrophe, and the American people contributed to the rebuilding of the town. Mr. Schorr's article told how the whole town of Borculo devoted all its limited resources toward the restoration of the grassroots American town.

The national committee for the award consisted of John C. L. Andreassen, Director of Administration of the Library of Congress; Herman B. Baruch, former United States Ambassador to the Netherlands; Elliott V. Bell, publisher of Business Week; Charles F. Brannan, Secretary of Agriculture; George T. Cameron, president of the San Francisco Chronicle; Erwin D. Canham, editor of the Christian Science Monitor; Oscar L. Chapman, Secretary of the Interior; Fred S. Ferguson, president of N. E. A. Service, Inc.; Palmer Hoyt, editor and publisher of the Denver Post; Julius Klein, brigadier general, United States Army; John S. Knight, publisher of the Chicago Daily News; James A. Linen, publisher of Time; Henry R. Luce, editor of Time, Life, and Fortune; E. B. MacNaughton, president of the Portland Oregonian; J. Howard McGrath, United States Attorney General; Curtis McGraw, president of McGraw-Hill Publishing Co.; Eugene Meyer, president of the Washington Post; Dr. J. H. van Roijen, Netherlands Ambassador to the United States; Walker Stone, editor of the Scripps-Howard Newspaper Alliance; Theodore C. Streibert, president of radio station WOR; Juan T. Trippe, president of Pan-American World Airways System; and Alan Valentine, Economic Stabilization Administrator.

Judges of the competition were Peter Edson, president of Overseas Writers; Radford E. Mobley, president of the National Press Club; Thomas L. Stokes, president of the Gridiron Club; and Esther Van Wagoner Tufty, Washington correspondent. Members of the executive committee were Albert Balink, chairman; J. A. de Lanoy; Jan Hoven; and J. T. Planje.

Chairman of the evening was Dr. Harry D. Gideonse, president of Brooklyn College, who introduced the other speakers. Mr. Balink addressed the gathering in his capacity as chairman of the executive committee. Following is the text of his remarks:

"We are gathered here in tribute to 14 American newspaper reporters who died in an airplane crash in Bombay, India, on July 12, 1949, on their return home from an assignment in Indonesia, which cut short their productive lives. These reporters went half way around the world seeking the truth in a complicated, explosive situation, from which emerged the new country of Indonesia. From the typewriters of these American newspapermen came neither the so-called 'Dutch' side nor the 'Indonesian side.' They only wrote the truth as they saw it. The people of the Netherlands understood and respected that.

"When the news of the death of these Americans reached Holland, the Dutch people were plunged into sorrow. The Honorable Dr. Herman Baruch, at that time the American Ambassador to the Netherlands, will tell you personally how the Dutch people took these Americans to their hearts.

"So that we may never forget them, and so that we may also honor the colleagues of these American newspapermen who are carrying on their work, the Netherlands people have established an annual award, to be called the 'William the Silent Award.' This award will be given to some member of the American working press for excellence in writing Netherlands-connected stories.

"In selecting the name 'William the Silent' the people of the Netherlands, who spontaneously made the award possible, reflect their grateful respect upon the 14 correspondents and the tradition of American journalism they represented. William the Silent was the kind of personality any newspaper writer would like to cover. He was the father of his country. He was to the seven provinces of the Netherlands what Washington is to the United States. He also might be called a 'Dutch' Thomas Jefferson. Born 400 years ago, William the Silent grew up in the perilous days of feudalism. Democracy was an unestablished ideal. But William the Silent believed in the democratic way of life, whether he called it that or not. Born a prince, he defied those of the ruling class who usurped unfair privileges. In the Netherlands history books he is quoted as saying: 'When a prince violates the peoples' right and tramples their liberties as if they are slaves, then he is not a prince but a tyrant.'

"Towering far above the times he lived, William the Silent was one of the first and one of the most valorous leaders in modern times who led the march toward the democratic way of life. He was intolerant of just one thing—intolerance. He gave all his wealth and all his inherited lands to the struggle for liberation of his country and, in a broader sense to the cause of freedom of worship. As a result of his fight, Holland in subsequent years became the proverbial haven for the persecuted peoples of all Europe, whether they fled to this palladium of freedom because of religious or racial suppression.

"History also proclaims William the Silent as a brilliant conversationalist, and one of the most outspoken men of his time, although he was called 'William the Silent.' Some reporter of that time probably called him that because he kept his public speeches short and his secrets were kept secret. With silent strength he fought dictatorship and brought to his country freedom of worship and speech at a time of caste and prejudice. No wonder the people of Holland drafted him to be their king. Symbolically, he refused to wear a crown. So the people of Holland today put the name of their most beloved and revered national heroes upon the award honoring the American press.

"In honoring those 14 people, they aim to honor the idea of freedom of the press. Also, they humbly hope it may help two friendly countries become more friendly through a deeper mutual understanding. That's why the $2,500 annual award is to be given 'to encourage recognition of democratic kinship between the Netherlands and the United States of America.'

"The Netherlands Government, I want to make it clear, although warmly approving of this tribute, has not been asked to contribute. The sponsorship of the William the Silent Award for Journalism comes entirely from private sources—from the people of the Netherlands themselves. Benjamin Franklin and John Adams, signers of our Declaration of Independence, credited the Netherlands with holding the torch for what became the Republic of the United States. William the Silent first held that torch. The two countries have been friends ever since. They have helped each other. The Netherlands was the first to grant a loan to the fledgling Republic. The Netherlands was the first to salute the American flag. In more recent times, the two countries have fought on the same side in world struggles for freedom * * * and have worked together through the aftermath of rebuilding.

"We are honored tonight by the presence of many distinguished members of the American press who carry on the work of the men we commemorate today. We are honored tonight by the presence of many distinguished members of the Netherlands press whose reports about America to the people of the Netherlands account greatly for the admiration the Dutch people have for the people of the United States. We are honored tonight to have with us distinguished members of both Governments. We are honored to have in our midst almost all the distinguished members of the Netherlands delegation to the United Nations. We are honored tonight to have with us many distinguished leaders in business who keep going the machinery and the economy of the democratic countries.

"But all of us, as we are gathered here, whatever the exaltation or modesty of our way of life, we belong to the people. As such we are all vitally interested in the truth. Indeed, there is no one among us whose happiness does not depend on the truth. These correspondents knew it. And the newspapermen who are carrying on their work know it. They do not merely have a job. They are men dedicated to truth. They serve truth, for truth is democracy's strongest atom bomb. This constitutes a very good reason for the establishment of this journalism award. But there is another compelling reason.

"The pyramid of world peace is built by individual nations firmly working together. They build peace with the cement of truth. It is therefore, the belief of the Dutch founders of this living memorial, that there is nothing limited, that there is nothing provincial in the outspoken friendship between two democratic nations. In associating themselves with the William the Silent Award (this living memorial dedicated to truth), they are strengthening the lofty structure of the United Nations.

"The President of the United States said: 'There could be no more suitable memorial to the newspapermen who so tragically lost their lives than (the William the Silent Award) this splendid contribution to the better understanding among the peoples of the world.'

"And now in tribute may I ask you to rise while I read the names of those we honor today: Nathaniel H. Barrows, Chicago Daily News; James H. Branyan, Houston Post; Frederick W. Colvig, Denver Post; Elsie B. Dick, Mutual Broadcasting Co.; Thomas A. Falco, Business Week; Charles Edward Gratke, Christian Science Monitor; S. Burton Heath, Newspaper Enterprise Association; Bertram D. Hulen, the New York Times; H. R. Knickerbocker, radio station WOR, New York; Lynn C. Mahan, vice president, Theodore Swanson & Co.: Vincent Mahonev.

San Francisco Chronicle; George L. Moorad, Portland Oregonian; William R. Newton, Scripps-Howard newspapers; John G. Werkley, Time, Inc."

The 400 guests while standing, listened to the roll call of the correspondents in a silent and solemn tribute.

SPEECH BY AMBASSADOR VAN ROIJEN

Following Mr. Balink's address, Dr. Gideonse introduced Dr. J. H. van Roijen. Following is part of Dr. van Roijen's speech:

"The Prime Minister of the Netherlands, Dr. Drees, some months ago sent a message of encouragement and appreciation to the William the Silent Award Committee. The Netherlands Minister of Education recently announced that the designing of a medal had been decided on by the Government as a means of expressing their sympathy with and appreciation for the establishment of the award. I consider it a privilege to be here tonight, as the representative of and spokesman for that Government and to be able to add my personal tribute to theirs. The original idea of establishing the William the Silent Award was born in the minds of one or two private individuals and the funds necessary to finance the prize in this year and the coming years were donated by private persons and groups. To state this is not to reveal a secret, this fact is known and has been published before. I mention it again, however, to call special attention to what in my opinion is a very important aspect of this award and its background.

"It is fair to say that it is the Netherlands people who through some of their citizens have undertaken clearly to show that they wish to promote an ever growing consciousness of the democratic affinity between the United States and the Netherlands and that they consider the press to be one of the most effective media to achieve this end. * * *

"It is not only through governments * * * that foreign relations between nations are maintained, strengthened or weakened. There are many other media for affecting the relations between peoples. I am thinking of international conferences of scientists and experts in many fields, of exchange of professors and students, of visits of tourists, of the conduct of armed forces of occupation or of liberation, of literature and newspapers * * *. In all this, honest information is required and even essential. The press is one of the most effective means of disseminating collective information. And the press means the journalist.

"We are not here tonight however to think only about peoples and their relations. The William the Silent Award has been established to encourage journalists and authors to bring about better appreciation of the democratic affinity between our two countries. The generous donors of the award apparently assume that this affinity exists.

"I believe they are right.

"We have the testimony of American GI's who took part in the liberation of Holland. We also know, that Dutch immigrants in this country in almost all cases adapt themselves quickly and make happy and successful citizens. The affinity however goes deeper than the level of behavior and of getting along well with each other. It shows itself in a similar concept of government and nation * * *.

"The affinity between our two nations * * * is probably shown best in their conception and vindication of the right of a people to national independence even by revolution, as laid down in our Abjuration of the King of Spain in 1581 and in the American Declaration of Independence of 1776. It is a debatable point whether the text of abjuration by the States General of the United Netherlands was or was not actually used 200 years later by Thomas Jefferson when he drafted the Declaration of Independence, an interesting question for historians. However this may be, the similarity in the considerations and even in the wording of the two documents is very striking. This last example of our affinity leads me to say a few words about the man who must be considered as the founder of the Netherlands as a state and who bore the name, given to the award which has brought us here together tonight.

"William the Silent, Prince of Orange, was the leader of the Dutch people in their struggle for independence. In that struggle he was called upon to sacrifice his son, his personal fortune, and, finally, his very life. William was also the man who gave first expression to the right, the duty even, of a people to depose a king if the king does not govern them according to justice and does not love and support them as a father his children or a shepherd his flock * * * but on the contrary oppresses them * * * exacting from them slavish compliance * * * particularly when this is done deliberately. It is apparent to all that a prince is constituted by God to be ruler of a people, to defend them from oppression and violence, as the shepherd of his sheep. This is what the law of nature dictates for the defense of liberty.

"These quotations are taken from the Dutch Abjuration. The climate of thinking and the basic principle shows a striking similarity to those laid down in the Declaration of Independence: 'All men created equal * * * endowed by their Creator with certain inalienable rights * * * that to secure these rights governments are instituted among men * * * that whenever any form of government becomes destructive to these ends it is the right of the people to alter or to abolish it and to institute new government * * * it is their duty to provide new guards for their future security.'

"The words of the Abjuration of King Philip of Spain were not written by William the Silent, but by the States General of the Netherlands. They were, however, inspired by him and followed by only 7 months the publication of William's 'Apology.' In this remarkable document, read before the States General on December 13, 1580, the Prince of Orange explained why he had accepted to lead the Dutch nation in its struggle against the King of Spain. King Philip incidentally had just drawn up a ban against him (March 15, 1580), proclaiming him an outlaw and the chief disturber of the whole state of Christendom, forbidding all his subjects to communicate with him openly or privately, to administer to him victuals, drink, fire or other necessaries and allowing all to injure him in property or life. As a refutation of the statements and implications of this ban, William of Orange wrote his 'Apology,' renunciating openly Philip's sovereignty. The document was laid by him before the States General with an accompanying letter, in which he wrote: 'Je vous reconnais seuls en ce monde pour mes supérieurs.' With good reason it is said by the award committee that William the Silent was an exemplar of democratic ideals 400 years ago and that he first held the torch in the Netherlands for what later became the Republic of the United States.

"Mr. Chairman, ladies and gentlemen, I have perhaps dwelt too long on some phases in the history of our two peoples. A few words on the present time and on our world of today. A bronze plate is set in the wall of the main corridor of the Jay H. Neff Hall, one of the buildings of the University of Missouri, and the home of the oldest school of journalism in the United States. The bronze plate carries a description of what is considered as essential in a good journal and in a good journalist by Walter Williams, the first dean of that school. He called it: 'The Journalist's Creed.' This creed contains a few statements from which I quote the following two. First: 'I believe that a journalist should write only what he holds in his heart to be true,' and further: 'I believe that the journalism which succeeds best—and best deserves success * * * is profoundly patriotic while sincerely promoting international good will and cementing world comradeship.'

"Better understanding among peoples is needed now more urgently than ever. The truly ambitious and far-reaching plans and treaties with their almost global implications, which the Governments of the great and smaller nations have concluded and are in the process of implementing, can achieve the underlying purpose of peace and prosperity only when understood and supported by their peoples. Knowledge and correct information must precede understanding. The press is an indispensable channel to bring full information, not only on domestic matters but in no smaller degree on international issues. Here lies the responsibility of the newspaper and of the individual journalist.

"When on July 12, 1949, the 14 American reporters so tragically crashed near Bombay they were returning from a fact-finding tour, during which they had reported and intended to continue to report only what they held in their hearts to be true. The subject happened in this case to be Indonesia, but they would with the same honesty have reported on situations in any other part of the world. It is a fact that they all had been living up to the standards laid down in Dean Williams' credo; * * * 'I believe that the journalism which succeeds best—and best deserves success—is profoundly patriotic while sincerely promoting international good will and cementing world comradeship.'

"Wholeheartedly do I join those who have paid tribute to those 14 men and women.

"Finally, in stressing once more my deep appreciation for the establishment of the William the Silent Award for journalistic work on the Netherlands and the United States, I wish to express my profound conviction that bringing about a better insight into the democratic affinity between our two countries is to be looked upon as an aspect—be it to one of the highest importance—of the urgently needed strengthening of ties between all the members of the greater family of nations. In other words, as the President of the United States has written in his letter of July 11, 1950: 'The donors of the award have made a contribution to a better understanding among the peoples of the world.'

"The 14 American journalists cannot be better honored than by continued reporting on world affairs by others according to the standards formulated by Dean Williams and applied and lived up to so fully by those 14 men and women themselves."

Dr. Herman Baruch, former United States Ambassador to the Netherlands, who was accompanied at the dinner by Mrs. Baruch, in a moving speech described how the people of the Netherlands had taken the American correspondents to their hearts. He paid glowing tribute to the deep-rooted friendship between the United States and the Netherlands.

Announcement of the award winner was made by Mr. Truman Felt, chairman of the board of the National Press Club, on behalf of the committee of judges. Presentation of the award was made by Mr. Balink, and it was accepted by Mr. Canham for the absent winner. Mr. Truman Felt said that Americans were particularly impressed by the fact that the Dutch people had insisted that the award winner should be selected by a committee of American judges.

Present on the dais during the dinner, in addition to Mr. Andreassen, Mr. Hoeven, Mr. Streibert, Mr. Ferguson, Dr. Baruch, Mr. Canham, Dr. van Roijen, Mr. Balink, Dr. Gideonse, Mr. McGraw, Mrs. Tufty, Mr. Felt, General Klein, and Mr. Planje, were Larry Laybourne of Time; William Ucker of the United States State Department; Mrs. Helen

Rogers Reid, president of the New York Herald Tribune; Jack Lockhart, assistant general manager of the Scripps-Howard Newspaper Alliance; Turner Catledge, assistant managing editor of the New York Times; and Kenneth Kramer, executive editor of McGraw-Hill publications.

AMERICANS APPLAUD AWARD

Numerous letters and telegrams of congratulations from persons prominent in Government, journalism, education, and business were received by the executive committee of the William the Silent Award for Journalism.

President Truman wrote:

"I am indeed happy to take note of the gracious gesture which the people of the Netherlands are making through establishment of the William the Silent Award, in memory of the 14 distinguished American correspondents who were killed in a plane crash while returning from Indonesia a year ago. In terms of money the award is most generous, but even more impressive is the spirit which prompted it. There could be no more suitable memorial to the newspapermen who so tragically lost their lives than this splendid contribution to a better understanding among the peoples of the world."

Secretary of Defense George C. Marshall wired:

"I regret exceedingly that pressure of duties precludes my joining you in honoring the free press of America through the William the Silent Award. The people of the Netherlands in sponsoring the award in memory of newspapermen who lost their lives while returning from assignments in Indonesia are making a valuable contribution to freedom of the press and to understanding and peace among the people of the world."

From the White House, Mr. W. Averell Harriman, special assistant to the President, wired:

"This occasion is an extraordinary one. It is a reminder of the ties which unite Holland and the United States—ties which go back to the early days of this country when Dutch settlers brought with them a spirit of tolerance, a spirit of democracy, and a spirit of freedom that left a deep imprint on our American culture and our American heritage. It is a reminder, too, of the part which William the Silent played in the creation of these conceptions as we know them today. In these troublesome days we have rediscovered their true meaning and have united to defend them, for the great struggle of our times centers around these ideals.

"From those early days to the present, the people of Holland and of the United States have had close and friendly relations, based on mutual respect and a common attachment to these cardinal principles.

"The decision of the people of Holland to establish this award on behalf of the American press is not only an act of generosity and friendship, but an act of wisdom and insight. For in this struggle of ideas, a free press plays a major part and the men and women of the press have a special responsibility to inform, to explain, and to educate, so that our faith in these conceptions will remain strong and our determination to defend them firm.

"This simple act of establishing the William the Silent Award is an act of deep significance. It is a reminder of the past and an inspiration to the present. We are deeply grateful to the people."

Attorney General J. Howard McGrath said in a telegram:

"I heartily join with you in honoring at the William the Silent Award for Journalism dinner, the American correspondents who lost their lives in the search for truth."

Maurice J. Tobin, Secretary of Labor, sent the following communication:

"One of the greatest contributions that can be made in the interests of peace and the spreading of democratic ideals throughout the world must come from the printed word with the peoples of all nations being informed factually and accurately of current events.

"This grave responsibility rests on the shoulders of the courageous and aggressive members of the fourth estate who, since the beginning of our great country, have been the molders of public opinion in helping to shape the destiny and future of our democracy.

"The tragic accident near Bombay more than a year ago removed from this earth 14 renowned American journalists who linger in our memories as twentieth-century pioneers in spreading the gospel of freedom and democracy on a global basis.

"As we pay tribute to their memory and the great ideals they represented in their lifetime, we also hail the accomplishments of the present in bringing to the attention of all the achievements of an outstanding American journalist who has pointed up his writings with the shining light of democracy and the spirit of all for one, and one for all.

"On such a momentous occasion we pay deserved honor to a member of that great body of men and women, often unsung and anonymous in their great endeavors, who have contributed so much to what has become known throughout the civilized world as the American way of life. May your great work continue to go forward with unlimited success in cherishing the heritage of freedom of the press and expression handed down to you over the years."

Warren R. Austin, United States representative to the United Nations, wrote:

"The William the Silent Award, in the years to come, can be an important influence for peace. Peace rests on understanding among peoples, and the foundation of understanding is truth.

"American journalism has strong roots in the free traditions of the Netherlands. History is evidence that the press of both of our countries has shown great courage on behalf of the truth in times of wars and oppressions, when the penalties for reporting the truth were imprisonment and sometimes death.

"The first William the Silent Award strengthens courageous journalism dedicated to the truth, at a time when truth itself is under ceaseless attack throughout the world. The newspapermen whose tragic death promoted the creation of this award (some of whom I knew personally) would rejoice in such a memorial."

Gov. Thomas E. Dewey wired:

"It is a wonderful thing the people of the Netherlands have done in establishing this award to commemorate the 14 American correspondents who were killed in an airplane crash near Bombay on July 12, 1949. Two of these reporters, Burt Heath and Fred Colvig, were personal friends of mine, and I want to join with you in paying tribute to their memory and to the others who died in that tragic accident. Won't you also please extend my very best wishes to the winner of the award."

Senator HERBERT H. LEHMAN wrote as follows:

"I applaud the double purpose of the William the Silent Award to pay homage to the memory of 14 distinguished American writers and to assert our traditional friendship for the Netherlands.

"Men in public life, particularly at election time, may be suspected of other than pure objectivity when they undertake to speak in a complimentary vein about the 'fourth estate.' However, I feel I must say, with pride, that we in this country possess the best informed press in the world. Its development has paralleled the growth of our industrial power. Our papers, press services and periodicals send their correspondents to every corner of the world, risking the dangers that are the lot of all missionaries.

"The 14 American correspondents whose memory you are honoring lost their lives in a plane crash after returning from a survey of Indonesia, sponsored by the Government of the Netherlands. The establishment of an annual prize for journalistic achievement is not only a most generous homage to their memories but also a most friendly gesture to our country.

"We need no special occasions, such as this, for reasserting the historic ties of devotion that bind us to the Dutch people. As Senator and former Governor of this first State settled by the Dutch, I would paraphrase a compliment once paid by the great French writer Voltaire to a nation friendly to France: each New Yorker has two loves in his heart, one for his own land and one for the Netherlands.

"The whole Empire State is dotted with geographic reminders of the influence of the Dutch in this region. Many of you will not be surprised when I say that if the Dutch had done nothing more than contribute the name of Roosevelt to the American scene, that would have been a sufficient achievement.

"I am sure this first award will be only the forerunner of a long line of distinguished ones."

Edward W. Barrett, Assistant Secretary of State, wired:

"Congratulations on establishment of William the Silent Award for Journalism. It should further strengthen the bonds of friendship between the American people and those in the Netherlands and enhance the journalism profession."

Senator ESTES KEFAUVER, of Tennessee, said:

"It is very fine of the people of the Netherlands to establish the William the Silent Award for the best article by an American journalist."

Dwight Young, president of the American Society of Newspaper Editors, wrote:

"I wish to commend the spirit and the thinking back of this unique undertaking. I quite agree with Mr. Truman in the opinion that the establishment of this award can be a splendid contribution to a better understanding among the peoples of the world. One of the hopeful signs today is the number of efforts in various fields of activity to bring about a better understanding between peoples and peoples."

Edwin S. Friendly, president of the American Newspaper Publishers' Association, sent the following message:

"It seems to me most fitting that the people of the Netherlands, who, like ourselves, have long been lovers of freedom and who have been willing to sacrifice in order that their freedom might be retained, should establish an award for American journalism, which has also fought for its own freedom and the freedom of the peoples which it serves.

"This award, established in memory of those 14 American correspondents killed in a plane crash near Bombay on July 12, 1949, is a splendid tribute to American journalism, and in itself should do much to bring about a better appreciation of the democratic affinity between two great peoples, who believe in and have fought for their freedom."

Curtis W. McGraw, president of the McGraw-Hill Publishing Co., wrote:

"As you must know, we of McGraw-Hill are deeply and particularly touched by the action of the people of the Netherlands in establishing, on your initiative, the William the Silent Award in memory of the 14 American correspondents who were killed in the line of duty while returning from Indonesia just over a year ago. We look upon it as helping to keep alive the spirit of our own Tom Falco who went down in that plane crash near Bombay.

"It seems to me highly fitting that the award should take the form of an annual prize for the best article or series of articles by an American writer in an American newspaper or magazine aimed at bringing about

a better appreciation of the democratic affinity between the Netherlands and the United States. I know that Tom Falco and his companions must have hoped that the assignment on which they died would contribute to a better understanding of what the people of both countries could do together to keep their common democratic objectives clear in meeting the test of history in Southeast Asia."

Palmer Hoyt, editor and publisher of the Denver Post, wired this message:

"The presentation of the first William the Silent Award for distinguished service in journalism to further understanding between two great nations, the Netherlands and the United States, is an important occasion. In these days of trial and fear, international understanding is the greatest single good that can come between nations. It is so essential and so hard to promote that many of us have thrown up our hands in despair from time to time. I know this award is being given for a really great contribution to human freedom and enlightenment. I know that that is what the newspaper men and women to whom this award is dedicated would have wanted. Fred Colvig would have wanted that, and I am sure he and the others are here with you in spirit tonight."

JACOB K. JAVITS, Member of Congress from the State of New York, wired:

"Congratulations and best wishes to the award winner. * * * Kindest regards."

Dr. Willem Drees, Prime Minister of the Netherlands, cabled:

"My congratulations for the first winner of the William the Silent Award. His work and that of his colleagues who have the task to interpret the Netherlands to the American public is considered here as an important contribution toward the strengthening of the existing ties between the two countries."

John S. Knight, editor and publisher of the Chicago Daily News, sent this communication:

"I join most heartily in this salute to the winner of the William the Silent Award, an honor to the recipient, a recognition of the warm friendship between the Netherlands and the United States and a lasting tribute to the group of fine correspondents who died in the tragic airplane accident in India. By means of this award, they will live on ever more vividly in our memories. I add my thanks also to those warm-hearted people of the Netherlands who have made possible the award and this notable occasion. I know that Mr. Barrows, whose loss we continue to feel, would give his enthusiastic approval to the award. May it gather luster with the years."

[Schorr's prize-winning article]

PEOPLE OF LITTLE BORCULO RALLY TO AID ARKANSAS—NETHERLANDERS BUILD FURNITURE FOR WARREN TOWN HALL

(By Daniel L. Schorr)

BORCULO, THE NETHERLANDS.—Two tornadoes—23 years and 3,500 miles apart—have united the peoples of Borculo and Warren, Ark., in a spontaneous gesture that provides the man-bites-dog story of the winter.

The 6,200 of this town and surrounding villages are working like beavers, selling baked delicacies and holding benefit meetings, to finance the building of furniture intended for a recreation room in Warren's new town hall.

Not one of the inhabitants, most of them farmers, ever has been in the United States or knows exactly what sort of town Warren is. Few even know its location, because they haven't been able to find it on their maps of the United States. But that doesn't matter.

They only know that the strange, far-off town suffered a disaster like the one they remember so well. They know just how these Arkansas people must feel. They remember the aid that came to them from American organizations in 1925. They know how much the United States helped their country during and after the war. So they want to help, insofar as they are able.

These are simple people, these residents of Borculo in the "Achterhoek" (back corner) of Gelderland Province, in eastern Holland, only 10 miles from the German border. Few of them have the organizing ability to conceive the scheme or the eloquence to explain it. It was worked out by the burgomaster and a committee of communal leaders, but the people responded with enthusiasm.

HOW IT ALL BEGAN

And not even the local intellectuals know just how it will work out.

They have gotten as far as arranging that their two furniture factories will build cane-seat oaken chairs and a table, with the coat of arms of Borculo carved into them. The local parchment factory will fashion a lamp. All this will be done by the factories at cost. How the furniture will be transported to Warren they do not yet know, nor how the presentation will be made.

Here is how it all began:

Borculo is unique for having suffered a tornado, on August 10, 1925, in an area where such storms are rare. The disaster of Borculo is still a byword in this country. It was a freak storm in that it struck only at this town, stopping almost at the city limits and leaving every other populated place unscathed.

REBUILT WITH UNITED STATES AID

Within a year and a half, Borculo was rebuilt, with the aid of a Nation-wide collection and gifts from the United States. Its furniture plants and its parchment factory—believed to be the only one in Western Europe—were restored to operation.

Because the Borculo catastrophe is remembered so well by the Dutch, it seemed natural that when Warren was hit by a tornado, Willem Cnoop-Koopmans, Netherlands consul general in New York, wrote his friend, Burgomaster Paul Drost, telling him about it, as a matter of interest.

Burgomaster Drost reacted promptly. He sent a cable to Mayor Jim Hurley, of Warren, on January 7, saying "Sincere sympathy of town of Borculo in Holland with tornado Warren. Struck by cyclone in 1925, ourselves realize this disaster so much the more. May Warren soon rise from this as Borculo at that time, for which our best wishes."

Mayor Hurley replied, "Your message was very much appreciated and we are confident that our city will recover from this disaster shortly."

The spare-haired Burgomaster Drost thought the matter over further and decided sympathy wasn't enough. He called together Protestant pastors and the Roman Catholic priest, factory managers, trade-union representatives, farmers, and the Union of Women Volunteers to decide what to do next.

WOMEN PITCH IN

The idea of sending food was ruled out as impractical. Agreement was quickly reached that whatever was sent should be made by Borculo hands. Finally the furniture plan was formulated.

To open the drive the town crier went through the streets shouting the news of the Warren disaster.

Then the women went to work baking local specialties like bolussen (cookies) and oliebollen (doughnuts). The oil was contributed by an oil factory, butter by local farmers, raisins by someone who had a supply of them. The women volunteers pitched in and started baking.

Working in 6-hour shifts all through one Saturday, the women baked 8,000 oliebollen and hundreds of bolussen. It took 5 hours just to knead the dough.

Interest in the sales campaign was literally drummed up. The parchment factory contributed a drum, and a drummer beat this as he accompanied the volunteer saleswomen from house to house.

ENTERTAINMENT PROGRAM

The next step was to organize a series of entertainments—one in Borculo and one each in the three adjoining villages. Oliebollen and bolussen were also sold there, with special kosher delicacies for the 41 Jewish inhabitants of the town. The admission charge was 25 cents (about 10 cents United States).

The program bore the slogan "Borculo Helps Warren," and included all that local talent could offer in the way of folk dances, a gymnastic performance, choirs, a demonstration by Boy Scouts, the accordion society, and comedy. The local band was asked to open the proceedings by playing the Dutch anthem, Wilhelmus, followed by The Star Spangled Banner. The score of the American anthem was not available on such short notice.

The band leader found some copies of Sousa's Stars and Stripes Forever, which was substituted, with no appreciable damage to the spirit of the occasion.

The programs for the occasion were provided gratis by the local printer and were sold for the benefit of the Warren fund. They bore the slogan, "Minimum price: 10 cents; maximum price: wide open."

The series of four entertainments, attended by 1,400 persons, brought the Warren kitty up to 2,100 guilders, and this was still not enough.

"We are considering what to do next," said Burgomaster Drost. "If necessary we will hold a house-to-house collection. But first we will confer with the furniture manufacturers and find out how much is needed. We want furniture that will be comfortable but typical of what is produced in the Achterhoek. We don't know how it will be transported. We have not yet even been in contact with Warren to find out the size of the room in which it will be placed. As a matter of fact, we haven't yet officially informed Warren that we are sending anything."

BURGOMASTER EXPLAINS

Among those to whom I spoke, the burgomaster was clearest as to why the move had been made for a gift to Warren.

"We have always received from America," he said. "Holland has received, and specifically the town of Borculo. We received American help after our tornado. We received packages from America after the war. And then there was the Marshall plan. Now we want to send something back. We know that we really can't do much for Warren, but we can make a gesture."

Less articulate, but no less enthusiastic were some of the townsmen.

Jan Arend Koikman, a venerable farmer, whose family has lived in this area since the sixteenth century, was puzzled by my question when I visited the farmhouse, where his family shares quarters with the livestock under the same roof.

DOT ON A MAP, BUT—

He showed a toothless grin and scratched his head when asked about Warren, and in the explosive Gelderland dialect he said, simply, "They must be having a hard time over there in America after that big storm. Glad to help if I can. And the dances the other evening were pretty good."

Unexpected American cooperation for the committee came in the form of Mrs. Albertina de Schepper, a native of nearby Lochem, who immigrated to the United States 14 years ago and now lives at Ketchum, Idaho. Mrs. de Schepper had been visiting at Lochem when she heard about the Borculo Drive, and now she is spending most of her time here helping with the sale of cookies.

Mrs. de Schepper served another useful function. She was able to tell the townsmen something about the United States and what Arkansas is like. She even managed to dig up a map that showed Warren, a little spot south of Little Rock.

And now, as the town gets ready to fashion table and chairs for the far-off American town, the inhabitants have as their inspiration a dot on a map—and the remembrance of how Americans helped when they suffered their tornado 23 years ago.

The late Charles Ross wrote:

"I think this award represents a very fine gesture on the part of the people of the Netherlands. President Truman made no overstatement when he described it as 'a splendid contribution to a better understanding among the peoples of the world.'

"Very sincerely yours,

"CHARLES G. ROSS,
"Secretary to the President."

Hon. Charles F. Brannan, Secretary of Agriculture, wrote:

"Your organization is making a great contribution to the free-press traditions between two countries and is thus spreading freedom of press and the access to news throughout the world. I sincerely hope that this year's ceremony is successful in every possible way.

"Sincerely,

"CHARLES F. BRANNAN,
"Secretary."

Mr. MORSE. Mr. President, I shall not take the time now to discuss the other material, because I do not think it would be fair to those who are awaiting to deliver major speeches to take even the 3 or 4 minutes necessary for an explanatory statement of material that I seek only to have inserted in the RECORD. When I get the floor later this afternoon, I shall do that, as a preface to a major speech I wish to make on another subject matter. I wish to thank the Senator from Massachusetts [Mr. SALTONSTALL] for permitting me to take the necessary time to introduce into the RECORD the material on the William the Silent Award.

CONFIRMATION OF NOMINATIONS

The VICE PRESIDENT. There appear to be no further routine matters.

Mr. WHERRY. Mr. President, I think the distinguished majority leader wanted to request the confirmation of certain nominations on the Executive Calendar at this time, and we desire to cooperate with him in so doing, if it may be done without interfering with other matters.

Mr. McFARLAND. Mr. President, there is one nomination on the Executive Calendar which it is very important that the Senate confirm because of the situation which exists in the Civil Aeronautics Board. I therefore ask unanimous consent that the Senate, as in executive session, consider the Executive Calendar at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none. If there are no reports of committees, the clerk will state the nominations on the Executive Calendar.

CIVIL AERONAUTICS BOARD

The Chief Clerk read the nomination of Joseph P. Adams, of Washington, to be a member of the Civil Aeronautics Board for the term expiring December 31, 1956.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES COAST GUARD

The Chief Clerk proceeded to read sundry nominations in the United States Coast Guard.

The VICE PRESIDENT. Without objection, the nominations in the United States Coast Guard are confirmed en bloc.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

The VICE PRESIDENT. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations this day confirmed.

The VICE PRESIDENT. Without objection, it is so ordered, and the President will be immediately notified.

As in executive session,

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

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

NORTH AMERICAN REGIONAL BROADCASTING AGREEMENT—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive A, Eighty-second Congress, first session, the North American Regional Broadcasting Agreement and the final protocol thereto, which were signed in the English, Spanish, and French languages at Washington on November 15, 1950. Without objection, the injunction of secrecy will be removed from the agreement and protocol, and the agreement and protocol, together with the Presidents message of transmittal will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the texts, as certified by the Government of Canada, of the North American Regional Broadcasting Agreement and the Final Protocol thereto, which were signed in the English, Spanish, and French languages at Washington on November 15, 1950, by the respective plenipotentiaries of the United States of America, the United Kingdom of Great Britain and Northern Ireland for the Territories in the North American Region (Bahamas and Jamaica), Canada, Cuba, and the Dominican Republic.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the instruments above-mentioned. For the reasons indicated in that report and in the memorandum enclosed therewith, I urge the Senate to give favorable consideration to the North American Regional Broadcasting Agreement, with the Final Protocol thereto.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 5, 1951.*

(Enclosures: (1) Report by the Secretary of State, with enclosure; (2) North American Regional Broadcasting Agreement, signed at Washington, November 15, 1950.)

AMENDMENT OF REORGANIZATION ACT OF 1949

The Senate resumed the consideration of the bill (S. 101) to amend the Reorganization Act of 1949.

Mr. SALTONSTALL. Mr. President——

The VICE PRESIDENT. Is the Senator from Massachusetts desirous of being recognized to make an address?

Mr. SALTONSTALL. I should like to make an address not to exceed 15 minutes.

The VICE PRESIDENT. The Chair feels that inasmuch as the unfinished business is the amendment of the Reorganization Act of 1949, the Chair should recognize the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, do I correctly understand that Senate bill 101 is now the unfinished business before the Senate?

The VICE PRESIDENT. It was taken up last Thursday and is now the unfinished business of the Senate.

Mr. McCLELLAN. Mr. President, two or three Senators wish to make brief addresses. I have no objection to their proceeding. I should like to make a brief statement regarding the bill whenever the Senate is ready to consider it.

The VICE PRESIDENT. The Chair felt that the Senator from Arkansas was entitled to some preference, due to the fact that he is in charge of the bill. If he does not care to claim his privilege at this time, that is all right.

REIMBURSEMENT FOR BURIAL OF CERTAIN MEMBERS OF MILITARY FORCES OF COMMONWEALTH OF THE PHILIPPINES

Mr. GEORGE. Mr. President, would it be agreeable to the Senator from Arkansas that I call up Calendar 79, Senate bill 82, and to lay aside temporarily the unfinished business in order to consider that bill?

Mr. McCLELLAN. I have no objection, if it can be disposed of within a reasonable time.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. Do I correctly understand that the Chair has recognized the Senator from Arkansas as having the floor?

The VICE PRESIDENT. No. The Senator from Arkansas was not anxious to obtain the floor. The Senator from Massachusetts is recognized.

Mr. GEORGE. Mr. President, I should like to ask the distinguished Senator from Massachusetts if he would permit me to call up the bill to which I have referred, which I think will lead to no debate.

Mr. SALTONSTALL. I yield to the Senator from Georgia with the understanding that I shall not lose my right to the floor.

The VICE PRESIDENT. The clerk will state the title of the bill for the consideration of which the Senator from Georgia asks unanimous consent.

The LEGISLATIVE CLERK. A bill (S. 82) to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 82), to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized to furnish a flag to drape the casket and to pay a sum not exceeding 150 Philippine pesos for the burial and funeral expenses and transportation of the body (including preparation of the body) of any person who served in the organized military forces of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, and who dies, or has died, after separation from such service under conditions other than dishonorable. Payments under this act shall be subject to the applicable provisions of Veterans Regulation No. 9 (a), as amended, except that in case any such person has died heretofore, the time for filing claim for reimbursement of such expenses shall be extended until 2 years after the date of this enactment.

Mr. GEORGE. Mr. President, I appreciate very much the courtesy extended by the distinguished Senator from Massachusetts [Mr. SALTONSTALL] and the distinguished Senator from Arkansas [Mr. MCCLELLAN].

I ask unanimous consent, Mr. President, that there be inserted in the RECORD at this point the report of the Committee on Finance with reference to the bill. It is very brief. It invites special attention to the fact that an identical bill was introduced by the distinguished junior Senator from New York [Mr. LEHMAN] in the Eighty-first Congress.

Mr. LEHMAN. I thank the Senator from Georgia.

There being no objection, the report (No. 74) was ordered to be printed in the RECORD, as follows:

The Committee on Finance, to whom was referred the bill (S. 82) to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

Under the terms of this proposal, the Administrator of Veterans' Affairs is authorized to furnish a flag to drape the casket and to pay a sum not exceeding 150 Philippine pesos ($75) for the burial and funeral expenses of any person who served in the military forces of the Commonwealth of the Philippines pursuant to the military order of the President of the United States dated July 26, 1941. Included in such forces would be those who served in organized guerrilla forces under commanders appointed, designated, or recognized by the commander in chief of the Southwest Pacific area or other competent authority in the United States Army during World War II. A separation from the service under conditions other than dishonorable would be a prerequisite for benefits under this proposal. Payments would be made subject to the applicable provisions of Veterans' Regulation 9 (a), but the time limit of 2 years from death for filing of claims is extended with respect to those persons who died heretofore to 2 years after the enactment of this legislation.

Although the committee's action was on the bill S. 82, it is noted that an identical measure, S. 377, was sponsored by Senator HERBERT H. LEHMAN, of New York. This type of legislation and the proposal generally follows the recommendation of the President on this subject made to the Congress in July 1947.

It is estimated that the maximum ultimate cost of this bill would be approximately $26,430,000. No firm estimate can be provided as to first-year cost.

The Veterans' Administration report on an identical bill (H. R. 8576, 81st Cong., 2d sess.) is as follows:

AUGUST 24, 1950.

Hon. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

DEAR SENATOR GEORGE: This is in reply to your letter of August 7, 1950, requesting a report by the Veterans' Administration on H. R. 8576, Eighty-first Congress, a bill to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941.

The general purpose of the bill is indicated in the above-quoted title. The bill provides as follows:

"That the Administrator of Veterans' Affairs is authorized to furnish a flag to drape the casket and to pay a sum not exceeding 150 Philippine pesos for the burial and funeral expenses and transportation of the body (including preparation of the body) of any person who served in the organized military forces of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the commander in chief, Southwest Pacific area, or other competent authority in the Army of the United States, and who dies, or has died, after separation from such service under conditions other than dishonorable. Payments under this act shall be subject to the applicable provisions of Veterans' Regulation No. 9 (a), as amended, except that in case any such person has died heretofore, the time for filing claim for reimbursement of such expenses shall be extended until 2 years after the date of this enactment."

Veterans' Regulation No. 9 (a), as amended, which would be applicable to payments under the bill, authorizes burial benefits for eligible veterans of the Armed Forces of the United States and provides that claims for reimbursement must be filed within 2 years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission the Veterans' Administration advises the claimant of the evidence necessary to complete the application, and if such evidence is not received within 1 year from the date of the request therefor no allowance may be paid. With respect to persons who have died prior to the enactment of the bill, it is provided therein that the time for filing claim for reimbursement shall be extended until 2 years after the date of enactment.

Under the provisions of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, 79th Cong., approved February 18, 1946), eligibility for benefits under our laws predicated on active military or naval service was taken from Philippine Army veterans who served pursuant to the military order of July 26, 1941, except as to those providing compensation for service-connected disability or death (which are paid on the basis of one Philippine peso for each dollar authorized), and benefits of the National Service Life Insurance Act of 1940, as amended, under contracts entered into prior to February 18, 1946. The Rescission Act was amended by the act of July 25, 1947 (Public Law 241, 80th Cong.), so as to restore benefits under the Missing Persons Act, as amended, for such veterans. By a military order of the President, effective midnight June 30, 1946, the organized military forces of the Government of the Philippines were released from the service of the Armed Forces of the United States.

Upon approving the Rescission Act, the President voiced exception to the restrictive language therein with respect to Philippine Army veterans and requested that a study be undertaken. As a result of this study, remedial legislation (H. R. 6508 and S. 2235) was introduced in the Seventy-ninth Congress. S. 2235 was passed by the Senate but was not enacted prior to the adjournment of the Seventy-ninth Congress. Thereafter, further study of the matter was made by an interdepartmental committee appointed by the President, consisting of the then Administrator of Veterans' Affairs as chairman, the Secretary of State, the Secretary of War, and the United States Ambassador to the Philippines. In accordance with the recommendation of the interdepartmental committee, the President on July 1, 1947, transmitted to the Congress proposed legislation which was introduced as H. R. 4073, Eightieth Congress.

In addition to a provision similar to that contained in H. R. 8576, H. R. 4073 contained provisions for other benefits, including aid in the form of grants to the Republic of the Philippines for subsistence allowances and tuition incident to courses of institutional training pursued by eligible veterans in the Philippines, and grants for the construction and equipping of hospitals in that country for the medical care and treatment of eligible Philippine veterans and expenses incident to such care and treatment. The bill, as reported by the Committee on Veterans'

Affairs of the House of Representatives, retained only those provisions relative to hospitalization and medical treatment. However, this report (H. Rept. No. 2304) stated:

"There are other matters affecting veterans of this campaign which need attention, but the committee feels that adequate hospitalization is so necessary and pressing that it should receive immediate attention. The other matters will have to be delayed until more adequate study can be given them."

S. 2361, a bill similar to H. R. 4073, as reported, was passed by the Congress and became Public Law 865, Eightieth Congress, on July 1, 1948. That act authorizes the President to furnish financial aid to the Republic of the Philippines with respect to the medical care and treatment of the mentioned Philippine veterans in the form of grants for the construction and equipping of hospitals and also for expenses incidental to hospitalization. For the purpose of construction and equipping, the act provides that grants may not exceed $22,500,000 and for expenses incident to hospitalization a limitation of $3,285,000 for any fiscal year is provided for a period not to exceed 5 years. By letter dated August 16, 1948, the President delegated to the Administrator of Veterans' Affairs his authority under Public Law 865 and requested that an agreement with respect to the authorized program be negotiated with the Philippine Government. A formal agreement was thereupon entered into on June 7, 1949, between the United States Ambassador and the President of the Philippines. Subsequently, regulations to implement the law and agreement were promulgated by the Administrator of Veterans' Affairs, with the approval of the President, effective October 18, 1949. Progress is being made with plans and details of the construction program as well as reimbursement procedure for interim hospitalization in available existing hospital beds.

As heretofore indicated, the matter of granting veterans' benefits to former members of the organized Philippine Army and recognized guerrillas has been the subject of numerous proposals in three different Congresses since the mentioned Rescission Act of 1946, and the extent to which certain benefits have been granted has been noted. The question of whether additional benefits, such as the burial allowance proposed by H. R. 8576 should be authorized, is one involving broad public policy and is believed to be primarily for determination by the Congress in the light of the various factors which have from time to time been brought to its attention.

In view of certain indeterminate factors, it is not possible to estimate accurately the first year's cost of the bill, if enacted. Based on the latest information available to the Veterans' Administration, and bearing in mind that deaths occurring during service would not be covered by the bill, it is estimated that approximately 13,500 claimants would be potentially eligible for the benefits as a result of deaths occurring to date. It further appears that there are approximately 315,000 living veterans of the Philippine Army, including recognized guerrillas. Assuming that proper claim for the benefit is made in each case, and assuming that the maximum expense is incurred, the maximum ultimate cost of providing flags would be approximately $1,800,000 and the maximum ultimate cost of the burial allowance would be 49,275,000 Philippine pesos. Under the current official rate of exchange the ratio of the peso to the dollar is approximately 2 to 1. With respect to the deaths occurring heretofore, it is probable that claim for the flag and for reimbursement of the burial expenses in each case will be made within the 2-year period of limitation provided by the bill.

Advice has not as yet been received from the Bureau of the Budget as to the relationship of this legislation to the program of the President. A supplemental letter on this matter will be furnished your comimttee when such information is received.

Sincerely yours,

O. W. CLARK,
Deputy Administrator, for and in the Absence of the Administrator.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by me before the Finance Committee in support of Senate bill 82, which has just been passed, providing for reimbursement for the burial of certain members of the military forces of the Commonwealth of the Philippines.

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

TESTIMONY OF SENATOR LEHMAN BEFORE SENATE FINANCE COMMITTEE ON PHILIPPINE BURIAL BILL

Mr. Chairman, it is a privilege to appear before your committee and to urge, with all the conviction at my command, the approval of the pending proposal to pay burial benefits to the beneficiaries of Filipinos who served in the Armed Forces of the United States as Regulars or as recognized guerrillas.

There are two bills pending before the committee which are, by no strange coincidence, exactly alike. I introduced a bill similar to this last year. The courteous and distinguished chairman of this committee saw fit this year, in his wisdom, to sponsor this proposal for which I am grateful. I also introduced mine. I am happy to support his bill.

I expect that the committee will receive in evidence testimony showing the moral, if not legal claim, which the Filipino veterans have for this benefit. I will not go into that in any detail. In my judgment, the Filipino veterans have moral backing for much more extensive benefits than those provided in the pending measure.

Some of the Filipinos who would be affected by this legislation were members of the United States Armed Forces of the Far East, by formal proclamation and Executive order of the President of the United States. They were as much a part of the Army of the United States as your sons and mine in the last war. They were mustered in under American command, and fought in American units on Luzon, on Bataan, and on Corregidor, and on many other battlefields which I cannot name or pronounce, up to the time of the surrender by General Wainwright in the spring of 1942. They were promised, but never got, the same pay scale and the same benefits to which continental American troops were entitled.

In addition to that group of Filipinos, there was another and larger group—the recognized guerrillas, of which heroism stories will be told as long as heroism is honored anywhere in the world. For three long years these men fought, in their units and even armies, harrying the Japanese, pinning them down in the Philippines and inflicting great casualties upon them, while also performing invaluable intelligence and espionage work for General MacArthur.

These men, in some instances under immediate American command, but in almost all cases, under the specific orders and directions of General MacArthur, then stationed in Australia, fought and functioned, under the American flag and in the American cause, during those dark years when the American flag had been officially hauled down in the Philippines, following the surrender.

These men paved the way for MacArthur's return to the Philippines, supplied the intelligence which made possible the liberation of the Philippines at the lowest cost in American lives of any major military operation in history, and joined the American liberation troops in a unified combat effort which overwhelmed the Japanese and redeemed the pride and glory of American arms in the Far East.

At that time, if my facts are correct, the official ruling was that these men were to be entitled to every benefit which American troops were getting. All during the time the fighting raged, the guerrillas and the other Filipinos who joined MacArthur's forces fought under the impression that they were to be entitled, among other things, to the benefits of the GI bill of rights.

There is on record an official ruling by the Administrator of Veterans' Affairs, as late as October 1945, that the Filipinos were so entitled.

Of course Congress had the legal right—and exercised that right—to cut the Filipinos off from these benefits. The Congress did exactly that in 1946. It was not, in my judgment, a proper thing to do. The Congress might have diminished those rights somewhat, in the light of Philippine independence and in view of the fact that the Filipinos would not be contributing in taxes to these benefits. But Congress, I believe, was wrong to eliminate those benefits.

But that is all history. Now we face not a theory but a fact. It is too late to try to measure out exact justice in this matter. But Congress can and should do whatever is practicable and feasible, just as President Truman promised that he would recommend that Congress do. That recommendation was made in 1946, and President Truman, as I understand it, has been trying ever since to get Congress to rectify the injustice that was done.

Today there are reasons more pressing than ever before, for action in this matter. Today the Far East is again menaced by new tyrannies, new aggressive forces. Those forces are centered not only in Soviet Russia but in Red China. Those forces hold out false promises to the hundreds of millions of people in the Asiatic area. Those promises are heard throughout the Far East. They have convinced some of those people—less in the Philippines than anywhere else—but still there are some Communists in the Philippines.

The Philippines is the chief representative of western democracy in the Orient. It is the only country whose form of government is an exact prototype of our own.

We have given and are continuing to give considerable economic aid to the Philippines. We will be asked at this very session of Congress for more. It is a sound investment in peace, security, and democracy.

But here is a group of Filipinos who have a special claim on American consideration and American generosity. Here is a group who proved, beyond doubt or question, their devotion to democracy and to the United States. Here is a group who should be given every recognition and preference that the American Government can properly give to a group of nationals of another country. Here is a group with a moral claim. I believe we should honor that claim generously and immediately.

I think that the passage of this measure is in the interests of the United States, as well as of the individuals involved. The passage of this measure will not only raise our prestige in the Philippines but throughout the Far East. The word will be passed that the United States Government has recognized its obligation—its moral obligation—to a considerable group of Filipinos who fought for democracy in the last war. That word will have its effect not only in the Philippines, but in Malaya, in Indochina, in Indonesia, and even in China.

I do not wish to exaggerate the importance of this. I do not wish to make any extreme statements. But from the letters I have received from the Philippines and from reliable reports I have received, I am deeply impressed as to the great importance of this legislation in the entire Philippine picture.

It does not matter, and should not matter, what else we are going to do for the Philippines as a whole, or for the Filipino people as a whole. What does matter is that we give adequate recognition to the claim of these individual Filipinos who were among the bravest of the brave, and whose devotion to the United States, a Nation which was sovereign in the Philippines at the time, and which is generally considered a Caucasian country, provides one of the brightest pages in the history of heroism.

I know that all these fine sentiments may seem a little high-pitched when applied to a bill for the payment of burial benefits. But I am told that the occasion of death is the most important in the life of the Filipino, and that the burial ceremony is the most significant ceremony in family and community life in the Philippines. That is why so much importance is attached to this bill.

I, myself, expect to propose another bill for other benefits—educational benefits—for the Filipino veterans. But whether my other measure meets with congressional approval or not, I certainly hope and urge that this pending proposal be given the favorable consideration of this distinguished committee, and that it be sent to the floor of the Senate for early passage.

THE PRESIDENT'S BUDGET

Mr. SALTONSTALL. Mr. President, as a member of the Appropriations Committee I have been endeavoring to understand the budget document which the President has submitted to the Congress. This document includes the supplementary figures for the fiscal year 1951 as well as the new figures for the fiscal year 1952. Even with all the publicity which has been given to the tremendous amounts with which the President proposed to conduct the Government for the next 18 months, I am very much in doubt that our people are even yet aware of the weight of the Government load which they must carry.

The President in the budget document justified—or to put it in another way, recommended—the details of $21,800,000,000. He left a total of $87,600,000,000 to be proposed for later transmission. This $87,600,000,000 is divided into a sum of $10,900,000,000 to be proposed in 1951 supplemental budget messages and $76,700,000,000 for the fiscal year 1952 to be later proposed. In other words, the budget message gives justification for only approximately one-fifth, or 20 percent, of the total appropriations for 1952. The balance the President proposes to transmit at a later time. It may be put in this way: The total appropriations either already granted or to be later asked for the fiscal year 1951 amount to $91,800,000,000, and the requests for 1952 fiscal year amount to $98,500,000,000, or an over-all total for the two fiscal years of 1951 and 1952 of $190,400,000,000.

Mr. President, I quote these figures to show their enormity. Of course these amounts will not all be spent in the 1951 or 1952 fiscal years. In fact, it is planned to spend only $47,200,000,000 in 1951 and $71,600,000,000 in 1952 and, of course, some of this is from prior years. But, for a comparison, if we add these two figures together and subtract them from the over-all total proposed for 2 years, we find that it is proposed to spend $71,600,000,000 in the years to follow the fiscal year 1952, and actually the expenditure will be greater, again because of prior years' appropriations. By coincidence this is the same figure which the President estimates will be spent in 1952. In other words, $71,600,000,000 would be spent in 1952, and $71,600,000,000 would be spent in the years following 1952.

We who are the Members of Congress cannot, until justifications for these requests are presented, be in a position to pass judgment on them. We do know that we cannot in the coming years afford to spend a penny on any project, no matter how meritorious, which is not either vital for the national defense, or does not concern the health and well-being of our people, or is not to be used to complete a necessary project already under way which will be wasted if it is not finished or put into operation. I use the word "vital" deliberately because we cannot afford to start or continue marginal projects. Furthermore, we must scrutinize with intense care every project to which the word "defense" is attached because our experience in World War II showed how many projects were started which could only vaguely apply to our "defense."

The importance of the calculations which I have just tried to state very briefly is this: The Congress of the United States is asked to appropriate for the next 18 months in this session upwards of $71,000,000,000 to be spent in future years. Naturally for the fiscal year 1952 there will be many more supplementary requests.

This means that we, ourselves, our sons, and daughters are asked to pay in future years in taxes for the enormous appropriations which we are making in 1951 to be spent in those future years without knowledge of the problems which will then have to be solved and without knowing of the further demands for other appropriations in those years. We are putting our present load on them to carry in addition to the loads they must carry for their own needs in the years to come. That is a fair and proper course so far as pure defense needs are concerned. If we cannot keep this country secure, they will not be able to live in it as free men and women. But it is wrong and unfair insofar as we appropriate funds now to be spent in those years for objects not absolutely necessary, and ask them to pay for these appropriations in the years to come, when they will know so much better what their own actual needs for Government spending will be.

Let me emphasize again that only $21,800,000,000 of the $98,500,000,000 for 1952 have been justified at the present moment. All the rest will be transmitted at a later date. Of these amounts to be transmitted at a later date, $62,500,000,000 are for defense; $300,000,000 are for aid to schools; $35,000,000 are for medical education and local health service; $20,000,000 are to start the St. Lawrence seaway, which incidentally will cost almost a billion dollars; $200,000,000 are needed for a reserve for contingencies without any statement as to what type of contingencies the amount covers.

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

Mr. SALTONSTALL. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I interrupt the able Senator from Massachusetts, who is, I believe, making a very fine address, to ask a question. As the Senator knows, I am a member of the Committee on Appropriations. I am chairman of the subcommittee which handles appropriations for Labor and Federal Security Administration. Does not the Senator think that unless the members of the Committee on Appropriations delve into the matters to which the Senator refers, conditions will be much worse than they are actually known to be by the public at the present time?

Mr. SALTONSTALL. In my opinion, there is no question that that is the fact.

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

Mr. SALTONSTALL. I yield.

Mr. CHAVEZ. I believe that every appropriation request can be cut 10 percent without hurting the efficiency of the Government. Such a cut should be made at this time. Let me give the Senator an illustration, which can be multiplied thousands of times. The Senator from Massachusetts knows that we have established several new emergency agencies. I have been asked by people in my own State for permanent positions in such emergency agencies. Persons now holding a civil service classification of grade 8 have expressed a desire to be transferred to a new agency, not with their present classification of grade 8, but with a change in their classification to grade 11 or grade 12. Does the Senator feel it would be fair to the American people to grant such requests, particularly under present conditions?

Mr. SALTONSTALL. I may say to my colleague and friend that it would be one of the most helpful things he could do if he could have persons who are now working for the Government in one department transferred to an emergency department, where they are needed at the present time, and thus cut down expenses in the other departments.

Mr. CHAVEZ. But the persons to whom I refer do not wish to be transferred to an emergency agency unless their classification is raised by three grades. That is the point I desire to make. For instance, a person who is connected with a permanent agency of the Federal Government wishes to be transferred to an emergency agency, but he insists that before he is transferred to such emergency agency his classification be raised by three grades. It would be all right to change his employment from one agency to another agency if he retained the same classification. When we established the new agencies we did not have in mind increasing salaries. When we established the Office of Price Stabilization, for instance, we did not intend to increase the salaries of the Federal employees who would be employed by such agency.

Mr. SALTONSTALL. Absolutely not. I agree with the Senator from New Mexico.

Mr. President, I continue with the enumeration.

One billion dollars are proposed for the Export-Import Bank; $9,500,000,000 for international programs; $150,000,000

to start defense housing; $330,000,000 for the administration of controls.

This is along the line of the remarks made by the Senator from New Mexico.

Four hundred and fifty million dollars for civilian defense; $1,000,000,000 for stockpiling; $180,000,000 for Government relief of occupied areas and the governing of those areas.

This is only a partial list, and, Mr. President, I ask to have a complete table inserted at this point in my remarks.

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

Fiscal year 1952—Proposed for later transmission	
To build up free world's defensive strength, as well as amounts to carry forward other international programs	$9,500,000,000
Defense housing	150,000,000
Administration of controls	330,000,000
Expansion of defense production	1,200,000,000
Federal aid to schools	300,000,000
Medical education and local health services	35,000,000
Export-Import Bank	1,000,000,000
Selective Service	50,000,000
St. Lawrence seaway	20,000,000
Hell's Canyon power	8,000,000
Reserve for contingencies	200,000,000
Civilian defense	450,000,000
National science foundation	10,000,000
Stockpile	1,000,000,000
Maritime ship construction	125,000,000
Federal airport claims	4,400,000
Government relief occupied areas	150,000,000
To govern occupied areas	30,000,000
Military functions	62,510,000,000
Total	77,072,400,000

Mr. SALTONSTALL. Mr. President, I would also like at this point in my remarks to insert another table, which attempts to show some of the larger items which have been justified in the President's budget included in the $21,800,000,000 appropriations which he has so far recommended for fiscal 1952. This does not pretend to be a complete list but endeavors to include most of the larger construction and program items. To me it gives a very quick, rough, overall look at the $21,800,000,000 and I think it is appropriate to include it at this point.

Actually the amount is $21,793,000,000.

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

TABLE 4.—*Some of the larger items which are justified in the $21,800,000,000 appropriations so far recommended in the President's budget for fiscal 1952. This does not pretend to be a complete list. It takes in most of the construction and program items*

Interest on debt (permanent indefinite)	$5,800,000,000
Veterans	4,400,000,000
Atomic energy	870,000,000
Railroad retirement (permanent indefinite)	613,000,000
Grants to States:	
Federal Security Agency, payments to States, fiscal 1952:	
Surveys and school construction	75,000,000
Vocational rehabilitation	23,000,000
Health assistance to States	16,084,000
Water-pollution control	1,000,000
Hospital construction (of which to liquidate construction authorized $120,000,000)	195,000,000
Public assistance	1,300,000,000
Maternal and child welfare	33,000,000
Total	1,643,084,000
Department of Agriculture, includes authorization to expend from public debt receipts:	
Commodity credit	$427,000,000
Farmers Home Administration loans	130,000,000
Farm housing	23,000,000
Rural electrification	109,000,000
Total	689,000,000
Department of Commerce, grants to States:	
Airport program (of which to liquidate contract authorizations, $30,000,000)	53,440,000
Air navigation development (of which to liquidate contract authorizations, $1,500,000)	8,000,000
Ship construction (all of this to liquidate contract authorizations)	105,000,000
Ship construction obligated prior to 1950 (all of this to liquidate contract authorization)	14,000,000
Postwar highways (all to liquidate contract authorizations)	420,000,000
Forest highways (all to liquidate contract authorizations)	25,000,000
Total	625,440,000
Department of Interior:	
Reclamation Bureau, construction	223,690,000
Alaska construction, public works and roads	23,700,000
Total	247,390,000
Civil functions, Army engineers:	
Flood control:	
General	328,365,000
Mississippi	61,000,000
Maintenance and improvement of existing rivers and harbors	220,240,000
Total	609,605,000
Appropriations for liquidation of prior contract authorizations	1,260,000,000
Grand total	16,757,519,000
Balance for operation of Government departments exclusive of defense for general functions or programs not listed	5,035,481,000
Total	21,793,000,000

Mr. SALTONSTALL. Mr. President, every item vital to the national defense must surely be appropriated. Every other item must be appropriated only if it can be properly justified.

When we consider the requests for the Defense Department we should carefully scrutinize the detailed justifications for the enormous spending necessitated for the national security. We certainly should continue to appropriate all that is possibly needed for defense. At the same time requests for new construction of housing and buildings at the camps must be analyzed as carefully as possible if money is not to be wastefully spent because of haste and urgency.

Of course, we must have civilian controls. In fact, their application was delayed far too long. Such controls must be carefully, fairly, reasonably, and economically administered.

Of course, we must have civilian defense. We want our people to understand what they must do to take care of themselves if an attack comes. We know that it can happen here.

But these two great services must be built up to serve our needs without regard to politics. I hear a rumor that civilian defense alone will employ over 50 people in a regional office in Boston. I already have many applications for positions in these regional offices. We had no such civilian-defense office in World War II. The distinguished occupant of the chair [Mr. HUNT], who is a former Governor of the State of Wyoming, knows that there were no such offices in his State. Is it necessary now to have them? Must we set up elaborate regional offices in order to determine the extent of the Federal contribution for bomb shelters?

I shall never forget my experience as a governor at a dinner given by the Boston Chamber of Commerce during World War II. Except for the presiding officer, I was the only local civilian at the head table. There were at least 12 regional heads of this and that Federal agency. Most of them I knew because they had come to see me at my office. But very few of them knew each other or knew what the others were doing in New England. So, I spent much of that evening introducing the regional heads of the various Federal agencies to one another and listening to them discuss and argue as to how their work crisscrossed among them. Who did what, they never did entirely clear up. In view of our experience in World War II, I hope we can eliminate now much of the waste and inefficiency of such administration.

It is the responsibility of the Congress within the time allowed us to do so to study the requests for money made by the President. It helps him as the head of our Government to have us do so. We cannot allow the agencies of the Government to become extravagant, wasteful, and bureaucratic under a disguise that they are doing defense work. Our people are willing to sacrifice to the highest degree for the security of the country and for the safety and proper equipment of our boys who are fighting for us. But they will not tolerate waste in preparing the national defense. I feel confident that if the administration and the Congress properly publicize the reasons why the services our people have been receiving from their Government must be reduced or eliminated, they will be only too willing to give up those services. But, they are not willing to do so, and become disgusted when asked to do so, if at the same time they see their Government wasteful and extravagant. We must never forget that we are asking them to reduce their way of life in their homes and asking them to give up little luxuries which they and their children have enjoyed over the years.

We only know now that the President intends to propose for later transmission for 1952 some $77,000,000,000. We only know that he has justified in his present budget document some $21,800,000,000 for 1952. Consequently, until we know for what these proposals are to be and for what services they are to be spent, we cannot say correctly that they can or cannot be eliminated or reduced. But we do know that the greater the national expenditures are and the more the Government's balance sheet becomes unbalanced, the higher the taxes surely will be. Certainly there is no social evil that is so great as uncontrolled inflation. The more we ask of the Government the greater the chances are that our way of life and our freedom will be lost through inflation. Surely we can and must find ways to cut the President's requests as substantially as is practical and wise.

Mr. President, I would like permission to place in the RECORD at this point a table based upon the total authorizations proposed for the fiscal year 1952 in the amount of $98,500,000,000. That is table 2.

The PRESIDING OFFICER. Is there objection?

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

TABLE II.—*Approximate amount each State would pay based on a total of $98,500,000,000 appropriations recommended and proposed for the fiscal year 1952 in the President's budget*

State	Percent borne of taxes	State's share of 1952 budget
Alabama	1.15	$1,132,750,000
Arizona	.38	374,300,000
Arkansas	.67	659,950,000
California	8.29	8,165,650,000
Colorado	.82	807,700,000
Connecticut	1.64	1,615,400,000
Delaware	.46	453,100,000
Florida	1.42	1,398,700,000
Georgia	1.45	1,428,250,000
Idaho	.32	315,200,000
Illinois	7.51	7,397,350,000
Indiana	2.27	2,235,950,000
Iowa	1.48	1,457,800,000
Kansas	1.09	1,073,650,000
Kentucky	1.21	1,191,850,000
Louisiana	1.27	1,250,950,000
Maine	.44	433,400,000
Maryland	1.79	1,763,150,000
Massachusetts	3.44	3,388,400,000
Michigan	4.79	4,718,150,000
Minnesota	1.81	1,782,850,000
Mississippi	.67	659,950,000
Missouri	2.71	2,669,350,000
Montana	.34	334,900,000
Nebraska	.81	797,850,000
Nevada	.13	128,050,000
New Hampshire	.28	275,800,000
New Jersey	3.36	3,309,600,000
New Mexico	.32	315,200,000
New York	14.72	14,499,200,000
North Carolina	1.64	1,615,400,000
North Dakota	.31	305,350,000
Ohio	5.73	5,644,050,000
Oklahoma	1.14	1,122,900,000
Oregon	.98	965,300,000
Pennsylvania	7.20	7,092,000,000
Rhode Island	.55	541,750,000
South Carolina	.77	758,450,000
South Dakota	.32	$315,200,000
Tennessee	1.39	1,369,150,000
Texas	4.47	4,402,950,000
Utah	.35	344,750,000
Vermont	.18	177,300,000
Virginia	1.54	1,516,900,000
Washington	1.62	1,595,700,000
West Virginia	.87	856,950,000
Wisconsin	2.08	2,048,800,000
Wyoming	.18	177,300,000
District of Columbia	1.16	1,142,600,000
Hawaii and Alaska	.48	472,800,000
Total		98,500,000,000

Mr. SALTONSTALL. This table shows that my State of Massachusetts will have to pay approximately $3,400,000,000 as its share. That is just over half of the total assessed valuation of real estate in Massachusetts—and the assessed valuation in Massachusetts is made at the full value. The full valuation of real estate in Massachusetts is $6,544,571,174. In other words, Mr. President, the amount which the citizens of Massachusetts will be asked to pay in support of this Federal program for 1952 is in excess of 50 percent of the total assessed valuation of all real estate in our Commonwealth. And this is only what we are to be asked to appropriate for 1952 in this present session of Congress, and there will undoubtedly be more.

I cite this illustration because to me it emphasizes the size of the problem which we face. It serves to bring home to us the importance of our efforts to reduce Government spending just as far as we possibly can without injuring the defense of the country and the welfare of our people.

Truly, Mr. President, Congress has a tremendous responsibility this year to see first that the enormous expenditures demanded by the security effort are well justified and wisely spent; and second, that we do not load on our children burdens from which we benefit and for which they pay, unless they are absolutely needed for the protection and security of our future.

It may be necessary to change some laws in order to reduce the commitments of the Government. It will be wise for the Committee on Appropriations to have a study made or a report from the Bureau of the Budget to all outstanding authorizations for which appropriations may be asked, to see if some of the authorizations, not for defense purposes, may be reduced or eliminated. I feel that we should set our sights on a minimum cut of $5,000,000,000 from the President's proposals. I shall do all in my power to try to gain this objective.

Mr. President, I ask unanimous consent to place at the end of these remarks a table from the budget for fiscal 1952 entitled "Résumé of New Obligational Authorizations," which sets forth very clearly the figures to which I have just referred. That is table 3.

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

TABLE III

[In millions]

Description	1950 enacted	1951		Total	1952		Total
		Enacted	Proposed for later transmission		Recommended in this document	Proposed for later transmission	
By type of new obligational authority:							
Appropriations	$40,312	$75,087	$10,951	$86,038	$20,232	$75,711	$95,943
Reappropriations	551	790		790	1		1
Authorizations to expend from public debt receipts	7,470	1,834		1,834	939	1,000	1,939
Reappropriations of authorizations to expend from public debt receipts		6		6			
Total authorizations for expenditures	48,333	77,717	10,951	88,668	21,172	76,711	97,883
Contract authorizations	4,915	3,085		3,085	621		621
Reappropriations of contract authorizations		103		103			
Total	53,248	80,905	10,951	91,856	21,793	76,711	98,504
Less portion of appropriations for liquidation of prior contract authorizations	3,026	4,370	27	4,397	1,260	2,815	4,075
Total new obligational authority	50,222	76,535	10,924	87,459	20,533	73,896	94,429
By function:							
Military service	14,883	44,181	10,000	54,181	101	60,870	60,971
Veterans' services and benefits	6,598	5,653	88	5,741	4,426		4,426
International security and foreign relations	7,104	8,885	100	8,985	276	10,680	10,956
Social security, welfare, and health	2,472	2,423	3	2,426	2,517	35	2,552
Housing and community development	4,735	752	80	832	418	600	1,018
Education and general research	130	173		173	158	310	468
Agriculture and agricultural resources	3,324	1,322		1,322	1,483		1,483
National resources	1,985	3,212	9	3,221	2,103	8	2,111
Transportation and communication	1,805	2,130	193	2,323	1,751	1,337	1,414
Finance, commerce, and industry	67	686	210	896	38	1,530	1,568
Labor	224	236		236	225		225
General government	1,076	1,160	191	1,351	1,140		1,140
Interest	5,819	5,722		5,722	5,897		5,897
Reserve for contingents			50	50		200	200
Total new obligational authorizations	50,222	76,535	10,924	87,459	20,533	73,896	94,429

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

Mr. SALTONSTALL. I yield.

Mr. CASE. I think the Senator from Massachusetts has made an admirable statement. He has placed his finger upon two things which are absolutely essential if we are really to do something toward cutting the budget.

First, we must examine even the military requests, and be sure that something is not wrapped up in the term "national defense" which will thereby obtain access to the Federal Treasury when it does not deserve that kind of essential rating.

Second is the emphasis upon the necessity of reexamining some of the

Government's contractual commitments with the States. If we are really going to reduce the Federal budget, we must examine those things. I think the distinguished Senator from Massachusetts has made a real contribution to the debate on Federal economy.

Mr. SALTONSTALL. I appreciate very much the remarks of my colleague and friend from South Dakota.

AMENDMENT OF REORGANIZATION ACT OF 1949

The Senate resumed the consideration of the bill (S. 101) to amend the Reorganization Act of 1949.

Mr. ROBERTSON. Mr. President, I shall support the pending bill to authorize the President to reorganize certain of the defense agencies. I was a member of the committee which framed the bill. I think it is a workable bill. It will give the President the authority which he requested, while reserving to the Congress the authority which, in my opinion, it should not relinquish.

I have supported all our defense efforts. Naturally I should be glad to see the President have the power to increase the efficiency of defense agencies if he can do so under this bill, because, as the distinguished Senator from Massachusetts pointed out, we are faced with a very costly undertaking, even on the most efficient and economical basis.

CONQUERING THE WORLD BY WINNING ITS ESTEEM

Mr. President, the problem which weighs heaviest today on my mind is not whether we shall bring to rapid fruition a military establishment capable of conquering the world by force, but rather whether or not we are giving sufficient thought to the utilization of our inherent powers to conquer the world by winning its esteem.

Yesterday I attended the morning services of the Lutheran Church of the Reformation. The scriptural lesson was taken from the thirteenth chapter of First Corinthians, in which St. Paul said:

> Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal.

It will be recalled that in the original Greek Paul used the word "philo," meaning the philosophical approach to love. We have no exact word to translate that Greek word, so the scholars who gave us the King James version of the Bible used the word "charity." But it means far more than we usually attribute now to that word.

Then the pastor of the church took as his topic "What the World Needs," and proceeded to outline four outstanding needs of the world—men that the world can trust; moral courage; freedom in its highest sense; and a conception of God.

Then, Mr. President, I attended today the opening of the Senate, and was inspired by the fact that a former resident of Hiroshima, Rev. Kiyoshi Tanimoto, a distinguished Methodist minister, whom we tried to kill with an atomic bomb, came to the Senate floor, and offering up thanks to the same God we worship, thanked Him for America's great spiritual heritage, and then he asked God to bless every Member of the Senate.

The atomic bomb did not kill him. It did not break his will. It did not convert him to our way of thinking, to our religion, and to our democratic principles based upon the teachings of the Bible. That was done by a devout Methodist missionary in Japan.

So, Mr. President, I could not help but feel that if a miracle of that kind could be worked in his heart, it might be possible that a power stronger than the atomic bomb will rend the iron curtain behind which millions of misinformed people look upon us as enemies bent upon their destruction.

I am willing to concede everything that our leaders have said about the evil intentions of those who control the Soviet Union. Certainly they are not men the world can trust. They are not men who know the meaning of moral and spiritual courage and force. They do not subscribe to our meaning of freedom in its highest sense, nor do they recognize our God. But, Mr. President, human nature is much the same in all races and throughout all recorded time. I am therefore constrained to believe that behind the iron curtain in Russia, as well as in the satellite countries, there must be many people who are good in the sense that we use the term here, who are kind hearted, who are peace loving, and who would gladly cooperate with us in a program of preserving the peace of the world if we only knew how in our dealings with other races to conquer them by earning their esteem.

A worthy example, Mr. President, was set during colonial times in my home county of Rockbridge, which was created by the General Assembly of Virginia during the Revolutionary War and its county seat of Lexington, in which I live, named for the Battle of Lexington. On August 7, 1801, the Lexington Gazette was founded and has been continuously published for nearly a century and a half, being one of the oldest weekly newspapers of continuous publication in the Nation.

In each current issue it republishes items of 100 years ago, 75 years ago, and 50 years ago. In its issue of January 31, under items of 75 years ago, I find one entitled "A Rockbridge Monument," which reads as follows:

> In front of the Baptist Church at the Natural Bridge stands a column about 6 feet high of white Italian marble, with this inscription under a wreath: "In memory of William J. Routon who lost his life in a most heroic effort to rescue a little servant boy from drowning in James River, April 27, 1856, aged 27." (On the opposite side is a short sermon.)
>
> Mr. Routon was a poor laboring man and the only son of a poor widow, who lived in Lynchburg. The little servant boy belonged to William Paxton, Esq.

That incident concerning a white man who lost his life in an effort to save that of a slave boy, while unique and outstanding, was but one evidence of many concerning race relationships since the settlement of the Valley of Virginia by conscientious and freedom-loving Scotch-Irish Presbyterians during colonial days.

The first thing to be done by the Scotch-Irish settlers of the valley was to build a log cabin. The second thing was to build a church, and it was usually a good one, built either of cut stone or brick, because they built a church to endure. In those days Thomas Jefferson had not won his fight for religious freedom but a colonial Virginia Governor who persecuted nonconformers agreed not to molest the Presbyterians in the valley in return for their willingness to defend the lowlanders east of the Blue Ridge from Indian raids.

The first church to be built in the new village of Lexington was a Presbyterian Church. Since the slaves and free Negroes of the town had no church the white Presbyterians provided a gallery for them in their church and a Sunday school room. In later years one of the Sunday school teachers of those slaves was the immortal Stonewall Jackson, then a professor of military science and tactics at the Virginia Military Institute.

When Stonewall Jackson left Lexington his body-servant went with him and was his constant companion from the first action of the Virginia Militia at Harper's Ferry to the fateful night at Chancellorsville. After Jackson's death that body-servant returned to his home in Lexington and 2 years later, although apparently still in sound health, died. It is generally believed that he died of a broken heart.

Through the unfortunate conflict of 1861–65 and the even more trying days of the reconstruction period, when a vindictive Congress officially declared Virginians to be incapable of self-government and designated Virginia as Military District No. 1, to be ruled by an army and plundered by carpetbaggers, the loyalty of Lexington and Rockbridge County former slaves to their former masters, who had made a fight not to perpetuate slavery but to preserve States' rights, never wavered.

Some years ago through popular subscription a granite monument was erected on the Courthouse Square in Lexington and on it inscribed in bronze a tribute to the loyalty of those former slaves. I never see that monument but that I recall the words of Daniel Webster, who said:

> If we work upon marble, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble to dust. But if we work upon men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellowmen, we engrave on those tablets something which no time can efface, and which will brighten and brighten to all eternity.

That was the thought, Mr. President, that I had in mind when I recently said to our breakfast group that there was no record in history of any military establishment that had been able to preserve a permanent peace, and that while in this emergency I recognized the necessity of our creating a defense establishment capable of defending our homes from arson and plunder, I felt that if we ever hope to see again the day, described by Patrick Henry after the Revolutionary War, "when Peace hath spread her white wings above our fair land and contentment lies down at every door," we

should employ in our peace program spiritual as well as physical force.

The example of what we need in this country and in every Christian country now arming to defend itself against possible aggression was set by the early Presbyterian settlers of Lexington when they shared with their slaves their Christian faith, their Christian hope, and their knowledge of ethical conduct based upon the Sermon on the Mount. As a result, when war came, there was no Fifth Column. "To conquer with arms is to make only a temporary conquest," said Woodrow Wilson. "To conquer the world by earning its esteem is a permanent conquest."

SUGGESTIONS FOR SETTLEMENT OF THE KOREAN SITUATION

Mr. MORSE. Mr. President, on November 27, 1950, the distinguished Senator from North Carolina [Mr. HOEY] inserted in the RECORD an exceedingly able paper written by the former Senator from North Carolina, the distinguished Dr. Frank P. Graham. His paper is entitled "The Need of a United America Confronted With the Threat of Totalitarian Tyranny in Global War."

Mr. President, in my opinion the statesmanship of that great paper written by the former Senator from North Carolina, Dr. Graham, needs to be contemplated very carefully by those in charge of America's foreign policy in these days. It should be read not only by every Member of Congress, but by citizens generally. It is a clear, concise, eloquent statement of the meaning of the crisis which confronts us.

Recently I received from the editor of the Durham Morning Herald, of Durham, N. C., a letter containing an enclosure in the form of another great statesmanlike paper written by Dr. Graham. The paper is entitled "As a Step Toward Preventing World War III—Recommendations for Action." I ask unanimous consent, Mr. President, to have inserted in the RECORD, as a part of my remarks, the letter which I received from the editor of that newspaper.

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

TOWN OF CHAPEL HILL,
Chapel Hill, N. C., January 16, 1951.

To Senator MORSE.

MY DEAR SIR: I am aware of the tremendous pressures on your time and thought. Still—as a citizen and on my own initiative, and in the interest of decent, honorable peace in this world—I want to suggest and urge that you read the attached statement by Dr. Frank P. Graham, and that you use it in any way you may think best.

I am deeply impressed with the statement's sweep through history; its clear, logical analysis of the dangerously explosive war potentials which face people everywhere; its practical suggestions for dealing with the Korean problem; and its emphasis on revealing and using the moral power of the United Nations General Assembly for peace.

Several Senators have said this statement by Dr. Graham is a timely supplement to his stirring plea for national unity and the unity of the free world, made on the day he left the United States Senate and printed in the Appendix of the CONGRESSIONAL RECORD, volume 96, part 18, pages A7286-A7290.

This complete reprint was made through the generous interest of the Durham (N. C.) Morning Herald. The substance of the statement appeared on Christmas Day in the Washington Post and the Charlotte (N. C.) Observer, and later in the New York Herald Tribune and the Raleigh, N. C., News and Observer.

Respectfully yours,

EDWIN S. LANIER.

Mr. MORSE. Mr. President, before I ask unanimous consent also to have inserted in the RECORD, as a part of my remarks, the statement made by Dr. Graham, I wish to make these comments about it: As we know, Dr. Graham was the American representative on the international commission which worked out what might be described as the mediation settlement of the Indonesian conflict of many months ago. That settlement was finally based upon what has become known as the Renville principles. In the statement, sent to me by the editor of the Durham (N. C.) Morning Herald, Dr. Graham again, in an inspiring style which is characteristic of his writings, and with a penetrating analysis which is typical of his exceedingly high intelligence, discusses the meaning of the Renville principles, and leaves with the reader the suggestion that probably we should consider the Renville principles in connection with the problem of trying to settle the Korean issue. In the course of his paper he says:

The Renville principles already approved by the United Nations in the Indonesian situation are a possible starting point for the consideration of principles and procedures for the Korean situation.

Mr. President, let me make clear that, as I read Dr. Graham's statement to which I have been referring, it is not his suggestion that the Renville principles constitute the solution of the Korean situation; but, rather, it is his suggestion, as the words I have just read make very clear, that they constitute a possible starting point, and only a starting point, for a consideration of principles and procedures for settling the Korean problem.

He says:

The Renville principles are substantially the following: (1) military provisions for cease fire, a truce, a demarcation line, demilitarized zones on both sides of the line, and the withdrawal by stages of all non-Korean armed forces under the supervision of the United Nations; and (2) political principles with provision for internal security, civil liberties, free trade, transportation, communication, economic rehabilitation, plebiscites or other forms of free elections, and convention of delegates elected on the basis of population, for framing a constitution for a free, independent, and united Korean nation under the supervision of the United Nations for the self-determination of all the Korean peoples and their admission as an independent member nation into the United Nations.

These Renville principles and procedures, modified and adapted to meet the Korean situation, could be the ways and means of substituting ballots for bullets and of substituting law and the self-determination of peoples for war and the self-extermination of peoples.

Mr. President, it is not for me to say that ex-Senator Graham, former president of the University of North Carolina, has outlined an architect's blueprint for the settling of this great international problem; but it is for me to say that after reading his keen analysis, I believe he does lay down some principles which should receive the careful consideration of the officials of the State Department and of our representatives in the United Nations. We cannot escape the fact that what we seek is peace in Korea upon honorable terms, peace in Korea under the supervision and authorization of the United Nations, peace in Korea without appeasement.

One cannot read Dr. Graham's statement without recognizing that he is unalterably opposed to appeasement, just as, as a member of the International Commission in connection with the Indonesian affair, he refused to be a party to appeasement in that dispute.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the article entitled, "As a Step Toward Preventing World War III—Recommendations for Action," by Dr. Frank P. Graham, former Senator from North Carolina. As I have said, the article was printed in the Durham (N. C.) Morning Herald for January 7, 1951.

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

AS A STEP TOWARD PREVENTING WORLD WAR III—RECOMMENDATIONS FOR ACTION

(EDITOR'S NOTE.—This is a revised reprint of an article by Dr. Graham which appeared in the Durham Morning Herald on January 7, 1951. The Durham Morning Herald Co., Inc., Durham, N. C., is pleased to reproduce this article.)

(By Frank P. Graham)

CHRISTMAS AND THE NEW YEAR

Christmas 1950 and the New Year 1951 have come with their heritage from a great past and their hopes amid the darkness which broods over the peoples of the earth.

In the nearly 2,000 years since the first Christmas there have been transmitted to the keeping of our generation the Hebraic, Greek, Latin, Catholic, Protestant, Scientific, Industrial, Democratic, European, and American heritage of human freedom and humane hopes yet unfulfilled and now imperiled in this world.

In the reorientation of the American as part also of the Pacific-Asiatic world, it is of concern to us that in the East the spiritual heritage of the oldest civilizations is being uprooted by conquerors who would exalt the ideology of one generation and the quick ruthless methods of the police state above the wisdom of hundreds of generations. The need for reform is large and insistent in the East and the West. The East and the West need the values of creative cooperation in reform. This cooperation will be more creative when based on a mutual respect for the deep spiritual heritage of historic peoples, a decent regard for the truth above the falsehoods of hate as the basis for fair relations, the freedom of the human mind as the creative source of progress, and the dignity of the individual and the moral autonomy and enterprise of the human spirit as the basis of enduring freedom and reform in this critical age.

In the womb of the mid-twentieth century are a-borning the ideological, economic, social, political, scientific-atomic-cosmic, and spiritual forces which mayhap determine the destinies of peoples for generations.

The modern economic framework of production and communication, which encompasses the earth with its dynamic power, catches up ideas, depressions, and wars anywhere and involves, and sometimes engulfs, peoples everywhere.

Dictatorships have risen through and for the concentration under one central political control of the police state all the powers of production and communication (1) for its mastery over the bodies and minds, the work and life, the hopes and the spirits of the people; (2) for the subjugation of the free peoples; and (3) for the domination of all the peoples of the earth.

The spiritual heritage of a great past and the humane hopes for a freer and better world in the west and the east are both now in peril. In two hemispheres the peoples, with both despair and hope, look from the background of centuries gone into the years ahead pregnant with war or peace, freedom or slavery for hundreds of millions of people across the earth. The world-wide crusade for freedom and peace must climb from the valleys of weakness and fear into the hills of courage and power.

In the midst of the global gloom of the closing days of 1950 Christmas came with its ray of hope in a darkening world. Nearly 2,000 years ago a child was born in a lowly manger in a little country in Asia near the sea which yet joins with hope the east and west. Glad tidings came in the darkness before the dawn. With the child was born the hope of peace on earth and good will toward men. The child became man and lived and died for the brotherhood of all men and the fatherhood of one God. Jesus and the prophets and saints, east and west, taught the Golden Rule and human brotherhood: one God, one family, and one world of freedom, justice, peace, and good will among men, unfulfilled to this hour.

I. THE YEARNING OF THE PEOPLES FOR PEACE

1. In the United States

In the United States today the mothers and fathers in homes, the sons and daughters who dream their youthful dreams of homes of their own, the people on farms, in factories, stores, mines, and upon the seas, the people in cities, towns, villages, and the countryside, in schools and churches, want peace. They would have peace, they are sure, if only the cruel dictators of the Soviet Union would stop their aggressive tyranny and let the people have peace.

2. In the Soviet Union

In the Soviet Union, the mothers and fathers in homes, the sons and daughters, who dream their youthful dreams of homes of their own, the people on farms, in factories, stores, mines, and upon the seas, in cities, towns, villages, and the countryside, want peace. They would have peace, they have been led to believe, if only the Fascist warmongers in the United States would let the people have peace.

3. In other nations

In other nations of the earth the mothers and fathers in homes, the sons and daughters who dream their youthful dreams of homes of their own, the people everywhere as they work and love, dream and hope, want peace. They would have peace, hundreds of millions of them believe, if only the Soviet Union and the United States would let the people have peace.

4. The people of all colors and creeds, races and regions

The yellow, brown, red, black, and white peoples want peace. The Buddhists, Hindus, Confucianists, Shintoists, Moslems, Jews, Greek Orthodox, Roman Catholics, Protestants, believers and unbelievers, want peace. The people of North and South America, Europe, Africa, Asia, Australia and the islands of the oceans and seas, want peace. All the peoples of the earth, who in this generation, have suffered through a world war, a world depression and another world war, yearn and pray for freedom and security, justice, and peace.

II. THE UNIVERSAL YEARNING OF THE PEOPLES FOR PEACE CONFRONTED WITH THE HIGH POTENTIALS OF THE WORLD FOR WAR

Against this time for universal good will, in the face of the universal desire of the peoples for peace, and despite the unresting efforts of the Government of the United States and other governments, the nations are confronted with dictatorship, imperialism, and aggression.

1. The ways of dictatorship

The Communist dictatorship has made war on religion, subjugated the freedom of the mind, the freedom of representation in parliaments, the freedom of association in churches, corporations, labor unions, cooperative societies, fraternal and civic organizations, has broken treaties; blocked the unification of Germany and Korea; subjugated by methods of the police state nine nations and parts of two nations; sought to sabotage the recovery of Southern and Western European nations; stripped Manchuria, poisoned the minds of hundreds of millions of people with falsehoods and hate; crushed the freedom to struggle for freedom; enslaved increasingly more millions of people in enforced bondage than were ever held in slavery at any time in history; segregated 200 million people behind the iron curtain; vetoed the international control and inspection of atomic power; blocked the international efforts and procedures of the United Nations for peace; and has gone far in a program of aggression and imperialism for the domination of the world.

2. The ways of freedom

With all its unfair but decreasing discriminations, injustices, failures, and frustrations of freedom and democracy, the United States has preserved the freedom of religion, the freedom of the mind and the freedom of association; has advanced the freedom to struggle for freedom by which more millions of Negroes in the last 85 years in the United States have made more progress than any like number of people in any like time in modern history, revealing, against many handicaps, the innate capacities of a great people for self-development in an advancing democracy; liberated the Philippines; has, against both the Dutch and Communist imperialists, thrown its weight on the side of the independence and freedom of the 70,000,000 Indonesian people; has, against both the French and Communist imperialists, favored the autonomy of the Indo-Chinese people; has favored the self-determination of peoples in Israel and the Near East, in southern Asia, Korea, and Japan; has helped toward the self-recovery of the peoples of Turkey, Greece, Italy, France, West Germany, Northern and Western Europe and Great Britain; has projected a program for the technical assistance and self-development of peoples in both hemispheres; offered to give up its then monopoly of atomic power for international control and inspection; helped to facilitate the procedures and cooperated with the purposes of the United Nations against aggression as the best hope of freedom and peace in the world.

3. No appeasement of aggression

Standing on the brink of the abyss of another possible world war between dictatorship which, with all its pretenses, would crush the freedom to struggle for freedom—and the democracies, which, with all their faults, would preserve the freedom to struggle for freedom, some free nations are still torn by the opposite pulls of appeasement and resistance to aggression. In the present complex world situation resistance to aggression in Korea or anywhere may lead to global war. Appeasement of aggression leads no less surely and even more disastrously into another world war.

4. Not backward from a Dunkirk to a Munich, but forward

In resisting aggression in Korea the United Nations risked the military disaster of a Dunkirk to avoid the moral disaster of a Munich. If the recently victorious United Nations forces should be driven off the peninsula, the way would not be backward to Munich but forward with the United Nations for the ultimate triumph of freedom, self-determination of all peoples, justice, and peace under the laws rather than by the wars of nations. In the present situation whether we appease or resist, drift or plunge, or stand aside in isolation, the world potentials are so heavily charged that a local spark may become a global conflagration.

In the global dilemma of the universal yearnings of the people for peace and the high potentials of the world for war, it is only through heroic efforts of the Government of the United States in cooperation with the other governments in the United Nations, persistent against great odds, that a way may be found to make effective the people's passion for peace against the aggressors' will for war.

The free peoples must stand resolutely together against appeasement of aggressions and any surrender to the universal domination of a world totalitarian state.

III. MEANTIME, MOBILIZATION OF THE FREE WORLD FOR COLLECTIVE SELF-DEFENSE OF HUMAN FREEDOM

Meantime the United States and all the nations of the free world, east and west, must mobilize their economic, military, scientific, democratic, human, and spiritual resources for the cooperative self-defense of their democratic existence and the self-determination of peoples. Denunciations, armaments, plans, and pacts—essential as they are—are not enough. The American people, in democratic and moral answer to fascism and communism, must relentlessly keep up the struggle against imperialism, privilege, monopoly, and discriminations, and take the next step toward fulfillment of our American dream and our spiritual hopes for the freedom and equal opportunity for all people in a free and federated world.

The free peoples must stand together in defense of their commitments to the freedom of the human mind, the dignity of the human being, and the moral autonomy of the human spirit against a monstrous tyranny which seeks to subjugate all peoples in the expanding dominions of a world police state.

IV. THE OPPORTUNITY OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

In such a complex and desperate situation where may the people of the earth look for the implementation of their universal aspiration for peace? Not to the capital of any one or two nations. That way alone is the isolated way to war. Rather to the capital of all the nations. The way of international cooperation is the only way to enduring peace. The only international agency available for the balanced information and action of the peoples of all nations is the United Nations. With all its failures and frustrations, with all the need for amendment to its Charter for a federated world, the peoples of the earth still look in hope to the United Nations dedicated by the noble principles of its Charter to stopping aggression, preventing war, promoting freedom, and maintaining peace in the world.

1. The General Assembly is the only world forum of all the nations:

More democratically and organically the people now look to the General Assembly with new hope in the recently and overwhelmingly adopted procedures for uniting for peace. In the General Assembly are represented 60 nations which include the overwhelming majority of the peoples of the

continents and islands of the earth by their own self-determination.

In the midst of the almost unsolvable dilemmas on the edge of a world catastrophe, whose burdens are now heroically borne by the statesmen of the free world, time does not wait for amendments to the Charter, for stronger ways, better days, more democratic governments, or nobler people. To amend the Charter the United Nations must now save the Charter and itself from destruction. To become more democratic the people must save the freedom to be a democracy. Freedom and democracy begin at home but without resistance to the aggression and tyranny of the totalitarian police state, freedom and democracy would have no home in which to grow. The people of the world, as imperfect as we all are in our human and inhuman ways, are the only people available in this fearful time. Now and soon is the only time left. The General Assembly is the only world forum of all the nations. The Assembly of the delegates from 60 nations is the most representative of the organs of the United Nations. It is not subject to the veto in its own jurisdiction. It is the only agency in existence in this confused and yet hopeful world which has a chance of enlisting the attention of most of the peoples of the earth for making effective their hopes for peace.

2. A majority vote of the Security Council on a procedural matter not subject to the veto can lift the dispute from the Council agenda and free the Assembly to make recommendations:

It is recognized that, in accordance with article 12 of the Charter, the General Assembly cannot make a recommendation concerning any matter on the agenda of the Security Council. Nevertheless, since putting a dispute on the agenda of the Council is a procedural matter not subject to the veto, a majority vote of the Council can remove a matter from the Council's agenda and thus make it a matter regarding which the Assembly can make recommendations.

Now is the time and the General Assembly is the agency to make findings and recommendations for the principles and procedures toward the settlement of a crucial dispute. This further attempt to settle this dispute is another effort to prevent a total global war, which would engulf the peoples of the world in the killing of scores of millions of people across the earth and the fateful destruction of the civilization accumulated from all ages and inherited from all peoples. As a starting point of the discussions for settlement of the dispute in Korea, the Renville principles themselves suggest their own applicability to the Korean dispute.

V. THE RENVILLE PRINCIPLES

The Renville principles already approved by the United Nations in the Indonesian situation is a possible starting point for the consideration of principles and procedures for the Korean situation.

The Renville principles are substantially the following: (1) Military provisions for cease fire, a truce, a demarcation line, demilitarized zones on both sides of the line, and the withdrawal by stages of all non-Korean armed forces under the supervision of the United Nations; and (2) political principles with provision for internal security, civil liberties, free trade, transportation, communication, economic rehabilitation, plebiscites or other forms of free elections, and convention of delegates elected on the basis of population, for framing a constitution for a free, independent, and united Korean nation under the supervision of the United Nations for the self-determination of all the Korean peoples and their admission as an independent member nation into the United Nations.

These Renville principles and procedures, modified and adapted to meet the Korean situation, could be the ways and means of substituting ballots for bullets and of substituting law and the self-determination of peoples for war and the self-extermination of the peoples.

VI. THE REJECTION OF FAIR PRINCIPLES AND OPEN PROCEDURES FOR THE SELF-DETERMINATION OF PEOPLE WOULD REVEAL TO THE PEOPLES OF THE EARTH THE DESIGNS OF DICTATORS FOR AGGRESSION AND WORLD DOMINATION

If, in the face of the publication of the findings and recommendations for the truce and the principles and procedures for the settlement of the international dispute, any nation, and specifically the dictatorship behind the puppet government which refuses substantially to accept them but determines heedlessly to go on its way of defiance, aggression, and war, would thereby make its position of recalcitrance and aggression dramatically known to the great majority of the peoples of the earth, above the false propaganda of dictators and beyond the reasonable question of free peoples, such a position would make clear which government is recklessly bent upon aggression and war for the domination of the world. Any such government, in flagrant disregard of the yearnings of the people for peace and in rejection of the recommendations of the only existing international agency based on full and open discussions in the only world forum, brands itself as an outlaw before the judgment bar of mankind.

Such an outlaw nation, exposed before the world, would have to take the consequences of the combined economic, political, military, and moral self-defense of a free world in carrying out the principles and purposes of the United Nations as the best hope of fulfilling the yearnings and prayers of the peoples for freedom, justice, and peace under law.

While some wait for universal disarmament, a limited world federal government, world law, and a world police force, for the prevention of aggression and war, there must be mustered now on the side of human freedom against aggression not only more people and more bombs but also a greater faith. In the moral potentials of the United Nations fully utilized is more ultimate power than in the explosive force of atomic bombs.

The muster of the effective power of the General Assembly for human freedom and the self-determination of peoples might prevent war and thereby avoid the use of atomic bombs against aggression. The world's potentials for war and self-destruction of peoples must be brought under the control of the United Nations' potentials for peace and the abundant production by peoples. To the large executive power and influence of the Security Council, presently subject to the paralysis of the veto, must be added more promptly and effectively the moral power of the General Assembly of all the nations, which can, without a veto, make recommendations to the Security Council and to member nations—with the peoples of the world looking on with their hopes and listening in with their great moral power.

The yearnings and prayers of the peoples for freedom and peace are universal. The potentials for war and self-destruction are world-wide.

The time to save freedom and peace is desperately late. The only agency which can now possibly express and muster the moral power of mankind for freedom and hope and peace is the General Assembly of the United Nations.

The peoples of the world, under God, to save themselves and their civilization, shall have a rebirth of freedom and faith in the effective power of the moral opinion of mankind, mobilized by the General Assembly of the nations of the earth against tyranny, aggression, and war.

VII. THE ULTIMATE TRIUMPH OF THE SOVEREIGNTY OF THE MORAL LAW THROUGH INTERNATIONAL COOPERATION BY WHICH DICTATORS MUST FALL, EMPIRES CRUMBLE, AGGRESSION FAILS, AND FREEDOM PREVAILS IN GOD'S GOOD TIME

Undergirding the power of the free world and the principles of the United Nations would be the universal yearnings of the peoples of the earth for peace and the world-wide assertion, through the General Assembly, of the moral sovereignty in the minds and hearts of the peoples as a part of the structure of God's universe. False propaganda in the face of the truth will eventually become as chaff which the wind driveth away. All peoples will yet rise in self-determination through the knowledge of the truth which will make them free. The light of liberty will yet shine through the iron curtain of men's minds. The warmth of human brotherhood will yet melt away the iron curtain of men's hearts. The people's hopes for freedom and peace still fly their flags high in the Western World and across the eastern seas. Against the ultimate sovereignty of the moral law which runs through the universe, the history of nations, and the minds and hearts of the people who pray for freedom, justice, and peace, empires will crumble, dictators fall, and aggressors make war no more.

The birth of the Child

With the birth of the Child the idea of the fatherhood of one God, the ultimate sovereignty of the moral law, and the brotherhood of all men, became flesh in Jesus, Son of God, brother of men, scourge of wrong, and Prince of Peace. He was Son of man who had not where to lay his head, lived among men, ministered to the poor in body and sick of heart, was crucified and rose again in redemptive and spiritual power to resist aggression, tyranny, and injustice, and to bring peace and brotherhood on earth in the great adventure of the human spirit in our earthly pilgrimage toward the kingdom of God.

Mr. MORSE. Mr. President, I am particularly interested in these recommendations by former Senator Graham, because on July 28, 1945, I pleaded on this floor for a recognition of the provisional Government of Korea at that time, in carrying out the principles of self-determination of the San Francisco Charter. I said that if we did not follow such a course of action and place Korea under a mandate or trusteeship of the United Nations until such time as a free election could be held in Korea, there was danger that Korea would fall as a ripe plum into Russia's lap. It seemed clear to me then, as we recognized the Russian pattern as it spread itself over satellite countries, that unless we stood up and fought for the freedom of Korea, then Korea would become a threatened area, so far as the peace of Asia was concerned, and I so pleaded at that time upon the floor of the Senate.

There were only a few of us at that time who were willing to put into practice immediately the principles of self-determination of the San Francisco Charter as they applied to Korea. Instead of following that course of action, what did our Nation do? It does not serve us well to ignore the great mistakes we make in foreign policy. We joined with Russia in the partition of Korea; and the pages of history must record that when we did that we joined in the partition of the freedom of Korea.

Mr. President, in view of the tremendous sacrifices which American boys are making in Korea, I think we need pause to examine and study and carefully consider every possibility of ending hostilities, short of appeasement, every possibility short of surrender, every possibility which offers an honorable peace in Korea. Former Senator Graham, in an article which has been sent to me by the editor of a paper in his home State, has offered to the officials of our Government a statement of principles deserving of their most careful consideration, and also deserving from them an explanation as to any weaknesses in the Graham proposals. I believe the American people are entitled to know that authorities in charge of our foreign policy are taking advantage of every possible honorable proposal which seeks to bring to an end the ghastly and costly holocaust in Korea.

Mr. President, I am no quitter, but I happen to be one of those who believe that unless we can follow a military course of action in Korea backed up by adequate United Nations support, a course of action which we can defend without high casualties on the part of American boys in Korea, we should withdraw from Korea to such a line in the Pacific as we can defend against the Red Chinese. We should stretch that line of defense and maintain it by all of the means of military force at our disposal, until such time as Red China rejoins the free nations. That, Mr. President, includes our giving support to whatever guerrilla forces there may be in China, on Formosa, or elsewhere, as an aid to maintaining that line of defense in the Pacific.

We cannot continue to make the sacrifices of American lives which are being made in Korea unless our military authorities can show us in the near future that there is a chance of military success without unreasonable casualties. I think the proposals offered in this statesmanlike article by the former Senator from North Carolina are entitled to the very careful consideration of the State Department. The country is entitled to a clear statement from the State Department as to what steps are being taken within the United Nations to try to negotiate an honorable peace based upon the principles which former Senator Graham discusses in this article if those principles are feasible of application to the Korean War.

Mr. President, I desire now to turn my attention to another matter for a brief time.

The PRESIDING OFFICER. The Senator may proceed.

THE RAILWAY STRIKE

Mr. MORSE. Mr. President, I understand it has been announced on the radio that I would discuss today the railroad strike. I suppose that the announcement was the result of an offhand remark I made on Saturday to several persons that on Monday, if I obtained the floor, I expected again to make a very sincere suggestion as to how I think the administration should move in connection with the railroad strike.

It is not a new suggestion for me. It is a suggestion which I made to the White House in connection with this same case last spring. It is a suggestion which I saw work successfully in a great many emergency cases during World War II. It is a suggestion which I think the President of the United States is in a stronger position today to carry out than he was last spring, because of the much greater seriousness of the emergency which confronts our country. It is a simple suggestion. It is a suggestion that in this great emergency the President of the United States use his war powers, as war powers were used during World War II, to call upon the parties to the railroad dispute to submit their case on its merits to an arbitrator appointed by the President of the United States for final and binding determination. It should be understood by all concerned that in the meantime, and immediately, there be a full and complete resumption of work on the part of the railroad workers now on strike.

I hope the Senate will permit and will forgive this personal reference, but, as the enforcement officer of the War Labor Board during World War II, and as one who had to deal with a great many emergency disputes, I wish to say that I do not know of a single instance of failure when the President of the United States exercised his inherent war powers in time of war—and we are at war—calling upon the parties to submit their case to an arbitrator who would be appointed by him, and whose decision would be final. Such an exercise of the President's inherent war powers is bound to succeed, because back of such an appointment is the recognition on the part of the American people that it is a fair and just and reasonable procedure for the settlement of a dispute in an hour of great crisis.

There is, I fear, a great deal of misunderstanding in America at this hour in regard to the present railroad dispute. Do not misunderstand me; I hold no brief for the strike. In my judgment, the workers cannot justify the strike, I care not how legitimate their claims may be in respect to the merits of some of the issues involved in the strike. The fact is that in this hour of crisis every American, I care not from what group he comes, must be willing to subordinate his selfish economic interest to the common welfare. That goes for railroad workers, as well as for all other groups in America. But when we start from that major premise, it is very easy then to adopt an emotional attitude which makes us intolerant of any proposal which may be based on the merits of the particular case.

Mr. President, no labor dispute is permanently settled by using the kind of duress and coercion which stirs up public opinion as the result of invective against a group of fellow citizens. It is impossible permanently to settle a labor dispute and bring harmonious labor relations into an industry until there is a decision on the merits of the issues involved.

There is a great deal of misunderstanding about what has happened in this case. In the first place, Mr. President, it is some 22 months old. In the second place, the case has been at the doorstep of the White House for many months. I happen to be one who believes that the case should be a rare one in which the White House steps into the picture and takes jurisdiction. Whenever the White House takes jurisdiction over a labor case, there is only one end result the White House should seek and that is a final decision on the merits of the issues. I stated many times to the President of the United States during the war, "You have taken jurisdiction over this case. Now we must take it through to a decision on the merits, because, until the issues are settled on their merits, the case is not solved in the interest of the war effort which is the justification for White House jurisdiction." Let us see if it is true, as it is being represented by some of the press throughout the country, that this case has gone to a decision.

Mr. President, as in every other litigious dispute, when we deal with the merits of a labor dispute, we must not lose sight of the procedures involved and of the rights of the parties under those procedures. In this case, what the public is not giving due weight to, in my judgment, is the fact that no final decision on the merits of the case has ever been reached or issued by the White House. The question is asked: "What about the Emergency Board?" That emphasizes one of the great misrepresentations which have been fed to the American public by some of the outstanding newspapers, who have had a duty, it seems to me, to educate their readers as to the true meaning of the procedures under the Railway Act of 1926.

An emergency board, Mr. President, is not an arbitration board. An emergency board does not render decisions on the issues of a case. An emergency board is a hybrid type of tribunal. It is an advisory board. It acts somewhat in the capacity of a mediation board. Mediation is always based upon the principle of compromise, taking into account the economic power of the disputants at the time.

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

Mr. MORSE. I should like to finish this analysis of procedure in the interest of continuity, and then I shall be very happy to yield to the Senator.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator from Oregon declines to yield at the moment.

Mr. MORSE. An emergency board, Mr. President, is not an arbitration board. If it is desired to make an emergency board an arbitration board, the junior Senator from Oregon is ready and willing to give very careful consideration to the merits of such a proposal, along with certain procedural safeguards which I believe will always have to be established if we ever reach the point when we think any segment of the economy of the Nation should be brought under compulsory arbitration. But I quickly point out that it seems to me that if we ever come to the point where we want to subject the railroad industry, so far as labor relations are concerned,

to compulsory arbitration, we must vest in the Board jurisdiction over the question of rates.

I know whereof I speak as to the importance of that position, because in 1941, as the Chairman of the National Railway Emergency Board, in a Nationwide dispute, I sat in the office of the President of the United States with that Board, and also in the presence of the then Chairman of the Interstate Commerce Commission. There was a frank discussion of the recommendations of the Emergency Board in regard to wages, hours, and conditions of employment, and in behalf of that Board, and under its authorization, I pointed out to the President of the United States that although we thought that on the merits a higher wage should have been recommended, and that a more favorable set of rules, from the standpoint of the railroad workers, should have been recommended, we could not make those recommendations, in all fairness, because we did not believe many of the railroads involved in the dispute had the ability to pay those wages and grant those conditions of employment because of the limitations of rates upon them.

The record is clear, Mr. President. There followed the rejection of the Emergency Board's report in 1941. There was a mediation settlement that granted some more favorable conditions. I shall not bore the Senate with the details, because the report of that case is a matter of public record. The point I desire to emphasize is that it is interesting to note that shortly thereafter the Interstate Commerce Commission granted substantial increases in rates in order to adjust them to the recommendations of the mediation settlement of that dispute which necessarily involved increased operating costs for the railroads. In other words, we had the experience in the 1941 case of seeing how difficult it is to render even recommendations on the merits of a railroad labor dispute when the tribunal which makes the recommendations has no jurisdiction at all over the determination of the ability of the railroads to pay because of the rate restriction requirements which are imposed upon them.

We cannot undertake a solution of a problem like the one now confronting us by halfway measures. If we are to say to the workers in public utilities "We are going to restrict your freedom in handling emergency disputes, by requiring you to accept a decision as final and binding, upon the merits of the evidence," then the tribunal making the decision must also have within its jurisdiction power to determine the rates the railroads can charge, in the interest of seeing to it that they pay fair wages and grant proper working conditions to the workers.

So I say, Mr. President, that I happen to hold the view that compulsory arbitration as a blanket procedure, even in the case of public utilities, is a very dangerous procedure, and I happen to believe that compulsory arbitration as a blanket procedure for handling disputes has within it the seed of a development which eventually will lead to the nationalization of public utilities. I am so opposed, Mr. President, to a state economy, I am so opposed to the nationalization of basic industries in this country, that I prefer to follow the procedure which I recommend today of having these cases—and they will be few in number when we consider all the disputes which may arise—settled on an individual basis, case by case, when the machinery for the peaceful settlement of labor disputes within a public utility industry, be it the railroads or any other public utility, breaks down. That is the procedure we followed in World War II.

I desire to refer again, Mr. President, to the nature of an emergency board. To argue now, as White House spokesmen do and as many newspaper editors in their editorials do, that a decision was rendered in this case many months ago by the action of the emergency board, is contrary to fact. It involves a type of misrepresentation of the case to the American people. The average citizen does not understand these highly technical but substantively important procedural matters. If he once sat on an emergency board he would know full well that it does not function as a judicial tribunal for the purpose of settling disputes on their merits in accordance with the preponderance of the evidence. They have many of the characteristics of an arbitration tribunal but they are not in fact or by jurisdiction an arbitration tribunal.

It is my opinion that emergency boards do a remarkably fine job in making recommendations to the President and the American people on the basis of the facts as they find them or believe them to be. However, Mr. President, you would function entirely differently on an emergency board if you sat on it in the purely judicial capacity of an arbitrator, because when you walk into an arbitration courtroom you walk into a judicial process. There is one rule of primary concern to an arbitrator, and that is the rule of the preponderance of evidence on the merits of each issue involved in the dispute.

Mr. President, I have been a stickler for the application of the rules of judicial process to arbitration, and I have been very proud of the fact, as one who has presided over a great many arbitration courtrooms, that lawyer after lawyer has said to me, "So far as the process of this arbitration courtroom is concerned, I find no difference between it and the rule of preponderance of evidence as it is applied in any Federal court." That is the way it should be. The parties should know that when they come before an arbitrator for a judicial determination of the issue involved in a dispute, the record, and the record alone, speaks for itself.

Mr. President, that is not the way an emergency board under the Railway Labor Act of 1926 works. Let us read the act. The function of the emergency board is advisory only. The Board makes recommendations. The act specifically provides that the parties to the dispute are not bound by the recommendations. In my opinion it is unfair for the White House, and for that portion of the press which has been engaging in this form of misrepresentation, to tell the American people that there has been a decision reached on the merits of the dispute by way of an emergency board report. It is true that an advisory opinion or set of recommendations have been suggested to the President. All parties to the dispute, including the President himself, must know that the emergency board report has no binding effect whatsoever, and is not a judicial decision.

I happen to be one who believes that the railroad brotherhoods have done themselves, as well as the public, great injury by the attitude which they have taken toward the Railway Labor Act of 1926 by following a course of rejecting such a large number of emergency board reports. They have a right to reject reports; the law gives them that right. Unless and until the Congress of the United States provides a different procedure, which will impose different obligations on emergency boards, the railway brotherhoods have the right to continue to reject them.

After the rejection in the present case, what happened? A mediation procedure was started in the White House. The President did not take personal jurisdiction over the dispute. He did what he certainly had the right to do. I do not quarrel with the policy he followed, because the policy he adopted was discretionary with him. He selected a very able and nationally known mediator, who is a close personal friend of mine and for whom I have an exceedingly high regard, both personally and professionally. I refer to Dr. John R. Steelman who attempted to mediate a settlement. The mediation went on for a great many days.

Mr. President, I am not concerned or interested in the little personal differences which almost invariably arise in a hotly contested labor dispute. They happen to be a part of the whole picture. We are hearing a great deal these days on both sides about petty personal differences and personal dislikes which developed in this case. I am not concerned with such differences. I am interested in keeping the record straight as to what happened. I think the record shows that the very able mediator, John R. Steelman, met with a negotiating committee representing the carriers and with four presidents of the railroad brotherhoods in an endeavor to mediate the dispute.

A great deal of complaint has been made by the railroad brotherhoods that at no time has the White House ever called the president of a railroad company to sit down and discuss the controversy. I have some understanding and some sympathy with that point of view taken by the railroad brotherhoods. However, I do not think that the complaint ought to be considered to be very controlling or to be a very vital criticism of the White House. I say that because, again, that kind of procedure was discretionary with the White House. Speaking only for myself, I have observed in a great many instances that a case can be settled much more quickly if the top men are brought in, instead

of subordinates. We discovered that to be so during the War Labor Board days, when serious national emergency disputes occurred. We found that it was possible to settle a dispute much more quickly when we brought in the president of a corporation, and had him sit down and at least be a party to the negotiations.

The White House did not see fit to do that, and it was within its discretion not to do it. The record shows that after prolonged mediation conferences the presidents of the brotherhoods and the negotiating committee for the carriers signed a so-called mediation settlement, but with the distinct understanding, which is clearly established by the news releases at the time, that the settlement was only tentative, and had to be taken back to the membership of the workers committee of general chairmen for ratification. Anyone who has dealt with railroad-labor disputes knows that to be the common practice. Under the constitutions of the brotherhoods, the presidents of the brotherhoods have no dictatorial power to bind the brotherhoods to any mediation settlement into which they enter.

I have checked into the newspaper releases of the day on which the mediation settlement was made known to the American public. I have read the account of it written by Louis Stark, and published in the New York Times. Mr. Stark is recognized as one of the most able and accurate labor relations reporters in the country. His account, as do the accounts of other reporters, makes it very clear that when the mediation settlement was announced to the public, all of the parties to the mediation knew that the presidents of the brotherhoods had to take the settlement back to the membership for approval. Therefore, Mr. President, I say that it is unfair and not completely honest reporting of the facts for the White House to seek to give the American people the impression that the brotherhoods have reneged on an agreement which they entered into on or about December 21. The spokesman for the White House, the representatives of the carriers, and the representatives of the brotherhoods knew at that meeting that the paper which was signed could not represent any final agreement binding upon the brotherhoods until it was submitted to the brotherhoods for approval.

What did they do? When it was submitted to the committees of general chairmen they unanimously disapproved of the proposed settlement. It is not for me to say that they followed a proper course of action. I wish only to say that they had a right to reject the settlement; and I think the White House owes it to the American people to report the facts about the procedural obligations and rights of all parties to the dispute. The White House cannot justify giving to the American people the impression that the railroad brotherhoods have not kept their word under a mediation settlement, because no agreement binding upon the brotherhoods could be reached until the proposed settlement—and that is all it was—was ratified by the brotherhoods.

Following the rejection of the mediation settlement the case hung fire. I am at a loss to understand that delay, Mr. President. I should think that the moment it became public knowledge that the proposed mediation settlement had been rejected by the brotherhoods—which they had the procedural right to do—the White House would have gone into action, because it took jurisdiction in the first place, and it should have seen the case through to final solution without any delay or interruption in the transportation service if further negotiations could prevent it. But many days passed. Again let me make clear that no one can be more critical than I am of the course of action which the brotherhoods followed. Nevertheless, I am talking also about the obligations of the White House in this matter.

At the time of the rejection of the proposed mediation settlement the White House part in this dispute was characterized by inaction, not action. Then certain railroad workers resorted to what everyone knows, as was stated in the Star editorial yesterday, I believe, was a dishonest strike. It is a dishonest strike. The brotherhoods are not kidding anybody about who is sick. I will tell them who is sick. The American people are sick and tired of the way this case has been batted around on the part of all concerned; and they are particularly sick and tired of the resort to strike action on the part of the brotherhoods in an hour of great national crisis.

No matter how irritated we may become in our feelings, no matter how incensed we may be over the injury which is being done this country, and the great impairment to the defense effort, as well as the danger to our boys in Korea which is resulting from this strike, that does not change the fact that this case ought to be settled on its merits. I do not know how it is going to be settled on its merits unless we get a judicial decision on the merits; and we have not had one. I do not know how we are going to settle it on its merits unless the President now—and he has the power to do it—notifies the parties that he is appointing a judicial officer, an arbitrator who will proceed to sit at such and such an hour, and who will expect the parties to appear before him and submit their case on the merits for final determination.

Someone may say, "That will involve both a great deal of face saving and loss of face." Again, I am not interested in those personal factors. I am interested in some of the basic principles, however, which I think are involved in the kind of procedure which has been followed in this case; and I wish to say that it does not augur well for the future of labor disputes during this defense period.

Mr. President, I have received, as have other Members of this body, a great many telegrams saying, "Draft them into the Army. We draft doctors into the Army." But, of course, the senders of those telegrams again do not look into the matter of legal power. To do that we would have to change the law. To do that would, in my opinion, raise some very fundamental questions of public policy. To do that would, in my opinion, constitute a misuse of the American military uniform. To do that would abuse the basic principle of patriotic service in the Army of the United States.

I have never looked upon the use of the American military uniform as a means of penalizing wrongdoers in America. I have always thought that service in the American uniform was on a plane high above that level.

Likewise, I believe that the use of the American uniform for that purpose would raise some very fundamental questions of freedom. After all, the Selective Service, as it is presently devised, functions on a democratic basis in accordance with fixed legal standards. I would hesitate a long time before I would ever vote for a law which would empower the President of the United States to throw into the Army, by way of penalty, workers who in his opinion are acting against the public interest. No matter how strong our feelings over wrongdoing, we must keep our eyes on fundamental principles of government, even in time of emergency. As the Supreme Court has said so many times, in so many historic decisions, we can never permit any emergency to jeopardize or destroy fundamental American liberties. There are other ways of penalizing these men, by legislation, rather than desecrating the uniform of the American Army by using it as a cloak of penalty.

I point out, too, that that principle, once applied, can work as a two-edged sword, not only against individual workers, but against employers, too, as well as against all others who do not act in accordance with the desires of a President. It is too much power to give any President.

So I would advise today that we resort to judicial processes, and not to shortcut penalty procedures such as the drastic actions which are being proposed in some of the telegrams we receive. I would advise today that in this case we exemplify once again the superiority of government by law. I would urge again, as I did last spring in a suggestion to the White House, that the President exercise the power which I think inherently is his under the war powers he possesses in times of great emergency, to rise above the personal attitudes which have developed in connection with this case and say to both parties to the dispute, "We are now going to submit this dispute to a judicial tribunal of arbitration.

"We will let the chips fall as they may in accordance with the evidence presented. We will follow the sound judicial principles of letting the preponderance of the evidence rule."

I think it will be discovered, Mr. President, that the case will then be settled for the first time by way of a decision which will bear a direct relation to the facts involved and in accordance with the merits connected with each of the issues.

Mr. President, I think that while such an arbitration is going on the President should make clear to the railroad strikers that he expects them back at work at the next shift. If he gives them that kind of a judicial tribunal for a determination

of the merits of this issue and they then tarry from going back to work with any dishonest pretense of being sick, when we know that they are only angry and enraged, then I, for one, say that all the processes of the law should be exercised against them, including contempt procedures and all that contempt procedures mean by way of enforcement.

Oh, yes, I know if one even suggests these days in connection with this case that some course should be followed other than the one which has been followed to date, he runs the danger of being labeled as one who aids and abets this strike. I do not aid and abet this strike. As a patriotic American, Mr. President, I resent this strike. But labor disputes are not solved by way of expressions of resentment. Labor disputes as serious as this one are solved finally by taking them to a judicial tribunal so fair in its procedure that no one on either side would get to first base, so to speak, with any criticism of the decision, even though he may not like the decision because it goes against him. I have seen it work so many times, Mr. President, that today I felt I would be derelict in my duty as a Member of this body if I did not once again make the suggestion that I am satisfied, would work in fairness to all concerned, and express the sincere hope that the administration will find it possible to follow the suggestion.

Although I do not in any way condone the railroad strike which is now crippling the transportation system of our country, I think we all need to be on guard against substituting emotional reactions for a fair consideration of the merits of the dispute. I think we should recognize that labor relations within the railroad industry would have to become very unsatisfactory and provocative before men such as our railroad workers would resort to a strike. We should not forget that railroad workers are among the most substantial and conservative workers in our country. We often hear the descriptive term used about someone's being "a typical American citizen." I think that in fairness to railroad workers it should be said in discussing this situation that railroad workers generally come about as near to meeting the description of the phrase "typical American citizens" as any group of people in our country.

Who are these railroad workers who are on strike today and against whom so much feeling is being expressed? They are our neighbors. In the typical American town they live on the same street with the rest of us. Their children go to the same schools and play in our own backyards with our own children. They attend the same churches. They belong to the same lodges and clubs. They participate in the same community activities. They are recognized and accepted as substantial patriotic American citizens, who play a very important part in the economic, social, and political life of every community of any size throughout our country.

Although at the present time they have been angered in this dispute to the point of exercising what I think is some very bad judgment, as far as the method they are using in an endeavor to obtain a fair settlement of their grievances, nevertheless fairness should cause us to recognize that they represent a very substantial and desirable element within our citizenry. Railroad workers have always been recognized as being good citizens who perform very important skilled and essential labor for the American economy. It is my opinion that the railroad carriers will regret it very much in the future if they stand by and permit railroad labor to become the whipping boys of public indignation as a result of the situation which has developed in this dispute.

I would respectfully advise the railroad carriers this afternoon that the good will of their workers in the years to come will be worth much more to them from the basis of any standard of values they may wish to set up, including dollars and cents, than any satisfaction they may get out of licking railroad labor in this dispute, as a result of the fact that public opinion is against railroad labor in this dispute. I have seen employers in other cases take advantage of their workers when a situation somewhat similar to this have developed, only to wish sometime later that they had not bought their victory at the price of the bitter resentment of their workers. The carriers may think now that only these workers who are out on strike are dissatisfied with the policies followed by the carriers in this case to date, but I am sure that they are wrong in any such thinking. Although there are great rivalries between and among the railroad brotherhoods, there is also a strong professional camaraderie among them, and a very long memory on the part of all of them as to any unfair advantage taken by the carriers of any group within railroad labor.

I am satisfied that the carriers have made their fair share of mistakes in judgment in connection with this case, too, but their mistakes have not had the effects upon the public that those of the strikers have had. Therefore as a result the carriers are not in disfavor with the public in this dispute, but they are fooling themselves if they think they are not in disfavor within the ranks of railroad labor, including those groups which are not out on strike.

As I see this case, it offers to the carriers a great opportunity to substitute a policy of industrial statesmanship for the temptation of taking advantage of this situation in order to discipline their workers, and "get even" on some industrial dispute scores. If their case on the merits is as good as they claim it is, then they should be perfectly willing to submit their case to judicial arbitration with the understanding that the arbitrator's decision will be final and binding. They should be willing to submit their case to an arbitrator appointed by the President, who in turn should of course appoint someone to arbitrate the case who has had nothing to do with the case up to the present time. What this case needs is the judgment of some fair-minded arbitrator, who will hear it in a strictly judicial capacity and render his decision on the basis of the preponderance of the evidence, based upon a formal record made before him by the disputants, in an arbitration courtroom.

The workers should accept such a procedural solution to the case if offered to both the carriers and the brotherhoods by the President, and they should return to work immediately. Of course they should return to work immediately anyway, but anyone who knows anything about labor relations problems knows that when a case reaches the bungling mess this case has reached, it is necessary to offer the parties a procedure for settlement so fair that no party to the dispute can resist the verdict of public opinion in support of an arbitration procedure. I am sure that public opinion will call upon the parties to accept the arbitration procedure I suggest, if the President offers it to them.

I have a great deal of sympathy with the President in this case too. I do not think he has been dealt with very fairly by the parties concerned. I do not think it should be expected that the President would be fully aware of all of the overtones and undertones of conflict and industrial strategies which have been involved in this case. I think it is clear from press reports that he has assumed all along that settlements have been reached in the case and that the workers have walked out on these settlements. It does not appear that he has fully understood the procedure and rights of the parties to the dispute under either the Railway Labor Act of 1926 with its emergency board procedure or the mediation negotiations which were consummated in a tentative proposal for settlement on December 21. However, as I said earlier in this speech, it seems perfectly clear from the press reports at the time that all parties to that tentative settlement were well aware of the fact that it would not be binding upon the brotherhoods unless and until ratified by the full membership of the negotiating committees of the brotherhoods, commonly known as the general chairmen. Those general chairmen, as I have said before, unanimously turned down the tentative agreement, and I think when the White House learned of that fact, that action should have been taken immediately, either for further mediation or for arbitration. In any event it appears clear now that the White House should recognize that it cannot create the type of labor relations which should prevail in the railroad industry by adopting the course of action it has been following. It probably can get the men back to work by pressures and penalties but it will not establish sound labor policies in the industry that way. Government by law is always preferable to government by force. Decisions by judicial processes are always preferable to decisions either by economic force or executive edict.

AMENDMENT OF REORGANIZATION ACT OF 1949

The Senate resumed the consideration of the bill (S. 101) to amend the Reorganization Act of 1949.

Mr. McCLELLAN. Mr. President, the unfinished business of the Senate is Senate bill 101, to amend the Reorganization Act of 1949. The bill was unanimously reported by the Senate Committee on Expenditures in the Executive Departments. On December 18 the President of the United States sent a message to the President of this body requesting that titles I and II of the War Powers Act of 1941 be amended so as to make the provisions and the powers granted under titles I and II of the act applicable to the national emergency which the President by proclamation declared on December 16.

Title II of the War Powers Act of 1941, to which the President's message referred, authorized amendments and modifications of contracts which had been entered into, where modifications and amendments were necessary, to provide the supplies and materials and equipment necessary for the war effort. Immediately after the President's message was received the then majority leader, Senator Lucas, of Illinois, introduced a bill to grant to the President the powers he had requested, and to amend titles I and II of the War Powers Act in conformity with the President's recommendation.

It became immediately apparent that there was opposition to extending the powers in title I of the War Powers Act so as to make them applicable and serviceable in the present emergency. There seemed to be no pronounced opposition to the President's request with respect to revision or extension of title II of the War Powers Act. That bill was referred to the Committee on Expenditures in the Executive Departments. As chairman of the committee I immediately introduced a separate bill which would grant to the President the powers he requested with reference to title II. The latter bill, together with the one introduced by Senator Lucas, became the subject of hearings before our committee. The committee unanimously reported the bill which I introduced conferring the powers under title II, and later the Congress enacted that bill into law. The President signed it on the 12th of January of this year. So the powers the President requested with respect to title II have been granted. Appropriate legislation has been enacted conferring those powers.

At the time we reported the bill we pointed out that the Committee on Expenditures in the Executive Departments would make a further study of the President's request with regard to title 1 of the War Powers Act. We did undertake to make a further study and, as a result, on January 8, on behalf of myself and other members of the Senate Committee on Expenditures in the Executive Departments, constituting a majority of the committee, I introduced Senate bill 101 which is now the unfinished business before the Senate.

On the 23d of January the committee held hearings on the bill. We offered an opportunity to a number of persons to appear before the committee. Included in the number were Mr. Wilson, who is the head of the mobilization program, and also representatives of the Bureau of the Budget and various Cabinet members. After hearings the committee unanimously reported Senate bill 101 as introduced, with one amendment which would change the time from 15 days, as it was contained in the original bill, to 12 days, in which the Congress would have an opportunity to review reorganization plans the President might submit under the bill and either reject them or approve them.

Mr. President, so far as I can determine there are only two approaches to the question of giving to the President of the United States extraordinary powers in the period of the emergency. One is to give him the powers he requested by reactivating, so to speak, title 1 of the War Powers Act. That is one approach, granting to the President the powers necessary to reorganize the executive branch of the Government, to establish agencies and powers to carry out the emergency functions which are incident to the rearmament program, and to the general emergency condition with which the Government is confronted today. That is to grant him reorganization powers as were granted in title 1 of the Reorganization Act of 1941. The other approach is as the committee has made it in Senate bill 101.

The committee was unanimous in favoring the approach provided in Senate bill 101, which is simply this: To date we have a Reorganization Act which is in force. It is the Reorganization Act of 1949, and it gives to the President of the United States the power to submit to Congress reorganization plans, involving the realinement of agencies or the transfer of functions of agencies. In other words, Mr. President, we might say that the Reorganization Act of 1949 relates to plans for streamlining the executive branch of the Government

Under that Reorganization Act, which is the general act, and to which I shall refer as the general Reorganization Act, the President may submit a plan for the abolition of functions of any agency of the Government, for the transfer of those functions to another agency, and for various forms of reorganization. When the plan is submitted, it is referred to the appropriation committee, which in most instances is the Committee on Expenditures in the Executive Department.

After the plan has been before the committee for 10 days or has been referred to the committee for that length of time, any Member of the Senate may submit a resolution of disapproval, under the act. That resolution is referred to the same committee to which the plan has been referred. After 10 days, if the committee does not act on the resolution and report it, any Member of the Senate who favors the resolution may move to have the committee discharged from the further consideration of the resolution; and the matter then becomes a privileged one, and can be brought up at any time.

When a resolution of disapproval is brought up in the Senate or in the House of Representatives, as the case may be, if a constitutional majority of the Members vote in favor of the resolution, that defeats the plan. Unless that occurs within 60 days from the time when the plan was submitted, the plan will go into effect and will become law.

Mr. President, our committee felt that the same general procedure should be followed with reference to reorganizations in the period of this emergency. If we were to reenact title I of the War Powers Act, that would simply mean that the President could do all the things and could exercise all the powers under that Act, without any supervision or review by the Congress of the reorganizations which the President would undertake to effect for this period of emergency. We felt there was no justification for the Congress of the United States to abdicate completely its responsibility to review reorganization plans. We believe that Congress should have the opportunity and the right, regardless of whatever law we enact on this subject, to reject the plans if they do not meet with congressional approval. So, Mr. President, we have made the approach in that manner.

Senate bill 101 simply adds another title to the regular Reorganization Act, and permits the President of the United States to submit any plans which will do anything that the original Reorganization Act would permit to be done under plans thus submitted to the Congress, so long as they come within those provisions. This measure reads, in that connection:

> But only in matters related to the national security or defense, namely, any of the purposes set forth in section 2 (a) hereof.

That reference is to the original Reorganization Act.

Under this measure, if it becomes law, the President may submit to the Congress any plans providing for doing any of the things which he is authorized to do under that language, so long as they apply to or are related to the national security or defense.

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

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. McCLELLAN. I am glad to yield.

Mr. BRICKER. I note that on page 9 of the committee report, in the discussion of the Reorganization Act of 1949, reference is made to the fact that that act provides certain limitations on the power of the President in respect to such organizations.

When I refer to page 3 of Senate bill 101, I note there certain limitations. Is it the understanding of the chairman of the committee, the Senator from Arkansas, that the limitations set forth in the pending bill in any way affect the limitations or restrict the limitations in the Reorganization Act; or are they supplemental to those limitations?

Mr. McCLELLAN. Mr. President, the provisions to which the able Senator from Ohio refers are further restrictions and limitations on the President's power to make temporary reorganizations. They do not repeal the powers granted in the original Reorganization Act to make permanent reorganizations.

Mr. BRICKER. That is what I wished to understand clearly.

Mr. McCLELLAN. That is correct. However, we felt that there should be certain restrictions in respect to temporary reorganizations which were not covered by the original act.

Mr. BRICKER. They apply only in that case; is that correct?

Mr. McCLELLAN. Yes; only in that case.

Mr. BRICKER. I thank the Senator.

Mr. McCLELLAN. Mr. President, perhaps I may point out a little further what this measure undertakes to do.

I have already indicated the purpose of the bill and how it is related to the original Reorganization Act.

As we find by reading section 302, the bill reported by the committee would require that—

> Each reorganization plan transmitted to the Congress under this title shall—
>
> (a) be certified by the President in his message of transmittal to the Congress as submitted under this title.

The purpose of that provision is to distinguish between plans which may be submitted to the Congress, so as to make clear whether the procedures provided in this bill would apply to such plans, whether they are intended to be for permanent reorganizations or for temporary reorganizations, and whether they come within the provisions of the title which we are undertaking to enact.

I read further:

> (b) be identified as being temporary.

They must be identified as being temporary, Mr. President. Then, when a plan is submitted to us, there can be no question as to whether it is a permanent reorganization plan or whether it is simply a plan intended to be related to the war effort and the present emergency.

I read further:

> (c) become effective in accordance with the provisions of section 6 hereof, except that a period of 12 days prior to taking effect shall obtain in lieu of the 60 days specified in the said section 6; and
>
> (d) remain in force only until the termination of this title or until otherwise made inapplicable by or pursuant to law.

Mr. President, when the original bill was introduced, we set 15 days as the time limit, primarily because of the provision in the Reorganization Act which this bill would modify in making it applicable to temporary reorganizations. We did so because the original act provides that the committee shall have a right to consider a resolution of disapproval for 10 days before a motion to discharge the committee will be in order. As we held hearings on this measure, the administration, I may say, as represented by representatives of the Bureau of the Budget, was very anxious that we take the other approach and simply reenact title I of the War Powers Act. However, the committee was unwilling to do so. On the other hand, we did not wish to impose such a period of time for committee consideration that would make this approach to the matter unworkable.

The present act gives Congress 60 days within which to act on a permanent plan. We have felt that we should confine consideration to the minimum period of time within which the Congress could properly consider any plan proposed, and determine whether it should disapprove it or permit it to go into effect.

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

Mr. McCLELLAN. I am very glad to yield to the Senator from South Dakota.

Mr. MUNDT. Speaking as one of the minority members of the committee, I wish not only to congratulate the distinguished chairman of the committee for his able speech upon the bill today, and his discussion of the differences between it and the original suggestions which came to us from the White House, but I also desire to call attention to the fact that the committee believes that there should be a difference between the War Powers Act of the last war and the War Powers Act in the present situation. The War Powers Act of the last war was in effect during an era when the country was in a state of war, declared by Congress, and known to be such by everyone. Today we are not in that precise position. There has been no declaration of war by the Congress. We are in a state of war, and are engaged in actual war, as the result of a Presidential proclamation and a Presidential decision. We felt that there should be a distinction between a situation growing out of an action of Congress declaring war and a situation which is variously described as being a police action or a Presidential action, or a growing involvement in war, without the constitutional process of declaration of war.

I desire to congratulate the chairman of the committee on the leadership he demonstrated in making it clear that the Congress proposes, in a period of history when there is no declaration of war, certainly, to retain its maximum control over the functions and prerogatives which it normally has. I believe a study of the bill will demonstrate that it has been so framed as to reduce to a minimum interference with the functions of Congress and the delegation of power to the Executive if it be proposed to grant any additional authority to the Executive for purposes of expediting any action deemed necessary.

I simply wanted to convey my appreciation publicly to the chairman of the committee for looking to the development of a unanimous action on the part of the committee, which grants the necessary authority to the executive, and yet retains in the hands of Congress the right of complete determination of the major issues, which provides that all the decisions under the bill shall be temporary in nature, and also provides an automatic repealer and date of termination within the body of the measure.

Mr. McCLELLAN. I thank the able Senator, and I wish to express my appreciation of the contribution he as a member of the committee has made to the development of this bill in committee. I may say to my colleague that we felt that some middle ground between what the President requested and what are the inherent rights of the Congress in normal times of functioning should be taken. We undertook to set the minimum to which we would be justified in reducing the 60-day period for permanent organizations, reducing it to a minimum which would still give us time to review the plans, to the end that if there is anything wrong with them, we can reject them. It is possible to make the period 60 days, if there is any emergency at all; and I think there is a serious emergency.

As the Senator from South Dakota says, we are not operating under a declaration of war, but we have a rearmament program under way, and we are in war for all practical purposes, because American boys are dying in battle. We feel that the President should be given some power to reorganize and streamline, and to bring about the greatest efficiency and effectiveness in the present situation.

At the same time, we do not feel that the emergency is such as to warrant or necessitate complete abdication by the Congress of its responsibility. In the bill we have provided that the Congress shall have time and opportunity to pass on any proposal, but we shall have to expedite our work. Both in the executive branch of the Government and in the Congress we are working under stress today. In fixing the time at 12 days, we felt that we had lowered it to the very minimum possible without undertaking to amend the whole basic act. I believe the period of time is fair and reasonable, and I believe we can all function under it, and that the interests of both the executive branch and of the Congress in the discharge of their respective responsibilities will be amply protected.

I may say that the matter finally resolves itself into what I suggested in a question I propounded. After the matter was discussed, and after the Director of the Budget had testified, I asked him this question:

> It sort of resolves itself, insofar as the Congress is concerned, into two approaches to the problem. One grants more flexibility—

And that is what the witnesses stressed all the way through, that the executive branch needed the flexibility to make it possible to do things quickly and to get them out of the way.

> One grants more flexibility, and the other provides the greatest safeguard.

Mr. President, the plan suggested provides, I believe, an adequate safeguard, and certainly provides a much greater safeguard than would be provided if we merely reenacted title I of the War Powers Act.

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

Mr. McCLELLAN. I am very glad to yield to the Senator from North Dakota.

Mr. LANGER. I note in section 301 the following language:

> During the time that this title is in force, and for any of the following purposes, but only in matters related to the national security or defense.

Is it not true that practically everything that is being done by the Senate relates to national security and defense?

Mr. McCLELLAN. I would not say that everything we do relates to national

security and defense. Life goes on, government goes on, the same as if there were no threat to our national defense. Many of the things we do of course are related to our existence. They relate to necessary functions of the Government, but they do not necessarily relate to national defense, except that keeping the Government organized and going is incidental to national defense, as well as incidental to normal operations.

Mr. LANGER. By the passage of this bill, would not the Senate and the House practically abdicate all their powers?

Mr. McCLELLAN. Absolutely not.

Mr. LANGER. Would they not turn those powers over to the President of the United States?

Mr. McCLELLAN. Absolutely not.

Mr. LANGER. On page 2 of the report, I find this:

> The main provisions of S. 101 are:
>
> * * * * *
>
> (4) Authorizes the President to make appointments of officials under this title without Senate confirmation—

Certainly, although the Constitution provides that appointments shall be made by and with the advice and consent of the Senate, that power, under the pending bill, would be surrendered. Again, on page 3 of the committee report, I read:

> It was the view of the committee that the bill as drafted is specifically limited to matters related to the national security or defense and that this essential purpose should be maintained. If any reorganizations which will result in the reduction of nondefense expenditures are to be submitted they should be submitted in the form of permanent reorganizations.

Time and again the distinguished Senator from Virginia [Mr. BYRD] has submitted to the President of the United States letters and suggestions by which he could cut nondefense expenditures; yet under the pending bill the Senate would be given a period of 12 days within which to act. In the prior bill we were given 60 days.

I will concede that the average Senator who is a member of one of the committees and who can sufficiently familiarize himself may be able to act in 12 days. But I submit that a Senator possessing even the ability of the distinguished Senator from Arkansas, if a new proposition were before him relating, for example, to the Judiciary Committee, in view of all the other work he had, would be unable, within a period of 12 days, to familiarize himself sufficiently with this kind of a proposition and be willing to turn the power over to any President.

Mr. McCLELLAN. As the Senator from North Dakota very well knows, no Senator upon this floor could completely familiarize himself with everything that goes on and everything on which he votes. It is a physical and mental impossibility. Therefore we have to rely, as I often do, and as I am sure the able Senator from North Dakota does, upon the committee practice and procedure, under which one committee handles one character of legislation and another committee handles another character of legislation. Bearing this in mind, the War Powers Act, which we were asked to reenact and reactivate to apply to the emergency, had none of these provisions in it. It governed all through the last war. Powers were completely abdicated under that act.

The committee has tried, in reporting this proposed legislation, to make it possible for the President, if he finds reorganizations are needed, expedient, or justified, to submit reorganization plans. If we were to allow a longer period of time, if we were not going to shorten the 60-day period fixed under the permanent Reorganization Act, there would be no reason for the act at all. But I can well appreciate that in the present period, when we are trying to establish agencies to handle functions in connection with the emergency and rearmament programs, some power is needed, because Congress simply cannot pass legislation covering all these questions.

We do not have time to make a thorough study. The history has been that from time to time we passed a reorganization bill giving the President power to reorganize the executive branches of the Government.

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

Mr. McCLELLAN. I yield.

Mr. LANGER. Since the 3d of January, ever since we have been in session, the Senate has adjourned for 2 days at a time.

Mr. McCLELLAN. The Senator from North Dakota will have to take as much responsibility for that as I take.

Mr. LANGER. That is correct. If the Senate is to do its duty by the people of the United States, there is no reason why we should not be in session every day; and if there is the terrible emergency about which the Senator speaks, there is no reason why we should not hold night sessions.

Mr. McCLELLAN. Does the able Senator contend that we are not in an emergency?

Mr. LANGER. I take the same position as that which has been taken by the President. He says we are not at war. He sent over a few troops to Korea to serve as a police squad——

Mr. McCLELLAN. Let us deal with realities.

Mr. LANGER. I am taking the President's own words.

Mr. McCLELLAN. Men have been sent over there and they are getting killed. We are in a war, as I see it.

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

Mr. McCLELLAN. I yield.

Mr. LANGER. One reason for my objection is that we saw the Office of Price Stabilization established recently, which is operating about 2,000 miles away from a portion of the eastern boundary of the State of Montana, and instead of placing the regional office in the center of North Dakota, South Dakota, Montana, and Minnesota, it placed it in Minneapolis, away off to one side. If we are going to abdicate and turn all this power over to the President, we shall be in very poor shape to criticize the waste of money, as the senior Senator from Virginia [Mr. BYRD] is doing at the present time.

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

Mr. McCLELLAN. I yield to the distinguished majority leader.

Mr. McFARLAND. I should like to invite the attention of the distinguished Senator from North Dakota to the fact that the reason why the Senate is not having more than 2 or 3 days of sessions a week is that we are giving committees an opportunity to work and prepare legislation which will come before us. If we should meet every day, or at night, as the distinguished Senator suggests, instead of speeding up legislation, we would slow it down, so long as we have our committee system. I should not want a false impression to go out that the Senate of the United States is not working, merely because it is not meeting more than 2 or 3 times a week. The Senators are working; they are working in their offices and in the committees. The reason why we have not had sessions more often is that we want to give the committees an opportunity to have meetings.

Mr. McCLELLAN. I appreciate that. It is also known that it takes time to draft legislation. As this emergency continues we cannot draft legislation to meet it in a few minutes' time. Some of it is highly technical. I dare say there is no Senator on the floor of the Senate who could draft legislation to meet all the contingencies arising in this emergency within any reasonable time whatsoever.

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

Mr. McCLELLAN. I yield.

Mr. LANGER. I think the Democrats ought to be in excellent shape to prepare this kind of legislation overnight. Every time they have been in office there has been a war. We got through with one only a short time ago. They should be able to draw up this type of legislation by heart.

Referring to the words of the distinguished Senator from Arizona [Mr. McFARLAND], he said Senators are busy drawing up legislation. I ask if that is any reason why we should authorize the President to make appointments without Senate confirmation. I recently pointed out that I was the only Senator on the floor who voted against the confirmation of the nomination of Anna Rosenberg——

Mr. McCLELLAN. Oh, no; the Senator is not the only one.

Mr. LANGER. In any event, I voted against her confirmation. I reserve the right to vote against the confirmation of anyone appointed by the President of the United States to a position which, under the Constitution, requires confirmation by the United States Senate. I think that is a duty and a right which the Senate should jealously guard. I certainly do not want to vote at any time to turn the future of the soldiers of America, or the economy of America, over to someone nominated by the President of the United States, with the Senate's waiving its right of confirmation.

I might add, Mr. President, that I want to offer an amendment to the bill, striking out the provision waiving the right of confirmation on the part of the Senate as to any new positions. I ask

at this time that at the appropriate place in the bill——

Mr. McCLELLAN. Mr. President, I am not yielding at this time for the purpose of having amendments offered. I yield to the Senator for questions if he wishes to ask any questions.

Mr. LANGER. I am not going to ask any questions. In my own time I shall offer my amendment.

Mr. McCLELLAN. Of course, the Senator is entitled to offer an amendment in his own time.

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

Mr. McCLELLAN. I yield to the distinguished Senator from Ohio.

Mr. TAFT. On pages 2 and 3 of the bill, beginning in line 24 of page 2, I find this language:

Any reorganization plan under this title may provide for either or both of the following, which shall for the purpose of this title be deemed to be reorganizations:

(1) the extension of any function of any agency to any other agency—

And so forth. Will the Senator explain what that means?

Mr. McCLELLAN. My understanding of it is simply this: Under some acts, possibly the Navy is authorized to do certain things which the Army has not been authorized to do, in connection with the purchasing of certain equipment, for instance. The purpose is not to take away an important function from the original agency, if it is found to be working efficiently and satisfactorily, but if it is desirable to have the function performed in another place, the purpose is to enable another agency to handle it.

Mr. TAFT. In other words, the idea is that when Congress has granted a certain power to one agency, it would enable two agencies to exercise the same power. Is that correct?

Mr. McCLELLAN. Yes, if it is found expedient and advisable to do so, in order to get more efficient operation.

Mr. TAFT. I somewhat question the Senator's interpretation of the language. If the Navy has power to buy a battleship, I doubt very much that under the language of this particular section the President could extend the power to the Army to buy a battleship. It seems to me that the bill does not create any new power; it simply authorizes the extension of a function to do a particular thing so that two agencies may have it instead of one.

Mr. McCLELLAN. That is correct. That is the purpose. I understand that the Navy has some power with reference to procurement which the Army does not have. It was found to be a satisfactory way of handling such matters. That is one specific instance. Such an example will be found in the report at page 6:

An example of a transaction of this nature may be found in connection with the duty-free entry of materials under the authority of 34 United States Code 568. That provision of law authorizes the Navy Department to bring in materials free of duty and without customs inspection. Such authority was extended as follows under the authority of title I of the First War Powers Act, 1941: To various agencies by Executive Order No. 9177; to the United States Maritime Commission by Executive Order No. 9495; to the Department of Commerce by Executive Order No. 9768; to the Atomic Energy Commission by Executive Order No. 9829 (still in effect).

Of course, if the pending bill passes, instead of a transfer being effected by Executive order, it will be done under a reorganization plan which must come before Congress.

Mr. TAFT. That is the only reason why I do not feel too strongly about it. Otherwise, I would oppose it. Congress might well think that the Navy could properly exercise certain powers in situations dealing with naval matters, whereas it might well think that the Army should not exercise such powers.

Mr. McCLELLAN. If they went beyond the powers of reason, or beyond what Congress wanted them to do, Congress could stop what they were doing.

Mr. TAFT. The statute to which the Senator has referred authorizes the Navy to buy ships' stores for naval ships stationed abroad, and to bring the stores into this country without reference to the tariff when the ships return to our shores.

Mr. McCLELLAN. That is correct.

Mr. TAFT. I never could see under what authority in the previous Title I of the War Powers Act the Reconstruction Finance Corporation could import copper without the payment of duty. That has seemed to me to be stretching the provisions too far. I am not sure that we ought to do it. However, if we retain the power to criticize or veto, I do not greatly object to granting the additional power referred to.

Mr. McCLELLAN. I may say to the able Senator from Ohio and to other Senators that in the approach made in the bill we have undertaken to make certain that Congress does retain the last look and does have the final say, or veto, if we wish to use such a term. Under the War Powers Act all the President had to do was to issue an Executive order. Congress had no look at it. The power was completely delegated. The responsibility of Congress was abrogated. Many reorganizations were effectuated without any congressional supervision.

I do not say this bill is perfect. We worked on it when it came before the committee in the closing days of the last session. Two bills were introduced. One of them was introduced by the former Senator from Illinois, Mr. Lucas, which would have granted all the powers which the President requested. At the time I made an announcement on the floor in which I invited all Members of the Senate to make suggestions to the committee.

We introduced the bill now pending, and I again invited all Members of this body to make recommendations to the committee. We did not approach the subject in any partisan sense. That is not the sense in which we have worked on it. We have been confronted with the request of the President. Speaking for myself, since I was unwilling to grant such blanket powers to the President, and since Congress did not grant them to the President in the closing days of the last session—although we granted the powers requested under title 2—I felt that the next move was up to Congress. Under the circumstances I felt it was up to Congress to offer its version of the powers that should be granted.

Mr. TAFT. Mr. President, I wish to compliment the Senator on the approach now made. I think it is reasonable and right. Some of the language seemed to me to be rather ambiguous, and I wanted to get an explanation of it. I raised some question about the wisdom of including in a reorganization plan the kind of power granted.

Mr. McCLELLAN. It was placed in the bill at the request of the Bureau of the Budget, which felt that there would be occasions when such power would be needed. I have no objection to it so long as we retain the power of control.

Some other limitation are placed on authority. For instance, the permanent Reorganization Act gives the President the power to establish a new department of Government. That was attempted twice, as I recall. It was first attempted by Reorganization Plan 1 of 1949, and then by Reorganization Plan No. 27 of 1950. Congress rejected the proposal. I feel—and I know the majority of the committee feels the same way about it, because we were unanimous—that there is no necessity in the world for creating an emergency department of Government with Cabinet rank. The President does have the power under the regular Reorganization Act to submit a reorganization plan for the establishment of a permanent department, if he chooses to do so. He still has the power, and he can still submit such a plan for the establishment of a new department. However, we felt that the temporary powers should not go that far, and therefore we excluded such authority from the pending bill.

Mr. President, I now refer to the last section of the bill. The regular Reorganization Act of 1949 continues in force until April 1, 1953. We felt that the period of reorganization under the temporary powers which we would grant under the proposed legislation should not continue that long. So, we made the cut-off date June 30, 1952. Therefore all powers and every action under the powers granted in the bill, as well as every reorganization plan under those powers which goes into effect, will automatically terminate on that date. Thereafter the reorganizations will revert back to their present status, unless Congress takes further legislative action. That means that Congress will have the opportunity to review the whole program and to determine how those powers have been exercised under the act. It can then extend the powers, if such extension is needed or necessary. If we decide to extend the powers we can extend them with such modification, restriction, amendment, or limitation as we may find advisable.

Mr. President, I wish to comment upon subsection (b), on page 3, of the bill. Some question has been raised with reference to it.

Subsection (b) reads:

The President may include in any reorganization plan transmitted under this title provisions for the appointment of officers and other personnel in such manner as the President shall specify.

Mr. President, personally I have no objection. In fact, I have always supported the policy of having the President's appointees confirmed. I recall that some 4 or 5 years ago the distinguished present occupant of the chair [Mr. McKELLAR] introduced a bill requiring all Presidential appointees who received a salary of $4,500 a year or more to be confirmed by the Senate. I supported that bill. I still believe in that general principle. I am not so averse to such an amendment being adopted.

However, all legislation is somewhat a matter of compromise. It was felt that in making some of these appointments a controversy might arise involving a period of time for hearings, with considerable delay. Perhaps some important functions might be involved, such as the enforcement of controls and such things with which we have to contend. My general inclination is to require all Federal officials, if they have enough authority to be called officials, and not merely hired hands doing routine work of some kind, to be confirmed. But the committee has reported the bill as it is before the Senate; and aside from that proposed amendment, I shall certainly support the bill as reported by the committee.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Colorado. Mr. President, I propose to offer an amendment to make these appointments subject to confirmation by the Senate.

Mr. McCLELLAN. I may say to the able Senator from Colorado that the Senator from North Dakota [Mr. LANGER] has indicated that he will support such an amendment. I have not talked with the able junior Senator from Ohio [Mr. BRICKER], but I understand that he proposes to offer such an amendment.

Mr. BRICKER. Mr. President, will Senator yield?

Mr. McCLELLAN. I yield.

Mr. BRICKER. I have four amendments which I wish to submit, but I desire to discuss the bill at a little later time.

Mr. JOHNSON of Colorado. Mr. President, do I correctly understand that an amendment such as I have suggested has been offered by the Senator from Ohio?

Mr. McCLELLAN. No; I did not say that. I said that I understood that other Senators, including the junior Senator from Ohio, were contemplating offering such amendments. The Senator from North Dakota [Mr. LANGER] has already made such an announcement on the floor of the Senate.

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

Mr. McCLELLAN. I yield.

Mr. LANGER. I think my distinguished friend from Colorado agrees with me. As I understand, he proposes to offer such an amendment.

Mr. McCLELLAN. Mr. President, I am not concerned with who offers it.

Mr. JOHNSON of Colorado. Mr. President, it does not make any difference to me who offers it. I am not anxious to be the author of the amendment, but I am anxious that such an amendment be offered and voted upon.

Mr. McCLELLAN. I simply mentioned that other Senators had indicated their intention to offer such amendments, so that the Senator from Colorado might know that other Senators are thinking along the same lines.

Mr. JOHNSON of Colorado. Is this the appropriate time to offer the amendment?

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

Mr. McCLELLAN. Mr. President, there is only one committee amendment. After that the bill will be open to further amendment.

Let me say in conclusion that, in the time we have had, and under the exigencies of the situation, we have given this measure very careful consideration. As I stated, it is not perfect. It is not all that the administration wanted. The administration wanted more flexibility and more expedition, but we felt that the Congress should not give up its responsibility. We feel that this measure, by prescribing the time and the procedure, affords the executive branch of the Government adequate opportunity to present such reorganization plans as may be needed. The bill will afford adequate protection to the legislative branch of the Government to review such reorganization plans and to reject those which are found to be unjustified, unwarranted, or faulty in their structure.

Mr. President, in my opinion this bill gives every conceivable power to the President which he needs, subject to the safeguards of congressional review and the right of Congress to reject and disapprove.

Mr. President, I ask that the committee amendment be stated.

The PRESIDENT pro tempore. The Clerk will state the committee amendment.

The LEGISLATIVE CLERK. On page 2, line 17, after the words "a period of", it is proposed to strike out "15" and insert in lieu thereof "12."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MALONE obtained the floor.

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

Mr. MALONE. For what purpose?

Mr. BRICKER. I have some amendments to offer to the pending bill. I also wish to move to reconsider the vote just taken, by which the committee amendment was agreed to. Following that, I wish to speak for about 10 or 15 minutes on the provisions of the bill. If it is agreeable to the Senator from Nevada, I should like to ask unanimous consent that, without his losing the floor, I may be permitted to speak at this time.

Mr. MALONE. With that understanding, I am happy to yield to the distinguished Senator from Ohio.

The PRESIDENT pro tempore. Without objection, the Senator from Ohio is recognized.

Mr. BRICKER. Mr. President, first of all, for the record, I move that the vote just taken, by which the committee amendment was agreed to, be reconsidered. Then I have four amendments to the bill which I wish to offer.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the junior Senator from Ohio to reconsider the vote by which the committee amendment was agreed to.

Mr. McCLELLAN. Mr. President, as the parliamentary situation now stands, I think the Senator from Ohio would be precluded from offering his amendment to extend the period of time. If the Senator wishes to ask unanimous consent for the reconsideration of the vote, I think there will be no objection.

Mr. BRICKER. That is the reason why I made my motion.

Mr. McCLELLAN. I have no objection, if the Senator wishes to ask unanimous consent.

Mr. BRICKER. Mr. President, I ask unanimous consent that the vote just taken, by which the committee amendment was agreed to, be reconsidered, in order that I may offer an amendment on page 2, line 17, providing for a period of 30 days rather than 12.

The PRESIDENT pro tempore. Without objection, the vote by which the committee amendment was agreed to is reconsidered and the Senator from Ohio may offer his amendment.

Mr. BRICKER. Mr. President, I realize that it may be impossible to obtain an amendment to the bill as it has been recommended by the committee, which is held in such high regard. I know that the Committee on Expenditures in the Executive Departments has given serious consideration to the provisions of the bill, and it is with a great deal of temerity that I offer the amendments which I wish to discuss. I realize also that the bill was reported from the committee unanimously, so there is no partisan approach either to the bill or to the amendments which are being considered.

I also wish to congratulate the chairman of the committee upon the fine presentation which he has made of the provisions of the bill, and his arguments in its support. It is much better than the bill which was introduced at the last session of the 81st Congress, providing for a complete abdication of the power of Congress and the extension or reenactment of the War Powers Act, giving the President, in this so-called emergency, the same powers which he had in the midst of the World War.

Mr. President, I believe that the time has come for Congress to reassert some of its authority. The power to make both foreign and domestic policy has become dangerously centralized within the executive branch of the Government. Recent events offer ample proof that policies must be formulated by the elected representatives of the people, and not by the hasty and sometimes secretive action of the Chief Executive. The pending bill, S. 101, affords the Eighty-second Congress its first opportunity to regain a part of the legislative authority which, by the Constitution, is inherent in the Congress.

The Reorganization Act of 1949 was approved on June 20, 1949. Thirty-four reorganization plans have been submitted by the President under the authority of that act, not including Reorganization Plan No. 8 of 1949, which became moot with the passage of the National Security Act amendments of 1949. Congress has approved 26 of these reorganization plans. None of the 34 reorganization plans submitted by the President promised any significant economies.

In its present form the Reorganization Act of 1949 represents an unwise abandonment of vital legislative powers. Although many of us believed that the President would use his reorganization authority to carry out the money-saving recommendations of the Hoover Commission, we had no right to abdicate our constitutional responsibilities. The Reorganization Act of 1949 was intended to enable the President to shift lines of administrative responsibility and to create or abolish offices in the interest of economy and efficiency. Contrary to this intent, the President has used his reorganization power to alter substantive policies established by Congress. The President's reorganization plans of 1949 and 1950 have not achieved any significant reduction in expenditures. They have centralized many new powers in the executive branch of the Government.

As Members of Congress we must blame ourselves as well as the President for the undesirable legislation which has been initiated under the Reorganization Act of 1949. It may be, Mr. President, that the Chief Executive can act more quickly, and perhaps more efficiently, than the legislative branch. However, the plea of efficiency is no excuse for relinquishing important legislative functions. Efficiency has always been the siren call of totalitarian philosophies. It is my hope, Mr. President, that Congress will never again forget what a great judge once said:

> The doctrine of the separation of powers was adopted by the Convention of 1787 not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction but by means of the inevitable friction incident to the distribution of the governmental powers among three departments to save the people from autocracy. (Opinion of Mr. Justice Brandeis in *Meyers* v. *United States* (272 U. S. 52).)

Our experience under the Reorganization Act of 1949 convinces me, Mr. President, that the act and the bill now before us should be amended.

CONSTITUTIONALITY OF THE REORGANIZATION ACT OF 1949

Organization of the executive branch is a legislative function entrusted to Congress by the Constitution. That fact is undisputed. The Constitution, article I, section 8, gives Congress the power:

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

In the absence of authorization by Congress, the President cannot create offices or change the structure of the executive branch prescribed by Congress. Therefore, any grant of legislative power to the President, even though intended to be limited to organizational matters, breaches to some degree the constitutional separation of powers. The doctrine of threefold separation of powers is not a technical legal doctrine nor is it an outmoded concept of government. The merger of legislative and executive powers presents the same threat today as it did over 160 years ago when Madison said:

> The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny. (The Federalist (1788), No. 47.)

Mr. President, I do not venture to predict whether the Reorganization Act of 1949 would be approved by the present Supreme Court. The chances are that it would, although the Court has never passed on the validity of an act similar to the Reorganization Act of 1949. In recent years, the Court has been a strong influence in the trend toward centralizing more and more power in the executive branch. However, Members of Congress, no less than Justices of the Supreme Court, have taken an oath to uphold the Constitution. In my opinion, the Reorganization Act of 1949 cannot be squared with the separation of powers demanded by the Constitution.

It is true, of course, that Congress may delegate some of its legislative power to independent agencies, to the President, or to some arm of the executive branch. However, no such delegation is constitutional unless some reasonably definite standard is set forth in the statute. Where some standard controls the legislative power which has been delegated, the delegee of that power has been regarded as exercising sublegislative or administrative power within the framework of a policy defined by Congress. The Reorganization Act of 1949 contains no such standard. Within a limited field, the President, unrestricted by any standard or policy of Congress, is given the power to initiate legislation. Because no definite standard or policy controls this delegation of power, Congress found it necessary to retain a veto power over the President's action. The power which Congress reserved in the Reorganization Act of 1949 is not a legislative power. Congress may veto reorganization plans but it may not amend them to effectuate or to clarify its intent.

IS CONGRESS COMPETENT TO PARTICIPATE IN REORGANIZATION OF THE EXECUTIVE BRANCH?

The lack of any opposition to the bill which became the Reorganization Act of 1949 may be attributed to two factors. First, other Presidents had been given reorganization authority and the power had not been abused. Secondly, and more important, the Hoover Commission reported that its plan could not be made effective unless Congress transferred virtually complete reorganization authority to the President. In its concluding report, the Commission said:

> The President should be granted continuing authority to submit reorganization plans covering all agencies of the executive branch without exception, such plans to be presented to Congress and to become effective unless disapproved within 60 days by concurrent resolution of both Houses. This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government (pp. 8–9). (The recommendation of the Hoover Commission was followed except that plans may be disapproved by a resolution of either House.)

Mr. President, the Hoover Commission gave us a magnificent blueprint for eliminating the inefficiency, extravagance, and duplication which prevail throughout the executive branch. In my opinion, however, the Commission was mistaken in its belief that its plan required Congress to give the President such sweeping legislative power. The progress of reorganization in the past 2 years proves that Congress, and not the President, has been responsible for initiating action on those recommendations of the Hoover Commission which promise substantial savings.

Congress enacted the National Security Act amendments of 1949 in the form of substantive legislation. These amendments provided for greater unification of the armed services and have been estimated to involve a potential saving of $1,000,000,000 annually. Congress also passed the Federal Property and Administrative Services Act of 1949. Under this act, all Federal housekeeping functions were consolidated in a new agency, the General Services Administration. This consolidation is expected to save $250,000,000 a year. The Citizens' Committee for the Hoover Report estimated potential savings from 1949 reforms at $1,250,000,000 a year. In other words, the only savings achieved in 1949 arose from substantive legislation initiated by the Congress and not by the President under his reorganization authority.

During 1950 only one of the major money-saving recommendations of the Hoover Commission was adopted. Congress enacted the Budgeting and Accounting Procedures Act of 1950 which modernized the Federal budget and accounting system along the lines recommended by the Hoover Commission. None of the 27 reorganization plans which the President submitted to Congress in 1950 specified any probable reduction in expenditures.

IS THE PRESIDENT BETTER ABLE THAN CONGRESS TO REORGANIZE THE EXECUTIVE BRANCH?

The chief opposition to past reorganization efforts has come from the heads of executive departments and agencies. The Hoover Commission warned Congress to be prepared for strong bureaucratic opposition. The Commission said in its concluding report:

> It is natural to expect vigorous opposition to reforms from agencies and groups, each of which approves heartily of reorganizations that do not affect its own immediate interests. The Congress must be prepared to accept this fact and give careful attention to the validity of arguments of those who would seek to escape reorganization, as many have so successfully done in the past (p. 47).

The Reorganization Act of 1949 did not insulate Mr. Truman from the bureaucratic pressures about which the

Commission warned. It is hardly surprising that President Truman's reorganization plans have not included any of the major money-saving recommendations of the Commission which could be achieved by the reorganization plan method. All of those recommendations have been bitterly opposed by the department or agency which would lose some of its existing power, functions, or personnel.

Theoretically, the President can reorganize the executive branch more quickly and more effectively than can the Congress. As a practical matter, only a very strong President can dismember bureaucracy in the face of the inevitable opposition within his own official family. President Truman has yielded before this opposition.

The President's plan to reorganize the Department of Agriculture is typical of a number of other plans submitted in 1949 and 1950. The Hoover Commission report on the Department of Agriculture contained recommendations estimated to save $44,000,000 a year. All of the Commission's economy proposals were opposed by Secretary Brannan. None were included by the President in Reorganization Plan No. 4 of 1950. The Hoover Commission also recommended that the Secretary of Agriculture be given two additional assistant secretaries, an administrative assistant secretary, and increased authority over constituent units of the Department. None of these recommendations involved any economy. They were endorsed by Secretary Brannan, and were included in Reorganization Plan No. 4 of 1950. The Senate rejected plan No. 4 without a record vote, when it discovered that Secretary Brannan was unable to say how he would use the increased authority which he would have under the plan.

Economy was the main goal sought to be achieved by the Reorganization Act of 1949. Section 3 of the act requires the President to "specify the reduction of expenditures—itemized so far as practicable" in each reorganization plan submitted to Congress. Not one of the 34 reorganization plans submitted during 1949 and 1950 itemized any probable reduction of expenditures. The best that the President was able to promise was modest savings to be achieved, if at all, at some unsuspected future time. The Hoover Commission labored mightily, but the President's reorganization plans have not brought forth any results in savings, or any provable results in efficiency.

A number of the President's reorganization plans made no significant change in the organizational structure of the executive branch, and were unopposed in Congress. For example, one type of plan merely gave the head of an executive department full authority over his own department. Where virtually complete authority already resided in the department head, there was obviously no reason for opposition and no reason to anticipate any economies. Plans of the type mentioned include: Plan No. 3 of 1949—Post Office Department; plan No. 2 of 1950—Department of Justice; plan No. 3 of 1950—Department of the Interior; and plan No. 26 of 1950—Treasury Department.

Other reorganization plans transferred such minor functions that no savings were predicted or expected. For example, plan No. 20 of 1950 simply transferred the duty of preserving certain public records from the State Department to the Administrator of General Services. Twelve other reorganization plans submitted in 1949 and 1950 did not involve changes substantial enough to arouse the opposition of a single Member of Congress—Reorganization Plans Nos. 4, 5, and 6 of 1949 and 10, 13, 14, 15, 16, 19, 23, 25, and 26 of 1950. In addition, several plans were opposed for technical reasons not related to the merits of the plan. See plan No. 7 of 1949—transfer of Public Roads Administration to Department of Commerce—and plan No. 18 of 1950—transfer of public building management functions—both of which were approved. While these miscellaneous plans made an attractive box score on reorganization, they did not touch the substance of the Hoover Report.

Fifteen of the President's reorganization plans encountered strong opposition either in the House or Senate. None of these plans involved any economy. All of them substantially increased the power of the President contrary to some well-established congressional policy. Eight of these plans were rejected, and seven were approved. It is this group of plans which proves that laws should be made on Capitol Hill, and not at the White House.

DANGERS INHERENT IN LEGISLATION VIA REORGANIZATION PLAN

I am not yet convinced, Mr. President, that the Reorganization Act of 1949 should be repealed, but I am thinking very much along that line. The President knows, or should know, more about the organizational deficiencies of the executive branch than Congress can know. It is proper, in my opinion, for the President to have the power to initiate proposals to reorganize the executive branch. In view of our financial condition, Government spending should be reduced as quickly as possible. Economy could be achieved under the reorganization plan procedure more quickly than by normal legislative processes. The present national emergency seems to require continuation of the reorganization procedure with respect to defense agencies. However, our experience under the present law has pointed out the dangers inherent in legislation via reorganization plan. The four amendments which I intend to offer to Senate bill 101 are designed to minimize these dangers insofar as possible.

1. REVERSAL OF SUBSTANTIVE LEGISLATION

When the Reorganization Act of 1949 was passed, every Member of Congress believed that Presidential action would be confined to organizational matters. No one believed that the President would employ the act to nullify the intent of Congress expressed many times in substantive legislation.

Reorganization Plan No. 12 of 1950 is one of the best examples of the misuse of reorganization authority. That plan would have abolished the statutory office of general counsel of the Labor Board, and would have transferred his powers to the Chairman of the Board. The plan represented an attempt to repeal the Taft-Hartley Act by indirection. Plan No. 12 was not recommended by the Hoover Commission, nor was it proposed for reasons of economy. Although plan No. 12 of 1950 would have largely nullified the Taft-Hartley Act, it was perfectly legal. It is true that the Reorganization Act of 1949 was not intended to permit the President to change substantive legislative policy. Unfortunately, the distinction between substantive policy, on the one hand, and organizational matters, on the other, cannot be clearly drawn in statutory language. Moreover, administrative and organizational arrangements often determine the content of substantive policy. There is hardly any law which cannot be at least partially nullified by the reorganization plan procedure. For example, the President could completely wipe out all independent regulatory commissions by transferring them to the executive branch and giving all their functions to officers of the executive branch. It is futile to argue that the Federal Communications Act, for example, means the same thing regardless of whether it is administered by an independent, bipartisan commission, or by the President's own press secretary, or that the Taft-Hartley law would have the same meaning if administered and interpreted by Secretary of Labor Tobin.

Because legislation by the reorganization-plan method can be used to reverse substantive policies established by Congress, any reversal of policy should be approved by a majority of both Houses of Congress. The Reorganization Act of 1949 provides that a reorganization plan may be disapproved only by the affirmative vote of a majority of the authorized membership of either House. At any given time a considerable number of the Members of Congress may be unavoidably absent. It is possible, therefore, for a reorganization plan which changes a well-established policy of Congress to become law even though the vote in both Houses is 2 to 1 against it—Senate: 72 Senators present, 48 opposed, 24 for. House: 325 Members present, 217 opposed, 108 for. This danger is increased by section 302 (c) of Senate bill 101, which allows certain plans to become effective in 12 days unless disapproved by a constitutional majority of either House.

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

Mr. BRICKER. I yield.

Mr. McCLELLAN. I do not recall the Senator's position on the General Reorganization Act of 1949; but, as the Senator will probably remember, there was a controvery here during the processing of that legislation.

Mr. BRICKER. I recall that.

Mr. McCLELLAN. At that time we were asked to give the President powers to reorganize every agency of the executive branch of the Government; in other words, to give him a clean bill, with no exemption of any agency or of any power whatever. The original bill provided that those plans were to go in-

to effect within 60 days, unless both Houses of Congress, by majority vote, disapproved them. In the course of that controversy, the committee, of which I was a member at the time, reported the bill. I was chairman of the committee to which the bill was referred. We reported the bill, providing that either House might veto a plan by majority vote. The Senate passed the bill in that form.

At that time there was great clamor for reorganization. Everyone thought the Hoover Commission had solved all the problems, and that we would save billions upon billions of dollars if we would but empower the President adequately. Strong advocates of economy in the Senate were willing to delegate the power to the President, in the hope of effectuating great economies in Government.

The Senator from Ohio will recall that the bill passed by the Senate provided for disapproval by a simple majority vote of either House, which was in fact the result of a compromise in committee, so that a simple majority of either House might veto any plan; but, after being deadlocked in conference for over 2 months, during which time repeated meetings were held, as other members of the committee will verify, and certain Members of the Senate were becoming impatient because the conferees did not report, we were finally able to bring back this safeguard of a constitutional majority of either House having the power to exercise the veto.

Mr. BRICKER. The chairman of the committee, the Senator from Arkansas, has clearly outlined what took place. I remember very well the pressure the Hoover Commission people activated back in the States during the period of 2 months, when the bill was in conference, and the pressure they were bringing upon the Senate in order, finally, in the name of economy, to have the bill passed. That was the prompting call, that we might have economy, that we might have efficiency.

The wording of the Hoover Commission report was as strong as possible in urging the necessity of the reorganization plan, and it was under the impetus of that report, and the desire of everyone for economy, and the public pressure from back home, that the bill was finally passed. I think the Senator from Arkansas did a remarkably fine piece of work in conference, in order to get as good a bill as he did.

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

Mr. BRICKER. I yield.

Mr. McCLELLAN. I may say that as a member of the Hoover Commission, I had to go against the wishes and influence of a majority of the Commission, by fighting a battle in order to get the right even of a constitutional majority of one House to veto a plan. I stood almost alone. I think there was only one other member of the Hoover Commission who supported the position I took. I was successful in getting the bill reported as I have indicated; and in conference, I had to take the compromise referred to, otherwise there would have been no bill at all.

Mr. BRICKER. I appreciate that, and I think the Senator is to be commended for his patriotic stand along that line.

Mr. President, Senate bill 101, in my judgment, should be amended to provide that reorganization plans submitted under both titles I and III may be disapproved by a simple majority of either House of Congress. That is one of the amendments I have submitted.

2. IMPOSSIBILITY OF AMENDING REORGANIZATION PLANS

The greatest defect in the present law is that Congress is unable to amend reorganization plans. This inability to amend makes rather a mockery of the legislative process. Without the right to amend proposed legislation, neither House of Congress can act as a deliberative body.

Reorganization plans are prepared by the President. The contents of those plans are kept in strictest confidence until they are submitted to Congress. These plans may vitally affect thousands of people both in and out of the Government. Individuals and groups affected by a reorganization plan can make their views known only to the Congress, but Congress is not permitted to amend the plan to satisfy legitimate objections. All other proposed legislation is embodied in bills and joint resolutions. Very few of those which are of any importance emerge from committee in the form in which they were introduced. Inability to amend plans submitted under the present law has already resulted in some remarkable absurdities.

Many Senators objected to plan No. 5 of 1950 because they feared that the independence of the Patent Office might be jeopardized. At the same time the desirability of giving the Secretary of Commerce full power over all other subordinate units in his Department was widely recognized. Many Senators found themselves in an absurd position because of their inability to amend the plan. By voting for the plan, they relied on Secretary Sawyer's promise to preserve the independence of the Patent Office in its quasi-judicial work. By voting against the plan to insure the independence of the Patent Office, Senators were voting against an otherwise desirable plan. There is no reason in the world why Congress should deny itself the right to improve the President's reorganization plans by amendments.

In Reorganization Plan No. 21 of 1950, the President took full advantage of Congress' inability to amend his legislation. The Hoover Commission had recommended that the executive functions of the Maritime Commission be transferred to the Department of Commerce but that its quasi judicial and quasi legislative functions remain independent of the executive branch. The President abolished the Commission and placed all its functions within the Department of Commerce. As a result, the vote on plan No. 21 was in part a vote for the Hoover Commission plan and in part a vote against the Hoover Commission plan.

Reorganization Plans 7, 8, 9, and 11 of 1950 transferred certain functions of the Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, and Federal Communications Commission to the Chairmen of those agencies. Opponents of those plans contended that they would transform these independent regulatory commissions into one-man agencies subject to domination by the President and subject to influences of partisanship and favoritism. Senators who supported those four plans denied that they would have any such effect and claimed that they were in accord with the Hoover Commission's recommendations. Whether by accident or design, the language used in plans 7, 8, 9, and 11 was very ambiguous. If Congress had had the right to amend these plans, almost all objections could have been satisfied. Having no power to amend, the Senate defeated plans 7 (ICC) and 11 (FCC), but approved plans 8 (FTC) and 9 (FPC) which involved exactly the same principle of reorganization.

Mr. President, I ask unanimous consent that there may be printed at this point in my remarks the amendment which I intend to offer giving both Houses of Congress the right to amend any reorganization plan which the President may submit either under title I of the existing act or under the new title III proposed by Senate bill 101.

There being no objection, the amendment intended to be proposed by Mr. BRICKER was ordered to be printed in the RECORD, as follows:

On page 4, after line 15, insert the following new section:

"SEC. 2. (a) Section 6 (a) of the Reorganization Act of 1949 is further amended by inserting before the period at the end thereof a colon and the following: *'Provided*, That if during such 60-day period either House of Congress shall pass a resolution referring the reorganization plan back to the President with amendments thereto, such reorganization plan shall not become effective but the President may retransmit the plan embodying such amendments; and if he shall retransmit the plan with such amendments, it shall be deemed to be a new reorganization plan.

"(b) Section 202 of the Reorganization Act of 1949 is amended to read as follows:

"'SEC. 202. As used in this title, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which (1) is as follows: "That the ——— does not favor the reorganization plan numbered —— transmitted to Congress by the President on ——— 19—," or (2) is as follows: "That the ——— refers the reorganization plan numbered —— transmitted to Congress by the President on ——— 19—, back to the President with a request for the following specific changes in said reorganization plan, to wit: ———," the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one reorganization.'

"(c) Section 205 (b) of the Reorganization Act of 1949 is amended by inserting before the period at the end thereof a semicolon and the following: 'but it shall be in order to include in any resolution referring a reorganization plan back to the President pursuant to the proviso in section 6 (a) of this act, any amendment to the plan proposed by any other resolution (then on the Calendar or which was introduced at least one Calendar day prior to the date it is so

included) relating to the same plan, or germane modifications of any amendment proposed to the plan.' "

Mr. BRICKER. Mr. President, briefly, this amendment would give either House of Congress power to adopt a resolution referring a reorganization plan back to the President with amendments thereto. Passage of such a resolution would give the President three options: (1) He could resubmit an amended plan with the assurance that it would be approved; (2) he could resubmit his original plan, stating his objections to the amendments proposed, although in most cases Congress would probably reaffirm its position; or (3) finding the amendments not acceptable, the President could consider his plan as rejected. This amendment preserves the concurrence among the President, the Senate, and the House of Representatives which all other laws, except those passed over the President's veto, require. In addition, if the President knows that his plans can be amended, there is less chance that he will submit reorganization plans which contravene some well-settled policy of the Congress.

3. INSUFFICIENT TIME FOR DEBATE

Mr. President, I propose to offer an amendment to title III of the Senate bill 101 to provide that defense reorganization plans become effective after the expiration of 30 rather than 12 days. On March 13, 1950, President Truman submitted to Congress 21 reorganization plans. It is obviously impossible for the Senate Expenditures Committee to give adequate consideration to as many as 10 or more plans within a 12-day period. Section 205 (b) of the act guarantees 10 hours of debate on any resolution of disapproval. If the President should submit 21 defense reorganization plans on the same day it would be difficult to guarantee even 1 hour of debate on each plan. If any plan should require more immediate action, Congress could, as pointed out by the committee's report, "adopt a joint resolution fixing an earlier effective date, as has frequently been done in the past."

IMPORTANCE OF REORGANIZATION LEGISLATION IN A NATIONAL EMERGENCY PERIOD

Mr. President, the amendments which I intend to propose to Senate bill 101 are even more important in the light of the present national emergency. Last December, Congress was asked to give the President emergency reorganization powers similar to those given to President Roosevelt by title I of the First War Powers Act. The Eighty-first Congress denied that request because the President's reorganization powers would not have been subject to review or approval by Congress.

Only one of the reorganization plans submitted in 1949 and 1950 created new agencies of Government, plan No. 21 of 1950. In any period of war or defense mobilization many new defense agencies will probably be created. The Reorganization Act of 1949 is the only law on the statute books which gives the President a general power to create new agencies. The President may, of course, without authorization by Congress, establish fact-finding commissions to advise him. The most recent advisory commission is the new Loyalty Board, of which Admiral Nimitz is Chairman. However, the right of the President to create new agencies having more than purely advisory powers must be found in the Reorganization Act of 1949.

Before and during World War II, President Roosevelt created many so-called defense agencies as part of his Executive Office. The most important of these were the War Manpower Commission, the National War Labor Board, the National Housing Agency, and the Office of War Information. President Roosevelt attempted to justify the legality of many of these offices and commissions under the language of title I of the First War Powers Act. However, neither the First War Powers Act nor the Reorganization Act of 1949 authorized any agency created by the President to exercise any function not provided by law. Section 5 (a) of the present law provides that no reorganization plan shall have the effect of—

(4) Authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress.

The orders of many World War II agencies created by the President were treated as purely advisory. For example, directives of the War Labor Board were held by the courts to be judicially unenforceable and unreviewable because they simply stated the equities of each industrial dispute. Actually, the War Labor Board was not a purely advisory body. On occasions when the Board's so-called advice was not taken, the President seized plants, withdrew service by the Post Office, and threatened workers with loss of "maintenance of membership" guaranties.

The War Manpower Commission was also created by an Executive order which cited the reorganization law as its authority. Without any specific authorization by Congress the Commission issued work-or-fight orders to labor. Employers who failed to comply with the directives of the Commission were threatened with the cancellation of labor referrals and Government contracts.

The Roosevelt-created war agencies were supposedly advisory bodies. Nevertheless, they exercised tremendous powers. For example, President Roosevelt ordered each executive department and agency to use its powers as the War Manpower Commission might direct. Executive Order 9370 of August 16, 1943, provided that priorities might be withdrawn from any employer who failed to comply with National War Labor Board directives. This same practice is apparently authorized by Senate bill 101 which provides that "the extension of any function of any agency to any other agency" shall be deemed to be a reorganization—section 303 (a). That is the section to which the senior Senator from Ohio referred a short time ago. While I do not agree with the political and judicial precedents established during the last war with regard to the President's right to create powerful new war agencies, those precedents do exist.

Accordingly, if President Truman decides to create by Executive order a war manpower commission, a war labor board, or some other new defense agency, he may be able to give those agencies tremendous powers to enforce their so-called advisory directives. Among the more important powers which could be transferred to any new defense agency are power to deny priorities and allocations, power to requisition facilities and property, and power to deny work on Government contracts.

Any new defense agencies which the President may create under the Reorganization Act of 1949 may be vested with vast powers already authorized by law, particularly those provided in the Defense Production Act. I do not seek to deny the President the right to create any new defense agency, nor would I deny him the right to give some of those new agencies powers now exercised by other departments and agencies. We must recognize, however, that some of these new agencies may be much more powerful than several of the Cabinet departments. To guard against any abuse of power the reorganization law must provide:

First. That the reorganization plans creating powerful new defense agencies can be amended by either House of Congress;

Second. That either House of Congress can act by simple majority as in the case of bills and joint resolutions;

Third. That Congress has sufficient time for debate; and

Fourth. That the principle officers of any new defense agencies must be confirmed by the Senate.

Mr. President, the four amendments which I intend to propose to Senate bill 101 are designed to accomplish those four objectives.

Mr. President, I am fearful that in the consideration of this bill there is another effort on the part of the administration to use the crisis in which we now find ourselves as an excuse for grabbing more legislative power, and that there might be a further depressing of the authority and responsibility of the Congress of the United States. It is one of the characteristic tenets of all those who believe in totalitarian or socialistic forms of government that the representative legislative branch of the government must be depressed and suppressed to the advantage of the executive branch. This looks like such an effort on the part of the administration.

Already almost unlimited power is exercised by the President of the United States. It was exceeded only in war days when powers were given to the late President Roosevelt. Is it exercised in the public interest, or is it being utilized and used for the enhancement of the political power of the Chief Executive and the administrative branches of the Government.

At this very hour we see a minority group of persons who are breaking down the transportation system, threatening seriously to destroy the industrial production of the Nation which is needed to carry on the war in which we are engaged. When the administration stands palsied and powerless against a minority group which is inconsiderate and which is discarding entirely any consideration

of the public interest, it is no time to give the President more power, but it is a time, rather, for him to exercise the power which he already possesses.

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

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

Mr. MALONE. Mr. President, I yield provided I do not lose the floor thereby.

Mr. McFARLAND. Mr. President, I understand that the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Ohio [Mr. BRICKER] have worked out an agreement respecting amendments to Senate bill 101, and I ask if the Senator from Nevada will yield for 5 minutes so the bill may be acted upon and passed.

Mr. MALONE. I shall be very happy to yield for 5 minutes if I can obtain unanimous consent that I do not lose the floor thereby.

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

Mr. BRICKER. Mr. President, after consultation with the chairman of the Committee on Expenditures in the Executive Departments and the majority leader I have agreed to call up but two of my amendments. The first one deals with the authority of the President to nominate officers and other personnel without Senate confirmation.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3 it is proposed to strike out lines 7 to 10, inclusive; on the same page, in line 11, it is proposed to strike out "(c)" and insert "(b)"; and on page 3, line 16, it is proposed to strike out "(d)" and insert "(c)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER].

The amendment was agreed to.

The PRESIDING OFFICER. The second amendment of the Senator from Ohio will be stated.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. As I understand, the amendment of the Senator from Ohio includes the change of the letter "(c)" to the letter "(b)", on page 3, line 11, and the change of the letter "(d)" to the letter "(c)" on page 3, line 16.

The PRESIDING OFFICER. The Chair is so advised.

The second amendment of the Senator from Ohio will be stated.

The CHIEF CLERK. In the committee amendment on page 2, line 18, it is proposed to strike out the word "twelve" and in lieu thereof to insert the word "eighteen."

Mr. McCLELLAN. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McCLELLAN. Mr. President, may we have a vote on the bill?

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

Mr. LANGER. Mr. President——

Mr. MALONE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MALONE. The junior Senator from Nevada yielded for the purpose of agreement being had on two amendments and a vote being had on the bill, but did not yield for debate.

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

The PRESIDING OFFICER. Does the Chair understand that the Senator from Nevada does not agree to a vote being taken on the passage of the bill?

Mr. MALONE. Mr. President, that was not the statement made by the junior Senator from Nevada. He was told that there was to be action taken on two amendments and on the bill, but that there was to be no debate, and that the entire action would be finished in 5 minutes. Two minutes still remain.

Mr. McCLELLAN. Mr. President, I am not undertaking to debate the bill. I am trying to keep the parliamentary situation straight and get the bill passed.

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

Mr. McCLELLAN. I yield.

Mr. LANGER. As I understand, one amendment relates to confirmation by the Senate of heads of divisions and agencies appointed by the President.

Mr. McCLELLAN. Yes, they must be confirmed by the Senate. There are no further amendments to be offered, Mr. President.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 101) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McCLELLAN. I wish to thank the able Senator from Nevada for yielding.

VISIT TO THE SENATE OF THE HAGERSTOWN (MD.) HIGH-SCHOOL BAND

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me for a moment?

Mr. MALONE. I yield.

Mr. WHERRY. Mr. President, there is in the gallery this afternoon the high-school band from Hagerstown, Md. It is an outstanding organization. The members of the band, who are seated in the gallery, have been listening to the very able address of the Senator from Ohio. It has been suggested by Representative BEALL, of Frostburg, Md., and by the Senator from Maryland [Mr. BUTLER] that I call the presence of these visitors to the attention of the Senate. I wish to extend to them a cordial welcome. They have honored us by their presence this afternoon.

I may say to the members of the band that I wish them well in the concert they are to give tonight, a concert which has to do with a certain box supper, which I think is going to be very popular.

PROPOSED REMOVAL FROM OFFICE OF THE COLLECTOR OF INTERNAL REVENUE FOR THE THIRD DISTRICT OF NEW YORK

Mr. WILLIAMS. Mr. President, will the Senator from Nevada yield to me so that I may send a resolution to the desk and make a brief statement with reference to it?

Mr. MALONE. Mr. President, I shall be happy to yield for that purpose, provided I do not lose the floor.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me so that I may send a resolution to the desk, and make a brief statement on it.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Is there objection to the request of the Senator from Delaware? The Chair hears none.

Mr. LANGER. Mr. President, reserving the right to object, what does the Senator from Delaware mean by a brief statement?

Mr. WILLIAMS. I understand the request had been granted. However, I do not expect to take more than 8 or 10 minutes.

Mr. LANGER. I have no objection.

Mr. WILLIAMS. Mr. President, today, possibly more than ever before in the history of this country, the question of taxes has become of foremost and vital concern to almost all of our citizens. The sacrifices which each of us makes in the cause of freedom throughout the world in a large measure is represented by the taxes we pay—or our obligations to pay in the future.

Never in our history has the integrity, efficiency and competency of the persons who collect our taxes been of greater importance. And yet it is doubtful if it has ever been much worse.

For some time I have been studying this problem and I am convinced that it is one which merits the attention of the United States Senate. It is my opinion that a careful, complete, and constructive investigation by the United States Senate of the whole system by which taxes are collected would be in the public interest. It would serve two important purposes in determining, first, whether the Government is getting paid all it is entitled to be paid, and, second, whether the tax laws are fairly and honestly administered.

I believe that the public has, in many cases, lost respect for those who collect Federal taxes, and consequently they have lost a large measure of respect for the Federal tax laws and our Government.

It is my belief that in many cases throughout the country the morale, efficiency, and even the honesty of some of those who collect our Federal taxes are distressingly bad. There is a clear, unmistakable reason for this. The reason for such a state of affairs is that our system of tax collection is shot full of cheap, inexcusable, political manipulation.

I say this not as a blanket indictment against all employees in the tax service, many of whom are honest and efficient men. However, the fact that certain incompetents, through political protection, are allowed to continue in office unquestionably is breaking down the morale of the entire force.

I plan to devote a large part of my time in the days ahead in bringing to the attention of the public what I consider a deplorable situation in the hope that it will result in some improvement. For if ever the taxpayer needed a fair deal from the politician it is today.

Today let me discuss briefly the present situation in one of the largest single districts in the United States, namely, the third New York district.

We would expect, would we not, an efficient, honest, and hard working force in this office, which is one of the largest in the United States? Certainly those in responsibility, the President of the United States, the Secretary of the Treasury, and the Commissioner of Internal Revenue, should insist upon nothing less.

Now let us look at the facts. The administration and operation of the collector's office in the third district is disgraceful and is almost a duplication of the exposure which I made of the state of affairs in the collector's office in Wilmington, Del., some years ago.

I want to begin by reading the record of the deputy collectors in the third district who have been convicted of criminal offenses in that district alone since 1946:

Abraham Heller, October 28, 1946, suspended pending investigation; January 25, 1947, removed from rolls. (Failed to refute charges of solicitation and acceptance of bribe.) Sentenced to 2 years and fined $10,000.

Jesse Miller, October 28, 1946, suspended pending investigation; January 25, 1947, removed from rolls. (Failed to refute charges of solicitation and acceptance of bribe.) Sentenced to 6 months.

Julius J. Friedman, July 12, 1946, suspended pending investigation; October 5, 1946, removed from rolls. (Jury returned a two-count indictment, charging him with demanding and accepting a bribe.) Received suspended sentence and 3 years probation.

James A. Bessell, June 20, 1949, suspended pending investigation; August 26, 1949, removed from rolls. (Solicitation and acceptance of a bribe.) Put on probation 10 years.

William A. Ganey, September 28, 1949, suspended pending investigation; May 9, 1950, removed from rolls. Sentenced to 5 years and fined $14,350.

Anthony V. Fiscella, September 28, 1949, suspended pending investigation; May 9, 1950, removed from rolls. Sentenced to 2½ years and fined $2,500.

John A. Galgano, September 28, 1949, suspended pending investigation; May 9, 1950, removed from rolls. (On charges of bribery, sentenced to 2 years; fined $2,850. Imposition of sentence suspended and 5 years probation to commence upon completion of sentence currently being served.)

Thomas J. Cannon, September 28, 1949, suspended pending investigation; May 9, 1950, removed from rolls. (On charges of demanding and accepting a sum a money.) Sentenced to 18 months; fined $2,500.

That record alone is a pretty sad commentary on those in responsibility. Such widespread corruption is usually the result of widespread mismanagement, and this case is no exception.

The whole administration of the business of collecting taxes in the third district has been unbelievably bad. Yet those responsible have not been disciplined or removed.

On February 27, 1950, the Commissioner of Internal Revenue reported to the Secretary of the Treasury that conditions in 1947, 1948, and 1949 had become steadily worse. The Commissioner stated that the collector in charge of the district lacked the administrative ability to get the job done. Yet today, almost a year later, that collector is still on the job.

In reviewing the records of that district, I quote the following facts which are taken from the annual reports of the investigators:

1. The difficulty in the Third New York District may be attributed to two major weaknesses: (1) Substandard supervision and direction, and, (2) poor discipline and low employee morale.

2. Many phases of the every-day workload became sadly in arrears.

3. Washington correspondence backlogged and complaints regarding delays on the part of the office in processing these claims, returns, and correspondence were numerous.

4. The Wage and Excise Tax Division neglected much of its highly important work. For example, it failed to prepare and issue delinquency notices covering social-security and employment-tax returns due and not filed for various periods; it failed to keep current the addressograph plate file (covering employers subject to the filing of withholding and social-security-tax returns) by removing plates representing employers who had gone out of business and in preparing and inserting plates representing new employers. It did not follow through to obtain excise-tax returns from employers who were delinquent in reporting and paying this class of tax.

5. In the Comptroller's Division postings to taxpayers accounts on the assessment lists were allowed to become increasingly in arrears making it extremely difficult to keep the taxpayer ledgers in balance with the general ledger accounts. This delay in posting also resulted in the issuance of many erroneous bills and warrants and delayed the actual service of warrants covering accounts which had not been paid, causing much additional and unnecessary field work.

6. The problem of poor employee morale and the apparent inability to secure the best possible efforts of the collector's employees throughout the office was well demonstrated by a list furnished to show the large number of employees who had taken leave without pay; that is, leave in excess of the liberal annual- and sick-leave allowances granted to Federal employees. For the period from June 1, 1948, to May 31, 1949, exclusive of maternity leave, the list showed leave without pay taken by 58 employees. Of this number, 34 had taken in excess of a hundred hours, 10 had taken over 500 hours, and 2 were shown as having taken over a thousand hours of such leave during this period. During the 12-month period ended May 31, 1949, leave without pay (including maternity leave) taken by the employees of this collector's office aggregated 18,807 hours, or 2,351 man-days. During the 5 months from June 1 to October 31, 1949, such leave was taken in the total of 8,796 hours. This was indicative of an attitude that would not be tolerated in an ordinary business office. Indifference to tardiness, the taking of excessive lunch periods and early departure from the office were inexcusable and, in view of the condition of the work, was especially reprehensible. It was indicated that efforts of the collector's office to correct the indifferent attitude of the employees to their duties and responsibilities had been weak and ineffective.

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

Mr. WILLIAMS. I yield.

Mr. LANGER. Does the Senator know what important cities are located in the third district?

Mr. WILLIAMS. The third district is comprised largely of the City of New York, although a portion of New York City comes under the jurisdiction of the second district. The third district is comprised largely of metropolitan New York.

Mr. President, early in 1950 supervisors from Washington were sent to that office and they reported that conditions were worse than previous reports indicated. They reported that only one division in the entire office was functioning even in a fairly satisfactory manner. But the collector who is responsible for such an amazing state of affairs is still in charge of the office.

I think that the collector unwittingly gave the answer to this serious problem when he complained that the whole responsibility should not rest entirely with him, by pointing out that there were factors in the collector's office which were peculiar in that such an office is composed of a lot of political personnel and there was probably no office in the country containing more of them than his own. The inference that politics is given prior consideration in the selecting of our income tax collectors is a most damaging indictment and cannot be condoned.

The record shows that the collector on November 30, 1950, was asked to submit his resignation. To date this has not been received and no further action has been taken.

How bad do conditions have to get before some action is taken? If the Government expects the taxpayer to cooperate wholeheartedly in its huge tax problem it must put its own house in order. I think that a thorough investigation of the whole system of tax collection should be considered at the earliest possible moment. There is a great opportunity here for constructive action which will redound to the public interest—and we should take action at once.

As a first step in this direction, I send to the desk for appropriate reference a resolution which reads as follows:

Resolved, That it is the sense of the Senate that the President should remove James W. Johnson from the office of Collector of Internal Revenue for the Third District of New York, on the grounds that the said James W. Johnson does not possess the necessary administrative ability to direct satisfactorily the operations of the collection district.

I hope this resolution will be acted upon, and that appropriate steps will be taken to clean up and put this office in order.

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

Mr. WILLIAMS. I yield.

Mr. LANGER. I wonder why the distinguished Senator does not submit a resolution calling for the investigation of

all the collectors' offices. Why pick out this one?

Mr. WILLIAMS. Because this is the only one with respect to which I had any information at the time. I made the suggestion in my speech that I thought it would be well for us to look into the entire tax collection facilities of the country. I think we should check at the same time in all offices to see whether or not too much political influence is being used in the Federal tax-collecting system. I did not not think it would be fair to single out any other office when I did not have any information with respect to it. I thought there might be an unfair reflection on an office which was being properly conducted.

The resolution (S. Res. 63) submitted by Mr. WILLIAMS was received and referred to the Committee on Finance.

THE INTERNATIONAL POLICY—THE FAR EAST AND EUROPE

Mr. MALONE. Mr. President, I intend to discuss briefly No. 4 of the 10 suggested approaches to our international problems discussed on December 14 in my address to this body.

NATION FOUNDED UPON COURAGE

This Nation was founded on courage. Its great industries and institutions were built on courage. We have become great because we have never feared anything but the God we worship.

Our forefathers landed on Plymouth Rock more than 300 years ago with axes and muskets and their bare hands and, because they were without fear, laid the foundation for the greatest nation the world has ever seen.

THE WILL TO WIN

We have never lost a war, for the very simple reason that we have never gone into one unless we were led to believe that our ultimate safety depended upon it, and we never once doubted our ability to win. When our people lose that spirit, our servicemen will lose the will to win. That is what we are witnessing in Europe today.

What is the source and the reason for the fear and doubt continually being peddled by the administration and their spokesmen? Is it to soften up the people so that their excessive and often unnecessary taxes will be accepted with less opposition?

FOLLOWING THE 100-YEAR-OLD EUROPEAN LINE

What is the reason for our State Department's following the European line. Why do we follow England's 100-year-old policy and continue to support the small, straggling, independent, disorganized nations of Europe, and the colonial slavery system in the Far East and Africa? What has been England's objective in preventing any European nation from becoming really strong?

Is it that England and other European countries are living in the past, and do not realize that Russia has become strong already, that her influence reaches from Asia to Eastern Europe, that a disorganized Europe cannot hope to cope with Russia, and that, under present conditions, Russia could move through Europe almost overnight?

Does she not realize that an integrated Europe, a United States of Europe, or some effective economic union of all of the nations of Europe, is necessary for them to reach their maximum of economic and military strength? A European union of states with which this Nation may deal effectively is an absolute necessity to win.

ASIA AND THEN EUROPE

Do not England and all of Europe realize that if Russia is successful in dominating China and Asia, her potential power from that source would complete the destruction of opposition in Europe and that the individually supported and disorganized nations of that area would inevitably fall under Communist Russia's domination?

We should recognize, before it is too late, that we cannot support the dead hand of colonial slavery in the Far East and Africa—that those long in slavery are on the move, and, with all of our resources, we cannot stop it any more than England with all of her resources and hired soldiers could stop our small colonies in 1776.

Our Nation is in great danger. The greatest danger, however, is in Washington and at Lake Success, not in Korea.

Our people have been shaken by a demonstration of misinformation, miscalculation, and misjudgment at the highest levels of decision and command.

WE MUST DIRECT OUR OWN DESTINY

Let us be done with this devastating fear of what Russia, or any other nation, is going to do.

Let us regain the initiative that we lost, first through the destruction and disintegration of the greatest defensive and offensive force the world ever saw, following World War II.

Let us realize that we must break up Russia's march through Asia and her resulting control of that great area with its more than 1,000,000,000 manpower.

Let us realize that Europe, with its divided, bickering nations, can never successfully oppose a Russia on the move, even if we bankrupted ourselves in her behalf.

Let us then take stock. Let us regain control of our own destiny.

TWO WORLD WARS—AND A POLICE ACTION

We came through both wars without mortal injury because of great industrial strength.

It has taken a so-called police action in Korea to teach us what may happen unless our actions are based on accurate information, clear thinking, and a sense of restraint.

And we had best take the lesson to heart.

RESULTS OF DIPLOMAT BLUNDERS

It is time that the people of this Nation, through their Congress, brought to task the persons responsible for the long series of diplomatic mistakes causing the present unfortunate situation they call a police action—and place it in the hands of the United Nations. What is this thing in which we find ourselves?

First. We have an army in the field fighting an enemy. We have lost nearly 50,000 men killed, wounded, and missing.

Second. We are on a war basis by Executive order of the President.

Third. We are drafting men and freezing prices.

Fourth. General Eisenhower says it may last 20 to 30 years.

Fifth. The Congress has lost its authority to declare war.

Sixth. We are in the hands of an organization, the United Nations, which has neither authority nor ability to defend itself.

Seventh. The President is now demanding authority to draft 3,500,000 boys for a professional Army, with a minimum of 8 years' Reserve service, which he can send to any foreign nation anywhere at any time to fight or train.

Eighth. We are defending the colonial slavery system of European empire-minded nations, from the Far East to the Mediterranean, and in Africa, forgetting that we ourselves broke away from the system in 1776.

Ninth. At the end of the 7 months of war in Korea, we find ourselves in a politically and militarily weak and untenable situation.

Tenth. Because Congress put in the hands of the executive branch its constitutional responsibility to regulate foreign trade, State Department representatives are right now in Torquay, England, in a supersecret conference, completing the job of wrecking our national economic structure under cover of war.

NO. 4 OF 10 SUGGESTIONS

Suggestion No. 4, in my list of 10 suggestions for the survival of the United States of America, as given in my December 14 address in the Senate, has to do with what could be done about Korea and Asia. We could do one of three things in the immediate crisis:

(a) We could take the reasonably expected action, namely, arm Chiang Kai-shek's Nationalist Army and guerrillas, so that, together with the South Koreans, they could furnish the foot soldiers for the war against the North Korean and Chinese Communists, and we could then make the most efficient use of our air power and our Navy, including submarines, to blockade, and to destroy the war-making power of the Korean and Chinese Communists; or (b) We could withdraw from Korea and arm and equip Chiang Kai-shek's troops and guerrillas to do the job; or (c) our last choice, we could completely abandon Korea and China, establishing our line of defense for the Western Hemisphere through Japan, Formosa, Okinawa, Guam, the Philippines, Indonesia, New Guinea, and Australia, using ground troops recruited in those countries.

MILITARY, FOREIGN, AND DOMESTIC POLICY

Our debate, here on the Senate floor, on foreign policy is on the question of the military policy that can most efficiently and economically assure our national security. Neither an adequate foreign nor an adequate domestic policy can be effectively established until we have a military policy based upon our defensive powers, actual and potential and upon the knowledge of what areas we must currently defend for our own ultimate security.

Who is making our military policy?

One would assume that the Department of Defense would control the military strategy, once the decision is made as to the areas to be defended. That assumption is a hold-over from the days when we followed a constitutional government procedure, when Government agencies possessed clear-cut functions, resting on statutory powers and duties, and respected the appropriate limitations.

A VERY GRAVE AND DANGEROUS SITUATION

As we are reminded in an article by Edna Lonigan in Human Events, we do not live under that form of government any more. We live under a pyramid type of executive government, in which all money is at the disposal of the President, under loose grants of powers—and policy making is determined by the current favorites in the White House, the State Department boys.

They decide for the President not only our foreign policy, but also our military policy. This is a dangerous situation in which the survival of our Nation is at stake.

Military strategy should be left to military men, after the general policy has been established, but the State Department has arrogated to itself the sole responsibility for military strategy.

SUPPORT FOR A PRECONCEIVED PLAN

General Eisenhower was not sent on his quickie trip to Europe by our military men, but by our State Department. The purpose was obviously to secure support for a decision which was fully decided upon beforehand. I do not believe that anyone is naive enough to think that a week or two jumping from one European capital to another, could accomplish any purpose other than that of propaganda for the preconceived decision of the State Department to send our boys to make up a Maginot line in Europe.

This matter of having our military strategy decided by a State Department which has made such a colossal failure of diplomacy could mean disaster for this Nation.

This same State Department, through the discovery of those agrarian reformers in China in 1946, has succeeded in turning a 100-year-old Chinese civil war into a war between this Nation and China.

Quoting from Human Events:

> A nation can spend billions, keep millions of men under arms, build atom-bomb plants and Maginot lines, but if it follows bad strategical concepts it will be defeated. In fact, an unwarranted rush for more men and spending, spells military sickness, not health.
>
> Congressman WALTER JUDD tried, without success, to get to the root of the matter. When representatives of the Army, the Navy, and the Air Force appeared before the House Foreign Affairs Committee, to testify for foreign aid, JUDD put this question: Are you giving us what in your judgment is the best military plan for our defense? Or are you giving us merely the best military means to implement the plan the State Department has already decided upon? The defense officials only hedged.

ADMINISTRATION BYPASSING CONSTITUTION—ALL ESTABLISHED PRACTICES

One may ask how it is possible that our defense officials have fallen into such a trap. The reason is the total change in our Government; the administration is bypassing the Constitution and the established practices under which this country grew in a comparatively short time to be the greatest Nation on earth. But early in the New Deal, Hopkins, Wallace, Morgenthau, and their like, moved in.

GENERAL EISENHOWER'S ADDRESS

Let us see just what General Eisenhower has said about the defense of this country.

The general told his national radio audience, following his address to the joint meeting of Congress, that he had an "Allied assignment and he lived up to it." He pointedly did not say that he had an American assignment.

He told the joint meeting of Congress on February 1 that he found evidence that the European countries would do what was necessary to cooperate with this Nation in the defense of Europe.

In 1945, following his trip to Russia, General Eisenhower, being the good soldier he is, said that he had "seen nothing to indicate cooperation with Russia is impossible."

Mr. President, there is considerable similarity between those two trips by General Eisenhower. They were of about the same duration, and they have had about the same results.

As long as he is a general in the United States Army, I suppose he could hardly do otherwise without resigning and then telling the American people what he had actually found out.

General Eisenhower supported the program that was decided upon by the State Department even before the Vandenberg resolutions were introduced in the Senate on July 11, 1948. That program is followed by the Marshall-Rosenberg universal military service bill, which has been substituted in committee for the Russell-Malone universal military training bill, under Senate bill 1.

Mr. President, I call attention to the fact that Senate bill No. 1 was retained as the number of the bill, but a complete substitute was made, although the country still believes that the hearings held by the committee are being held on the Russell-Malone universal military-training bill.

The universal military-training bill is sponsored by the American Legion, the Veterans of Foreign Wars, and other veterans' organizations. The universal military-service bill is sponsored by the State Department.

The Marshall-Rosenberg-State Department bill, upon which hearings have just been completed by the Armed Services Committee, agrees in almost exact detail with General Eisenhower's address before the joint meeting of the Congress, to wit, and these are the provisions of the bill:

First. That the President must have unlimited authority to send any number of troops to any foreign country at any time to train or fight.

Second. That no further authority from the Congress must be necessary.

Third. The Marshall-Rosenberg universal military service substitute for the Russell-Malone universal military training bill turns the provision for a trained civilian army into a provision for a standing professional army, and a proposed 4 to 6 months' training course into a 27 months' continuous service, with an additional 69 months' Reserve obligation, starting with 18-year-olds.

General Eisenhower approves the Marshall-Rosenberg substitute.

Mr. President, the general's address was advertised, in the advance billing, as a factual report to the Congress, upon which the Members could rely to crystallize their position with reference to the question of sending troops to Europe in the absence of a declaration of war.

However, several times the general, in his extemporaneous remarks, referred to the permanent headquarters which he has already set up in Europe; and, in closing his address, he invited the Members of Congress to visit the permanent headquarters at any future time, just as they used to visit him during World War II. That statement is an indication beyond any question that he considers the entire matter already decided and under way, subject only to the passage of the Marshall-Rosenberg universal-military-service bill, now masquerading under the label Senate bill No. 1, as a substitute for the Russell-Malone bill, which was introduced on the first day of the present session.

The 18,500,000 veterans and their friends in this country mistakenly believe that the Armed Services Committee of the Senate held hearings on the Russell-Malone bill, Senate bill No. 1, providing for a trained civilian army, when, as a matter of fact, through a ruse old in legislative circles, a fast switch was made in substituting the Marshall-Rosenberg professional army bill as Senate bill No. 1, and the hearings were actually held on the professional army bill.

BILLIONS IN FOREIGN AID TO COVER PAST DIPLOMATIC MISTAKES

Our military men must be permitted to plan their own strategy. They must be permitted to protect us from the mess which the State Department got us into, without being hampered by that same State Department. Defense is the last line that protects us against all miscalculations and mistaken foreign policies.

The State Department's strategy, which has been such a miserable failure, was based on the assumption that spending was defense. Lavish spending was actually to cover up past diplomatic errors. The administration took the position that our own military rearmament should not be allowed to interfere with Marshall plan spending and giving, and the President's current budget reflects that conviction.

We still have no military strategy to outwit Soviet military planners. In a global war, as in Korea, in line with our present strategy or lack of it, our Armed Forces will have to fight on Stalin's terms—in the wrong place, at the wrong time, and with only the shaky timbers of the United Nations for military and diplomatic support.

ECONOMIC UNION OF EUROPE NECESSARY FOR DEFENSE

If we withdrew our support today, Mr. President, England's Government would fall in the morning.

Let us stop this folly of supporting 16 separate governments whose areas total little more than one-half the area of this Nation, and make further aid to them of any nature contingent upon an economic union of the nations of Europe.

EUROPE AND ASIA FURNISH FOOT SOLDIERS

Europe could furnish one to ten million foot soldiers if they have the will to defend themselves. The same is true of Asia.

We can furnish air power and a submarine fleet to (a) control the air over any area important to our ultimate safety, and (b) blockade any nation that seeks to move into such areas.

We could serve notice on every nation in the world that, in the event of Asia and Europe furnishing the foot soldiers for their own defense, and the United States furnishing the air power and the submarine fleets, if any nation begins to move into such areas, important to them, areas whose integrity is also important to our ultimate safety, we shall destroy its war-making potential, including all fuel and industrial operations. This amounts, in fact, to an extended Monroe Doctrine.

Our boys are natural technicians and mechanics, with generations of background in getting things done in new and better ways. Let them fight in the way that they are the most effective.

WHO ARE OUR NATURAL ALLIES?

It is time that we took stock and determined just who our natural allies are, and then did something about it.

In the Pacific, Asia, and the South Seas areas, our natural friends are: Formosa, the continental Chinese Nationalist guerrillas, Pakistan, Japan, the Philippines, Indonesia, Australia, and New Zealand.

In the Atlantic and European areas, they are Spain, Turkey, and the unwilling captive states of Yugoslavia and Bulgaria. We have friends in Poland, too.

The Turks, who are our first line of defense if Russia should start to move on Middle East oil areas, will fight our potential enemy to the death. And yet we practically ignore them.

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

Mr. MALONE. I am happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. The Senator did not mention Western Germany. In what category does the Senator place Western Germany?

Mr. MALONE. I am very glad the distinguished Senator from North Dakota brought up that question. I am glad to give him my personal opinion, which is all that is possible under the evidence available.

It is the personal opinion of the junior Senator from Nevada that we in the United States cannot buy the products of Western Germany, such as coal, steel, chemicals, and many other manufactured and processed articles, because to do so would mean that we would merely displace the jobs of our own people to the extent of such importation; and the European nations will not buy her products, because of their fear that Germany may be built up they fear her economically and militarily; and the Germans, I may say to the distinguished Senator from North Dakota, will fight and will work. That has been proven over the years. Who, then, are the friends of the Germans? What markets are open to them? It is a well-known fact that the markets which are being held out now to the people of Western Germany, upon condition that they will not rearm and fight against Russia and China, are the Chinese Communists markets and the Russian markets, which cannot be supplied within less than 25 or 50 years. They can use all that Germany can manufacture. They can purchase all the products of every kind that Germany can manufacture. I may say to the distinguished Senator from North Dakota that it has been the practice of the junior Senator from Nevada for many years not to accept lip service, but to look beneath the surface, to see where the interests lie; and he has stated where, in his belief, the interests lie.

Mr. LANGER. Mr. President, will the Senator answer a question?

Mr. MALONE. I am very happy to yield to the Senator, if he has another question.

Mr. LANGER. I ask the distinguished Senator whether Western Germany will become an ally of the United States?

Mr. MALONE. I thought I had answered the question. In fact, their interests lie with Communist China and Russia. It is my earnest opinion that at this moment the Germans will not fight with us. Of course, we believe—at least, we lead the citizens of this country to believe—since we have supported Germany ever since World War II, that the Germans are sitting on the edges of their chairs waiting for our decision before they determine what they will do.

Mr. President, more brains never existed in any nation than in Germany. The people of Germany are a little bit ahead of us. I would say to the distinguished Senator from North Dakota, in particular, they are way ahead of our State Department.

COMMUNIST GROWTH COINCIDES WITH EXECUTIVE POWER EXPANSION

It is interesting to observe that the change from our historic methods of foreign policy-making coincided closely with the growth of pro-Soviet influence in our foreign and military policy.

The State Department now is a combative, aggressive agency which builds its own political following through propaganda produced by use of large funds. It would amaze the Senators if they could see stacked up in one pile just one copy of each publication put out as propaganda by the State Department. These beautifully bound books and brochures sell State Department ideas, many of which have not been adopted officially by our Government, and many of which never should be adopted. At the taxpayer's expense, they are bombarding the taxpayers with propaganda for their unsound ideas. They have been able to push to the top places in our Defense Department men and women who go along with their policies.

Today, there is no question that the State Department, including satellite agencies such as ECA, is the strongest influence in the palace guard. And this is the same State Department which has been exposed as being too friendly to traitors and too weak morally.

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

Mr. MALONE. I am very happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. I was very much interested in the Senator's statement that there are many of these publications which are not even official. Will the Senator give us a list of them?

Mr. MALONE. The list would be so lengthy that I would again be accused of taking up an undue amount of space if I were to place them in the CONGRESSIONAL RECORD; but I think a list can be furnished the distinguished Senator. The junior Senator from Nevada did not say they were not official; he said they had never been adopted as official by the Congress of the United States, or by anyone else in authority. They are officially paid for by the State Department with public funds, and they are published as beautifully engraved documents containing speeches, addresses, and directions to all organizations in the United States of America.

Mr. LANGER. Will the Senator yield further?

Mr. MALONE. I am very happy to yield.

Mr. LANGER. Will the Senator, when we meet on Thursday, bring one of those volumes with him?

Mr. MALONE. I think they can be brought there in a wheelbarrow, I may say to the distinguished Senator from North Dakota.

Mr. LANGER. Will the Senator bring them in, in a wheelbarrow, next Thursday, or have them brought in at that time?

Mr. MALONE. It has been some time since the Senator from Nevada pushed a wheelbarrow, but I shall be glad to get some of them, in order to accommodate the Senator. Perhaps it would be better if we merely brought them to the Senator's office, because we would not later have to remove them. The Senator could read them there.

Mr. LANGER. I should like to see some of them.

Mr. MALONE. All the distinguished Senator from North Dakota has to do is to open his own mail some morning. He will then see plenty of them. Perhaps the efficient secretary of the Senator from North Dakota is a good deal like my own. Secretaries find out how to separate the wheat from the chaff, and very little of such literature gets through to Senators.

Mr. President, as I have said, the State Department has been able to push to the top places in our Defense Department men and women who go along with their policies.

Today there is no question but that the State Department, including satellite

agencies like ECA, is the strongest influence in the "palace guard." And this is the same State Department which has been exposed as being too friendly to traitors and too weak morally.

If our military men were permitted to say what they really think, and not what the State Department wants them to say, we might have some better advice.

SAFETY OF THIS NATION PARAMOUNT—UNITED STATES CAN WIN

One thing is crystal clear: We must stop running around without any sense of direction, like a chicken with its head chopped off. We must decide what is vital to the ultimate security and well-being of the United States of America, and then govern ourselves accordingly.

The United States can win any war with any nation or group of nations under a definite foreign policy based upon our own ultimate safety as the objective.

We cannot compromise with plans or deeds dangerous to this Nation.

Let us face it—we are in our present unhappy situation because we departed from concepts so ably set down in our Constitution; we abandoned the very principles the free exercise of which caused this Nation to stand out above all others.

The American people have proved their resourcefulness, Mr. President. We can reach any reasonable objective that we set for ourselves. Not only do we have the resources, but we have the manpower to protect our reasonable objectives, and we have the industrial production capacity. In other words, we have the ability to win.

First, we must know what areas we are going to protect, how we are going to protect them, and why.

We must establish a definite foreign and domestic policy and know exactly what our objectives are.

If we take stock of our position and fix an intelligent foreign policy with the security and welfare of our people in mind—if, in other words, we fulfill our responsibility to the people we represent—we will come out of this crisis with flying colors.

CONGRESS MUST MAINTAIN ITS CONSTITUTIONAL CONTROL

We have heard it said here on the Senate floor, and by those radio commentators who strictly follow the State Department line, that the President has the authority to send an Army to Europe even though war has not been declared, that the President has this authority by reason of the fact that he is Commander in Chief of our Armed Forces.

I wonder if it would not be well to remind these propagandists for State Department ideas that the Constitution of the United States of America gives the Congress the responsibility to do a number of things, namely: To provide for the common defense; to declare war; to raise and support armies; to provide and maintain a Navy; to make rules for the Government and regulation of the land and naval forces; to provide for calling forth of the militia; to provide for organizing, arming, and disciplining the militia; and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

No one has questioned the President's authority to send a small armed force to protect American citizens or American property or to maintain the Monroe Doctrine, but nothing in the spirit of the Constitution permits the President to declare war and to send our troops abroad in great force.

Assuming, for a moment, that the President, as Commander in Chief, possesses the constitutional power to send troops where he may see fit, it would still be highly imprudent for him to make an important policy decision, such as the commitment of considerable American forces to Europe, without assuring himself of the backing of the majority of the American people.

Under our representative form of Government the only effective means of testing public sentiment is by full, frank debate in Congress and the expression of the wishes of Congress.

The risks of sending more troops to Europe, or not sending more troops to Europe, should be weighed and balanced in the light of the most authoritative available testimony on all the factors involved, military, political, and economic.

CONGRESS IS THE PEOPLE'S VOICE

Clearly, Congress, which at the moment has a better mandate from the country than has the President, should find a better means of cooperation than to "consult" with the President in the casual sense in which he interprets the word. He must be brought to realize that there is a widespread public distrust in his judgment.

We must not forget that there are those in our Government who have caused the United States to take practically every wrong step possible since the close of World War II, and that these are the people who are now recommending that we spread our forces thin over the entire world. If they are serving the Kremlin consciously, they are doing a thorough job, in pushing a program so reckless and hopeless for the United States.

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

Mr. MALONE. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. Have we not a Senate Foreign Relations Committee? Has that committee ever protested? Is it not a fact that during the Eightieth Congress the vote was unanimous, 13 to 0, the Republicans voting with the Democrats?

Mr. MALONE. On what questions?

Mr. LANGER. On all questions dealing with foreign relations, and involving what the Senator has referred to as a crisis.

Mr. MALONE. Congress has not passed on the question of sending unlimited numbers of troops to any nation on earth to be trained or to fight. I think it is up to the Committee on Foreign Relations to have hearings upon that question.

Mr. LANGER. I invite the Senator's attention to my question. We became involved during the Eightieth and Eighty-first Congresses, and, so far as I know, not one Senator who was a member of the Committee on Foreign Relations, either Democrat or Republican, rose on the Senate floor and protested. Is not that correct?

Mr. MALONE. I think what the Senator says is correct. The junior Senator from Nevada has deplored that fact from the time he arrived in the Senate from the State of Nevada. I do not agree that Congress has passed on the question of the President's right and power to send in his discretion, unlimited numbers of troops to any nation in the world at any time. I do not think Congress has passed upon that question, unless, inherent in the adoption of the United Nations Charter, it was included in that document. I am not able to determine that question at the moment. I know that the junior Senator from Nevada has voted against all this type of legislation, and shall continue to do so.

HOOVER VERSUS ACHESON

It is unsound, and confusing to the public, to try to classify every man in public life as in either the Hoover camp or the Acheson-Dewey camp of national security.

Mr. Hoover's great service was in crystallizing the debate. Secretary Acheson is merely continuing his one-economic-world theory.

I cannot agree with those who recommend that we withdraw all defense to the Western Hemisphere. Neither could I agree with those who recommend that we prepare to go to war against aggression anywhere and everywhere in the world. The latter is utter folly. Is it not about time we got our feet on the ground and quit talking about the impossible?

SHOULD LEARN BY EXPERIENCE—PREPARE NOW

In the first place, no military aid which the United States could possibly supply to Western Europe in less than 3 years, plus the utmost the other North Atlantic nations could contribute, could prevent the Russians meanwhile from conquering the remainder of the Continent. Any aid program to the separate European countries, now envisaged or feasible during those 3 years, would be inadequate and could merely provide a supply depot for the Russians if they wanted to acquire it.

I say again, Mr. President, that no maximum military or economic strength can ever be acquired by Europe in view of the separate maintenance of their small nations. There must be some kind of an economic union, so that they will not be fighting each other continually as they have been doing over many generations.

I cannot agree with those who say that Russia is not likely to attack. I do not believe that the military leaders of Russia will sit back and politely wait for us to prepare to fight them.

If we stop them in Asia, as they must be stopped, they may turn to Europe within a comparatively short time.

The situation, in broad terms, is as follows: The Soviet Union has 175 active divisions which, in a few months, could be raised to over 300 divisions. On the assumption that only half of the active divisions could be used in Europe, the

Russians can still launch over 80 divisions without any further mobilization.

Of the active divisions, one-third are said to be mechanized or armored, which would mean that at least 25 are available in the west. On the western front, the Russians have 4,000 or 5,000 tanks in organized formations. Against this, the British, the French, the Belgians and the Americans have a total of 12 divisions, of which less than two are armored. The odds against us in ground troops on the western front are at least 4 to 1, and it may be as much as 9 to 1. These odds will be but little affected by added American troops of the number being suggested.

The number of lives squandered in Korea without a real objective is negligible compared with the number that would be sacrificed in a vain attempt to hold Europe with ground troops against a Russian attack.

The State Department "generals," wrong about everything in the past, now want our boys to form another Maginot line in Europe, to be side-stepped just as the other Maginot line was side-stepped.

The Chicago Tribune commented, in an editorial of December 26, 1950:

> According to members of the committee who heard him, Mr. Acheson said that a Russian advance into Europe within the next 2 years could not be stopped. But he insisted that a couple of hundred thousand more American boys should be sent to Europe at the earliest possible moment. To do otherwise, he said, would be to adopt a policy of "unutterable national shame."
>
> The futile adventure in Korea has already cost us more than 40,000 casualties and Mr. Acheson cries "Encore!" He invites a repetition of the catastrophe on a grander scale.

The junior Senator from Nevada joined with other Senators in the preceding Congress in voting the President sufficient appropriations for a 70-group air force, while the President said that 58 would be enough. Although the appropriation for the high number was voted, the President did not build even a 58-group air force.

Of course, Mr. President, it makes no difference whether we discuss a 58-group air force or a 70-group air force unless we take into consideration the type of planes, their range, and what they can carry. That is what counts in a discussion of air groups.

So we find ourselves destroying practically all our planes—B–24's and B–29's—which we had available following World War II. They are still the best planes for carrying freight which any nation has available at this time. At the same time we are not building a sufficient number of other aircraft.

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

Mr. MALONE. I am happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. Is that not a repetition of what took place during World War II, when Mr. Churchill said on the radio, "All we want is guns and supplies, because we have the men"? Then, after Secretary Hull returned, we had the Connally resolution, under which we were to assist a little bit. However, of the 116,000 casualties which were sustained in crossing over to Normandy, 86,000 were American boys; is that not correct?

Mr. MALONE. Mr. President, I do not have the figures before me at the moment, but I assume that the distinguished Senator's estimate is correct. I am very glad that he brought up the subject. There is simply a repetition of what happened before. The furnishing of three and a half million boys we are to put into the Army, as well as the four divisions which General Eisenhower asks for, is merely a foot in the door. Once we adopt a policy of furnishing foot soldiers for service in Europe and Asia, we will end up as we did in World War II. I am told that at the end 73 percent of the allied soldiers in Europe were Americans. It is a question of taking one step at a time, and doing as Mr. Churchill suggested.

I take my hat off to Mr. Churchill. He is one of the finest and ablest men it has ever been my pleasure to listen to. I hope that while I am still a Member of the Senate we will be able to develop a few persons in the United States of America who will be for the United States of America as much as Mr. Churchill is for England. It would be wonderful. Then we could sit down and make a deal with England, or any other nation. I must say that we are making very slow progress in that direction.

Mr. President, we stand on the Senate floor and apologize because our appropriations are not larger. We apologize because we do not give large appropriations of money to other nations without any conditions attached. We merely aggravate and build up the hundred-year-old prejudices and feuds between the nations of Europe. It is within our power to attach conditions, and they should have been attached long ago.

THE POLICY OF CONTAINMENT THROUGH SPENDING—A MYTH

Instead of adequate defense preparation, the President went all out for the so-called containment of Russia through the financial aiding of European countries, without any conditions attached; our money has been thrown away on the socialistic program of division of our wealth with the world.

The policy of containment was always unrealistic.

ULTIMATE SECURITY OF THIS NATION

Mr. Hoover was certainly speaking for every responsible American when he opposes "rash involvement of our military forces in hopeless campaigns." We cannot afford to risk losing Alaska for lack of forces which may be fighting futile holding actions in remote places around the Soviet perimeter. It would be folly to neglect the radar screen and other devices which help to protect our centers of industry and population, while dispersing effort in driblets far away.

All these questions, and many others, deserve the fullest and most careful factual examination. All that now matters is the most effective deployment of American resources for the safeguarding of America's independence and survival as a free nation.

Mr. President, all our actions in preparing our defensive and offensive power should be predicated upon our ultimate security as a Nation.

We are now scattering our efforts in the preservation of a disunited Europe, and in the preservation of the colonial system. General Eisenhower in his talk to the Congress mentioned the importance of maintaining the dependence of large areas of the world on Europe in order to make available to the United States the necessary strategic and critical minerals. Here I beg to differ most emphatically with the general. In the first place, helping European colonial empire nations hold large areas of the world in slavery will be no lasting guarantee of an adequate mineral supply. Secondly, the Western Hemisphere can easily become almost completely independent from outside sources for most of the needed strategic items. There is more manganese in Brazil than we could use in the next 50 years. It would be possible to keep our lines of supply open if we were getting manganese from Brazil, whereas it is not possible to keep them open to the place where we have been getting manganese.

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

Mr. MALONE. I am happy to yield.

Mr. LANGER. Is it not correct to say that there is enough manganese in New Mexico, Arizona, and South Dakota, but that our Government has taken no steps to develop it?

Mr. MALONE. I will not go so far as to say that there is all we need, but there is a great deal of manganese in Nevada, New Mexico, and in the Dakotas. However, Mr. President, for us to get the manganese in our own country it would be necessary for us to pay the difference between the $1.50 or $2 a day paid to labor over there and the $10 or $11 a day paid in our country. Our administration has never been quite ready to do it. Of course, private money would go into the development of our own minerals, and we would not need to appropriate the taxpayers' money for that purpose.

Mr. LANGER. It is not worth sacrificing the life of a single soldier for, is it?

Mr. MALONE. I would certainly say that it would not be worth sacrificing the life of a single soldier. I would also say that if the administration is as much for the workingman of America as it says it is, it would be willing to pay the differential of cost between the sweatshop labor of Europe and the decent wages which we pay in the United States of America. However, the administration is not willing to do it, and that is the reason why 75 percent of our mines are closed down, I will say to the distinguished Senator from North Dakota.

All our actions in preparing our defensive and offensive power should be predicated upon our ultimate security as a Nation.

Upon that question alone we could name the areas of the world important to the ultimate safety of the United States.

Walter Lippmann says:

The new doctrine will have to found the defenses of the United States and of the Atlantic community upon air power and sea power—and, along with them, upon a diplomacy which is conceived and is planned by men who know the limitations and also the advantages of sea and air power.

Mr. President, we are preparing now to fight with the weapons we used in World War II, and a good many weapons which we used in World War I. Apparently we have not yet realized the full significance of long-range air power and submarines. I suppose we shall have to learn that after the war starts, just as we had to learn it in World War II after our fleet was sunk at Pearl Harbor.

THE ULTIMATE SECURITY OF THIS NATION MUST BE PRESERVED

If the administration program of huge military and relief expenditure is continued, it means the economic collapse of this Nation, and, with it, the western world.

The American people have had far too much of our squandering internationalists, who have diminished the resources of the country by scattering our wealth and our goods to unappreciative and ungrateful nations of the world, without any conditions of behavior attached to the gifts.

We have poured billions upon billions of dollars into foreign countries. Our national economy will simply not permit our continuing to do this. Anyone who recommends the continuation of this giveaway spree is recommending the collapse of our economic system and our great industrial potential, which has twice saved us in world wars.

General Eisenhower said a very significant thing. He said that the emergency might last 20 or 30 years.

The junior Senator from Nevada said in July 1950, when the President asked for the first $10,000,000,000 for Korea, that the domestic budget could be trimmed that much, and showed then how it could be done.

I agree thoroughly with the suggestion of the Senator from Virginia [Mr. BYRD] that $9,000,000,000 can be trimmed from the President's $71,000,000,000 budget.

Few realize that the President has recommended seven and one-half billion for European aid and assistance—arms and direct aid—without any conditions attached, such as a European economic union, free exchange of currencies, halting colonial exploitation, or, in fact, any of the obvious sound principles without which Europe cannot long survive even with our all-out support. That is a very revealing item. Some of us would do well to read it several times.

TAXPAYERS SAVED ADDITIONAL BILLIONS

Few realize that the destruction of our national economic structure goes forward under cover of war.

Approximately 100 State Department and other Government officials are conferring with representatives of 35 or 40 nations on approximately 100 trade treaties, affecting thousands of products, in a supersecret economic conference, at Torquay, England, with the avowed purpose of further lowering the floor under wages and investments in this country.

They agree to the lowering of tariffs and import fees without regard to the differential in the cost of production, due principally to the difference between the wage-standard of living here and in the competitive nations.

It is the one-economic-world theory of the extreme one-world enthusiasts.

Let me say to the distinguished Senator from North Dakota that therein lies the secret of the answer to this question. With the lowering of the tariffs and import fees on the minerals, textiles, and other products, out the window goes the private capital which is invested in those industries. So long as that policy continues, new private capital is prohibited from entering those industries. So when we suddenly discover that we must produce minerals and other products, we find no private capital being invested. All the distinguished Senator from North Dakota has to do is to check with every hotel in Washington. The hotels are again bulging at the seams with people standing in line to get rooms. Why? They are coming to the Nation's capital to get Government money to invest in businesses in which they invest their know-how. So Uncle Sam is their partner, and they lose his money and not their own when the emergency is over, and they will lose it because there is no floor under the investment, represented by a tariff or import fee.

Because Congress, through the 1934 Trade Agreements Act, transferred to the executive branch of Government its constitutional responsibility to regulate foreign trade the State Department has effectively stopped the investment of private capital in any business affected by this continual dabbling by the State Department in the foreign trade field.

As a direct result of stopping or slowing down this investment of private capital in a large sector of the business structure of the Nation, including textiles, crockery, watches, precision instruments, minerals, fisheries, gloves, and hundreds of other products, the Congress appropriates taxpayers' money for investment in such enterprises through the RFC, the Import-Export Bank, the World Bank, and the General Services branch of the Government.

The investments are approved haphazardly, and, I am sorry to say, to a great extent on a political basis, by bureaus and departments, many of which have mushroomed during the emergency, and which are handling the money of the taxpayers. Billions of dollars will be squandered by such agencies, when no investment of Government money in such enterprises would have been necessary if there had been an adequate floor under wages and investments, so that private investors would know that after the emergency was over there would be a tariff or import fee maintaining a level below which the price of the product was not likely to go.

FREE TRADE—THE 1934 TRADE AGREEMENTS ACT

Additional billions of dollars of the taxpayers' money may now be saved by the simple procedure of allowing the 1934 Trade Agreements Act to expire in June of this year. I am speaking of billions of dollars in addition to the amount which the Senator from Virginia [Mr. BYRD] stated could be saved, namely, $9,000,000,000. These additional billions could be saved by making unnecessary the loans of government funds to domestic industries and businesses.

What is being done about the 1934 Trade Agreements Act? Hearings have been completed in the House on a bill, H. R. 1612, which is being reported to the House, and which is expected to be passed in a very few days. That bill will then be before the Senate Committee on Finance.

After the 1934 Trade Agreements Act was allowed to expire and the flexible import fee principle substituted therefor, based on "fair and reasonable competition," Congress could take back its constitutional responsibility to regulate foreign trade. Private capital would then flow into the business streams of the Nation, and investments would not be destroyed when the emergency is over.

CLEAR OUTLINE OF SUCCESSIVE BLUNDERS

Today we are involved in precisely the type of war which we can never win, a land struggle on the Asiatic Continent in a theater where no decision is possible against the hordes of Asia. The mistakes that brought us to this present crisis were numerous and major; some of them date back to World War II.

According to the Boston Daily Record, Eisenhower's "major problem is going to be the people of the United States, who have been awakened to the fact that they have been tricked, fooled, deceived, and lied to since November 1943."

I read from the December 21, 1950, issue of the same newspaper as follows:

It took 7 years, but now everybody is suspicious, particularly of those great statesmen and generals who, at Tehran, Yalta, Potsdam, and other conferences, laid the basis for the present fighting in Korea and for our going, for a third time, to Europe to rescue the nations of the west.

I read further from the December 30, 1950, issue as follows:

To recognize the gangsters of the Politburo as a responsible government was bad enough. To throw away the victory of American arms by toadying to the extortionate demands of Stalin was incredible folly. To substitute American goods and dollars for hardheaded bargaining did not give us strong allies, but weak and greedy dependents. To surrender Asia to communism by ill-informed, frivolously naive diplomacy was an unforgivable folly. No wonder, then, that suddenly confronted with the accumulated consequences of this reckless gamble of 17 years, the American people have lost confidence in their national leadership. No wonder that public opinion now acknowledges and deplores the ugly fact that while the national emergency bears its bitter fruit in Korea, its roots are in Washington. By great good fortune and the grace of providence, this Nation still has the valor, brains, and skill to emerge victorious from any ordeal imposed by alien military aggression. Now it must summon up its traditional and unfailing intelligence of patriotism to secure its own safety at home.

INEFFECTIVENESS OF UNITED NATIONS

We have a combination of a lack of willingness of most of the member nations of UN to send troops and of the UN

willfully refusing to receive aid from Chinese Nationalists.

MAC ARTHUR IN A WAR WITH HIS HANDS TIED

Had MacArthur been permitted by the UN to make reconnaissance flights into China, the extent of the Chinese forces could have been discovered by him. But the UN refused this permission.

Mr. President, this was a most unheard of thing happening to a great general in a war. The United Nations said that he could not go beyond the northern boundary of Korea. They said he could not fly his planes beyond the northern boundary of Korea. They said he could not destroy the supply lines or the depots beyond that boundary. So, Mr. President, the United Nations, in its wisdom, sitting in its great building in New York City, said that General MacArthur must stand there on the line, on the northern boundary, and watch the Chinese Communist troops form, watch the supplies and material coming up the supply lines, and, when those troops hit his line, stop them at the line of scrimmage, as would be done in a football game.

Mr. President, the United Nations finally figured out something by which even the great MacArthur could not win. It is quite a job to figure out anything by which MacArthur cannot win. Having been with him for a time in New Guinea during World War II, and having visited him in Japan and having watched him operate over a period of years, I know that it takes a considerable amount of figuring to keep General MacArthur from winning, if he is given anything at all with which to fight.

He has been fighting with one hand tied behind him. It seems universally admitted also that MacArthur could bring consternation to the Chinese forces by sending bombers to destroy military targets in China and Manchuria. But UN has refused permission.

Mr. Truman, at a press conference January 4, said that he had no intention of again asking this permission of UN. He has obviously bowed to the European line of compromising with the Chinese Communists.

UN METHODS, MURDER NOT WAR

General MacArthur should be freed from UN control, and allowed to destroy the Chinese Communists' capacity to wage war throughout Manchuria and China, or the troops should be removed from the area. The United Nations method is murder—it is not war.

Many believe that since the Chinese Communists have actually attacked our troops we should destroy their war-making capacity in Manchuria and China so that their usefulness to Russia would be delayed by perhaps several years. It could be, Mr. President, that the opportunity has presented itself, as a result of their aggression, to do what should be done in that regard.

Our boys have been fighting in Korea under orders from the United Nations. Other nations have been deciding whether Americans boys should live or die. The business of running a military action from the debating tables of the United Nations organization already has reaped its whirlwind of death, tragedy, and despair.

A majority of the cease-fire committee influencing our troop action against Communist China have recognized Communist China.

Korea is not the most important thing in the world to us. Korea is a peninsula off the coast of Asia which the Joint Chiefs of Staff long ago said was militarily untenable.

So in an area of that kind we witness our troops fighting a Communist nation and being controlled, and the cease-fire committee made up of men the majority of whose countries have recognized Communist China. I should say it was a wonderful decision for us to make to put our own troops in the hands of people who not only want us to recognize Communist China but who have themselves recognized Communist China.

General MacArthur favored support of Chiang Kai-shek's efforts on the mainland of China, which would have occupied a large part of Mao Tze-tung's Communist army so that it would not be free for expeditions into Korea, Burma, French Indochina, and Tibet. This was rejected by the State Department.

MacArthur and most of our military men opposed the employment of ground forces in Korea, expecting that the Air Force and the Navy could do a better job. The final instructions of June 25 ordered an unready and ill-supplied token ground force to go into Korea, calling it a police action.

The whole picture is humiliating to America.

American casualties are nearly 50,000. These men and their country are paying the bitter price of a military pushing around that could have been avoided.

We must face the situation as it is today and try to devise a strategy that will extricate us from an untenable position.

THE OBVIOUS APPROACH IN KOREA AND CHINA

The first alternative in my suggestion No. 4 provided for air and sea warfare in the Korean struggle, while letting the Chinese Nationalists and the South Koreans provide the foot soldiers.

The people of North America can never meet the armed masses of the Eurasian continent on their own terms and win. It is nonsense to suppose that the smaller number of ground troops can encircle and contain the larger, and that this can be done across two oceans.

THE FOOT SOLDIERS OF CHINA

Many thoughtful Americans feel that we should take advantage of the offer of the troops of Nationalist China.

There are in Formosa 700,000 anti-Communist Chinese troops, a greater number than the combined total of the UN forces in Korea, the French forces in Indochina, and the British forces in Hong Kong and Malaya. There are more than 1,600,000 anti-Communist guerrillas on the mainland of China.

It is believed that if the remainder of the funds which Congress appropriated for military equipment in the general area of China at the discretion of the President is permitted to be used for this purpose in Formosa, and if the Nationalists are permitted to aid the guerrillas and attack the Communists they can cut communications and can involve the Reds to the extent of preventing them from sending large reinforcements to Korea or Indochina, and may ultimately drive the Reds out of China.

We should push aside prejudices of State Department personnel—prejudices based upon their procommunistic ideas. We should make friends where we can find them. We should accept friendships offered to us.

We should get America's foot soldiers out of the fruitless and futile war in Korea, in which we became involved by blundering and muddling politicians, and in which we have suffered an agonizing and humiliating reverse because of incompetence at the highest levels of national responsibility.

WE MUST WIN OR GET OUT

Mr. President, why have not our troops been recalled or allowed to destroy the war-making potential of China and Manchuria?

The answer to this can be given in three words: Lack of guts.

We must either win this war with China or get out. It is the only way we can proceed without a disastrous loss of American prestige and resulting panic among our allies.

THE STATE DEPARTMENT "GENERALS"

Mr. President, how long can Congress entrust our survival as a Nation to the military planning of the State Department "generals"? The cure is simple, if Congress has the will to take hold. It must divorce the State Department from all economic and spending programs, which are the sources of its power to compel other agencies in the administration to do its will. Only thus can our defense planning be divorced from the State Department's ideological windmills.

When they have cleaned house in the Defense Establishment, Congress can turn the ECA over to the Defense Department. All of ECA which is not defense can be liquidated.

AMERICAN PEOPLE MUST CONTROL

Mr. President, it is time for the American people to wake up and bring their Government to its senses. They can do it. The Congress, at last realizing the futility of supporting Europe, or, in fact, any nation on its own terms, is ready for all the cooperation it can get from private citizens.

Let the Congress be aware of its duty and worthy of its trust. The test of the awareness and worthiness of the Congress will be found in the sincerity and integrity and patriotism of its efforts to make American interests its major concern.

How long, Mr. President, can the American public and Congress itself continue to be lulled to sleep through a double-talking administration?

Mr. President, I ask unanimous consent to have included at this point in the RECORD, as a part of my remarks, an article entitled "Britain in Asia Plays Divide-and-Rule Game," which appeared in the New York World-Telegram and Sun on January 27, 1951.

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

BRITAIN IN ASIA PLAYS DIVIDE AND RULE GAME—OLD TACTICS THAT WORKED IN EUROPE DUG UP FOR A TRY-OUT IN FAR EAST

(By Parker La Moore)

Britain is using the same divide and rule tactics in the Korean situation which British diplomacy employed for two centuries to manipulate the politics of Europe.

British policy used to play the Germans against the Russians, the French against the Germans. The Turks were used against the Greeks, the Greeks against the Turks.

Then in World War I Britain supported the Arabs to break the power of the Ottoman empire in the Middle East. Through such manipulations Britain achieved a balance-of-power position in continental Europe.

In the present situation British diplomacy appears to be seeking a so-called "third force" position between the United States and Russia. This has been the announced objective of the left-wing element of the British Labor party, and that element has moved into a commanding position in British affairs in recent months.

This tends to explain why Britain has one policy toward communism in Europe and an altogether different policy toward communism in Asia.

The American alliance through the North Atlantic pact serves to hold Russia in line in Europe, or at least it was so designed. But in the Far East Britain is supporting a partnership between India and Red China which eventually might be used to checkmate either the United States or Russia.

Of course the United States would feel the first impact of such an association—indeed, we are feeling it now in the United Nations. And since Red China doesn't seem to be anything more than a Soviet puppet, an Indian-Chinese Communist working arrangement might boomerang against both India and Britain.

The possibility also exists that if the radical Laborites get more firmly in the saddle in Britain the extreme left-wing Socialists may get completely out of hand and go all the way over to the Russian camp.

The leaders in this bloc do not have the same attitude toward communism that we do. To them it is a form of socialism more acceptable from their viewpoint than American capitalism. American assistance has been useful to them, and aid in similar proportions could not have been obtained from Russia. But our bounty has been accepted with ill grace.

The speeches in the last 2 years by Aneurin Bevan and Emanuel Shinwell have reflected the hostile feeling of the left-wingers toward the United States. Mr. Bevan recently became Minister of Labor and the director of manpower mobilization, while Mr. Shinwell is Minister of Defense.

It would be taking a lot for granted to assume that they would go all out for us in a showdown between the United States and Russia.

When the British position on the Korean problem was questioned in Parliament recently, Winston Churchill warned against the dangers to Britain if a serious divergence should arise between British and American policy. Premier Attlee replied he sought unity with the "Commonwealth, the United States, and all peace-loving nations."

In this instance he was defending the British refusal to support economic sanctions against Red China. In placing unity with the "Commonwealth" ahead of unity with the United States he was speaking of India. And by indirection he was accusing the United States of a reckless, thoughtless course in seeking punitive action against the Chinese Communists. All of this was well understood in the House of Commons, where he was speaking. And his statement was greeted with cheers.

In the report to the New York Times it was remarked that the part of Mr. Attlee's statement that received the warmest reception was "that in which he informed the House that Britain's chargé d'affaires had been received by the Chinese Minister of Foreign Affairs on January 21 and was informed of the conditions under which Communist China would agree to a truce."

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial from the Washington Times-Herald of Saturday, February 3, 1951, which to some extent explains the action of our genial General Eisenhower.

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

HOW TO WIN 200,000,000 FRIENDS AT NO COST

General Eisenhower took to the air waves last night to give the taxpayers an imitation in shorter form of the persuasion he attempted upon Congress the day before.

So far as we have been able to learn up to this writing, nobody was thunderstruck.

There may have been citizens who thought it possible he would say of his European jaunt: "I went. I saw. You wouldn't want any."

But of course not. Even a child knows that Mr. Truman made very sure of the general before leading him up to be commander in chief of the international defense forces.

The general has now performed accordingly. He comes back with the novel suggestion that there is no doubt about the all-seeing, all-knowing wisdom of the Truman program in foreign affairs. And then he proceeds to talk against people daring to have doubts.

If the taxpayers and Congress are locked up, then why all the jawing? When the customer is sold, you just hand him the pen. Certainly you don't tell him that he has no doubts and that if he does they are beneath him.

It is indeed worth reflection that the general himself, in spite of his frontal positiveness, has dragged in plenty of hems and haws on the side.

Last night's speech was notable for the use of the big if. In one single sentence of 80 words, the general found it necessary to protect himself six times with if.

A clue to this necessity shows itself when one reads his detailed text. In rummaging around for evidence to support his claim of France's will to resist, he mentions the war in Indochina. When the British are his example, he cites Malaya.

In view of the fact that Britain's Government is a Socialist bartender for communism and the Communists are the largest single section of seat holders in the French Chamber of Deputies, it may be argued that the general had no choice. He had to look half way around the world away from them for a likely story.

But to the world itself he could hardly have offered a more unhappy evidence of that ignorance, to call it by the best possible name, which inflames against America so many people who would gladly be our friends and allies if we would let them.

It would profit the general, at least we hope he is capable of it, to read an address to the House of Representatives on Monday last by Representative LAWRENCE H. SMITH of the First Wisconsin District.

Mr. SMITH made it plain and clear how the United States can gain the support of 200,000,000 people living around the edges of the Mediterranean Sea in important regions as much threatened by Communist aggression as any in the world.

A REAL PROGRAM

Furthermore, he showed how this can be done without spending a dollar of taxpayers' money, and for that matter it can even be done in honor.

He proposes that the United States throw its sympathies with these exploited people against, not for, British and French colonialism. And, why not?

General Eisenhower, in his speech to Congress, made much of the danger that would follow Communist seizure of various places where raw materials lie that we might want to buy.

Well, in the Near East and north Africa there are enormous deposits of material wealth, of which 60 percent of the world's proved oil supply is just one.

The people who live there are not fooled. They know why the British and French denounce communism in the colonies and swallow it at home. And so it is no wonder these suppressed and exploited victims of colonialism grow more and more interested in what Russia has to say to them.

Communism is an enemy they have yet to know, but colonialism they can hate with certain knowledge born of bitter experience.

The American people, whether General Eisenhower will or no, have something to think about in the observation by Maj. Gen. Graves B. Erskine, commander of the Marine Corps department of the Pacific, that colonialism is through in Asia and in other parts of the world as well.

We can think about the fact that a committee for the freedom of north Africa complained to President Truman of French police action in Morocco even as French Premier Pleven and Mr. Truman were discussing anti-Communist measures.

We can think about the fact that in Asia, it is independent, self-governing Thailand that stands up to the Soviets. General Erskine says Thailand is the only place in southeast Asia where a white man can walk the street without fear of being knocked on the head.

No wonder General Eisenhower's sales talk suffered from hems and haws. He should have listened to Representative SMITH, instead of expecting a Nation to listen to him.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial entitled "Why Do They Sneer?" from the Boston Evening American for January 19, 1951.

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

WHY DO THEY SNEER?

Why do the British treat us Americans as an inferior people? That's the question which we all must be frank enough to face and answer.

We have given the British billions of our money to squander on socialism.

We have obligingly bailed them out in two World Wars.

We have put up with a State Department which has been notoriously subservient to British opinion.

Gratitude would seem to be in order.

But, as every newspaper reader knows, we are more apt to get sneers.

Why?

There are those that maintain that this is all due to the traditional British snobbishness.

More likely, however, it is merely contempt for those who govern America.

Never was this disdainful attitude more forcefully demonstrated than in the pending peace treaty with the Japanese.

The power of Japan in the Pacific was broken by the American Army, Navy, and Air Force, assisted mainly by Nationalist China under Chiang Kai-shek.

The Japanese broke the British power in Asia and whereas Gen. Douglas MacArthur did come back, the British did not.

General MacArthur conquered Japan and then established it as, in effect, a protectorate of the United States. Drawing upon his genius as an organizer and administrator, he gave the Japanese a new life.

Now he is about to negotiate a treaty with them, restoring to them their independence and guaranteeing the United States a true friend in the Orient.

So what happens?

The British barge into the picture with a series of spiteful attacks on General MacArthur.

With the help of Americans shortsighted enough to do their bidding, they conduct a smear campaign against MacArthur, even within the borders of the United States.

And then, wholly unmindful that Soviet China is murdering Americans in a shameless war of imperialist invasion, these Britishers have the gall to demand that Soviet China should be invited to participate in the negotiations with the Japanese.

Can the British statesmen guarantee that once Mao Tze-tung has seized Korea, he will not make war on Japan?

Will the British stipulate now what they will do if and when Mao moves on Japan, or will they say that after Mao has again double-crossed them, they will let America fight to the last man?

They pledged themselves to support the United Nations. They were among the most vigorous and vociferous of its members prior to the Korean trouble. But after the bullets began flying, they let Americans do 90 percent of the fighting and 90 percent of the dying. They contended with token forces.

We are a proud and self-respecting people, no matter what the British choose to think about us.

Clearly, therefore, the time has come for us to say that Japan is our problem, that we shall make whatever arrangements with Japan we desire to make, and that we shall back General MacArthur to the limit.

And all the while, we should keep uppermost in our minds the hard-to-take fact that the British would not have had the impudence to force their sponsorship of Soviet China upon the United States if they were not openly contemptuous of the conduct of our foreign policy.

We have given them the handsome sum of $5,900,000,000 in the past 5 years alone. We have taxed our people till it hurt for their benefit.

We have every right in the world to expect some show of appreciation from them; but if we do not get it, there is no reason why we should tolerate more sneers and smears.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article entitled, "Chiang Repeats Offer of Army To Save Korea," which appeared in the New York World-Telegram and Sun on January 10, 1951.

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

CHIANG REPEATS OFFER OF ARMY TO SAVE KOREA—CAN RETAKE CHINA "WITHOUT GI AID"

TAIPEI, FORMOSA, January 10.—Generalissimo Chiang Kai-shek said today that his offer to the United Nations of Chinese Nationalist combat troops for use in Korea or any other part of the world still holds good.

He also said that his forces could liberate the Chinese mainland from the Communists without the help of United States troops.

American troops are not wanted or needed as sacrifices to communism in China, he said.

Chiang told the United Press that he stands by all his past declarations, both as to military help to the UN and liberation of the mainland.

Nationalist China offered 33,000 troops last summer for service in Korea. The offer was relayed to General of Army Douglas MacArthur as UN military commander. He declined it on grounds that the Nationalists needed their forces to safeguard Formosa.

Whether General MacArthur will reconsider the offer in the light of the deteriorating military situation in Korea was not known.

Mr. MALONE. Finally, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement of the 10 suggested approaches to our international relationships, which were outlined on December 14, 1950, by the junior Senator from Nevada in an address before this body. Let me say that I intend to discuss at a later date the remainder of the ten recommendations.

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

TEN SUGGESTIONS IN PRESENT EMERGENCY

1. Forthwith stop assistance of every nature to Communist nations and to nations in any way assisting Russia or her satellites to consolidate Soviet gains and to prepare for world war III.

2. Stop supporting colonial slavery in any form anywhere.

3. Oppose the recognition of Communist China by the United Nations with every means at our command.

4. Three suggested approaches to the war in Korea and Asia:

A. We could do the obvious thing—arm Chiang Kai-shek's nationals and guerrillas to furnish the foot soldiers for the job, then under General MacArthur make the most efficient use of our air power, our Navy, including submarines, to destroy the war-making power of Communist Korea and the aggressor Communist China troops.

B. We could withdraw from Korea, arm and equip Chiang Kai-shek's troops, and let him do the job. It would require a longer time, but he would engage the Communist forces to the extent that it would be doubtful if they could harass us for a considerable time.

C. We could completely abandon Korea and China with all of its possible consequences and repercussions.

D. We can then establish our first line of defense through Japan, Formosa, Okinawa, Guam, the Philippines, Indonesia, New Guinea, and Australia.

E. If all of these suggestions are discarded, then we can come home and defend the Western Hemisphere. We must be prepared to defend this continent in any case. The one thing that we cannot do is to continue the present course of indecision and nervous jittery attitude.

5. Inform the governments of Europe which still maintain political and economic agreements with the Soviet Union that these should be terminated at the earliest possible date as a prerequisite to the continued friendship and assistance of Europe in the United States.

6. Give no more money as loans or gifts to any government, but if necessary loan such funds to private business in strategic areas without weakening our own economy, in the same manner that the RFC loans such funds to private business in this country in times of stress.

7. Build as rapidly as possible a military force, spearheaded by an adequate submarine fleet and an air corps of whatever number of groups may be called for, and install radar equipment to protect the Western Hemisphere.

8. If the European people will enlist in their own armies and furnish the ground troops, then serve notice on Russia that any move on Europe will be met with an aggressive aerial attack on their means of making war, using every means at our command to defeat their purpose of controlling Europe.

9. In every possible way, protect and strengthen our national economy; while making all possible speed toward proper preparedness, guard well our national economy; stop wasting the hard-earned dollars of our taxpayers through Marshall plan and other give-away schemes; inaugurate a businesslike fiscal policy.

10. Clean up our own Government, throw out the Communists, Communist associates, adherents to foreign ideologies, persons of abnormal moral weakness, and other dangerous security risks.

The Armed Services Committees of the Congress should immediately institute a thorough investigation to determine why we are not prepared to fight a war.

YALTA AND POLAND

Mr. LODGE. Mr. President, on tomorrow, February 6, six years will have passed since Prime Minister Churchill, President Roosevelt, and Generalissimo Stalin announced to the world their signed pledge at Yalta to the Polish Provisional Government of National Unity guaranteeing the holding of free and unfettered elections on the basis of universal suffrage and secret ballot.

Six years have passed since Poland was promised that in these elections all democratic and anti-Nazi parties shall have the right to take part and put forward candidates.

This was a glowing commitment, full of hope and promise for the people of the country which was the first to resist the invading Nazi legions. What was not known in February 6 years ago was that the western democracies had, coincidentally with these great promises to Poland, secretly agreed to many other things. We did not know then that it had been secretly agreed not to apply the principles of the Atlantic Charter to countries which the Kremlin had absorbed, that it had been secretly agreed greatly to modify the Curzon Line in order to give the Soviets possession of the important city of Lwow and other strategic areas of Polish territory, that it had been secretly agreed to recognize the Ukraine and White Russia separately in order to give the Kremlin three votes in the United Nations, that it had been secretly agreed to accept the Soviet proposal for the fatal veto, that it had been secretly agreed to award the Soviets one-half of Germany's $20,000,000,000 reparations bill, and that it had been secretly agreed to sign away to the Kremlin Outer Mongolia, the whole Kurile chain of islands, half of the important island of Sakhalin, and in Manchuria exclusive occupation of the Port Arthur naval base, and a half share with China in control of the commercial port of Dairen.

These concessions involved the very existence of millions of human beings, including the people of Poland; yet Poland was not consulted. The Congress of the United States, traditional friend of the Polish people, was not consulted,

even though the Constitution explicitly entrusted to the Senate the ratification of treaties. The affected nations of Eastern Europe were not consulted. Small wonder that many say that apparently only the Politburo was consulted.

Here is how the President of the United States, reporting to Congress on March 1, 1945, referred to these world-shattering secret agreements:

> There were, of course, a number of smaller things which I have not time to go into on which joint agreement was had. We hope things will straighten out.

Unfortunately, things have not straightened out, at least not insofar as the Polish people are concerned. Things have straightened out for the masters of the Kremlin, of course. But what became of the solemn pledge for "free and unfettered elections" in Poland, for "universal suffrage" and the "secret ballot," in exchange for which such vast concessions were made at Yalta 6 years ago?

The senior Senator from Michigan [Mr. VANDENBERG] properly characterized the Polish elections of 1947 as a "vicious travesty upon the promised freedom and democracy to which we pledged our support." Even the State Department had to admit that the Provisional Government of Poland, recognized at Yalta, had "employed widespread measures of coercion and intimidation against democratic elements which were loyal to Poland."

The net result of Yalta, so far as Poland is concerned, is that she was relieved of her sovereign territory in the east, promised free elections, and promptly abandoned to the scourge of implacable totalitarianism.

Little wonder it is that history has recorded the tragic verdict that Poland was truly sold down the river at Yalta.

Everlastingly tragic is this verdict to those who recall the fury of Polish resistance during those 35 days when the Warsaw radio played Chopin's immortal music, a stirring and unforgettable chapter of history. Even when Warsaw fell, Polish courage never faltered. Thousands made their way to France and England, seeking an opportunity to carry on the fight, which they did, on land, on sea, and in the air. If Yalta is the record of Polish betrayal, World War II at least is the record of Polish courage, the courage that flamed up everywhere—on and above the North Sea, in frozen Norway, in the deserts of Libya, on the slopes of Monte Cassino, wherever the freedom-loving peoples of the world fought for liberty and decency.

It was my unforgettable privilege to serve alongside of the Polish troops in Italy in 1944. We were together in the Fifth Army. I was present at one of the early attacks on Monte Cassino in March 1944—an attack which failed in spite of 7 hours of continuous air bombardment and artillery barrage. Monte Cassino, as you know, controlled the whole Liri River valley and the approach to Rome. Many had tried to reduce it, but none had succeeded. But the Polish troops captured it, opened the road to Rome, and changed the whole course of allied battle in Italy.

I was present in Rome on a sunny August morning in the beautiful Piazza Venezia when the American General Devers decorated that gallant and dynamic soldier, Gen. Wladislaw Anders, with the Order of Commander of the Legion of Merit. Much later in 1945, on a wintry day in eastern France, I saw General Anders decorate General Devers with the Polish War Cross—the order of Virtuti Militari, with its blue and black ribbon. During a long evening with General Anders we talked about his troops who last year were included in the displaced-persons legislation as eligible to enter the United States.

These things have given me a close personal interest in Poland, which I know is shared by many Americans who have not had a personal contact with Polish people. For every American, after all, knows about Kosciusko and his contribution to American independence and we all appreciate what Americans of Polish descent have brought to the development of our common country.

Flowery resolutions and pious words about Poland are scant measures of consolation for the millions of brave people condemned to existence behind the iron curtain. I want my country to realize that in the Latin phrase which adorns the Polish medal "Polonia Restituta" there is a message for us that we are obligated to honor.

It is a constant reminder that the terrible consequences of Yalta, to which this country was regretfully a party, exhort us today so to conduct ourselves that the debt is repaid—that "Polonia Restituta" shall become more than words on a medal, but a basic and never-to-be-forgotten objective of our whole national policy.

I yield the floor.

COMMUNICATIONS ACT AMENDMENTS

Mr. LANGER obtained the floor.

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

Mr. LANGER. I yield to the distinguished majority leader for the purpose of the introduction of a bill.

Mr. McFARLAND. I did not wish to introduce a bill, but to ask to have one considered.

Mr. LANGER. I yield to the majority leader for that purpose.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (S. 658) to further amend the Communications Act.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 658) to further amend the Communications Act.

Mr. McFARLAND. I understand there are four amendments to be offered to the bill by the Senator from South Dakota.

Mr. CASE. Mr. President, on Monday last when this bill was called on the Consent Calendar, the able Senator from North Dakota asked to have it go over, and I joined in the request at that time, in order that we might study the bill. I merely say this by way of introduction. We have gone over the bill, and I have four brief amendments, about which I have conferred with the distinguished majority leader. I should like to offer them, and to discuss the bill very briefly. The amendments are self-explanatory, and I shall not discuss them, but I merely want to say a few words in connection with the consideration of the bill.

Mr. McFARLAND. Mr. President, would the Senator mind having the amendments agreed to first?

Mr. CASE. I have no objection.

The PRESIDING OFFICER. The Senator from South Dakota [Mr. CASE] offers certain amendments, which will be stated.

The first amendment of Mr. CASE was, on page 3, line 24, after the word "salary," to insert "to be fixed by the Commissioner but."

The amendment was agreed to.

The next amendment was, on page 4, line 10, after the word "assistants", to insert "the chief of each integrated division and his assistants."

The amendment was agreed to.

The next amendment was, on page 7, line 16, after the word "reports", to insert "except that any commissioner may present his own or minority views or supplemental reports."

The amendment was agreed to.

The next amendment was, on page 11, line 15, after the word "during", to insert "a national emergency proclaimed by the President or declared by the Congress and during."

The amendment was agreed to.

The next amendment was, on page 11, line 23, between the words "such" and "war," insert "national emergency or."

The amendment was agreed to.

Mr. CASE. Mr. President, on the whole, it seems to me that this bill will greatly improve the Federal communications law. In reading the report I was impressed by the efforts of the author of the bill, the distinguished majority leader, and the committee to dissipate some of the fog surrounding some of the activity, or lack of activity, in the area in which the Commission has jurisdiction or responsibility.

Over a period of years, the Commission has moved from looking over a radio station's over-all program content to specific programs to which it objects. It has been unwilling to cancel the license, or to fail to renew the license for a station, for example, that is engaging in give-away programs and broadcasting horse-racing information, but it has proceeded to make rulings as to whether such programs are in the public interest, and, at the same time, it renews the station license. Hence a body of law seems to have been growing up with reference to specific programs, rather than the over-all program content of a given station. If this practice should continue over a period of years, the Commission will have specifically approved or disapproved various specific types of programs, notwithstanding the provision of the act, that "No regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

As a matter of fact, of course, the Commission does not make rules and regulations with reference to the specific programs to which it objects, but it makes decisions containing such criticisms as obiter dicta in an opinion renewing the license of a station. The courts, in interpreting other sections of the act, have followed the line that opinions have the same status as rules and regulations of the Commission, and that rules and regulations of the Commission have the same effect as statutes. By reasoning, then, the decisions with reference to specific programs might be argued to have the same force and effect, by indirection, as if they had been enacted by statute. That would make such decisions a contravention of section 326.

From my reading of the bill and the committee's report thereon, it is my understanding that the bill is not intended to repeal section 326. I make this statement as a part of the legislative history of the bill.

Mr. President, I desire to thank the majority leader, who introduced this bill, for his consideration and patience in giving me an opportunity to study the bill to some extent, and to offer these amendments. I appreciate the consideration which has been given them.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as "Communications Act Amendments, 1951."

SEC. 2. Subsection (o) of section 3 of the Communications Act of 1934, as amended, is amended to read as follows:

"(o) 'Broadcasting' means the dissemination of radio communications intended to be received directly by the general public."

SEC. 3. Section 3 of such act is further amended by adding after subsection (aa) the following:

"(bb) The term 'license', 'station license', or 'radio station license' means that instrument of authorization required by this act or the rules and regulations of the Commission made pursuant to this act, for the use or operation of apparatus for transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designed by the Commission.

"(cc) The term 'broadcast station', 'broadcasting station', or 'radio broadcast station' means a radio station equipped to engage in broadcasting as herein defined.

"(dd) The term 'construction permit' or 'permit for construction' means that instrument of authorization required by this act or the rules and regulations of the Commission made pursuant to this act for the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission."

SEC. 4. (a) Subsection (b) of section 4 of such act, as amended, is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: "Such Commissioners shall not engage in any other business, vocation, profession, or employment but this shall not apply to the preparation of technical or professional publications for which reasonable honorarium or compensation may be paid. Any such Commissioner serving as such after 1 year from the date of enactment of the Communications Act Amendments, 1951, shall not for a period of 1 year following the termination of his services as a Commissioner represent before the Commission in a professional capacity any person, including all persons under common control, subject to the provisions of this act, except that this restriction shall not apply to any Commissioner who has served the full term for which he was appointed. Not more than four members of the Commission shall be members of the same political party."

(b) Subsection (f) (1) of section 4 of such act is amended to read as follows:

"(f) (1) Without regard to the civil-service laws or the Classification Act of 1949, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a chief engineer and not more than two assistants, a chief accountant and not more than two assistants, a general counsel and not more than two assistants, and counsel temporarily employed and designated by the Commission for the performance of specific special services; and (2) each Commissioner may appoint and prescribe the duties of a legal assistant at an annual salary to be fixed by the Commissioner but not to exceed $10,000 and a secretary at an annual salary not to exceed $5,600. The chief engineer, the chief accountant, and the general counsel shall each receive an annual salary of not to exceed $11,200; the secretary shall receive an annual salary of not to exceed $10,000, and no assistant shall receive an annual salary in excess of $10,000: *Provided*, That on and after 1 year from the date of enactment of Communications Act Amendments, 1951, the secretary of the Commission, the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, the chief of each integrated division and his assistants and the legal assistants to each Commissioner shall not, for the period of 1 year next following the cessation of their employment with the Commission, represent before the Commission in a professional capacity any person, including all persons under common control, subject to the provisions of this act. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1949, as amended, to appoint such other officers, engineers, accountants, attorneys, inspectors, examiners, and other employees as are necessary in the execution of its functions."

(c) The first sentence of subsection (g) of section 4 of such act, as amended, is amended to read as follows:

"(g) The Commission may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for office supplies, law books, periodicals, and books of reference, for printing and binding, for land for use as sites for radio monitoring stations and related facilities, including living quarters where necessary in remote areas, for the construction of such stations and facilities, and for the improvement, furnishing, equipping, and repairing of such stations and facilities and of laboratories and other related facilities (including construction of minor subsidiary buildings and structures not exceeding $25,000 in any one instance) used in connection with technical research activities), as may be necessary for the execution of the functions vested in the Commission and as from time to time may be appropriated for by Congress."

(d) Subsection (k) of section 4 of such Act is amended to read as follows:

"(k) The Commission shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain—

"(1) such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication and radio transmission of energy.

"(2) such information and data concerning the functioning of the Commission as will be of value to Congress in appraising the amount and character of the work and accomplishments of the Commission and the adequacy of its staff and equipment: *Provided*, That the first and second annual reports following the date of enactment of Communications Act Amendments, 1951, shall set forth in detail the number and caption of pending applications requesting approval of transfer of control or assignment of a station license, or construction permits for new stations, or for increases in power, or for changes of frequency of existing stations at the beginning and end of the period covered by such report;

"(3) information with respect to all persons taken into the employment of the Commission during the year covered by the report, including names, pertinent biographical data and experience, Commission positions held and compensation paid, together with the names of those persons who have left the employ of the Commission during such year: *Provided*, That the first annual report following the date of enactment of Communications Act Amendments, 1951, shall contain such information with respect to all persons in the employ of the Commission at the close of the year for which the report is made;

"(4) an itemized statement of all funds expended during the preceding year by the Commission, of the sources of such funds, and of the authority in this act or elsewhere under which such expenditures were made; and

"(5) specific recommendations to Congress as to additional legislation which the Commission deems necessary or desirable, including all legislative proposals submitted for approval to the Director of the Budget."

SEC. 5. Section 5 of such act, as amended, is amended to read as follows:

"ORGANIZATION OF THE COMMISSION

"SEC. 5. (a) The member of the Commission designated by the President as Chairman shall be the chief executive officer of the Commission. It shall be his duty to preside at all meetings and sessions of the Commission, to represent the Commission in all matters relating to legislation and legislative reports, except that any commissioner may present his own or minority views or supplemental reports, to represent the Commission in all matters requiring conferences or communications with other governmental officers, departments or agencies, and generally to coordinate and organize the work of the Commission in such manner as to promote prompt and efficient disposition of all matters within the jurisdiction of the Commission. In the case of a vacancy in the office of the Chairman of the Commission, or the absence or inability of the Chairman to serve, the Commission may temporarily designate and appoint one of its members to act as Chairman until the cause or circumstance requiring such service shall have been eliminated or corrected.

"(b) Within 60 days after the enactment of the Communications Act Amendments, 1951, and from time to time thereafter as the Commission may find necessary, the Commission shall organize its legal, engineering, and accounting staff into (1) integrated divisions, to function on the basis of the Commission's principal workload operations; and (2) into such other divisional organizations as the Commission may deem necessary to handle that part of its workload which cuts across more than one integrated division or which does not lend itself to the integrated division set-up. Each such integrated division and divisional organization shall include such legal, engineering, accounting, administrative, and

clerical personnel as the Commission may determine to be necessary to perform its functions. The general counsel, the chief engineer, and the chief accountant and their respective assistants shall carry out their respective duties under such rules and regulations as the Commission may prescribe. The Commission shall establish a staff, directly responsible to it, which shall include such legal, engineering, and accounting personnel as the Commission deems necessary, whose duty shall be to prepare such drafts of Commission decisions, orders, and other memoranda as the Commission, in the exercise of its quasi-judicial duties, may from time to time direct: *Provided*, That no member of such staff shall participate in a hearing or represent the Commission, directly or indirectly, in any prosecutory or investigatory function or proceeding.

"(c) Except as provided in section 409 hereof, the Commission, when necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, is hereby authorized and directed to assign or refer any portion of its work, business, or functions to an individual Commissioner or Commissioners or to a board composed of one or more employees of the Commission, to be designated by such order for action thereon, and by its further order at any time to amend, modify, or rescind any such order or reference: *Provided*, That this authority shall not extend to duties otherwise specifically imposed by this or any other act of Congress. Any order, decision, or report made or other action taken pursuant to any such order or reference shall have the same force and effect and may be made, evidenced, and enforced as is made by the Commission: *Provided, however*, That any person aggrieved by any such order, decision, or report may file a petition for review by the Commission, and every such petition shall be passed upon by the Commission. The secretary and seal of the Commission shall be the secretary and seal of such individual Commissioners or board.

"(d) Meetings of the Commission shall be held at regular intervals, not less frequently than once each calendar month, at which times the functioning of the Commission and the handling of its work load shall be reviewed and such orders shall be entered and other action taken as may be necessary or appropriate to expedite the prompt and orderly conduct of the business of the Commission with the objective of rendering a final decision (1) within 3 months from the date of filing in all original application, renewal, and transfer cases and (2) within 6 months from the final date of the hearing in all hearing cases; and the Commission shall promptly report to the Congress each such case which has been pending before it more than such 3- or 6-month period, respectively, stating the reasons therefor."

SEC. 6. Subsection (d) of section 307 of such act is amended to read as follows:

"(d) No license granted for the operation of a broadcasting station shall be for a longer term than 3 years and no license so granted for any other class of station shall be for a longer term than 5 years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed 3 years in the case of broadcasting licenses and not to exceed 5 years in the case of other licenses if the Commission finds that public interest, convenience and necessity would be served thereby."

SEC. 7. So much of subsection (a) of section 308 of such act as precedes the second proviso is amended to read as follows: "The Commission may grant instruments of authorization entitling the holders thereof to construct or operate apparatus for the transmission of energy, or communications, or signals by radio or modifications or renewals thereof, only upon written application therefor received by it: *Provided*, That (1) in cases of emergency found by the Commission involving danger to life or property or due to damage to equipment, or (2) during "a national emergency proclaimed by the President or declared by the Congress and during the continuance of any war in which the United States is engaged and when such action is necessary for the national defense or security or otherwise in furtherance of the war effort, the Commission may grant and issue authority to construct or operate apparatus for the transmission of energy or communications or signals by radio during the emergency so found by the Commission or during the continuance of any such national emergency or war, in such manner and upon such terms and conditions as the Commission shall by regulation prescribe, and without the filing of a formal application, but no such authority shall be granted for a period beyond the period of the emergency requiring it nor remain effective beyond such period."

SEC. 8. Section 309 of such act, as amended, is amended to read as follows:

"HEARINGS ON APPLICATIONS FOR LICENSES; FORM OF LICENSES; CONDITIONS ATTACHED TO LICENSES

"SEC. 309. (a) If upon examination of any application provided for in section 308 the Commission shall determine that public interest, convenience, and necessity would be served by the granting thereof, it shall authorize the issuance of the instrument of authorization for which application is made in accordance with such finding.

"(b) If upon examination of any such application the Commission is unable to make the finding specified in subsection (a) of this section, it shall forthwith notify the applicant and other known parties in interest of the grounds and reasons for its inability to make such finding. Such notice, which shall precede formal designation for a hearing, shall advise the applicant and all other known parties in interest of all objections made to the application as well as the source and nature of such objections. Following such notice, the applicant shall be given an opportunity to reply. If the Commission, after considering such reply, shall be unable to make the finding specified in subsection (a) of this section, it shall formally designate the application for hearing on the grounds or reasons then obtaining and shall notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor, specifying with particularity the matters and things in issue but not including issues or requirements phrased generally. The parties in interest, if any, who are not notified by the Commission of its action with respect to a particular application may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for their interest at any time not less than 10 days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate but in which both the burden of proceeding with the introduction of evidence upon any issue specified by the Commission, as well as the burden of proof upon all such issues, shall be upon the applicant.

"(c) When any instrument of authorization is granted by the Commission without a hearing as provided in subsection (a) hereof, such grant shall remain subject to protest as hereinafter provided for a period of 30 days. During such 30-day period any party in interest may file a protest under oath directed to such grant and request a hearing on said application so granted. Any protest so filed shall contain such allegations of fact as will show the protestant to be a party in interest and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. The Commission shall, within 15 days from the date of the filing of such protest, enter findings as to whether such protest meets the foregoing requirements and if it so finds the application involved shall be set for hearing upon the issues set forth in said protest, together with such further specific issues, if any, as may be prescribed by the Commission. In any hearing subsequently held upon such application all issues specified by the Commission shall be tried in the same manner provided in subsection (b) hereof but with respect of all issues set forth in the protest and not specifically adopted by the Commission, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the protestant. The hearing and determination of cases arising under this subsection shall be expedited by the Commission and pending hearing and decision the effective date of the Commission's action to which protest is made shall be postponed to the effective date of the Commission's decision after hearing, unless the authorization involved is necessary to the maintenance or conduct of an existing service, in which event the Commission shall authorize the applicant to utilize the facilities or authorization in question pending the Commission's decision after hearng.

"(d) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject: (1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this act; (3) every license issued under this act shall be subject in terms to the right of use or control conferred by section 606 hereof."

SEC. 9. Subsection (b) of section 310 of said act is amended to read as follows:

"(b) No instrument of authorization granted by the Commission entitling the holder thereof to construct or to operate radio apparatus and no rights granted thereunder shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such instrument of authorization, to any person except upon application to the Commission and upon finding by the Commission that the proposed transferee or assignee possesses the qualifications required of an original permittee or licensee. The procedure for handling such application shall be that provided in section 309."

SEC. 10. Section 311 of such act, as amended, is amended to read as follows:

"SEC. 311. The Commission is hereby directed to refuse a station license and/or the permit hereinafter required for the construction of a station to any person (or to any person directly or indirectly controlled by such person) whose license has been revoked by a court under section 313."

SEC. 11. Section 312 of such act, as amended, is amended to read as follows:

"REVOCATION OF LICENSES; CEASE-AND-DESIST ORDERS

"SEC. 312. (a) Any station license may be revoked (1) because of conditions coming to the attention of the Commission since the granting of such license which would have warranted the Commission in refusing to grant such license, or (2) for violation or failure to observe any of the restrictions or provisions of a treaty ratified by the United States, or (3) for violation of or failure to

observe the terms and conditions of any cease-and-desist order issued by the Commission pursuant to subsection (b) hereof. The Commission may institute a revocation proceeding by serving upon the licensee an order to show cause why its license should not be revoked. Said orders shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon the licensee to appear before the Commission at a time and place therein stated, but in no event less than 30 days after receipt of such notice, and give evidence upon the matter specified in said order: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice. If, after hearing, or a waiver thereof by the licensee, the Commission determines that a revocation order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said licensee, together with such order.

"(b) Where any person (1) has failed to operate substantially as set forth in an instrument of authorization, or (2) has failed to observe any of the restrictions and conditions of this act or of a treaty ratified by the United States, or (3) has violated or failed to observe any rule or regulation of the Commission authorized by this act, the Commission may institute a proceeding by serving upon such person an order to show cause why it should not cease and desist from such action. Said order shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon such person to appear before the Commission at a time and place therein stated, but in no event less than 30 days after receipt of such notice, and give evidence upon the matter specified in said order. If, after hearing, or a waiver thereof by such person, the Commission determines that a cease-and-desist order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said person, together with such order."

SEC. 12. Part I of title III of such act is amended by adding the following new section:

"MODIFICATION BY COMMISSION OF CONSTRUCTION PERMITS OR LICENSES

"SEC. 330. (a) Any station license granted under the provisions of this act or the construction permit required thereby may be modified by the Commission either for a limited time or for the duration of the term thereof, if in the judgment of the Commission such action will promote the public interest, convenience, and necessity, or the provisions of this act or of any treaty ratified by the United States will be more fully complied with: *Provided*, That no such order of modification shall be final until the holder of such outstanding license or permit shall have been notified in writing of the proposed action and the grounds and reasons therefor, and shall have been given reasonable opportunity, in no event less than 30 days, to show cause by public hearing, if requested, why such order of modification should not issue: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice.

"(b) In any case where a hearing is conducted pursuant to the provisions of this section or section 312, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Commission."

SEC. 13. Part I of title III of such act is amended by adding the following new section:

"LIMITATIONS ON QUASI-JUDICIAL POWERS

"SEC. 331. No license granted and issued under the authority of this act for the operation of any radio station shall be modified by the Commission, except in the manner provided in section 330 (a) hereof, and no such license may be revoked, terminated, or otherwise invalidated by the Commission, except in the manner and for the reasons provided in section 312 (a) hereof. When application is made for renewal of an existing license, which cannot be disposed of by the Commission under the provisions of section 309 (a) hereof, the Commission shall employ the procedure specified in section 309 (b) hereof, except that in any hearing subsequently held upon such application the burden of proceeding with the evidence and of substantiating the grounds and reasons specified by the Commission in the formal notice of hearing issued pursuant to section 309 (b) hereof shall be upon the appropriate division established by the Commission under the provisions of section 5 (b) hereof or upon any party or parties who may oppose such renewal; but as a condition precedent to the renewal the Commission shall affirmatively find that the public interest, convenience, and necessity will be served by such renewal. Pending such hearing and final decision pursuant thereto the Commission shall continue such license in effect."

SEC. 14. The heading of section 401 of such act is amended to read:

"JURISDICTION TO ENFORCE ACT AND ORDERS OF COMMISSION; DECLARATORY ORDERS"

and such section is amended by adding at the end thereof a new subsection (e) as follows:

"(e) The Commission is authorized, in its sound discretion and with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove uncertainty. Notwithstanding the provisions of section 5 (d) of the act of June 11, 1946 (60 Stat. 239) declaratory orders shall be issued only upon the petition of, and after notice to and opportunity for hearing by, persons who are bona fide applicants for, or the holders of, construction permits or licenses, or otherwise subject to the jurisdiction of the Commission, and shall not bind or affect the rights of persons who are not parties to such proceedings. Such orders shall be available to declare rights and other legal relations arising under the provisions of any treaty ratified by the United States, under any provision of this act, or under any order, rule, regulation, term, condition, limitation, or requirement issued, promulgated, or adopted by the Commission, whether or not involving failure to comply therewith."

SEC. 15. Section 402 of such act is amended to read as follows:

"SEC. 402. (a) The provisions of the act of June 25, 1948 (62 Stat. 992), as amended, relating to the enforcing or setting aside of orders of the Interstate Commerce Commission are hereby made applicable to suits to enforce, enjoin, set aside, annul, or suspend any order of the Commission under this act (except those appealable under the provisions of subsection (b) hereof), and such suits are hereby authorized to be brought as provided in that act. In addition to the venues specified in that act, suits to enjoin, set aside, annul, or suspend, but not to inforce, any such order of the Commission may also be brought in the United States District Court for the District of Columbia.

"(b) Appeals may be taken from decisions and orders of the Commission to the United States Court of Appeals for the District of Columbia in any of the following cases:

"(1) By any applicant for any instrument of authorization required by this act, or the regulations of the Commission made pursuant to this act, for the construction or operation of apparatus for the transmission of energy, or communications, or signals by radio, whose application is denied by the Commission.

"(2) By any application for the renewal or modification of any such instrument of authorization whose application is denied by the Commission.

"(3) By any party to an application for authority to assign any such instrument of authorization or to transfer control of any corporation holding such instrument of authorization whose application is denied by the Commission.

"(4) By any applicant for the permit required by section 325 of this act whose application has been denied by the Commission or any permittee under said section whose permit has been revoked by the Commission.

"(5) By the holder of any instrument of authorization required by this act, or the regulations of the Commission made pursuant to this act, for the construction or operation of apparatus for the transmission of energy, or communications or signals by radio, which instrument has been modified or revoked by the Commission.

"(6) By any other person who is aggrieved or whose interests are adversely affected by any order of the Commission granting or denying any application described in paragraphs (1), (2), (3), and (4) hereof.

"(7) By any person upon whom an order to cease and desist has been served under section 312 (b) of this act.

"(8) By any party to a proceeding under section 401 who is aggrieved or whose interests are adversely affected by a declaratory order entered by the Commission.

"(9) By any radio operator whose license has been suspended by the Commission.

"(c) Such appeal shall be taken by filing a notice of appeal with the court within 30 days after the entry of the order complained of. Such notice of appeal shall contain a concise statement of the nature of the proceedings as to which the appeal is taken; a concise statement of the reasons on which the appellant intends to rely, separately stated and numbered; and proof of service of a true copy of said notice and statement upon the Commission. Upon filing of such notice, the court shall have exclusive jurisdiction of the proceedings and of the questions determined therein and shall have power, by order, directed to the Commission or any other party to the appeal, to grant such temporary relief as it may deem just and proper. Orders granting temporary relief may be either affirmative or negative in their scope and application so as to permit either the maintenance of the status quo in the matter in which the appeal is taken or the restoration of a position or status terminated or adversely affected by the order appealed from and shall, unless otherwise ordered by the court, be effective pending hearing and determination of said appeal and compliance with the Commission with the final judgment of the court rendered in said appeal.

"(d) Upon the filing of any such notice of appeal the Commission shall, not later than 5 days after the date of service upon it, notify each person shown by the records of the Commission to be interested in said appeal of the filing and pendency of the same and shall thereafter permit any such person to inspect and make copies of said notice and statement of reasons therefor at the office of the Commission in the city of Washington. Within 30 days after the filing of an appeal, the Commission shall file with the court a copy of the order complained of, a full statement in writing of the facts and grounds relied upon by it in support of the order involved upon said appeal, and the originals or certified copies of all papers and evidence presented to and considered by it in entering said order.

"(e) Within 30 days after the filing of an appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest

of such party, together with proof of service of true copies of said notice and statement, both upon appellant and upon the Commission. Any person who would be aggrieved or whose interest would be adversely affected by a reversal or modification of the order of the Commission complained of shall be considered an interested party.

"(f) The record and briefs upon which any such appeal shall be heard and determined by the court shall contain such information and material, and shall be prepared within such time and in such manner as the court may by rule prescribe.

"(g) At the earliest convenient time the court shall hear and determine the appeal upon the record before it in the manner prescribed by section 10 (e) of the act of June 11, 1946 (60 Stat. 243).

"(h) In the event that the court shall render a decision and enter an order reversing the order of the Commission, it shall remand the case to the Commission to carry out the judgment of the court and it shall be the duty of the Commission, in the absence of the proceedings to review such judgment, to forthwith give effect thereto, and unless otherwise ordered by the court, to do so upon the basis of the proceedings already had and the record upon which said appeal was heard and determined.

"(i) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, or other interested parties intervening in said appeal, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof.

"(j) The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States as hereinafter provided—

"(1) an appeal may be taken direct to the Supreme Court of the United States in any case wherein the jurisdiction of the court is invoked, or sought to be invoked, for the purpose of reviewing any decision or order entered by the Commission in proceedings instituted by the Commission which have as their object and purpose the revocation of an existing license or any decision or order entered by the Commission in proceedings which involve the failure or refusal of the Commission to renew an existing license. Such appeal shall be taken by the filing of an application therefor or notice thereof within 30 days after the entry of the judgment sought to be reviewed, and in the event such an appeal is taken the record shall be made up and the case docketed in the Supreme Court of the United States within 60 days from the time such an appeal is allowed under such rules as may be prescribed;

"(2) in all other cases, review by the Supreme Court of the United States shall be upon a writ of certiorari on petition therefor under section 240 of the Judicial Code, as amended, by the appellant, by the Commission, or by any interested party intervening in the appeal, or by certification by the court pursuant to the provision of section 239 of the Judicial Code, as amended."

SEC. 16. The heading of section 405 of such Act is amended to read:

"REHEARINGS BEFORE COMMISSION"

and such section is amended to read as follows:

"SEC. 405. (a) After a decision, order, or requirement has been made by the Commission in any proceeding, any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing. Petitions for rehearing must be filed within 30 days from the entry of any decision, order, or requirement complained of and except for those cases in which the decision, order, or requirement challenged is necessary for the maintenance or conduct of an existing service, the filing of such a petition shall automatically stay the effective date thereof until after decision on said petition. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such decision, order, or requirement, except where the party seeking such review was not a party to the proceedings resulting in such decision, order, or requirement, or where the party seeking such review relies on questions of fact or law upon which the Commission has been afforded no opportunity to pass. Rehearings shall be governed by such general rules as the Commission may establish: *Provided*, That, except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on any rehearing. The time within which an appeal must be taken under section 402 (b) hereof shall be computed from the date upon which orders are entered disposing of all petitions for rehearing filed in any case, but any decision, order, or requirement made after such rehearing reversing, changing, or modifying the original determination shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 17. Section 409 (a) of such act is amended to read as follows:

"SEC. 409. (a) Notwithstanding the provisions of section 7 (a) of the act of June 11, 1946 (60 Stat. 241), all cases in which a hearing is required by the provisions of this act or by other applicable provisions of law shall be conducted by the Commission or by one or more examiners provided for in section 11 of the act of June 11, 1946 (60 Stat. 244), designated by the Commission. The officer or officers presiding at any such hearing shall have the same authority and duties exercised in the same manner and subject to the same conditions specified in section 7 of that act.

"(b) Notwithstanding the provisions of section 8 of the act of June 11, 1946 (60 Stat. 242), the officer or officers conducting a hearing shall prepare and file an intermediate report. In all such cases the Commission shall permit the filing of exceptions to such intermediate report by any party to the proceeding and shall, upon request, hear oral argument on such exceptions before the entry of any final decision, order, or requirement. All decisions, including the intermediate report, shall become a part of the record and shall include a statement of (1) findings and conclusions, as well as the basis therefor, upon all material issues of fact, law, or discretion, presented on the record; and (2) the appropriate decision, order, or requirement.

"(c) Notwithstanding the provisions of section 5 (c) of the act of June 11, 1946 (60 Stat. 239), no officer conducting a hearing pursuant to (a) and (b) hereof shall, except to the extent required for the disposition of ex parte matters as authorized by law, consult any person or party on any fact or question of law in issue, unless upon notice and opportunity for all parties to participate; nor shall such officer be responsible to or subject to the supervision or direction of any other person engaged in the performance of investigative, prosecuting, or other functions for the Commission or any other agency of the Government. No person or persons engaged in the performance of investigative or prosecuting functions for the Commission or for any other agency of the Government shall participate or advise in the proceedings described in (a) and (b) hereof, except as a witness or counsel in public proceedings. The Commission shall not employ attorneys or other persons for the purpose of reviewing transcripts or preparing intermediate reports of final decisions, except that this shall not apply to the review staff provided by subsection 5 (b) and to legal assistants assigned separately to a Commission member who may, for such Commission member, review such transcripts and prepare such drafts. No intermediate report shall be reviewed either before or after its publication by any person other than a member of the Commission or his legal assistant, as above provided, and no examiner, who conducts a hearing, shall advise or consult with the Commission with respect to his intermediate report or with respect to exceptions taken to his findings, rulings, or recommendations."

(b) Subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j) of section 409 are amended to read subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

SEC. 18. Section 414 of such act is amended by adding at the end thereof the following: "Except as specifically provided in this act the provisions of the act of June 11, 1946 (60 Stat. 237) shall apply in all proceedings under this act."

SEC. 19. Chapter 63 of the Criminal Code, title 18, is amended by inserting a new section as follows:

"FRAUD BY RADIO

"SEC. 1343. Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, shall transmit or cause to be transmitted by means of radio communication or interstate wire communication, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, or whoever operating any radio station for which a license is required by any law of the United States, knowingly permits the transmission of any such communication, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both."

SEC. 20. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. McFARLAND. I ask unanimous consent to have printed in the RECORD the report of the committee on the bill, so that the legislative history and the viewpoint and intent of the committee will be clear.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report (No. 44) on the bill (S. 658) was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 658) to further amend the Communications Act of 1934, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The committee desires to emphasize that the bill (S. 658) here reported is identical with bills heretofore passed by the Senate unanimously on two occasions. These two bills were S. 1973, previously reported by this committee on July 21, 1949, and passed by the Senate on August 9, 1949, by unanimous consent; and H. R. 4251 which was reported July 25, 1950, and passed the Senate amended on July 26, 1950, by unanimous consent. The legislation deals solely with structure of the Commission and its administrative and appellate procedure. This entire field long has been the subject of severe criticism by special and select investigating committees of the Congress and currently is the subject of study by a subcommittee of this committee as well as by a House committee.

The provisions of this bill here recommended received the unanimous approval of every broadcasting interest who testified before this committee when open hearings were conducted on S. 1973, and at the same hearing the majority of the provisions here

recommended were also favored by the Commission itself.

It should be noted that no attempt has been made in this legislation to deal with any changes in policy affecting radio or television broadcasting, nor policies affecting common carriers by radio or telegraph. Your committee is well aware that extensive testimony has been offered in the past and numerous recommendations made, including some by this committee, with respect to such policy matters. While the committee does not close the door to such policy provisions, it desires to point out that studies on these points are being further pursued; in the field of radio the subject of most pressing importance today is the functioning of the Commission.

It is important to note that this bill is the end product of more than a decade of congressional investigations, studies, hearings, and reports by committees in both Houses of Congress. This committee alone, in the past 7 years, has held more than 45 days of hearings on the general subject of changes in the Communications Act, during which 145 persons have testified and some 800 others submitted statements. Those hearings cover more than 3,700 pages of printed testimony. Moreover, a majority of the committee have been personally closely identified with extended hearings and legislative recommendations herein referred to. Because of the long history of hearings and legislative recommendations herein referred to before it, the committee was strongly of the opinion that additional open hearings were not necessary at this time. They unanimously endorse the bill here recommended as a necessary first step in any changes in the Communications Act of 1934.

The committee desires to call particular attention to the amendment to section 4 (g) of the Communications Act of 1934, as amended. This proposal has been urged by the Commission as being particularly necessary now because of the current international situation. The Federal Communications Commission's radio monitoring activities are of foremost importance in periods of international tension and they have pointed out that the immediate extension of this activity is deemed essential by the defense forces. The Federal Communications Commission, on January 10, 1951, forwarded a letter to the United States Senate requesting "urgent and immediate consideration of the Senate for an amendment to section 4 (g) of the Communications Act which would authorize the Commission to expend funds in connection with its radio monitoring services." The reasons for the Commission's recommendation that section 4 (g) be amended to authorize the Commission to purchase land and to construct buildings for monitoring and research activities is that the Commission has been informed by the Bureau of the Budget that the present language affords insufficient authority for making expenditures for such activities, and that consequently any authorization for activities in the Commission's budget was, in the absence of special authorizing legislation, subject to being stricken by a point of order. Accordingly the Commission's budget for the last 3 years, including that for the fiscal year 1952, contained no authorization for improvement of the Commission's monitoring activities. The Commission contends that strategic territorial placement of monitoring stations is at a minimum. For example, the United States operates only one station in Alaska and one station in the Hawaiian Islands. The committee is convinced of the need for this authority and believes that enactment of this provision should be expedited.

The bill here recommended is, in the committee's opinion, an essential legislative step forward in bringing about improvements in the administrative functions of this vital agency and the committee believes that immediate action is necessary in order that the Federal Communications Commission can competently and adequately execute its functions under the Communications Act.

The sections of this bill were carefully analyzed in Senate Report 741, which accompanied S. 1973 and Senate Report 2119 which accompanied H. R. 4251, and the appropriate text of these reports unchanged are appended herewith.

PURPOSE OF THE BILL

The principal objective of the bill as amended is to clarify the meaning and intent of the Communications Act of 1934, as amended. It is designed to remove ambiguities; to make definite and certain administrative and legal steps and procedures in the interest of the expeditious handling of both license applications and the rule-making function; to separate, as far as is administratively possible, the prosecutory and judicial functions of the Commission; to provide for administrative reorganization of the Commission in the interest of more effective and speedy handling of cases; to better arm Commissioners to handle decisions by providing personal legal assistants; and generally to make clear and definite administrative actions and appellate procedures in accordance with the Administrative Procedure Act.

Your committee is strongly of the opinion that enactment of the bill is a major step forward in the evolution of the regulation of radio and wire communications, both broadcast and common carrier. It believes that the legislation will be of inestimable value in making more certain that regulation of the industry shall be in "the public interest, convenience, and necessity."

EXPLANATION OF THE BILL BY SECTIONS

Section 1

This section gives a short title to this act, merely for purposes of reference to the dates of enactment of provisions herein proposed to be incorporated in the Communications Act of 1934, as amended.

Section 2

This section amends subsection (o) of section 3 of the Communications Act of 1934 by redefining "broadcasting." The new definition defines "broadcasting" to mean "the dissemination of radio communications intended to be received directly by the general public." In the existing law, the term is defined to include radio communications intended to be received by the public "directly or by the intermediary of relay stations." Testimony has been offered that these so-called relay stations might be considered to be broadcast stations within the meaning of the act. The new definition clarifies this ambiguity, but the committee does not intend that such relay stations, when used in broadcasting shall be classified as common carriers under the law. The new definition also conforms with the provisions of the Radio Regulations of the International Telecommunications Convention (Atlantic City, 1947).

Section 3

This section adds a number of new definitions to the Communications Act of 1934.

Subsection (bb) defines "license," "station license," or "radio station license" to mean the instrument of authorization required by the act or regulations for use or operation of radio-transmitting apparatus, and the terms are intended to include all forms of authorizations, temporary or otherwise. When considered in connection with other sections of the bill, this will limit the power of the Commission to grant special or emergency types of authorization to the cases specifically provided for in the bill.

Subsection (cc) provides a definition of "broadcast station," "broadcasting stations," or "radio-broadcast station." None of these terms is now defined, and all are used either in the present law or the amended section.

Subsection (dd) defines the terms "construction permit" and "permit for construction," which have not heretofore been defined, to clarify reference to such authorizations in procedural provisions.

Section 4

This section proposes several revisions of the existing section 4 of the act, which deals with the make-up of the Commission itself, top staff personnel, and matters to be included in the annual reports to Congress. Specifically, the provisions are as follows:

Subsection (a) makes a minor change in existing law which prohibits Commissioners from engaging in any other business, vocation, or employment by exempting from this prohibition the preparation of technical papers. Commissioners have pointed out that existing law might be interpreted to prevent such wholly meritorious publication of papers. The most important provisions of this subsection, however, would add to subsection (4) (b) the requirement that 1 year after the enactment of this act no Commissioner, if he resigns before his term of office has expired, may for 1 year thereafter represent before the Commission any person or corporation who comes within the jurisdiction of the Communications Act. This provision, the committee believes, is a most desirable one. It is intended to halt the practice by persons and corporations, who have business before the Commission, of employing Commissioners with the obvious purpose of benefiting themselves, perhaps unfairly, through the influence that such a Commissioner might have with employees in the agency. It is also intended to restrict a growing practice of using appointments to high Government posts as stepping stones to important positions in private industries which have business before the Commission. The recommended amendment would not prevent a Commissioner from resigning his post at any time, but if he resigned after 1 year following enactment of this provision and before his term of office had expired he could not for 1 year thereafter represent anyone who comes within jurisdiction of the Communications Commission.

Subsection (b) is a revision of section 4 (f) (1) of the act, a subsection which deals with the employment of certain top staff personnel and their salaries. It should be noted that the Civil Service Classification Act of 1949 made changes in the salaries originally provided by this subsection, and the committee in rewriting the language has written in the new salary schedules provided by that act last year.

Thus, it should be emphasized that while it was necessary to rewrite the section for other reasons, no changes have been made in salary schedules from those already provided by law. The important changes in the subsection made by the committee include authority for the employment of a personal legal assistant to each Commissioner at a salary not to exceed $10,000 annually, a reduction in the number of assistant general counsels, assistant chief engineers, and assistant chief accounts from three to two; and a prohibition against the general counsel, the chief engineer, the chief accountant, and their assistants from representing any licensee under the Communications Act for 1 year following termination of their employment with the Commission.

The committee believes some explanation of these and other minor changes in this subsection is pertinent. It is of the opinion that provision for the employment of a personal legal assistant to each Commissioner is one of the important features of the bill here recommended. The plain facts are that the Commission is tremendously behind in its work, one reason therefor being the necessity for each individual Commissioner to personally review each decision. Several of the Commissioners are not lawyers; even

those who are find it difficult to give the time necessary to familiarize themselves with all pertinent points in a proposed decision. The result has been that all too frequently decisions coming up from the staff have not had the close personal attention they should have. When it is realized that such decisions frequently are of vital economic consequence to citizens as well as important to the public interest, it will be realized that too much attention cannot be given to such decisions. The employment of a well-trained lawyer who will be the personal legal assistant to a Commissioner will not only relieve the burden of work on each Commissioner but will permit close study of both proposed decisions and rules and should expedite materially the speed of Commission action on its backlog of cases. The committee desires to emphasize that it believes Commissioners can obtain, at the recommended salary, competent, trained, and well-experienced lawyers who know the administrative process, will adhere to orderly legal actions, and advise the non-legal-trained Commissioners in such matters.

In reducing the number of assistant counsels, assistant engineers, and assistant accountants the committee has followed the suggestions of individual Commissioners who believe that the employment of personal legal assistants will permit reduction in these posts. Moreover, the saving thus obtained will reduce the extra cost of seven legal assistants to Commissioners.

Another major feature of this subsection is the provision which would prohibit the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, and the secretary of the Commission from leaving their post with the Commission to represent a licensee until 1 year has elapsed after termination of their employment with the Commission. The committee believes that this provision is a necessary corollary to a similar provision applying to Commissioners themselves and that it will tend to curb an exceedingly unfair and occasionally improper practice. The ability to influence people in the Commission is reported to have been of great value in numerous instances; this provision should aid in building up a career service within the Commission and halt further efforts to woo key personnel from the Commission for the purpose of influencing subsequent actions by the agency. The committee also has tightened the language pertaining to the employment of temporary counsel to make clear that such temporary employees cannot become in effect permanent employees in the guise of holding temporary appointment. Such temporary counsel hereafter are to be employed for specific special service and no other.

A provision of this section of the law which permitted the appointment of a director of each division of the Commission has been eliminated; such posts have not been filled for years and there is no necessity for such positions under the organization of the Commission proposed by this legislation.

Subsection (c) of this section amends the first sentence of section 4 (g) of the law which deals with the authority of the Commission to make certain expenditures, including expenditures for purchase of land for the erection of monitoring stations. While the Commission has exercised this authority for years under specific appropriation acts annually, such provisions constituted legislation in an appropriation bill and are subject to a point of order. The Bureau of the Budget recommended that this point be clarified so that clear legislative authority to justify such appropriations would exist.

Subsection (d) amends section 4 (k) of the present act with the purpose of making more clear and definite what shall be contained in the annual report filed by the Commission with the Congress.

Briefly, the Commission is to furnish the Congress each year (1) information and data bearing on the problem of regulation of interstate and foreign wire and radio communication; (2) information on the general administrative operations of the Commission so that Congress may readily understand what it has done or failed to do; (3) information concerning new employees hired during the year, their experience, and those resigned or discharged; (4) information in detail of all sums expended by the Commission, for what purpose, and under what authority; (5) specific recommendations on necessary additional legislation.

The committee is aware that the information required by clause (4) is furnished to the Appropriations Committee of the Congress annually. But it is of the opinion that the legislative committees of the two Houses which are directly concerned with the functioning of the Commission also have a real interest in these matters. Moreover, such information will permit the legislative committees to examine under what authority expenditures were made.

Section 5

Section 5 of the bill is a revision of section 5 of the law which deals with the organization of the Commission. The existing section of the law is an anachronism in that it provides for a permissive divisional organization of the Commission, which was adopted briefly shortly following enactment of the law in 1934 and then dropped. In recent weeks the Commission has again undertaken a functional reorganization similar to that herein proposed but the committee is satisfied that in the absence of specific mandatory provisions, no effective change ever will be carried out. Section 5 therefore has now been rewritten into four brief subsections which set forth the duties of the chairman; provide for a functional reorganization of the Commission; provide for necessary delegation of certain specific duties (now a part of the present law); and designate time-limit objectives to be met by the Commission in processing cases with the added provision that Congress shall be promptly informed when cases have not been acted upon within certain fixed periods.

The most important subsection, and in the committee's opinion one of the most important of the entire bill here recommended, is subsection (b) which would reorganize the Commission into a functional organization. To make clear what the effect of this subsection would be, it should be explained that the Commission has been organized into three principal Bureaus—Engineering, Accounting, and Legal. It also has, of course, other subsidiary sections and units but the bulk of its licensing work flows upward through these three Bureaus. Regardless of the type of case involved, each of these three Bureaus must independently, or occasionally in consultation, pass upon applications and other types of cases. Whether or not this system is responsible, the fact remains that the Commission's backlog of cases has continued to mount to alarming proportions. Hearing cases rarely get out in less than 2 years; some have been before the Commission as long as from 4 to 7 years.

Citizens and taxpayers are entitled to greater consideration and better service from their Government than this.

Moreover, under this system, the three Bureaus have become self-contained and independent little kingdoms, each jealously guarding its own field of operations and able to exercise almost dictatorial control over the expedition of a case. They can, and have, set at naught the best efforts of individual Commissioners to spur action.

The committee has, therefore, written into law by subsection (b) a mandatory reorganization provision but on the recommendation of the Commission has allowed wide flexibility to accommodate possible changes in the nature and volume of the Commission's work in future years. The Commission would be required within 60 days after enactment of this bill to organize its Legal, Engineering, and Accounting Bureaus into such number of integrated divisions as are deemed necessary to handle the Commission's workload problems. Under existing circumstances, these are expected to number three—broadcasting, common carrier, and special and safety service. Each of these divisions would include all necessary legal, engineering, and accounting personnel to handle the work but would operate together as a team rather than as separate professional groups. The Commission also would have authority to establish whatever additional divisions may be necessary to handle that part of its workload which may cut across the divisional organizations or which may not lend itself to handling by an integrated divisional unit.

Coupled with this divisional set-up, the committee also has provided for the establishment of a review staff, consisting of legal, engineering, and accounting personnel, whose sole function shall be to prepare and review decisions, orders, rules, and other memoranda as the Commission shall direct. The review staff shall be directly responsible to the Commission, and its personnel shall not engage in the preparation or prosecution of cases. Neither the general counsel, the chief accountant, nor the chief engineer shall have any authority over it. Its purpose is clear; it is to separate with finality the prosecutory and judicial functions of the Commission so that the same individual who prosecutes a case in behalf of the Commission before a hearing examiner shall not later be found preparing the final decision or advising Commissioners or the Commission as to the final decision. The records and facts well known to your committee and to the industry have proved beyond question that applicants have not always had the most equitable judicial treatment under the existing type of administrative judicial process. The committee believes that its proposed amendment will correct this situation.

Subsection (a) of this section sets forth the duties and responsibilities of the Chairman of the Commission, providing that he shall be the chief executive officer of the Commission and shall represent it in all matters relating to legislation and in dealings with the Congress as well as be responsible for the general organization and functioning of the Commission as a whole.

Subsection (c) is a revision of the existing subsection 5 (e) dealing with certain necessary delegation to the Commission's work to individual Commissioners, a board of Commissioners, or to employees. Such delegation is subject to the provisions of section 17 of this bill (sec. 409 of the act is revised by this bill) and to the provisions of the Administrative Procedure Act as described in section 17.

Subsection (d) is a new provision specifying that the Commission must meet at regular intervals but not less than once a month for the purpose of reviewing and expediting its work. The committee has set as fair time limits, for final Commission disposition of cases, a period of 3 months for nonhearing cases and 6 months from the final date of hearing on all hearing cases. The Commission is instructed to report to Congress promptly all cases pending before it longer than these periods stating the reasons for delay. The Congress will thus be currently apprised of the progress of Commission actions.

Section 6

This section amends subsection (d) of section 307 by deleting the phrase "but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and

practice which affects the granting of original applications." Once a license has been granted, there appears to be no good reason why the Commission should be required to take into consideration many of the factors which it should and must take into consideration in granting a license in the first instance. Such matters as the character and ability of the applicant to operate a broadcast station or his financial ability to construct and maintain a station are important factors for the Commission to consider in evaluating original applications for a broadcast station; they no longer may be pertinent factors when the Commission is giving consideration to renewal of a station license. It should be emphasized that while the recommended amendment does eliminate the necessity for the type of involved and searching examination which the Commission must make in granting an original license, it does not in any way impair the Commission's right and duty to consider, in the case of a station which has been in operation and is applying for renewal, the over-all performance of that station against the broad standard of public interest, convenience, and necessity. This authority of the Commission is made explicit by specifying that such renewal grants are subject to findings by the Commission that the "public interest, convenience, or necessity would be served thereby." This section, the committee desires to emphasize, is not intended to nor shall it be interpreted as modifying in any degree the high qualifications required of a licensee; rather, the objective of the recommended changes is to expedite the administrative consideration of the renewal process and to reduce the work load and expenditure on both the licensee and the Commission.

Section 7

This section amends subsection (a) of section 308 of the present act. It is designed to make more definite the procedures to be employed by the Commission in the exercise of its radio-licensing functions. This section fixes and determines the conditions under which the first step in the exercise of the licensing function is taken; it makes positive and a part of statutory law that which has heretofore been the subject of dispute and controversy. There has been confusion under the terms of existing law over the basic question of when and under what circumstances a written application must be filed as the initial step in license proceedings and when, by the device of calling a license by some other name, the Commission, and applicants with the acquiescence of the Commission, have avoided this step.

The amendment recommended herein would make the filing of a written application a necessary condition precedent in all cases except those arising out of emergencies involving danger to life or property or damage due to equipment breakdowns or when the authorization is required by emergency or security reasons during the continuance of any war in which the United States is engaged. The proposed new language does not change the substance of existing law; it merely makes certain that which has heretofore been uncertain. Moreover, the amendment is directed against the administrative practice of issuing special service authorizations, which have been held not to be licenses, and therefore persons affected by their issuance were precluded from relying upon them or challenging their propriety.

Section 8

This section amends section 309 of the present act, which deals with the procedural steps involved in obtaining a license. It is the purpose of this section, as a necessary corollary of the preceding section, to make definite and certain the procedural rights and remedies of those who oppose, as well as those who apply for, a new instrument of authorization. The necessity for definite provisions of this character has been clearly demonstrated by experience.

Specifically, the amendment here proposed will make it possible, as at present, for the Commission to grant any application without hearing if convinced from ex parte examination that the statutory standard will be served thereby. It will, however, provide a method whereby any person, who has the right to challenge the legality or propriety of such a grant by appeal from the Commission's decision, can make his complaint first before the Commission—a guaranty which the present law does not contain. Provisions also are included which are designed to guarantee that any hearings held before the Commission upon any application will be conducted upon the basis of issues clearly defined so that the Commission will act as an arbiter.

Subsection (a) is merely a restatement of the present subsection (a) making clear that the standard of judgment which applies in issuing an authorization is in the public interest, convenience, and necessity.

Subsection (b) sets forth in specific terms what the Commission shall do with respect to notification of the applicant and known parties in interest, both prior to and after setting an application for hearing; the specification of issues; opportunity for an applicant to reply; who may participate, under what circumstances and how.

Subsection (c) provides for what is commonly known as the protest rule. This provision merely insures that if the Commission grants a license or other type of authorization without a hearing, the grant will remain subject to protest under oath for a 30-day period by any party in interest. Thereafter, the Commission is required within 15 days to make a finding as to whether the protest meets the requirements of the section and if it so finds the matter shall be set for hearing under conditions specifically set forth to insure fullest judicial protection to citizens involved in such proceedings. Some question has been raised in earlier hearings on proposed Communications Act amendment bills with respect to the meaning of the term "parties in interest" as used in this subsection and in other sections of the bill. Fear has been expressed that use of "parties in interest" might make possible intervention into proceedings by a host of parties who have no legitimate interest but solely with the purpose of delaying license grants which properly should be made. The committee does not so construe the term "party in interest"; "parties in interest" because of electrical interference are fixed and defined by the Supreme Court decision in the KOA case (319 U. S. 239) and the Commission's rules and regulations; "parties in interest" from an economic standpoint are defined by the Supreme Court decision in the Sanders case (309 U. S. 470).

Subsection (d) is the present subsection (b) of section 309 of the act unchanged and merely sets forth the form of the license and the conditions attached to its grant.

Section 9

This section amends subsection (b) of section 310 of the act which deals with the transfer of licenses granted by the Commission. The existing provisions are indefinite in nature with respect to the procedure to be employed by the Commission in considering such transfers and this has led, in some instances, to differences in the treatment of applications for transfer of facilities. The recommended new language is designed to make certain that no construction permit or station license granted by the Commission may be transferred without the Commission's approval; to make definite the procedure to be employed by the Commission in passing upon transfer applications; and to clarify the standard to be applied by the Commission in passing upon the merits of such applications.

One of the purposes of the proposed new language in this subsection is to annul the so-called AVCO procedure adopted several years ago by the Commission to prevent a licensee from selling his property to a proper person of his choice but requiring an opportunity for others to make bids for any radio station proposed to be sold. The committee believes that there is no provision of present law which authorizes the Commission to employ such a procedure and it deems such a procedure an unwise invasion by a Government agency into private business practice.

The committee regards it as significant that the Commission dropped the so-called AVCO procedure several months ago as unsatisfactory and a cause of undue delay in passing upon transfers of licenses. It should be emphasized that the Commission's authority to see to it that stations are operated in the public interest and to determine whether the proposed transferee possesses the qualifications of an original licensee or permittee is not impaired or affected in any degree by this subsection. In fact, the latter requirement is expressly stated. The committee also desires to emphasize that the language recommended in this subsection specifically refers to construction permits as well as licenses. It is of the opinion that this lack of reference to construction permits in the present law may have led to some of the abuses which have taken place under the transfer provisions.

Section 10

This section amends section 311 of the present act which relates to the application of the antitrust laws of the United States. The existing law contains two sections (secs. 311 and 313) which deal with this subject. Section 313 of the present law makes clear that all licensees under the Communications Act come within the provisions of the antitrust laws and that if any licensee is found guilty of a violation of antitrust laws the court may, as an additional penalty, also revoke the license of the person or group found guilty. Section 311 of the present law specifically directs the Commission to revoke any license which the court has ordered to be revoked under the authority of section 313 and authorizes the Commission to revoke the license of a person found guilty of antitrust violation if the court itself has not ordered such revocation.

Licensees have consistently contended during various hearings before this committee that these two sections considered together as now written constitute an unfair discrimination against radio licensees and that such a double penalty is not imposed upon other classes of business by any other statute.

The committee is impressed with the legal validity of the protests which have been made against this type of double jeopardy. It believes there is merit in the contention that citizens should not be subject to trial for the same allegations before two different tribunals. Moreover, such an argument is particularly pertinent in connection with alleged violations of the antitrust statutes which are the particular province of the Department of Justice, and do not, by any other law, come within the jurisdiction of any independent quasi-judicial agency of government.

The committee has made no change in section 313. That section, which makes all licenses amenable to the antitrust statutes and specifically grants the court authority, if a licensee is found guilty of an antitrust violation, to order revocation of his license in addition to all other penalties which may be imposed under authority of the antitrust laws, stands unchanged and unimpaired. It has, however, modified section 311, which gave to the Federal Communications Commission additional authority to institute license revocation proceedings in those cases where a licensee has been found guilty in

court of an antitrust violation but where the court did not order revocation of the license issued by the Commission. The modification proposed merely prohibits the Commission from instituting its own antitrust proceeding. It retains the specific authority to refuse a license or permit in those cases in which a court under section 313 has ordered revocation of the license or permit.

The committee desires to emphasize that the Commission's existing authority under law to examine into the character of a licensee or permittee in granting a license or a renewal is in no way impaired or modified by the change here recommended in section 311. The Commission's authority to determine whether or not the public interest, convenience, or necessity will be served by the granting of a license remains paramount and if it finds that the conviction of a licensee under the antitrust laws or under section 313 has materially affected the character of standing of such licensee so as to warrant refusal of a renewal, or grant of license, it may so proceed. Thus, the Commission's power to protect against monopoly control of radio licenses remains unaffected by the changes herein recommended; it is merely estopped from initiating and proceeding with an antitrust case of its own.

Section 11

This section amends section 312 of the present act which deals with revocation of licenses. Under existing law a station license may be revoked for false statements either in the application, or in the statement of fact which may be required from time to time, which would warrant the Commission in refusing to grant a license on an original application; or for failure to observe any of the restrictions or conditions of the act or of regulations of the Commission authorized by the act or a treaty ratified by the United States. It is clear, therefore, that revocation is the sole administrative penalty in the case of violations ranging from the most serious to the least minor and affecting those who may innocently violate regulations of the Commission on technical matters.

The committee feels that this is not a satisfactory situation for two reasons: The Commission is reluctant to revoke a license for a minor offense and therefore minor offenses may be committed almost with impunity, and there exists no clear distinction between types of offenses. It is felt that some method of procedure short of revocation should be provided for minor or less serious violations. It is, therefore, provided that the Commission may issue cease-and-desist orders for such less serious violations.

The revocation penalty would remain in effect only (1) for those situations in which the Commission learns of facts or conditions after the granting of a permit or license which would have warranted it in refusing the grant originally had it known those facts; (2) for violation or failure to observe provisions of a treaty ratified by the United States; and (3) for violation or failure to observe the conditions of any cease-and-desist order issued in accordance with the provisions of this section. As in the case of cease-and-desist orders, the Commission must first issue an order to show cause why a license should not be revoked.

The cease-and-desist action would apply to those cases where a licensee has (1) failed to operate substantially as set forth in his license; (2) failed to observe the restrictions of this act or of a treaty ratified by the United States; and (3) violated or failed to observe any rule or regulation of the Commission authorized by this act.

It will be seen that violation of conditions or restrictions of a treaty may be proceeded against initially either by a revocation proceeding or the less onerous cease-and-desist proceeding, thus allowing Commission discretion as to the seriousness of the alleged offense. Moreover, the recommended language clothes the Commission with power to prevent persistent minor violations by making violation of a cease-and-desist order cause for a revocation action.

The cease-and-desist procedure is a time-tried and wholly successful one in many administrative agencies and the committee believes that its adoption by the Federal Communications Commission will be salutary. The language here recommended has had the approval of all witnesses who testified on the bill.

Revocation and cease-and-desist proceedings are, of course, subject to proper hearing procedures and are appealable to the courts. The burden of proof in all such proceedings is upon the Commission.

Section 12

This section provides for a new section (sec. 330) but its provisions are virtually identical with the present section 312 (b) of the law. In the interest of clarity and consistent order, the revocation and cease-and-desist provision has been assigned the number 312 and the provisions of the old section 312 (b) have been transferred to a new number.

The recommended language provides that modifications of licenses may be made where it will promote the public interest or where the provisions of the act or any treaty will be more fully complied with. This provision is identical with existing section 312 (b) except for language spelling out that a licensee whose license the Commission proposes to modify may on request secure a public hearing on at least 30 days' notice. This period of time may be shortened, however, where safety of life or property is involved. The section also provides that the burden of proof in all revocation, modification, and cease-and-desist proceedings is on the Commission.

Section 13

This section, entitled "Limitations on Quasi-Judicial Powers," adds a new section (sec. 331) to the present act dealing with miscellaneous provisions relating to the procedures to be followed in modification, revocation, and renewal proceedings. It has been endorsed by all witnesses and has the general approval of Commissioners.

The intent of this section is to spell out in definite detail the authority of the Commission with respect to modification of licenses, and termination or revocation of licenses, and to provide a guide for the Commission in dealing with renewals of licenses.

The language makes clear that modification can be undertaken only in accordance with the provisions prescribed by section 330 (a) of the law (sec. 12 of this bill) and that revocation or termination of a license can be undertaken only for the reasons and in the manner provided by section 312 of the law (sec. 11 of this bill). It makes clear that Commission consideration of a renewal of license is also premised on the public interest, convenience, and necessity but the intent of the committee here is to separate more definitely and clearly the prosecutory functions and duties of the administrative staff of the Commission from the quasi-judicial functions of the Commission membership itself.

Section 14

This section amends section 401 of the present act by adding a new subsection (e) dealing with declaratory orders. The declaratory order method of procedure has received the direct approval of Congress in the enactment of the Administrative Procedure Act, which provides for issuance of such orders by administrative and independent agencies. The committee believes this type of procedure is an extremely beneficial one, both for the Government and for those having business before a Government agency.

The first sentence of the recommended section is substantially the language of the Administrative Procedure Act. However, the committee is of the opinion that because of the problems with which the Communications Commission deals it is necessary to provide additional safeguards in the issuance of declaratory orders by the Commission. The Commission should not be in the position of entering fiats to the industry under the guise of unsolicited declaratory orders. Moreover, such orders should be binding only on those who are parties to the proceeding.

This section provides that the Commission may issue declaratory orders in cases of actual controversy or in order to remove uncertainty. Such orders would be issued only upon petition and after notice and opportunity for hearing and such orders would, of course, be subject to judicial review.

One of the frequent criticisms of governmental procedure, particularly that of the quasi-judicial agencies, is that in order to test the legality, or even the meaning, of a rule or regulation, it is necessary to violate it and incur the penalties that go with such violation. Such a condition results in a particularly difficult situation fn the case of radio broadcasting, involving as it does highly technical and specialized rules applicable to engineering and other technical equipment and operations most complicated in character. The proposed new section would make it unnecessary to incur the risk of violating the law in order to secure an authoritative ruling.

Section 15

This section amends section 402 of the present act, which deals with the subject of judicial review of the Commission's decisions and orders. The subject of appeals from quasi-judicial agencies to the courts and the legal remedies under such appeals are most important. Since the changes in existing law which are to be effected by the enactment of these subsections are several and substantial, detailed consideration is presented in this report.

Subsection (a) deals only with judicial review of Commission orders by specifically constituted three-judge courts. It substantially restates existing law with necessary clarification, and a provision is inserted which would give parties plaintiff, other than the Government, an option of venue for such suits, either in the appropriate United States district court or in the United States District Court for the District of Columbia. Subsections (b) through (j) deal with the subject of judicial review of decisions and orders of the Commission which are entered in the exercise of its radio-licensing functions.

Subsection (b) attempts a more precise and comprehensive definition of the jurisdiction of the United States Court of Appeals for the District of Columbia in cases appealed from the Commission. The language of this subsection, when considered in relation to that of subsection (a), also would make clear that judicial review of all cases involving the exercise of the Commission's radio-licensing power is limited to that court. Under present law, confusion and controversy have arisen concerning what decisions and orders of the Commission might become the subject to judicial review and in what court. This has been carried to the point where the time and effort of both litigants and courts have been too much taken up with jurisdictional problems rather than with the merits of particular cases. Enactment of this subsection is designed to obviate this difficulty.

Subsection (c) deals with the time for and the manner of taking an appeal from the Commission to the United States Court of Appeals for the District of Columbia, and the duty of the Commission with respect to the filing and certification of the record in the event that such an appeal is taken. The appellate period is made 30 rather than 20 days as at present, and provision is made

that the appellate period will run from the date of the entry of the order appealed from rather than from its effective date.

This subsection also definitely fixes and prescribes the nature and extent of the jurisdiction of the appellate court after a notice of appeal has been filed. It confers upon that court, by specific language rather than by inference, authority to grant temporary relief, which may be either affirmative or negative in its scope and application. The necessity for language of this sort in the statute itself can hardly be exaggerated in view of the controversy and confusion which have arisen concerning this subject. The language here is believed to be stronger and therefore preferable to that found in section 10 (d) of the Administrative Procedure Act.

Subsection (d) would continue in effect, substantially, the provisions of section 402 (c) of existing law. It does, however, attempt to settle certain ambiguities. The Commission would be compelled to file with the court both the record and its written decision within a period of 30 days after the filing of an appeal. Present provisions of law are susceptible of an interpretation which would require the filing of the Commission's decision 30 days after the filing of the record.

Subsection (e) is a redraft of section 402 (d) of existing law, with minor clarifying amendments.

Subsection (f) specifically confers upon the appellate court the right to fix by rule the material to be included in any record upon which an appeal is to be heard and determined. While this is now the practice of the United States Court of Appeals for the District of Columbia, questions have arisen concerning that court's power to take such action due to the peculiar language of the statute. This is a matter which obviously should be clarified.

Subsection (g) merely adopts the language of section 10 (e) of the Administrative Procedure Act as the procedure to be followed in the hearing and determination of the appeal.

Subsection (h) contains provisions which are intended to confer upon the appellate court a measure of control commensurate with the dignity and responsibility of that tribunal, requiring the Commission to give effect to the judgment of the court in the absence of proceedings to review. The committee points out that under the language of this subsection the appellate court would have ample authority either on its own motion or upon the petition of the Commission or any other litigant, to provide, either as a part of its original decree or supplementary thereto, that new parties and new issues may be introduced and a new record made after remand to the Commission. This authority stems from the phrase "and unless otherwise ordered by the court."

Subsection (i) carries forward without change provisions of section 402 (f) of existing law relating to the assessment of costs on appeal.

Subsection (j) contains important amendments to existing law. Under present law, review by the Supreme Court of decisions of the United States Court of Appeals for the District of Columbia is limited to certiorari proceedings and to certification by the court of appeals. This subsection provides that, in a limited class of cases, appeals may be taken directly and as a matter of right to the United States Supreme Court.

Experience to date has clearly demonstrated that it is extremely difficult for private litigants to secure an ultimate Supreme Court review of Commission action by the certiorari method. Since 1927, only one such petition has been granted upon request of a private litigant, whereas only one such petition has been denied when filed by the Government. The result has been that many cases involving Commission action on applications for renewal and modification of licenses have, during this period, been reviewed by the Supreme Court upon request of the Government, and only one has received such consideration upon petition of a private litigant. Since either revocation or renewal proceedings may result in absolute or final loss of license, the committee believes that adequate opportunity should be given the parties affected in such cases to litigate their claims; and that, in this limited class of cases, opportunity should extend to and include review by the highest judicial tribunal. Such appeals, as a matter of right, are given in practically all cases involving decisions and orders of the Interstate Commerce Commission and are given under section 402 (a) of the Communications Act in cases such as the network cases (*National Broadcasting Company, Inc., et al.* v. *U. S. et al.* (319 U. S. 190)) which involve the exercise by the Commission of its legislative, as distinguished from its judicial powers.

The committee sees no basis in substance for the distinction made so long as the result reached is determinative and final in either case and goes to the right of a litigant to remain in the business of his choice. The inclusion of such a provision should impose no undue hardship upon the Supreme Court because of the limited number of such cases. On the contrary, it would make possible the development of an authoritative body of law upon a subject vital to those engaged in the communications business and of substantial importance to the public generally.

Section 16

This section amends section 405 of existing law which deals with rehearing procedure before the Commission. Since the rehearing step is the final stage in the administrative process, the committee is of the opinion that clarity and definiteness are of paramount importance here. The new language recommended in this bill is intended to make more definite and certain the rights and remedies of the parties concerned.

Any party affected by a decision, order, or requirement of the Commission, or any other person aggrieved or adversely affected by it, is granted the right to petition for a rehearing. In order to expedite the rehearing process and prevent it from being used as a delaying action, the recommended new language specifies that, except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on a rehearing. This is also intended to make such rehearing procedures conform to court practice, on appeal, in view of the fact that a rehearing conforms in many respects to an appeal to a higher court, where only the evidence already introduced is considered.

The recommended section also would eliminate uncertainties in existing appellate practices by providing that the time for appeal under section 402 (b) (sec. 15 of this bill) will run from the date upon which the Commission enters its order disposing of all petitions for rehearing filed in any case.

Section 17

This section amends section 409 of the present act, which deals with the hearing procedure before the Commission. The proposed new language replaces the present subsection (a) with three new subsections. These are designed to make definite and certain the procedure to be employed by the Commission in all cases where a public hearing is required by the provisions of the Communications Act or other applicable provisions of law.

The subject here dealt with is that of judicial or quasi-judicial hearings held by the Commission and is one of the most important of any dealt with in the entire bill. The changes recommended in this bill are prompted by what is believed to be an abundance of caution and a desire to prevent conflicts or misunderstandings due to the presence on the statute books of other provisions relating to the same subject. Since section 12 of the Administrative Procedures Act provides that subsequent legislation shall not supersede or modify the provisions of that act, unless specifically stated, it has been necessary to make specific references to that act where the subject matter requires a different treatment. The section consists of three subsections, which will be dealt with in order.

Subsection (a) will, in effect, require all hearings of a judicial or quasi-judicial nature conducted by the Commission to be held either by the whole Commission or by one or more examiners appointed by the Commission. It will not permit the conduct of a hearing by a single Commissioner, as is now sometimes done. This is important because it is impossible for the Commission to review the preliminary or intermediate report of one of its members with the same degree of objectivity or fairness with which it reviews the report of an examiner. Since section 7 (a) of the Administrative Procedure Act is so phrased as to permit a continuance of present practices, specific references to it were regarded as necessary in order to effect a change.

Subsection (b) relates to the procedure which shall be followed by the officers conducting a hearing and what shall be included in the record. Here again certain provisions of section 8 of the Administrative Procedures Act seem to be ineffective or inappropriate, and specific reference to section 8 of that act was required.

Subsection (c) has further reference to the conduct of hearing officers and certain other employees both during the hearing and subsequent thereto, but before final decision. While provisions of this type are not found in the Administrative Procedure Act, the committee believes that the clearest and most detailed separation of the prosecutory and judicial functions must be maintained in the interests of equity and fair treatment to those having business before the Commission. An exemption has been made with respect to the review work that may be carried on by the review unit provided for in this bill (sec. 5 (b) of the act and this bill) and by the Commissioners' personal legal assistants. But the committee insists that citizens shall be safeguarded in the administrative process so that unfair and improper influence shall not be brought to bear in their cases without their knowledge and without an opportunity for them to rebut in accordance with American juridical standards.

In providing for the establishment of a special review unit, the committee does not intend it to act as a panel designed to screen or modify examiners' proposed decisions before they reach the Commission. On the contrary, the principal function of the review unit is to digest and analyze proposed decisions—or rules and regulations—for the Commission to save individual Commissioners' time and expedite their handling of cases and the rule-making procedure. Such review board does not have and is not intended to have any authority to revise, modify, amend, or alter any proposed decision by an examiner nor to recommend to the Commission changes in such decisions. It is expected to act as a clearinghouse to make certain that both law and fact have been correctly applied and to digest, analyze, and note the scope and purport of the proposed decision.

Apart from the authority expressly granted the review board, and the duties laid upon the Commissioners' personal legal assistants, every safeguard is written into this section to prevent examiners, lawyers, or other employees from advising or consulting with the Commission with respect to its action.

These three subsections are amendatory. In the interests of clarity, these additional

subsections are retained in the act, and renumbered so that the present subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j), will become subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

Section 18

This section amends section 414 of the present act, which provides that nothing in the Communications Act shall abridge or alter the remedies existing at common law or by statute. The recommended new language to be added is: "except as specifically provided in this act, the provisions of the Administrative Procedure Act shall apply in all proceedings under this act."

The purpose and intent of the amendment is to make clear that all of the pertinent provisions of the Administrative Procedure Act are applicable in all procedural and appellate matters involving cases and controversies before the Communications Commission, except where specific procedural and appellate provisions are set forth in this bill. It will be noted that section 409 (a), (b), and (c) (sec. 17 of this bill) specifically refer to the Administrative Procedure Act and specify that, notwithstanding provisions of that act, the procedures set forth in those subsections are to be employed. The committee is well aware of the salutary provisions of the Administrative Procedure Act and has no desire to vitiate or impair the rights granted under the provisions of that act to private citizens doing business with a Government agency. It believes, however, that circumstances and conditions involved in procedures before the Communications Commission, particularly radio-broadcast cases, which differ from common-carrier principles, are such that special recognition must be given to the problem. The Administrative Procedure Act, which is a general statute covering procedure in all administrative agencies, does not meet all of these conditions and circumstances.

Section 19

This section is a new provision of law which adds a new section to chapter 63 of the Criminal Code dealing with fraud by radio. This provision has been recommended by the Federal Communications Commission on several occasions, and the committee has heard of no opposition to it from any source.

It is intended merely to establish for radio a parallel provision now in the law for fraud by mail, so that fraud conducted or intended to be conducted by radio shall be amenable to the same penalties now provided for fraud by means of the mails. The Commission has pointed out that the loophole now in the law leaves not only citizens at the mercy of some clever schemer but actually places an innocent licensee at a serious disadvantage, since the only recourse the Commission has under existing law is to revoke a license. Of course, should a licensee be found to be involved in such a fraud, the Commission's power to revoke his license is not affected by this new section. It does, however, provide a means to reach a nonlicensee who may make use of the radio to defraud.

Section 20

This section is the usual separability provision to make certain that if any provision of the bill is found invalid it will not invalidate the remainder of the provisions of the bill and their applicability to persons or circumstances affected by the act.

JOSEPH P. ADAMS

The PRESIDING OFFICER (Mr. CASE in the chair). The Senator from North Dakota has the floor.

Mr. CAIN. Mr. President, will the Senator yield to me for approximately 30 seconds?

Mr. LANGER. I yield to the Senator from Washington. I understand he has an appointment at Uline Arena.

Mr. CAIN. That is precisely where I intend to go, at the earliest possible moment.

Mr. LANGER. I am delighted to yield to my distinguished friend.

Mr. CAIN. Mr. President, the nomination of Mr. Joseph P. Adams, of Washington, to be a member of the Civil Aeronautics Board for the term expiring December 31, 1956, was confirmed by the Senate in executive session this morning. When the appointment of Mr. Adams was before the Senate Interstate and Foreign Commerce Committee, I responded to the chairman's request to express my views on the appointment by addressing a letter to the chairman under date of January 21, 1951.

For the reason that a number of my political associates and some lay persons will be interested in my position, and to make it clear that I wish Mr. Adams well in his responsibilities and difficult undertakings, I ask unanimous consent that the letter in question be made a part of my remarks at this point.

The PRESIDING OFFICER. Is there objection?

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

JANUARY 31, 1951.

Hon. EDWIN C. JOHNSON,
Interstate and Foreign Commerce Committee, United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: In response to your request I am writing to offer my view concerning the nomination of Joseph P. Adams of Washington to be a member of the Civil Aeronautics Board for the term expiring December 31, 1956.

I am but very casually acquainted with Mr. Adams. I know him in a general way to be a prominent Democrat in Washington State, who has unsuccessfully sought public office on several occasions. I know Mr. Adams more particularly for his interest and activity in aviation matters over a period of many years. I also am aware that Mr. Adams has been the Washington State department commandant of the Marine Corps League and president of the Marine Corps Reserve Officers Association. I do not know Mr. Adams as a personal friend or close associate for I do not recall having seen or met him on more than a dozen occasions.

I am now and only concerned with Mr. Adams because of his appointment to an important national office. If I knew of any single reason why Mr. Adams was not qualified for or not likely to succeed in the work to which he has been appointed I would strenuously oppose his confirmation. On the basis of what I do know about Mr. Adams' work in the field of aviation, and from what I have been told about the excellence of that work, I have reason to believe that Mr. Adams will be highly competent in his assignment and reflect credit on the State of Washington and the Pacific Northwest.

A Republican friend of mine, Mr. H. G. Jones, of the air express division of the Railway Express Agency has recently written to me from Wenatchee to say:

"I have been active in State aviation circles in the State of Washington for over 20 years and regardless of his politics Joe Adams did more for the State of Washington in aviation in his years as director of aviation than we have ever had."

Another Republican friend, Mr. Clay Nixon of the firm of Nixon & Hove in Seattle, has written to say this about Mr. Adams:

"I have known Joe, know all about his family, know him to be a man of outstanding integrity and abilities and as evidenced by the fact that he is one of the senior colonels of the Marine Air Reserve despite the fact that he is a reservist, indicates the loyalty he has had to his country over these years. It was certainly a deserved appointment when he was made head of the State aeronautics division here in Washington, and as you probably know he did an outstanding job. Any connection with Wallgren certainly should not be held against him on that score."

I have received critical letters about the appointment of Mr. Adams. All of these criticisms have been directed at Mr. Adams' political activities and at his several failures to be elected to public office. I have advised such persons who wrote in this vein that the appointment belonged to the Democrats and that the appointment could only be opposed for cause but not on the grounds of prejudice or emotion. I have pointed out that Mr. Adams' aviation background entitles him to consideration and support.

I wish to submit a comment from Mr. A. Elliott Merrill, chairman of the Washington State Aeronautics Commission, for it bears directly on the abilities and knowledge of the nominee. In part Mr. Merrill had this to say:

"Joseph Adams was our first director of aeronautics for the State of Washington, serving from late in 1946 until November 1949. During this period I had the opportunity as chairman of the commission to become well acquainted with his ability to handle and administer the work of such an office. Without going into details I can stanchly vouch that our office was well organized and the work program that was carried out was exceptionally well done with a minimum of funds available.

"The State of Washington now has a very fine reputation in the National Association of State Aviation Officials, as well as with our own organizations such as the Washington State Flying Farmers and the Washington State Aviation Operators Association.

"I personally consider this appointment an opportunity that the Pacific Northwest should unite on and wish by this means to let you know my own views on the matter."

This letter ought to be concluded with an attached editorial headed "Adams for Adams" which appeared in the Washington Post of January 29. This editorial judges Mr. Joe Adams' background and knowledge to be promising while it reflects on the causes which led to the dismissal of Mr. Joe Adams' predecessor. I trust that the committee will permit this editorial to be made a part of the committee record.

In being a Republican I would have preferred that a qualified Republican had been named for the pending appointment. That feeling is, however, quite beside the point at issue. My colleague and the administration have named an individual who appears to possess the qualifications required by a very demanding assignment. I am pleased to say that if Mr. Adams is confirmed, that I shall wish him well and cooperate with his office in every way for the good of my State and our Nation.

With warm personal regards, I am,

Most cordially,

HARRY P. CAIN.

Mr. CAIN. Mr. President, I wish to express my appreciation to the Senator from North Dakota.

POLICY WITH RESPECT TO THE MANUFACTURE AND DISTRIBUTION OF GOODS

Mr. LANGER. Mr. President, on January 8, I introduced Senate bill 141,

which is a bill designed "to clarify and formulate a consistent and coordinated national policy with respect to the manufacture and distribution of goods; to strengthen small business in its economic struggle for survival; to promote competition by prohibiting a manufacturer from engaging in the retail field and by prohibiting a retailer from engaging in manufacturing; and for other purposes." That bill was referred to the Committee on Interstate and Foreign Commerce.

Two years ago I introduced a similar measure, then known as Senate bill 1709, which also was referred to the same committee. I later offered the substance of my bill, Senate bill 1709, as an amendment in the nature of a substitute for Senate bill 640, which had been referred to the Committee on the Judiciary.

A similar situation again confronts us. On January 23 last a bill was introduced as Senate bill 629, to provide for the distribution of motor vehicle tires and for other purposes. I now offer as an amendment to Senate bill 629, in the nature of a substitute, the substance of Senate bill 141, which is now before the Committee on Interstate and Foreign Commerce. I ask that my amendment in the nature of a substitute for Senate bill 629 be printed and referred to the Committee on the Judiciary.

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

Mr. LANGER. Mr. President, if and when hearings are held on Senate bill 629 by the Committee on the Judiciary, I feel that the entire subject should be examined. I see no reason why the manufacturer of motor vehicle tires is in any different position, when it comes to selling tires through the manufacturer's own retail outlets, from that of manufacturers in other fields. That is why I feel that we should clarify and formulate a consistent and coordinated national policy with respect to the manufacture and distribution of goods, and that is the subject which is covered by my amendment.

Mr. President, I pointed out to the Senate on May 10, 1949, how the reasoning of Judge Minton, a distinguished former member of this body, had been set forth in the seventh circuit court case of United States against the New York Great Atlantic & Pacific Tea Co., and others. I have had occasion in the past few days to demonstrate on the floor of the Senate that the A. & P. is the biggest egg handler in the country, and how its egg-buying operations usually set the pace. I said then, and I now repeat, that it is ridiculous for the farmers to receive only 21 or 22 cents a dozen for eggs when the consumer is obliged to pay anywhere from 70 cents to a dollar a dozen for eggs. I quoted then an article describing how the A. & P. orders its traders to buy up all the eggs in sight, and continues the feverish buying until A. & P. gives the signal to stop, and then buying ceases and the prices drop.

Such things go on, Mr. President, as to eggs, as to meat, as to milk, and as to other produce from our farms. The economic struggle for survival affects all walks of life. It affects manufacturers and farmers. It affects wholesalers and consumers. Obviously, Congress has to legislate for the greatest good of the greatest number, and, as a result, Congress long ago took its place on the side of the people and against monopoly. We passed the Sherman Antitrust Act. We added to it through the Clayton Act. Through the Robinson-Patman Act we legislated further in our efforts to lay down proper rules for competition.

While Judge Minton was on the seventh circuit court, where he wrote his famous opinion in the A. & P. case, he also wrote the opinion in *Standard Oil Company* v. *the Federal Trade Commission* (173 F. 2d 210). The Federal Trade Commission in that case had found that the Standard Oil Co. was selling gasoline to four comparatively large jobber customers in Detroit at a lesser price per gallon than the price at which it sold similar gasoline to many comparatively small service-station customers in the same area. The Commission ordered the company to cease and desist from that price differential, and the court of appeals required its enforcement.

What happened after that case was won, Mr. President? The Standard Oil Co. brought the case to the Supreme Court of the United States, where it was argued during the October term of 1949. The issue was not then settled, and the case was reargued before the Supreme Court during this term.

On January 8, 1951, the Supreme Court reversed the court of appeals, but Mr. Justice Minton could take no part in the consideration of the case, for he had written the opinion of the court below. Justice Reed, Justice Black, and Chief Justice Vinson dissented.

Mr. Justice Reed said that the action taken by the majority "would permit a seller of nationally distributed goods to discriminate in favor of large chain retailers, for the seller could give to the large retailer a price lower than that charged to small retailers, and could then completely justify its discrimination by showing that the large retailer had first obtained the same low price from a local low-cost producer of competitive goods. This is the very type of competition that Congress sought to remedy."

Accordingly, I think that if we are to go into these subjects at all, we ought to examine the situation right across the board. Therefore, I offer my amendment in the nature of a substitute for Senate bill 629.

Mr. President, for a quick summary of the Supreme Court's opinion in the Standard Oil case I ask unanimous consent that there be printed in the RECORD at this point an article from the Washington Post of January 9, 1951, entitled "Double Pricing Wins Supreme Court Test."

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

DOUBLE PRICING WINS SUPREME COURT TEST

(By Murray Marder)

A business firm can sell its goods at a lower price to one customer than it does to another if it is acting in good faith to meet competition.

This issue of long standing was resolved yesterday by the Supreme Court in a 5-to-3 decision. The Court's majority said "good faith" was the test to determine whether such double-pricing methods are illegal.

The decision was the only written opinion delivered by the Court yesterday, and the second in 2 weeks on a major question of price competition. Last week the Court held that it is just as illegal for manufacturers to try to set price ceilings on their products as to establish minimum resale prices.

STANDARD OIL INVOLVED

The "good faith" test for competition came in a case in which the Federal Trade Commission challenged the right of the Standard Oil Co. of Indiana to sell gasoline to four large jobbers in the Detroit area at 1½ cents a gallon less than it charged retail service stations.

The jobbers at some time have also resold some of their gasoline at retail levels.

FTC ruled in August 1946, that Standard must discontinue its double-pricing method. It was insufficient to argue, FTC said, that Standard's actions were taken in "good faith" to meet an equally low price offered by competitors.

Even if they were, said the FTC, their effect, nevertheless, was to "injure, destroy, and prevent competition with the retail stations," as interpreted under the Robinson-Patman Anti-Price Discrimination Act of 1936.

FTC was upheld by the seventh circuit court of appeals, in April 1949, in an opinion written by the present Justice Minton of the Supreme Court. He did not participate in yesterday's decision.

OPINION BY BURTON

Justice Burton, delivering the majority opinion for the high Court, said the Robinson-Patman Act did somewhat after the issue involved as stated in the Clayton Act of 1914, but:

None of these changes, however, cut into the actual core of the defense. That still consists of the provision that wherever a lawful lower price of a competitor threatens to deprive a seller of a customer, the seller, to retain that customer, may in good faith meet that lower price.

"The heart of our national economic policy," Justice Burton said, "long has been faith in the value of competition. In the Sherman and Clayton Acts, as well as in the Robinson-Patman Act, 'Congress was dealing with competition, which it sought to protect, and monopoly, which it sought to prevent'."

FTC was ordered to comply with the opinion and it will determine whether the record showed good faith on the part of Standard Oil.

Justice Reed wrote the dissent, and was joined by Chief Justice Vinson and Justice Black.

"The court's interpretation" of the Robinson-Patman Act, Justice Reed said, "leaves what the seller can do almost as wide open as before."

DISCRIMINATION OPENING SEEN

Action of this kind, he said, "would permit a seller of nationally distributed goods to discriminate in favor of large chain retailers, for the seller could give to the large retailer a price lower than that charged to small retailers, and could then completely justify its discrimination by showing that the large retailer had first obtained the same low price from a local low-cost producer of competitive goods.

"This is the very type of competition that Congress sought to remedy," Justice Reed declared.

Congress sought to resolve the same issue last year in a section of the basing-point bill that President Truman vetoed in June. The good faith determination was in that bill, while the major part of that legislation would have permitted firms to absorb freight charges and quote uniform delivered prices for goods regardless of the distance they were shipped.

Mr. LANGER. Mr. President, I send to the desk the amendment which I offer. I wish to say once more that so long as I am a Senator I intend to vote for the small-business man, who, in my opinion, has been harmed by the decision to which I have referred.

SUGGESTED INCREASE OF EXEMPTION ON PERSONAL INCOME

Mr. President, I send to the desk a resolution which was passed by the Grand Forks Trades and Labor Assembly at their last regular meeting on January 10, 1951, which was sent to me by Dan Olsen, secretary and treasurer of the assembly, and I ask unanimous consent that it may be printed in full at this point in my remarks.

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

Whereas the United States Government in meeting the war crisis will need to continue to impose heavy taxes; and

Whereas the ability-to-pay principle should be the measuring rod in the imposition of income taxes; and

Whereas 2½ percent of the total Federal revenue in the 1939–40 fiscal year came from individuals with incomes of less than $5,000 a year, and increased to 25 percent by 1950, while the percentage of revenue from corporations during the same period increased only from 26 to 30 percent; and

Whereas despite an average 80.7 percent increase in wages for union wage earners from 1939 to 1950, while living costs were rising 74.8 percent and Federal income taxes for those earning less than $5,000 a year, increased to an average point of 10 percent of their gross income, the wage earner in 1950 finds himself with less real wages than in 1939; and

Whereas the Nation is more prosperous than at any time in history, the typical or average wage earner in 1950 with the dollar worth 57 cents of the 1939 dollar, has not only failed to advance, but has fallen behind his 1939 standard in amount of real value; and

Whereas the wage earner with wife as dependent who received $34.30 a week in 1939 and paid no Federal income tax, and who in 1950 receives $62 a week and pays $5.70 weekly taxes, has take-home pay of $56.30, which on the present 57-cent dollar, equals $32.30 of the 1939 dollar, and is $2 weekly less than the $34.30 take-home pay of the same worker in 1939; and

Whereas social and economic justice demands alleviations of the tax burden of those with dependents, who now pay most of the heavy excise taxes; and

Whereas an increase in the exemptions in Federal income-tax returns from $600 per person to $800 a year would give the average wage earner, with wife as dependent, a savings of $69.60 a year or about $1.33 a week; and

Whereas such an $800 exemption would reduce the tax load on individuals $4,000,000,000 a year, a drop from $18,000,000,000, to $14,000,000,000; and

Whereas corporations, paying $12,000,000,000 a year, or two-thirds of what individuals pay, are the only group better off today in comparison to the values of 1939, should be levied increased taxes to make up the $4,000,000,000 reduction resulting from increasing the exemptions: Now, therefore, be it

Resolved this 18th day of December 1950, in the city of Duluth, Minn., That the executive boards of teamsters joint councils, 32 of Minneapolis, 34 of St. Paul, and 48 of Duluth do hereby go on record urging Congress at the next session in January 1951, act to increase exemptions on personal income tax returns to $800 per person, and to increase corporation taxes to offset any reduction resulting from the rises in exemptions; be it further

Resolved, That each of the three participating teamster joint councils work jointly and separately to enlist other organizations to support actively this resolution.

PRICES OF FARM PRODUCTS

Mr. LANGER. Mr. President, I have a letter from Bowman, N. Dak., dated January 19, 1951, which I think is very interesting, and which I think every Senator should read. It is from an honest-to-God dirt farmer, Mrs. Rose M. Hansey, and it reads as follows:

BOWMAN, N. DAK., *January 19, 1951.*

Senator WILLIAM LANGER,
Washington, D. C.

DEAR SIR: Am writing to you in regard to farm product prices, especially eggs. We raise high-priced pullets, expecting the eggs to get our groceries, but so far eggs are so cheap, they don't even pay for the feed the chickens eat. And wheat should be at least $3 per bushel. Farm machinery is so high can't even buy what we need. Need a new linoleum, blinds, etc., but feel that we can't afford it. Taxes are so high we had to borrow money for the time being to pay them, in hopes that grain prices would go up, especially wheat, as that is our main crop.

And another thing we aren't in favor of drafting 18-year-olds.

We had two boys in the other war, and it spoiled their health and our home has never been the same since. We have the one boy left at home; he is soon 15 years old and all we have to look forward to is that he will have to go to war as soon as he is old enough. Future isn't very bright. The only bright thing we have is our Bible and family. We would like to keep them if we can.

There are many more things I'd like to write about, but the price on eggs was the main thing. Don't know just what the stores pay now, but it must be below 20 cents. Haven't taken any to town lately. The last time I got 27 cents a dozen. And a pound of coffee was 91 cents or rather 93 cents with tax.

Hope you can help wake them up down there, so we can make both ends meet.

Sincerely,

ROSE M. HANSEY.

Mr. President, I hope the distinguished majority leader listened very carefully to that letter, because, after all, the Democrats are in the majority and they are to blame. If anyone is to blame, it is the Democratic Party, led by my distinguished friend from Arizona. Only a short time ago, we could buy a can of salmon for 19 cents. Today it is 79 cents. During all the time the Democratic Party has been in control it has done nothing, apparently, to regulate the prices of the goods which poor persons must buy. This poor farm woman writes to me telling me she is receiving less than 20 cents a dozen for eggs. She cannot even buy linoleum, or any of the necessities of life. Coffee is 93 cents a pound.

I hope my distinguished friend and colleague from Arizona, for whom I have a very high regard, will read the letter very carefully. I know that a man of his great ability, and holding the great position which he holds as Democratic leader, will take steps immediately to see that farm prices are protected.

Mr. President, I now wish to make some brief comments on another subject.

The PRESIDING OFFICER. The Senator from North Dakota may proceed.

UNITED NATIONS CHARTER

Mr. LANGER. Mr. President, I hold in my hand an editorial which was published in the Daily Oklahoman, of which Mr. E. K. Gaylord is editor. It is one of the outstanding newspapers of the West, and is published every morning by the Oklahoma Publishing Co. The editorial is entitled "While the People Sleep." I ask unanimous consent that the editorial be printed at this point in my remarks. It is one of the most thought-provoking editorials which has been published in any newspaper in the past 50 years. It shows that by the adoption of the United Nations Charter, against which I am proud to say I voted, we are now in a war without Congress ever having voted for war. The editorial refers to the fact that the Appellate Court of California in rendering its decision in a case was guided by action taken by the United Nations.

The PRESIDING OFFICER. Is there objection?

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

WHILE THE PEOPLE SLEEP

In article VI, section 2, of the Federal Constitution it is provided that "All treaties made under the authority of the United States shall be the supreme law of the land." It further provides that the "judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding."

The Charter of the United Nations was presented to the Senate as a treaty and ratified as a treaty. Its provisions are therefore superior to any American law and even to the Constitution. All American judges are bound to recognize the Charter as the supreme law of the United States.

That Charter provides specifically that no nation that approves the charter shall enact any law that makes any distinction as to "race, sex, language, or religion." All of our existing laws and ordinances that make any such distinction are therefore invalid, since they violate the terms of the ratified charter, which the Constitution recognizes as the "supreme law of the land."

In conformity with that provision of the charter the Appellate Court of California has declared invalid the California statute which denies to orientals the right to own land. That statute has been upheld by the Supreme Court of California and by the Supreme Court of the United States. But the law is now declared void by the Appellate Court of California on the ground that it violates a treaty that was not even written until 25 years after the law was enacted.

If one State law that violates the Charter of the United Nations can be declared void,

every law enacted by Congress, legislature, or municipal council can be nullified for the same reason. Laws that have gone unchallenged and undisputed for 150 years can be declared void if that decision of the California Appellate Court is permitted to stand.

The country thought that the San Francisco Conference was designing a fabric to render future wars less probable. Now the country is informed by a California court that the conference actually wrote an agreement that is superior to every law ever enacted in America and superior even to the Constitution of the United States. Now the people learn that when the Senate approved that Charter it accepted as the supreme law of the American people an instrument not written by Americans but by the nations and tribes and tongues of two hemispheres. Russians and Chinese and East Indians and other aliens enacted for the American people the supreme law of the American people.

Meanwhile there is pending what is known as the Genocide Convention. This is an instrument written by the Assembly of the United Nations which forbids all attacks on races as such. It leagues all the nations together to administer punishment to any nation or individual that attacks or abuses or oppresses any race or any member of that race.

That convention provides that any nation or any individual charged with the crime of genocide shall be tried in the nation where the crime has been committed or tried by a tribunal to be set up by the United Nations. If that convention is ratified by the Senate, it, too, will become the supreme law of the land, the "Constitution to the contrary notwithstanding."

Under that new "supreme law of the land" it would become at least possible to force any American citizen to trial before an alien court in Geneva or Moscow or Rome or Tokyo, where cruel and unusual punishment is not forbidden and where the privilege of a trial by jury is unknown. If the Senate makes that convention the supreme law, every liberty enjoyed by Americans will become subject to the wishes and whims and passions of Mongols and Slavs and Hindus the wide world over.

THE FEDERAL DEBT

Mr. LANGER. Mr. President, a few years ago when I was Governor of my State, North Dakota owed very little money, only about $42,000,000. During the drought period we reduced the debt to roughly $21,000,000. We cut the debt in two, and cut the expenses of our State Government 54 percent. We cut them from $11,700,000 to $5,400,000. would be interesting to know what t[illegible]t of North Dakota is today.

I hold in my hand an article which was published by the North Dakota Taxpayers Association. It says that North Dakota's share of the Federal debt—the Federal debt, Mr. President—is much greater than the total taxable value of all real and personal property in the State. Each individual's share of the $256,598,297,426 of Federal debt amounts to $1,[illegible]8. That is what every North Dakotan—not every family, but every individual—owes. Mr. President, I have before me a list of every county in the State, showing the population, the county's share of the Federal debt, and the net taxable valuation in 1950. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

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

North Dakota's share of Federal debt is much greater than total taxable value of all real and personal property in State

[Each individual's share of the $256,598,297,426 Federal debt amounts to $1,708]

County	Popu'a-tion, 1950	County's share Fed-eral debt	Net taxable valuation, 1950
Adams	4,891	$8,353,828	$4,659,425
Barnes	16,822	28,731,976	16,134,965
Benson	10,618	18,021,544	10,685,428
Billings	1,769	3,651,452	2,552,297
Bottineau	12,091	20,828,428	12,236,154
Bowman	3,998	6,267,584	4,260,661
Burke	6,597	11,130,676	7,319,443
Burleigh	25,252	43,898,416	17,826,697
Cass	57,903	98,971,324	52,551,326
Cavalier	11,693	19,484,644	12,794,204
Dickey	9,066	15,484,728	10,428,079
Divide	5,977	10,318,716	6,450,961
Dunn	7,212	12,318,096	6,611,827
Eddy	5,361	9,557,588	6,244,652
Emmons	9,694	16,005,352	7,879,929
Foster	5,301	9,954,108	6,835,722
Golden Valley	3,487	5,935,796	4,153,306
Grand Forks	39,190	66,936,520	30,777,683
Grant	7,109	12,022,172	6,003,366
Griggs	5,414	9,147,112	6,936,639
Hettinger	7,086	12,502,888	5,611,526
Kidder	6,154	10,011,032	6,661,298
LaMoure	9,471	16,176,468	10,224,453
Logan	6,345	10,837,260	5,387,407
McHenry	12,556	21,445,648	11,970,079
McIntosh	7,591	12,965,428	5,724,150
McKenzie	6,840	11,682,720	6,401,960
McLean	18,770	32,059,160	11,641,182
Mercer	8,676	14,818,608	6,814,786
Morton	19,242	32,865,336	13,739,567
Mountrail	9,399	16,053,492	9,001,109
Nelson	8,055	13,757,940	9,538,100
Oliver	3,077	5,255,516	3,252,447
Pembina	13,944	23,816,352	13,080,697
Pierce	8,259	14,106,372	8,888,549
Ramsey	14,334	24,482,472	15,820,950
Ransom	8,838	15,095,304	8,052,989
Renville	5,388	9,202,704	5,616,626
Richland	19,738	33,712,504	19,017,396
Rolette	11,094	18,948,552	5,346,531
Sargent	7,568	12,926,144	8,080,145
Sheridan	5,226	8,926,008	4,870,378
Sioux	3,709	6,334,972	1,616,010
Slope	2,308	3,942,064	2,647,915
Stark	16,121	27,534,668	11,677,794
Steele	5,131	8,763,748	6,837,939
Stutsman	24,039	41,058,612	20,241,619
Towner	6,329	10,809,932	8,844,535
Traill	11,330	19,351,640	12,588,027
Walsh	20,485	34,988,380	15,545,378
Ward	34,631	59,149,748	25,014,286
Wells	10,384	17,735,872	10,992,828
Williams	16,402	28,014,616	15,555,793
Total	617,965	1,055,484,220	559,647,225

Sources: Valuation, State tax commissioner; Federal debt, U. S. Treasurer's Report, November 1950; population, Bureau of Census.

UN MEMBERSHIP

Mr. LANGER. Mr. President, I call to the attention of every Member of the Senate that as the senior Senator from North Dakota I voted against every appropriation of money to be sent to foreign countries with one exception. I voted only for UNRRA. I voted for the two billion dollars which we sent abroad to feed the hungry, naked, and needy all over the world, regardless of religion or nationality. I voted against every other appropriation of money to be sent to foreign countries. Some of the $12,000,000,000 we sent to Russia is now being used against us.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point in my remarks an article entitled "United States Could Cut UN Ties," written by David Lawrence, and published in a recent issue of the Washington Evening Star.

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

UNITED STATES COULD CUT UN TIES—RELEASE FROM OBLIGATION TO ACT IS POSSIBLE IN EVENT OF AGGRESSION IN EUROPE OR ASIA

(By David Lawrence)

The United States is beginning to ask various governments whether their attitude of procrastination in the United Nations means that, in the event of an aggression committed against their respective territories, America is to be released from obligation to act promptly in branding and punishing such aggression.

To say that the American Government is astonished by the strange behavior of various member governments of the UN is to put it mildly. It is doubtful if some of these governments themselves realize the extent to which they are jeopardizing the prospect of American protection for their interests in the future.

The United States went into Korea and has suffered 46,000 casualties in the belief that the members of the UN who voted to resist aggression in North Korea were sincere in that vote. If they did not mean what they said, then, in all candor, a resolution should be adopted at once rescinding and revoking that step and announcing to all the world that the members of the UN do not intend to resist any aggression in Europe or in Asia. This would give the United States a free hand.

The American taxpayer would be relieved, moreover, to discover that the $200,000,000, for instance, which India wants from our Government for food is something that need not be spent, after all, because India's Prime Minister, having allied his Government with the Moscow Government, presumably could receive such aid from the Soviets.

The policy of the American Government has never been one to tie in its financial or economic aid with any military alliance, but the 46,000 casualties in Korea in the face of the willingness of India to write off that entire adventure as an American blunder, and not a UN action at all, has aroused Members of Congress. It is unlikely that India or any other nation will find Uncle Sam generous hereafter to governments that are unwilling to risk their troops in support of American troops.

The speech of Indian delegate Rau at the UN declaring that, since a lull in the fighting has occurred, there should be more and more palavering with the Chinese Communists produced a sickening impression here. It could not have been worse if India had openly stated her intention to become allied with Moscow.

Allied sea power has, temporarily at least, upset Communist China's strategy in Korea. This, more than any intentional suspension of hostilities on the battlefront, accounts for the lull in the fighting.

The Chinese face the prospect of an amphibious landing or the threat of such a maneuver, and they recall that a large number of North Korean troops were caught in a similar trap before.

As long as Allied warships can move freely up and down the west coast of Korea and interfere with the landings of any supplies from Chinese ports and destroy not only port facilities but vital roads along the coast, the Chinese high command must face a serious menace to its rear.

Our naval power, incidentally, is not confined to bombardment from cruisers. Plenty of planes are flying from the decks of aircraft carriers, and their bombers are inflicting damage to supply lines as they operate alongside United States Air Force land-based planes which range the northern area, too. The Air Force is doing a wonderful job.

The average American who has been gathering defeatist impressions from the recent headlines about the strategic withdrawal of UN forces does not have a real conception of the extent of the damage done by sea power and air power in the last 5 weeks. The optimism which has been emanating from Washington and Tokyo in the last few days about the improved situation of our forces is based primarily on the tremendous losses being inflicted on the supply lines of the enemy.

In the course of reoccupying some of the areas which have been recently abandoned by the Communists, an opportunity has been afforded to make an actual count of some of the soldier dead of the enemy. In one place alone 2,200 dead troops were accounted for, and hence the belief has developed that Red China cannot indefinitely stand the losses, especially since she has her crack field army in Korea.

The UN can win in Korea, but the battle now is with the faint hearts and the craven intriguers in its own ranks.

THE POSTAL SERVICE

Mr. LANGER. Mr. President, last week I offered a resolution asking that the Postmaster General's order cutting daily mail delivery be rescinded. We have been told a great deal about the deficit in the Post Office Department. I hold in my hand an article entitled "Railroads Settle Old Mail Claims," written by Joseph A. Loftus, and published in the New York Times of September 24, 1950. It says:

Agreement with postal heads for $150,000,000 covers rates for 4-year period.

I say now, as I have said on former occasions on the floor of the Senate, that this amount includes the cost of hauling empty mail cars from one end of the United States to the other. The Post Office Department has cut the pay of the men who work for the Department. When I tried to get a decent rate of pay for some of the veterans who are mail handlers, it was said that nothing could be done about it.

Mr. President, some of the employees of the Post Office Department get as little as $1,900 a year. They are expected to support wives and children on that. Finally, after great effort, I got their pay raised to $2,400. Some of the men are veterans who served on Guadalcanal, and many of them were wounded during the war. Some of them are getting small pensions, while others are getting nothing at all. When I tried to get them a raise, it was said that it could not be done. It was said that the Post Office Department did not have enough money. According to the article in the New York Times, the railroads are being taken care of. They got $150,000,000.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD in full at this point in my remarks.

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

RAILROADS SETTLE OLD MAIL CLAIMS—AGREEMENT WITH POSTAL HEADS FOR $150,000,000 COVERS RATES FOR 4-YEAR PERIOD

(By Joseph A. Loftus)

WASHINGTON, September 23.—The railroads settled old claims for higher mail-carrying rates today for about $150,000,000.

This is a rise of about 19 p rcent. It covers a period of nearly 4 years ending next December 31. The railroads are asking further increases to take effect January 1.

The agreement with the Post Office Department is subject to approval of the Interstate Commerce Commission. Hearings on the settlement and proposals for a new rate structure are set for November before the Commission.

Postmaster General Jesse M. Donaldson announced a three-point agreement with the carriers. The three points are:

1. Elimination of the round-trip provision of the present rate schedule which requires the Post Office to pay for the return of empty cars on the same basis of pay as the movement of outbound loaded mail cars. This applies only to regular railroad equipment, which can be used for other shipping purposes. It does not apply to railway post-office cars, which are special equipment dedicated to the postal service.

This will place the Post Office Department for the first time on the same basis as other shippers. The round-trip c arge was instituted many years ago, when about 80 percent of the cars used for mail-carrying were special equipment. The growth in the volume of mail, particularly of parcel post, has permitted the use of more regular equipment. Only about 24 percent of the mail-carrying cars now are special post-office cars.

Government estimates of the payment for empty returns are $30,000,000 a year. Not all of that will be saved. The cost of empty cars that may be necessary to the transportation of mail will be included in the one-way rate, as it is in the case of other types of shippers.

2. Agreement on a proposed rate structure for the future whereby line-haul costs and terminal costs will be calculated separately. The Department said this was a more realistic approach to the problem of the individual roads. Under the present system there is a flat, country-wide rate which is supposed to cover haul and terminal costs. Terminal costs vary greatly among the carriers. The new method will take these factors into consideration.

The actual level of rates is not embodied in this section of the agreement. Actual rates would be set by the Interstate Commerce Commission after hearing.

3. Agreement on a lump sum cash settlement of claims by the railroads for additional revenue for transporting the mails during the 4 years the case has been pending before the ICC.

The railroads received $223,500,000 for transporting the mails in the fiscal year of 1950. The settlement of 19 percent would be applied to this and to the three previous years. Rail transportation payments in those 3 years were lower than they were in the fiscal year of 1950. An authoritative source estimated the settlement cost for the 4 years at about $150,000,000.

The pending applications of the railroads before the Interstate Commerce Commission seek a 95-percent increase over the rates in effect when the case was filed in February 1947. An interim increase of 25 percent in mail pay was granted by the ICC on December 1, 1947.

Hearings on the proposed settlement of the claims for the 4-year period will begin November 8. Hearings on the proposed new rate structure will begin November 29.

THE RAILROAD STRIKE

Mr. LANGER. Mr. President, I listened with interest this afternoon to the address of the distinguished junior Senator from Oregon [Mr. MORSE] on the subject of the railroad strikes which are now in progress. I think he did it unintentionally, because I know the Senator, and I am satisfied that he did not speak with malice aforethought, or with any intent to criticize the railroad strikers, but, as I remember, he referred to the employees as a group of men who are looking out for their own economic interests.

Some persons may get an impression contrary to what I believe the junior Senator from Oregon had in mind. I know he agrees with me that during World War II there was no other organization which compared in patriotism to the railroad brotherhoods. To say that the men who are on strike—men who have sons in Korea, and whose sons are being drafted—are unpatriotic is untrue, because the record made by the members of the railroad brotherhoods during World War II speaks for itself. We are all familiar with that record. We know that 21 percent of the young people who worked on the railroads and belonged to the brotherhoods were in World War II—21 percent, Mr. President. With machinery, tools, and equipment growing older and older as the war progressed, the fact remained that the railroad brotherhoods hauled twice as much freight—twice as much, Mr. President—as was ever hauled in the history of America. That is their record, Mr. President. The distinguished junior Senator from Oregon gave the record as to what the White House is doing.

Under a Democratic administration headed by Woodrow Wilson we were at war. We have had two wars since. We are in one now. We had World War II. All this time the Democrats have been in power. It seems to me that they ought to have the laws ready so that they could handle strikes, so that the price of food could be kept at a fair level, and so that wages could be kept at a fair level. Yet month after month went by. The price of food rose to the highest point it has ever reached in all the history of the country. Then we found the automobile companies, with unheard-of profits, adding another 5 percent. When the prices were rolled back all they took off was the last 5 percent.

Mr. President, I have received letters from some of the strikers. I have received some from Fargo, N. Dak. I am sorry I do not have them with me. Those letters show the budgets of the workers, and establish conclusively that a worker cannot live decently and support a wife and children on the pay which he is receiving.

For 22 long months, nearly 2 years, this question has been before those in control of our Government. After all the experience which the Democratic Party has had with war, one might suppose that it would not be necessary to wait for 22 months to give either the railroads or the employees justice. One might suppose that by this time the administration could have figured out some formula so that it would not be necessary to have the terrible strike which is now affecting people all over the country.

Mr. President, I should now like to refer to an editorial on another subject.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

SUGGESTED WITHDRAWAL OF TROOPS FROM KOREA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed at this point as a part of my remarks an editorial entitled "Change in Attitude," published in the Kildeer (N. Dak.) Herald of January 18. The editorial states that the Legislature of North Dakota has passed a resolution urging that we withdraw our troops from Korea.

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

CHANGE IN ATTITUDE

The Senate of the State Legislature of North Dakota has passed a resolution that we withdraw our troops from Korea. The Congress of the United States is all worked up over our foreign policy which involved our troops in the battle in Korea.

Like 95 percent of the rest of us they figured we had done the right thing when we decided to step into the Korean affair under the banner of the UN. It looked like a pretty simple matter to push the North Koreans across the thirty-eighth parallel from whence they had come. No one figured we'd be fighting a million Chinese before the fracas was over. Since that has taken place, our President, Harry Truman, has turned from hero to scapegoat.

It takes a lot of people to make a world, but I don't see how they all got into the United States.

FARM PRICES—LETTER FROM O. S. ELLEVOLD AND ARTICLE BY MARK SULLIVAN

Mr. LANGER. Mr. President, last week on the floor of the Senate I took up the matter of the German Embassy being sold. Before I go into that question I should like to introduce another letter into the RECORD at this point in my remarks. It is dated February 2, and it is written by a farmer at Williston, N. Dak. It is so important that I shall read it.

WILLISTON, N. DAK., *February 2, 1951.*
Hon. WILLIAM LANGER,
United States Senate, Washington, D. C.

DEAR SENATOR: I just read the enclosed article by Mark Sullivan and it is enough to make any farmer's blood boil when he reads that kind of stuff. Either the man is a hope-pin-head or he is a malicious cur. I get 3½ cents per pound for No. 1 wheat at the elevator and a loaf of bread which sells for 22 cents contains about 1 pound of dry wheat flour. And when you start figuring breakfast food for instance it is 10 times worse; 4 ounces of puffed wheat retails for 15 cents, that is 60 cents per pound. I get 3½ cents for producing the wheat at high expense and somebody else gets 56½ cents for shooting that wheat through a popping machine, putting it in a paper box, handing it to the customer, and then they brand me the villain and profiteer.

I wish you would take that guy to task and trim him down to size; I know you can do it if you make up your mind to.

It has been very cold up here now for a week, but is warming up this morning, and it looks nice outside.

Thanking you for your kind attention and all past favors, I am

Sincerely yours,

O. S. ELLEVOLD.

P. S.—I would appreciate very much if you would send me a copy or two of the CONGRESSIONAL RECORD under date of January 17, 1951.

Mr. President, I do not know of any better way to bring this matter to the attention of my friend Mark Sullivan than by reading this letter on the floor of the Senate and asking unanimous consent that the article which he published, which aroused the ire of my friend in North Dakota, be printed in full in the RECORD at this point.

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

LIMITATION ON ADMINISTRATOR IS SEVERE

(By Mark Sullivan)

WASHINGTON.—In a rush of hurrying developments during several days past, the Government has set ceilings over many prices and is setting them on more. To fix the prices and enforce them it has set in motion several new agencies, among them a kind of over-all one, the Economic Stabilization Agency, administered by Eric Johnston. Associated with Mr. Johnston is Michael DiSalle, Director of Price Stabilization.

All this is portentous. It means, as a matter of course, that there will be ceilings over prices of a larger number of commodities. Further than that, it has created an impression that the rising cost of living is to be checked and inflation also. This, in fact, is generally assumed to be the official purpose and expectation of the administration. Whether it is likely to be achieved is a subject of much discussion. Some light may be found by inquiry beneath the superficial aspect of crowded and hurrying developments.

The basis and authority for all that has so far been done is a statute passed by Congress last September, the Defense Production Act of 1950. The act is very long, intricate, and technical. Two sentences of its mass of verbiage throw rather deeper light on it than all the rest together. They are sentences of limitation. Stating what Administrator Johnston and the agencies under him cannot do, they raise a question about how much he can do at all, certainly a question whether he can stop rising cost of living and inflation. The two sentences compose most of subsection 402 (D) (3) of the act: "No ceiling shall be established * * * for any agricultural commodity below the highest of the following prices: I. The parity price for such commodity, as determined by the Secretary of Agriculture * * * II. The highest price received by producers during the period from May 24, 1950, to June 24, 1950 * * * as determined by the Secretary of Agriculture."

This means that as to putting ceilings on farm crops, Administrator Eric Johnston, of the Economic Stabilization Agency, is in effect displaced by Secretary Brannan of the Department of Agriculture. Mr. Johnston can put no ceiling on a farm crop that is below the parity price determined by the Secretary of Agriculture or, alternately, the other standard likewise determined by the Secretary of Agriculture, the highest market price during May 24–June 24, 1950. While it is true that Mr. Johnston can put a ceiling on a farm crop that is above the parity price, he is here again subordinated to the Secretary of Agriculture, for it is the Secretary who determines the parity price.

The limitation on Stabilization Administrator Johnston is severe. He can at will put ceilings on prices in nearly all the country's industries but not on prices in agriculture. He can at will put ceilings on automobiles and other manufactured products, through a wide range of heavy goods and household appliances, practically the whole field of manufactured goods; but he cannot at will put ceilings on wheat and other grains or on eggs or poultry. Before he can put ceilings on these and other farm products, the ceiling price must be below standards determined by the Secretary of Agriculture.

This is a momentous condition. The farm crops which are kept out of the Stabilization Administrator's discretion and authority are many and important; in the aggregate they compose a material part of the whole economy of the country. It is questionable whether the immense and complex mechanism of ceilings and regulations and controls now under way can function successfully with a material part of the country's economy not under its authority.

Mr. LANGER. Mr. President, I have received a letter dated January 17, 1951, from Grand Forks, N. Dak. The letter reads in part as follows:

GRAND FORKS, N. DAK., *January 17, 1951.*
Hon. WILLIAM LANGER,
Washington, D. C.

DEAR FRIEND: Reading tonight's Herald, date January 24, 1951, where you talking about price of eggs 21 to 30 cents a dozen to farmers—well here goes to tell you what I paid for eggs at Xmas 25 a dozen at Cavalier and here in Grand Forks I paid 70 cents for pullet eggs. Of course, we all know it cost to have them brought to town, but not that much.

Also I see by my union paper from post office where you are in favor of 17 percent increase in pay for all post office employees.

Well, here goes to tell you what I receive for year—$3,050. Take out my income taxes, which is $65; taxes on my home, $203.60; interest on my investment, $235; Parson Prot. $14, total of $526 for taxes without trying to keep a family of five with an aged mother of 86 years old that can only get $10 per month from the welfare board. Of course, one should not complain about their parent. But I think and know this outfit in power are awful therefore I hope as you one my best friend in Washington I hope you stand up and give them heck down there in (D. C.) * * *

As ever,

NORMAN C. WILKEN.

P. S.—Hoping you and your wife very happy New Year as I received your welcome card for the New Year.

I bring that letter to the attention of my distinguished friend from Arizona [Mr. MCFARLAND], the majority leader.

Mr. President, I have another letter from Heimdal, N. Dak.

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

Mr. LANGER. Mr. President, I decline to yield until I get through telling the distinguished Senator all about the egg prices.

Mr. McFARLAND. I merely wanted to ask the Senator a question.

Mr. LANGER. I am sorry, Mr. President, that I cannot yield now. Inasmuch as the Senator is interested in the subject, however, I hand him two letters so he can read them at his leisure and then, if he will be so kind, return them to me. I shall identify the letters, so the Senator will know from whom they were sent to me. One is from Iven K. Wilkins, of Heimdal, N. Dak., and the other is from a very dear friend of mine, Julius Lemke, of Bentley, N. Dak. If the Senator will read the letters and digest them I am sure it will be greatly to his profit.

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

Mr. LANGER. I decline to yield at this time. I simply do not have the time. I have considerable more to present, and I am already late. The Republican meeting and box supper begin at 6:30 and it is now 6:20. The place of meeting is nearly a mile and a half away, and there still is a speech I wish to give. After I complete it, even though I am short of

time, I shall be glad to answer questions if the Senator from Arizona desires to ask me questions.

Mr. McFARLAND. I thank the Senator.

PROPOSED SALE OF GERMAN EMBASSY IN WASHINGTON, AND DEFENSE ALLIANCE WITH WESTERN GERMANY

Mr. LANGER. Mr. President, on Thursday of last week I said I wanted to complete my speech in relation to the proposed sale of the German Embassy. At that time I exhibited to the Senate an advertisement which appeared in the Wall Street Journal for Friday, January 19. It was an offer for sale and began as follows:

Offer for sale by the Attorney General of the United States of America.

Then it described the property known as the German Embassy in Washington. It was proposed to sell that property at the very time when General Eisenhower was in West Germany trying to get the Germans of that area to rearm. General Eisenhower told the people in Germany they would again become a great nation, and that we would recognize them again. It is very strange that the Democratic Party cannot have the Department of State, the Attorney General, and General Eisenhower all work together. On the one hand the people of West Germany are told we are going to welcome them as a nation, while a department of the administration is proposing to sell the German Embassy so that if the German people do become a great nation again their representatives will not have a place in which to hang their hats when they come here.

Mr. President, I ask unanimous consent that the "offer for sale" of the German Embassy be printed in the RECORD at this point.

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

OFFER FOR SALE BY THE ATTORNEY GENERAL OF THE UNITED STATES OF AMERICA

Notice inviting citizens of the United States of America to make offers to purchase from the Attorney General all his right, title, and interest in and to the following described improved real property situated in the city of Washington, D. C.

Description of property: Valuable downtown location, 1435–41 Massachusetts Avenue NW., improvements of brick construction, consisting of 70 rooms, large ballroom, 13 baths and 5 additional toilet rooms, garages and storage space; situated on plot containing 20,000 square feet.

This property is ideally located and offers unusual opportunities for development. The neighborhood is improving, with new construction in the immediate area and is within easy walking distance of the best hotels, many Government departments, churches, schools, financial district, good shopping and restaurant facilities. The site has a frontage of 138.6 feet on the north side of Massachusetts Avenue between Fourteenth and Fifteenth Streets NW., the avenue is 160 feet wide, and is one of the main traffic arteries of Washington.

Which property is more particularly described in a certain vesting order No. 15004, dated August 14, 1950, recorded on August 25, 1950, in the office of the Recorder in and for the District of Columbia in the record of deeds of said District of Columbia in folio 41 on page 9282.

Sealed bids addressed to the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington, D. C., will be received until 10 o'clock a. m. on the 16th day of February 1951, at which time and place said bids will be publicly opened and declared. Each bid must be in duplicate and an irrevocable offer to purchase the property. Bids will be received only from American citizens and corporations controlled by American citizens and organized under the laws of the United States. Bids must contain an affidavit stating, among other things, that the bidder is not purchasing on behalf of an undisclosed principal, a person not a citizen of the United States, or for resale to a noncitizen.

A bank draft or certified check payable to the Attorney General in an amount equal to 10 percent of the bid price must accompany the bid. Any commission payable must be stated in the bid. The Attorney General reserves the right to reject any or all bids or at his election to waive all defects in any bid. The Attorney General's right, title, and interest in the property will be conveyed by quitclaim deed without covenants or warranties of any kind. Further particulars with respect to the said property and forms for submitting bids may be obtained by communicating with the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington, D. C.

Dated at Washington, D. C., this 12th day of January 1951.

J. HOWARD MCGRATH,
Attorney General.

Mr. LANGER. As I previously said, in my opinion the Communists will howl with glee over the proposed sale. How the leaders of the democratic Western Germany must feel when they hear the gibes, "See, you West German leaders won't even have a place to hang your hats when you are in the United States talking about your joining in the western defense." Is it any wonder, then, that United States High Commissioner McCloy's survey says that most West German newspapers refer to the proposed German Army units almost unanimously as "Himmelfahrtkommandos," which means "legions headed for heaven," or extermination? Is it any wonder, then, that General Eisenhower found Mr. McCloy's report so disappointing and so disheartening, for the general knows that such stupid blundering, which is the kindest expression that can be used for such chicanery, unless stopped at once, will most likely cost American lives under his command, for which he carries the responsibility.

This chicanery is not an isolated instance in the operation of the Office of Alien Property administering the Trading With the Enemy Act in conjunction with foreign funds control of the State Department. This is the one agency of government in the United States that could perhaps do more than any other to forward the policies of our military leaders, who in the end carry the responsibility for the people, namely, to prepare the way for the successful integration of Western Germany in the defense alliance of their own free will, and, in addition, influence the civilian populations of all national and racial groups behind the iron curtain to think of America and Americans as their friends, which policies, if not further sabotaged, may yet prevent a spread of war to Europe, and thus save innumerable American lives.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the Wall Street Journal of January 19, 1951, entitled, "Reluctant Germans—Most Would Refuse To Serve in His Army, Eisenhower Will Hear—West German Public Is More Opposed to Rearmament Than Ever, Poll Shows."

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

RELUCTANT GERMANS—MOST WOULD REFUSE TO SERVE IN HIS ARMY, EISENHOWER WILL HEAR—WEST GERMAN PUBLIC IS MORE OPPOSED TO REARMAMENT THAN EVER, POLL SHOWS—"LEGIONS HEADED FOR HEAVEN"

(By Edward Hughes)

BONN, GERMANY.—It will be fairly easy to get Germany's ex-Wehrmacht generals back into uniform. Recruiting the privates and corporals will be another matter.

That is what United States officials here in the West German capital will tell General Eisenhower when he arrives in Germany next week on his inspection tour of Western Europe's defense set-up. The new chief of the North Atlantic forces will be told: Most German men today would refuse to serve in a new army, and the public's antimilitary sentiment is trending upward—not downward.

THE HIGHLY DISAPPROVING MALES

The United States High Commission here has been conducting a series of poll-type studies in recent weeks. The findings are considered so grave the Commission will not allow them to be published in detail. But after a look at the poll figures, it's safe to say experts here now believe that:

No more than 5 percent of West Germany's fighting-age men would volunteer for service in a Western defense army. Less than 10 percent would serve even if drafted.

Nearly half of all West Germans—including the women, the crippled, and the men too old to draft—oppose participation in such an army, even if the Germans were granted full equality in it and full membership in the North Atlantic Treaty organization.

What's more, many people who used to favor some sort of German participation in a Western defense force have apparently changed their minds. In mid-August, for example, almost two-thirds of the population appeared to favor such participation—compared with the present figure of about 50 percent.

West German newspapers refer to proposed German Army units almost unanimously as "cannon-fodder" and "Himmelfahrtkommandos" (legions headed for heaven). Thousands of Germans gather around a nonpartisan group in Hamburg which is distributing neutrality cards pledging the holder to fight neither for West nor for East.

The prevailing antimilitary sentiment in this Nation today throws an eerie light on the important discussions of remilitarization now taking place in this capital.

PARLEYS AND DICKERING

Two separate parleys are being conducted—one in Bonn and the other across the Rhine at the old Hotel Petersberg, where Neville Chamberlain once bargained with Hitler for "peace in our time."

One United States-British-French group is dickering with German Government agents on over-all political concessions to be granted Germany if she actively joins the military build-up against Russia. At the same time another crowd of experts has opened discussions of the technical military problems Germany will face if agreement is reached on the political problems.

The swing of public opinion in coming weeks will have much to do with the success of the parleys. However, some United States

Army officers are inclined to dismiss with an air of impatience the apathy toward rearmament. Says one general: "These fellows are waiting for orders. Naturally, they'll drift so long as we keep asking them if they want to be soldiers. They'll fall in line once we get a concrete agreement and plan in effect and start telling them what to do."

BUT WILL THE PUBLIC GO ALONG?

Since some of the tradition of obedience of the individual to high authority probably still exists among Germans, there may be some validity to this argument. But the big question is whether a hostile civilian public will permit the German Government ever to agree to such a concrete plan in the first place. Chancelor Konrad Adenauer's government is not as secure politically as it once was. It will not want to risk a parliamentary defeat on the question.

Chancelor Adenauer refused to bow to public opinion this week when he rejected the proposal of the East German Government for talks looking toward the unity of all Germany under one democratic government elected freely for the entire population. But he won't risk his neck by rushing swiftly into acception of the Western allies' request for German remilitarization.

Millions of Germans think there's still a chance to avoid rearmament if the United States, Britain, and France are able to sit down with Russia at a Big Four conference on the matter. So observers think Bonn will probably delay the end of the current talks as long as possible in the hope of some last-ditch compromise that might turn up between East and West.

While the French are mostly in favor of such a course, the general United States-British feeling in official quarters here is that it's loaded with dynamite. The High Commission poll of West German sentiment shows that a lot of people would unite with East Germany and, as a neutral nation, stay out of the East-West conflict—rather than join the West in fighting Russia.

DESIGN FOR SOVIET EXPLOITATION

For this reason, American political officials fear Russia would exploit this sentiment at a Big Four meeting. They figure the Soviets might come forth with a spectacular offer such as the dissolution of the East German People's Police (a Red-run army), coupled with free elections—in exchange for a standstill in plans for rearming Western Germany.

"Even though such a suggestion might be an obvious trap, it would be exceedingly embarrassing for us to have to reject it," an American official points out. By this simple maneuver, Russia could add thousands of people to the already sizable anti-Yankee element in occupied Germany, and could put forth new evidence that Soviet Russia is Germany's real friend. That's one big reason why the Western allies won't agree to the Big Four talks unless the agenda includes subjects other than Germany.

Such a Soviet proposal would look very good to a German public which is inclining toward neutralism. Carrying with it the implication that all Germans could unite and step aside to let the East and West fight their war, this term has become an increasingly popular catchword in recent weeks.

Impetus to the "neutralist" movement is provided by an active group of people who follow the guidance of the well-known Pastor Martin Niemoeller, leader in Germany's Evangelical Church, and of Prof. Alfred Noack, of the University of Wuerzburg.

WHAT NIEMOELLER DEMANDS

A few days ago, the 59-year-old Pastor Niemoeller went off to Berlin to confer with Communist officials in the East German Government. He came away renewing his oft-stated demand that all foreign occupation powers leave Germany immediately and be replaced by a neutral occupation force of the United Nations.

Professor Noack, who maintains regular contact with the east zone, highlighted a New Year's speech with a similar call for the removal of "outsiders" from Germany and the sealing off of Germany as a "peace zone" to permit free elections in all parts of the nation.

Despite many loud catcalls which have greeted these gentlemen, the German press is devoting an increasing amount of space to their utterances. The "neutralists" have also undoubtedly attracted thousands of average Germans who see the neutral alternative as a faint ray of hope in a black future.

Critics, on the other hand, maintain that it is futile for Germany to hope to avoid being a part of an East-West fight. Says a Bonn Government spokesman: "The bombs are going to fall on us no matter what we do. At least we must have the moral decency to choose the side of right and fight for it."

Convinced that the neutralists and other antirearming groups are playing into Russia's hands, Allied officials here have become increasingly irked by the cautious attitude which public opinion is requiring Chancelor Adenauer and his representatives to take in the current rearmament talks.

Seeing how slowly Chancelor Adenauer is moving, Allied observers are now predicting that under the most favorable circumstances it will be 6 months or more before the first German dons a uniform. Even at top speed, it would take another year to convert 100,000 to 200,000 recruits into trained soldiers—even if they were willing.

Mr. LANGER. Mr. President, let us see what the Office of Alien Property has done and is doing up to date. Let us see how that office is tied in with the Hiss-White crowd. The announced sale of the German Embassy building, and so forth, is typical of its actions after Harry Dexter White got control of it. How did this happen?

Mr. President, with the outbreak of World War II, even before we were involved in the conflict, the President of the United States created the Office of Foreign Funds Control so that the assets of all potential enemy countries in the United States could be controlled. Every American agrees that this was right and proper. This office was placed under the Secretary of the Treasury; and who was in charge? You guessed it—Harry Dexter White, as Assistant Secretary.

In January 1942, shortly after Pearl Harbor, the President of the United States established the Office of Alien Property Custodian. The President chose a man of impeccable character to head it, for he wanted no scandals, because he well remembered the scandals uncovered in an investigation of that office after World War I. He placed the office under the eminent leadership of Leo T. Crowley. He established the Office of Alien Property Custodian as an independent agency directly responsible to himself. It was the work of that office to take over all enemy assets and to hold them until the war was over, as was done in World War I.

I wish to congratulate my distinguished friend, the junior Senator from Arizona, the Democratic majority leader, on the fact that Mr. Crowley and his staff did an admirable job under almost intolerable conditions, caused by Harry Dexter White and the Office of Foreign Funds Control, who immediately began their work to get control. They succeeded after Mr. Crowley resigned.

Let us not forget that Harry Dexter White had been in control of foreign funds since 1938. The Harry White crowd finally succeeded in securing an Executive order eliminating the Office of Alien Property Custodian as an independent agency and meshing it with the Office of Foreign Funds Control under Treasury jurisdiction. It became a siamese twin with Foreign Funds Control. Under whose control? Under the control of Harry Dexter White. Then came the infiltration of the Office of Alien Property with White's men, hand picked, to carry out White's policies in that agency. Now, as planned, the time for permanent confiscation of these properties was at hand. Yet they realized that the American people and the Congress of the United States were always opposed to confiscation of private property even in time of war.

They knew that the United States Chamber of Commerce publicly announced that they were unequivocally opposed to confiscation of all types of private enemy property in the United States. They knew that most of the leading members of the American Bar Association, students of international law, were also opposed to such confiscation, but there were many members of the Lawyers Guild who supported the Hiss-White policies.

I may say that I shall be unable to use the badge I have received for the dinner this evening, so I will hand it to the distinguished senior Senator from Ohio [Mr. TAFT], Mr. Republican, so that he may have one in each coat lapel, and so that he may represent me when he goes to the dinner and meeting. I know how well he will be treated and how graciously he will be received there.

Mr. TAFT. Mr. President, I appreciate the Senator's kind offer. I think the Senator from South Dakota [Mr. CASE], who now is presiding in this body, should be allowed to go to the meeting. Does not the Senator from North Dakota think so?

Mr. LANGER. I may say to my friend, the distinguished senior Senator from Ohio, that I understand the meeting will last until midnight, whereas at the present time it is only 6:30. So I shall be able to conclude well before the meeting has ended.

Mr. TAFT. Then I return to the Senator his badge, and I hope he will be able to attend the meeting at a later hour.

Mr. LANGER. I thank the Senator from Ohio very much indeed.

Does the Senator wish me to yield to him for some other matter?

Mr. TAFT. No, thank you.

Mr. LANGER. Certainly.

Mr. President, the Hiss-White-Duggan crowd knew that the American public as a whole was opposed to confiscation. So, even before they got control of the Office of Alien Property, they prepared the groundwork for such confiscatory legislation. Who did it? The Treasury Department, Foreign Funds Control, under the brilliant leadership of Harry Dexter White. How was it planned? They

knew that they would have to create a semblance of legality, even if that had again to be put on the false principle of mass guilt and mass punishment. What better arguments and what better semblance of right and legality could they bring before the United States Congress in their efforts to change the law so that all German civilian properties would be confiscated, than to see to it that even neutral countries first confiscated such properties? So they set out on a campaign, directed by Harry Dexter White, with agents from Foreign Funds Control, and they went into every neutral country and forced them to violate their own laws and give them lists of every German property owner.

Think of it, Mr. President; just think of it. They went into every neutral country and forced those in charge of the government there to violate their own laws and give them lists of every German property owned. Little Switzerland was forced by Foreign Funds Control to violate its own banking law, and did so after threats of trade restrictions, after having protested without success for many months to the Hiss crowd in the State Department, and finally gave them the lists of every piece of property and every bank account of every German civilian. Thus it was made to appear that the United States led the way in confiscation, and that other countries followed, when in truth and in fact they did not come before this Congress to get confiscation legislation passed until they had accomplished it in the other countries in the world. This confiscation of properties even in neutral countries was done on the theory that "we do not want the Nazi war criminals to gain from the loot they might have placed in neutral countries." In truth and in fact, it worked out just the other way, and they knew it would work that way. The German civilian who opposed Hitler and who did not want Hitler to use his savings in a war, and who violated Hitler's foreign-exchange laws, at the risk of being placed in a concentration camp, to get his few savings out of Germany into a neutral country, was stripped of those possessions; and there were vast numbers of such German civilians. Did Harry Dexter White and others plan to drive them from their friendship to the United States into the Communist camp? Did the Hiss crowd in the State Department, working hand in glove with White, and who turned down every protest of every neutral country against such blackmailing, also plan to drive the German civilian population into the Communist fold? There simply cannot be any question about it. So the stage was set for such confiscation in the United States. But even this pretense of justice and legality was not enough. They knew that they could not bring about confiscation of such property here unless they tied in a good use of the funds to be confiscated. So they came up with the idea that the funds so obtained were to be used to compensate Americans who were injured by violations of the rules of war. Such compensation was to be made by the use of alien-enemy property. That meant that all such property had to be confiscated first, before the compensation could be made. They knew that anyone who would object would be branded a Nazi or a Fascist, the scum of the earth, if he objected to confiscation and to the use of those funds for that purpose; and there is no doubt that every American, no matter how much he may be against confiscation, would want to see that his American neighbors who were thus injured were fully compensated, as much as it is humanly possible to do so. But the Hiss-White crew knew all along that the German civilian population and the Japanese population abhorred the crimes for which compensation was planned for the American victims, and if given a chance, they would have done it themselves. Let us not forget that immediately after the close of hostilities in Europe the first thing the German civilian population did was to take steps to make restitution as much as possible to all victims of Hitler persecution, Jews and Christians alike. They did make restitution, for they abhorred the crimes for which they got the blame.

Yes, Mr. President, the Hiss-White crew and their followers knew full well that no one would object to such confiscatory legislation. So once again those who ordinarily would have come forward to tell the Congress that the plan was wrong, were effectively silenced for fear of being smeared by the followers of the Hiss-White crowd, who were active in some fields of the public press and the radio. As a consequence, the American Chamber of Commerce kept silent; leaders of the American Bar Association kept silent; Americans of German and Japanese birth, who tried to provide for their relatives in enemy countries after the war was over, by gifts, or legacies, kept silent, and saw their properties also confiscated, for they knew that they would be smeared in the public eye even if they only came forward to ask that a distinction be made between property basically and intrinsically American property and that which is basically and intrinsically enemy property. The Hiss-White crowd knew at the time, as they know now, that the properties thus to be confiscated were far greater than all possible war claims provided for under the War Claims Act. Who did the Hiss-White crowd unknowingly and unwittingly use, Mr. President, to carry out their purpose? Certainly there can be no further doubt as to what effect these policies would have and have had on the civilian population of Germany and Japan. They used the American Legion, the Veterans of Foreign Wars, and other veteran organizations; they fooled them, just as they fooled the Congress of the United States, and used it as a cat's-paw to further the master plan of the Kremlin—to weaken the will to resist. Yes, the Hiss-White crowd achieved their purpose to strip every German civilian, every widow and orphan of everything, even take the property of American citizens of German birth who were foolish enough to try to provide for their mothers, fathers, sisters, brothers, and other kin in Germany through gifts, bequests, trusts, some of them created long before the war. The very men and women in the German civilian population most closely affiliated with ideas and ideals of American democracy, which they learned from their American relatives, the very ones who were the greatest thorn in Hitler's skin during the war; the ones who were subject to discrimination and repressions of all sorts, and who at best were listed by the Gestapo as politically unreliable; the very ones whom we now hope will lead the way in getting the Western German civilian population to join the western alliance of their own free will, were treated in that way. All those things were done before we knew or suspected any disloyalty on the part of Alger Hiss, Harry Dexter White, Laurence Duggan, and the rest; and it all happened while Gerhard Eisler, German Kremlin Communist agent No. 1, was operating in the United States, pulling all the strings, and watching the puppets jump.

Yes, Mr. President, the Office of Alien Property was careful that the legislation which confiscated all these properties made provision for a return in part, under certain conditions; but the fact remains that the language used in the act was the language wanted by the Office of Alien Property. The Congress had a right to rely upon the integrity of its representations, and did so. Now it turns out that the language of the act is drafted in such a manner that a German civilian or a Japanese civilian, unless he lost his citizenship by decree or unless he was a Communist, would practically have had to sit in a concentration camp from 1940 to the end of hostilities in order to qualify for the return of his property. The Alien Property Custodian knew that as the act was drafted, it would even take the properties of Christian churches, hospitals, orphanages, and would take the gifts and bequests made by Americans to such charitable institutions. Yet no one in the Office of Alien Property told the Congress that would happen. Thus, those who lost their citizenship by Hitler decree—Jews and Christians alike—can have their properties returned, which is right and proper. But, in addition, any Communist is in a position of being ipso facto considered a persecutee who was denied substantial rights of citizenship by reason of religion, race, or politics, and can have such property, held by the Alien Property Custodian, returned to him. So now we have the Attorney General of the United States, into whose jurisdiction the Office of Alien Property was transferred by another Executive order, in the position where, on the one side, he is to enforce anti-Communist legislation passed by the Congress, but through another agency he returns confiscated enemy property to Communists. Not even the Nazi's confiscated American properties located in Germany, because fearless German lawyers, many of them now taking leading parts in the West German Government, risked their very lives in opposition to such a move, and succeeded in getting Hitler to recognize that private property of American citizens situated in Germany should be held in trust for those American citi-

zens by the German courts; and that was done all during the war.

Mr. President, ask yourself whether such policies make the position of the democratic leaders of the West German Government more secure when they plead for cooperation of the civilian population with western democracy or whether such policies make their position untenable.

Now, let us see how the Office of Alien Property was transferred to the Justice Department, now under Attorney General McGrath, who formerly was one of our colleagues in the Senate. It seems that the unrelenting work of the House Un-American Activities Committee slowly but surely was closing in on the subversive elements in our Government. What better time to bury the Office of Alien Property than in a period when a reorganization of many executive departments was taking place. So the Office of Alien Property was transferred by Executive order to the Department of Justice. What better place could be found to bury injustice than behind the fair shield of justice?

Now let us look at the situation of the national groups behind the iron curtain, and let us look at the present position of all American citizens and nationals of Polish, Czechoslovakian, Rumanian, Bulgarian, Hungarian, Lithuanian, Latvian, Estonian, or Ukrainian birth; and let us see what they have to look forward to in regard to their relatives behind the iron curtain. But let us first look at their record of Americanism, and then let us see what is planned for them. The records of the FBI disclose without a doubt that of the 50,000 active members of the Communist Party in the United States and of, perhaps, 10 times that many fellow travelers, the great majority of the membership is made up of native-born persons, those who should know better. The records of the FBI disclose that it is not the citizen of foreign birth, who immigrated to this country, who is the Communist. The Polish-American, the Czech-American, the Rumanian-American, the Bulgarian-American, the Hungarian-American, the Lithuanian-American, the Latvian-American, the Estonian-American, the Ukrainian-American, yes, the Japanese-American, the Chinese-American, the Korean-American, will seldom be found in the ranks of the Communists or in subversive organizations; and the records of the FBI in World War II disclose that the same thing was true about the German-Americans. They were not Nazis; they abhorred Nazi policies; they gave their sons in the fight for freedom, just as every other good American did. Now let us take a look at what is planned for the Polish-, Czech-, Rumanian-, Bulgarian-, Hungarian-, Lithuanian-, Latvian-, Estonian-, Ukrainian-, Japanese-, Chinese-, or Korean-American and for others who came to our shores to become American citizens, from lands now behind the iron curtain.

While we are spending millions of dollars on our Voice of America Freedom, to reach the people behind the iron curtain, to teach them something of American democracy and American ideals; while we are planning to reach those people, who never had any contact with western democracy, what is planned for those who have had contact with western democracy through their relatives and friends in the United States?

In the political, ideological, and psychological warfare now going on between the free nations of the world and those under communistic dictatorship, the friends and relatives of these American citizens—friends and relatives now living behind the iron curtain either in Europe or in Asia—can play, and are playing, an important part for democracy. Stalin knows this, just as Hitler knew it. Make no mistake about it, Mr. President; the relatives and friends of the above-named national groups, living behind the iron curtain, are in a serious situation, and their American relatives here are deeply concerned about them. The Communists know that the contacts those persons have with their American relatives and friends makes them at least politically unreliable and subject them to the greatest personal risk; and yet we know that in them lies our best hope for eventual, successful resistance, if we can give them the will to resist. These people, who have learned something of western civilization, western democracy, its aspirations, ideals, and principles from their contacts with their American relatives and friends here, hope and pray that all Americans will stand behind them in their hour of trial, ready to assist them in every way possible in their fight for freedom, when the time comes. Stalin has not forgotten that he lost Italy due almost completely to the campaign put on by Americans of Italian birth and descent, coupled with our decent human treatment of the Italian civilian population, which included a return of their properties taken by the Office of Alien Property.

The Czechs, the Poles, the Rumanians, the Bulgarians, the Hungarians, the Lithuanians, the Latvians, the Estonians, the Ukrainians, the Chinese, and the Koreans know that their relatives are in peril. They know they will need their help more than ever if they survive a war. They also know that the way the Trading With the Enemy Act reads now, their American money, their American property, and any trusts, they may create in order to feed and clothe their relatives behind the iron curtain after they are freed from Kremlin enslavement, will be confiscated by the United States. This is to be their repayment for the sacrifices they as American citizens are making and will make in the fight for freedom, for justice, for humanity, just as it has been the payment to all citizens of German birth and, I may also say, to all Japanese living in America. This is the repayment to be made to the people behind the iron curtain, whose relatives and friends are American citizens. Yet they are the very ones who are our greatest hope if we can only strengthen their will to resist.

Mr. President, why has not the Office of Alien Property integrated its functions with our military thinking, as far as Western Germany is concerned? Why has not the Office of Alien Property integrated its functions with the program established by this Congress, namely the Voice of America, in reaching the people behind the iron curtain? Why have they continued to keep Congress in the dark? There are only two possible answers: Either they are blunderers; or someone is still pulling the strings for the Kremlin, someone is still carrying out secret Communist member Harry Dexter White's plans. Let those who are responsible for the policies in the Office of Alien Property, who did more than anyone else to alienate the West German population from western democracy, who did more than anyone else to weaken the will of these people to resist Communist aggression, come forward and take a position now; let them tell us now whether, in the event the war spreads to Europe, they are in favor of confiscating the properties of Americans of Czech, Polish, Rumanian, Bulgarian, Hungarian, Lithuanian, Latvian, Estonian, Ukranian, yes, even Chinese or Korean birth, which those Americans may wish to leave to their relatives who are behind the iron curtain, to be delivered to them after they are free, and thus help keep them alive. Let those officials tell us whether they think that property should be confiscated, as has been done in the case of the property of Americans of German or Japanese birth. The officials of the Office of Alien Property know that will happen unless the law is changed. Let them come forward now and tell the Congress, while it may yet do some good, while it may strengthen the will of these people to resist, that they want those properties held in trust until the end of hostilities. If they really want the law changed, let them come forward now before the conflict actually swings from Asia to Europe, and before hysteria takes over. When they do come forward, will they still continue to do everything in their power to punish the Western Germany population by discriminating against them in a return of the property about which the Senate of the United States in its last session unanimously said:

> Such property is not enemy property within the strict sense of the word nor is it enemy property within the spirit of the Trading With the Enemy Act. It is intrinsically and inherently American property. Said property was amassed and earned in America by American citizens. It remained in this country to aid and abet the Government in the way all property does, to a successful fruition of the war. Certainly, and no one would contend otherwise, it was not the desire of Congress, or the people of this country to seize such property.

If those who favor such a change fail to do this, will they accept the consequences—perhaps a loss of Western Germany and the resultant—but unnecessary—loss of American lives of boys, who otherwise would not have to be sent there, or at least not in such great numbers. In accepting that responsibility, will they be in favor of returning those confiscated funds to the American donors or to the heirs of such American donors over here, so that they could then use the funds to help their relatives to help save Europe and help save ourselves; or will they want to punish Americans for being of German extraction? The same thing can be said of the property of Americans of Japanese descent.

It is time to let the West German civilian population know that Potsdam and all the other policies of oppression were not the policies of the President of the United States or the members of his Cabinet; and surely they were not the policies of the Congress of the United States, which was completely bypassed. Neither were they the policies of the American people. Let us tell these civilians frankly and honestly that while we were engaged in a war against their political leaders, and while Communist Russia was a cobelligerent, we let our guard down, and the things that happened to them were the result of a Communist conspiracy in our own Government, aimed as much against us as against them, by persons who had as their sole purpose the weakening of the will of those civilians to resist. They will understand this because they have had more experience with Kremlin intrigue than have we. Only last week the democratic government of Greece arrested two of its cabinet ministers as secret Communist spies. Let us tell those civilians that we are ferreting out the Communists and their fellow travelers, and that every policy that may be giving aid to the Communists, but which may be weakening the will of those civilians to resist aggression, will be changed immediately. I, for one, will not vote one more cent for the defense of Western Europe, and I will vote against sending one more American boy to Europe, unless there is a complete clean-up of this mess. I believe that the Members of the Senate will join me in this, and that the American people will stand behind us in this position, for the Members of the Senate know and the American people know, as do I, that unless these things are changed, we will not only lose our money, which we are asked to appropriate for a western defense, but we will lose the lives of American boys who will be sent to join the Himmelfahrts Legionen—legions destined for Heaven—as the German newspapers in the western zone refer to their own boys who are asked to join in the western defense.

The relentless work of the House Un-American Activities Committee in ferreting out the subversives of our Government finally gave courage to those who knew these policies were wrong to come forward and bring the facts to the Congress of the United States.

During the session of the Eighty-second Congress, Senators HERBERT O'CONOR, of Maryland, KENNETH WHERRY and HUGH BUTLER, of Nebraska, and myself, recognizing the injustices and wrongs that had been done in confiscatory legislation, introduced a bill in the United States Senate, known as S. 2929, providing for the return of seized properties to German civilians, where such property arose by gift, devise, bequest or inheritance from an American citizen, and where such persons proved they were not members of the Nazi Party. The bill was sent to the Senate Judiciary Committee under the chairmanship of the great American Senator, PAT MCCARRAN. The committee held extensive hearings, and, of course, the principal objectors were—you know who. Mr. President—the Office of Alien Property; and they used the patriotic members of the War Claims Commission as their stooges.

The Senate Judiciary Committee, consisting of the Honorable Senators Pat McCarron, of Nevada, chairman; Harley M. Kilgore, of West Virginia; James O. Eastland, of Mississippi; Warren G. Magnuson, of Washington; Herbert R. O'Conor, of Maryland; Frank P. Graham, of North Carolina; Estes Kefauver, of Tennessee; Alexander Wiley, of Wisconsin; Homer Ferguson, of Michigan; Forrest C. Donnell, of Missouri; William E. Jenner, of Indiana; and myself, carefully considered all the objections of the Office of Alien Property Custodian and of the War Claims Commission; and that committee, in its report to the Senate, unanimously waved aside these objections as meritless. The committee had voted unanimously for this amendment to the Trading With the Enemy Act.

When the bill came before the Senate, this body discussed it, adopted the committee report, and then passed the bill by unanimous vote. The Senate said to the Office of Alien Property, "You never should have confiscated these properties," for the committee report said:

> That such property is not enemy property within the strict sense of the word, nor is it enemy property within the spirit of the Trading With the Enemy Act. It is intrinsically and inherently American property. Said property was amassed and earned in America by American citizens. It remained in this country to aid and abet the Government in the way all property does, to a successful fruition of the war. Certainly, and no one would contend otherwise, it was not the desire of Congress, or the people of this country to seize such property.

Now if it is true—and it is true—that it was not the policy of the Congress of the United States nor of the people of the United States to confiscate such property, then whose policy was it? I charge it was the policy of Harry Dexter White, still carried on in the Office of Alien Property.

Any other agency in the Government, after having been turned down unanimously by the United States Senate on a position that it took on legislation, would have stopped right then and there, would have reexamined its position, and would have tried to get itself in line with the thinking of the Congress and with the thinking of the American people. But what did the Office of Alien Property do? After the Senate passed this legislation unanimously, they stopped it in the House of Representatives. They kept it from even getting onto the floor of the House, for they knew that the Members of the House of Representatives could and would take no different position than was taken by the United States Senate, and no different than the position of the American people. How did they do it? When the Senate bill reached the House, they succeeded in having it sent to the House Interstate and Foreign Commerce Committee. Why? Because they originated their confiscatory legislation in that committee, and they used the chairman of that committee. Representative ROBERT CROSSER, of Cleveland, as a cat's-paw. After hearings they persuaded him to pigeonhole it, they prevailed upon him to keep it even from a vote in his own committee. They did this, knowing the bill would die with the adjournment of the Eighty-first Congress. Now, I know that Representative CROSSER and the other members of his committee certainly do not want to play the game of Alien Property Custodian, which is weakening the will of our friends in Western Germany to resist Communist aggression.

When the Office of Alien Property first came forward with its objections to the Senate bill, which was drawn in such a way and was so fair and so just that it was almost impossible of belief that anyone could object to it, I began to wonder whose game was being played in the Office of Alien Property. What I have said here today is the result of my studies and discoveries, made since that time. What did the Office of Alien Property say, in effect, to the position taken by the Senate, that these properties should never have been confiscated, and that they were American properties? The Office of Alien Property said, in effect, "The United States Senate be damned, the will of the people of the United States be damned; we will carry on with our policies as long as we can keep the House of Representatives in the dark." Certainly, there can be no doubt about it that they are playing the Communist game, they are undermining the will of the people who are yet free to resist, and they are setting the stage and undermining our program which is to create in the people behind the iron curtain the will to become free.

At the time the Office of Alien Property Custodian objected to this legislation in the Senate I, for one, did not know all the facts about the connection of Hiss and White with all these things. I am frank to admit that I did not realize that they were playing a game which could have no other effect than to weaken the will of the German people to resist Communist aggression. And now let us observe how the Office of Alien Property is pushing the blame on Congress and on the American people. Their files are full of letters which they get from Western Germany, of letters from Christian German charitable institutions, hospitals, homes for the aged, homes for the blind, and orphanages operated by every Christian religious denomination in Germany. They get similar letters from Japan, asking about gifts, requests and trusts set up for them by their American friends, confiscated by the United States, and held by the Alien Property Custodian. If we investigate the Office of Alien Property we shall find that the Office replies to such letters about as follows:

> The bequest left you by American citizen * * * to carry on your worthy work of taking care of the blind (or the orphans, as the case may be) was confiscated by the United States Government as enemy property under Vesting Order No. ____. We do not believe that your organization qualifies for a return under the law enacted by Congress, unless you can establish that your

organization suffered denial of substantial rights of German citizenship from the period 1941 to the end of the war by reason of racial, religious, or political persecution. We realize that your organization is an instrument of immense good to humanity, but unfortunately we are bound by the law.

Thus, they are now putting the blame on the Congress of the United States and on the people of the United States. They have not the courage to admit, in the same letter, that they are responsible for this situation, and that they do not want the bequest returned. I ask, who in the Office of Alien Property Custodian is doing work similar to what was done by Laurence Duggan, liaison man to Gerhard Eisler, No. 1 Communist, "to mess up policy, which was Duggan's job, in carrying out the policies for the Kremlin, to weaken the will of the German people to resist Communist aggression"? A Senate investigation of the Office of Alien Property will show innumerable cases of that type.

That is not all. Take the situation of the young men, who, not liking Hitler's policies, immigrated to the United States shortly before the outbreak of World War II, joined the United States Army, and were killed fighting for the United States. The Office of Alien Property has confiscated the GI insurance which they left to their mothers in Germany, and when these mothers write to the Office of Alien Property, they receive replies about as follows:

We deeply sympathize with you. Your son died in the fight for freedom, which we know must be a great source of consolation to you. This office realizes that you depended upon him for support, and also that he intended to bring you to the United States; but we are sorry that we cannot send you his GI insurance, which was confiscated by this office under Vesting Order No. —— because unfortunately the law will not permit it.

Once again, they do not have the courage or the guts to tell these mothers of American soldiers that they are responsible for the state of the law. Once again, they put the blame on the Congress of the United States, and on the American people. One asks himself whether there is in existence a deliberate policy playing directly into the hands of the Communists. And they get other letters, which read about as follows:

I worked in the German underground movement to overthrow Hitler. I can prove that conclusively. I was ordered to become a member of the Nazi Party to carry on underground work inside the party. I can prove that beyond a doubt. You have withheld the legacy left me by my American aunt. I would like to have it returned.

How does the Office of Alien Property answer those letters? They answer them about as follows:

The United States of America greatly appreciates your efforts on behalf of freedom, but unfortunately you were not caught by the Nazis, you were not substantially deprived of rights of citizenship by reason of religion, race, or politics, so this office is unable to return your legacy.

They again put the blame on the Congress of the United States and the people of the United States. They cover up the fact that they are responsible for the state of the law. Who is playing the game to weaken the will of these free people to resist Communist aggression? Mr. President, you know the answer, and we all now know the answer to this question.

As I have said before, the Trading With the Enemy Act was administered in part by the Office of Alien Property, in part by the Office of Foreign Funds Control, and in part by our State Department. Let us observe how Foreign Funds Control is playing into the hands of the Communists. Two weeks ago, they finally issued a blocking order freezing Chinese funds in the United States. Why did they not block these Chinese funds where ownership was in the hands of persons on the Chinese mainland under the control of the Communists, a year and a half ago, when Chiang Kai-shek was finally driven to Formosa? We know that the State Department had a hand in that. How many millions of dollars came into the control of Chinese Communists because Foreign Funds failed to Act? And what about the $50,000,000 released by Foreign Funds Control to the Polish Communist Government, control of which rightfully belonged to the democratic Polish Government in exile, actual ownership of which was in the Polish people, those who had relatives and friends in the United States, and who are our best hope in a resistance movement?

I should now like to return once more to a restatement of the policy of the Kremlin master plan of aggression, as we now know it to be. The plan requires, in all instances, carefully prepared campaigns; often subtle and often indirect; many times using causes, which in themselves are good, for evil ends; carried out over long periods of time; campaigns which have as their sole purpose the weakening of the will of the free people to resist Communist aggression when the time is ripe. In view of this master plan and in view of the fact that the Congress of the United States, because of these conspiracies and because of the work of fellow travelers, can no longer have confidence in agencies of Government that come before it sponsoring legislation, it becomes the duty of every Senator and every Representative to judge every request for specific legislation or every objection to legislation which the Congress has under consideration, on the following basis: Will what is proposed, or what is objected to, by these Government agencies tend to strengthen the will of the free people to resist, and strengthen the will of the people behind the iron curtain to resist, or will it weaken their will, as called for in the master plan of the Kremlin? I do not believe that we can from now on make any decisions without first asking ourselves that question and getting the true answers. In that regard, I shall offer a resolution which resolves that it is the desire of the Senate of the United States and of the people of the United States that the Office of Alien Property forthwith turn over to the West German Government the German Embassy Building and its grounds here on Fourteenth Street, in Washington, D. C., which that office confiscated, and which it proposes to sell to the highest bidder within 2 weeks; and that $50,000 be appropriated from the general funds of the United States to put the embassy in usable condition. This, for the reason that I understand the Office of Alien Property has deliberately let it run down to such an extent that it either has been or is scheduled to be condemned as a fire hazard. I am sure it can be put into a good state of repairs. Also, $25,000 should be appropriated from the general funds to refurnish the German Embassy. It has been suggested to me by economy-minded Senators—and I think their suggestions may be good—that we save the $25,000 for furnishings by taking the fine furniture from the Office of Alien Property, the office responsible for this mess.

Let us show the West German people that we intend to strengthen their will to resist, and that the Office of Alien Property does not speak for the Congress of the United States or for the people of the United States. I shall ask the United States Senate to take immediate action on this resolution, and to let the west German people know the facts, before the Communists use the proposed sale of the German Embassy Building as another means of weakening the will of the German people to resist.

A few weeks ago Senator HERBERT O'CONOR, Democrat of Maryland, Senators BUTLER and WHERRY, Republicans of Nebraska, and myself, reintroduced legislation to return American properties, seized by the Alien Property Custodian, arising out of gifts, bequests, inheritances, and trusts created by American citizens. It is known as Senate bill 172. The bill has been referred to the Senate Judiciary Committe for consideration, the same committee that unanimously approved it in the last session of Congress. However, in view of these new discoveries, I should like to recommend to the Judiciary Committee, with the consent of the Honorable Senator HERBERT O'CONOR, from Maryland, and the consent of the Honorable Senators KENNETH WHERRY and HUGH BUTLER, of Nebraska, to amend that bill, so that the thing which happened to German-Americans and Japanese-Americans will not happen to Czech-Americans, Polish-Americans, Rumanian-Americans, Bulgarian-Americans, Hungarian-Americans, Lithuanian-Americans, Latvian-Americans, Estonian-Americans, Ukrainian-Americans, Chinese-Americans, and Korean-Americans.

I should like to suggest that, in view of the gravity of the situation, and while there is yet time, such amendments may be of help in strengthening the will of the West German people to resist, and in strengthening the will of our friends behind the iron curtain to resist, the Honorable PAT MCCARRAN, chairman of the Senate Judiciary Committee, call for a joint meeting with the House Judiciary Committee to immediately take steps to remedy this situation through proper concurrent legislation in the two Houses.

With the consent of the co-sponsors of Senate bill 172, I believe that, in view of all these disclosures, the bill should be amended to provide that all properties, or proceeds thereof, heretofore seized under the Trading With the Enemy Act,

by the Office of Alien Property, or by any other agency of government, be returned to all persons of whatever national groups, and to all nations where such property rights arose out of gift, bequest, device, inheritance, or trust of an American citizen or national, provided that such claimant establishes that he or she did not willfully and intentionally become a member of the Nazi Party, the Communist Party, or any other subversive organization, does not believe in the overthrow of duly constituted government by force, and at no time was guilty of war crimes or crimes against humanity; the burden of proof to be upon said person. The amendment should provide further that hereafter, in any present or future conflict, in which the United States may find itself involved, the right of American citizens and American nationals to create any interest by gift, devise, bequest, inheritance, or by any trust for the benefit of any enemy alien, shall be held inviolate, and that such property shall not be subject to confiscation by the United States, but that such property shall be held in trust for such enemy alien by the courts having jurisdiction thereof, or, if there be none, then by an agency of government named by the President of the United States, subject to being used by the United States for the benefit of the United States for the successful ending of hostilities, at which time delivery shall be made to such enemy alien or his successor in interest; provided, that such enemy alien shall not have been guilty of war crimes, or crimes against humanity, during any such conflict, and shall not willfully and intentionally have been a member of the Communist Party or of any other subversive group, which said enemy alien shall prove by a preponderance of the evidence; and when a return of property is denied, said person shall have the right to appeal to Federal courts of the United States for final determination.

Mr. President, you will note I suggest that the same test be applied to an enemy for a return of his property as we have provided in the immigration bill. The test is that willful and intentional membership in a subversive organization bars immigration to the United States, and it should also bar the return of enemy property. When an individual can be admitted to the United States for eventual citizenship of the United States, even though he had belonged to a subversive organization, provided he can establish that his membership was not willful and intentional, but under duress and compulsion, then certainly the same test should be provided for a return of his property.

In view of the present situation, and in view of the fact that I am sure it is the intention of the Congress to do everything to strengthen the will of the West German population to resist Communist aggression, the Congress of the United States may also wish to give consideration to the matter of private trademarks and other properties taken by the Office of Alien Property; but there should be no delay in returning property, intrinsically and inherently American, to the German civilian population, and there should be no delay in protecting American citizens who came to this country from nations now enslaved by the Kremlin, by having their properties held inviolate in event the conflict spreads once again, in order to strengthen the will of people behind the iron curtain to resist communism.

This would not mean that we would return the properties of the Germans in the Russian zones, nor the properties of Rumanians, Hungarians, and Bulgarians, which was left them by their relatives in the United States. These should be frozen by foreign-funds control until the persons become free, and foreign-funds control should be prevented from turning these properties over to the Kremlin-controlled Communist governments. That is the way in which both the relatives in the United States, who have provided this property for them, and the people behind the iron curtain, who will eventually get it, want it to be.

The enactment of this legislation will do immeasurable good in the case of the Japanese and the Chinese people, who have property here. Let us thank God that we had General MacArthur in Japan, who prevented the carrying out of the Communist policies of oppression on the Japanese people as planned by the Kremlin. As a result of MacArthur's fight, the Japanese people have become democratic, and they now have the will to resist Communist aggression.

We all know how great the pressure was on General MacArthur, pressure to carry out the Kremlin's master plan in Japan, exactly as it has been carried out in Western Germany. The American people and the Japanese people will forever be grateful to General MacArthur for his stand.

I believe Members of the Senate will agree with me that an investigation of all agencies of Government having to do with the operations of the Trading With the Enemy Act is necessary and should be instituted immediately. We all remember that after World War I a Senate investigating committee turned up great scandals in that office. Those scandals had to do only with mismanagement and misappropriation of funds of that office. From what we know now, an investigation of that office will disclose chicanery of the gravest nature—chicanery, if not outright sabotage, which has furthered the plans of the Kremlin. I shall therefore submit a resolution tomorrow providing that the United States Senate immediately appoint a Senate Investigating Committee to examine every phase of the operations of the Trading With the Enemy Act, the Office of Alien Property, and the Office of Foreign Funds Control. I also include the State Department, whose policies were made by Alger Hiss and Harry Dexter White—to the present time, in order to find out those responsible for the policies that are playing into the hands of the Kremlin, with particular attention given to the effects its policies have had on the civilian population of Western Germany, its effects on the Japanese people, its effects on the friends of America behind the iron curtain, and last, but not least, the effect on American citizens, of all national groups, who have relatives in those countries. My resolution will call for the appropriation of $100,000 to carry on this investigation.

This does not mean, and I do not wish the people behind the iron curtain or the people of Western Germany to think that it means, that the Congress will not immediately take steps to amend the Trading With the Enemy Act, while there is yet time. Such amendments would show these people once and for all that the policies of the Office of Alien Property, the policies of Harry Dexter White and Alger Hiss were not the policies of the American people.

I should like to see the Honorable Senator RICHARD M. NIXON, whose work on the House Un-American Activities Committee did so much to uncover the Communist agents and their fellow travelers in our Government and to expose their Communist plans, become a member of this committee; and I should also like to see the Honorable Senator JOSEPH R. MCCARTHY, of Wisconsin, who has done such admirable work in ferreting out Communits plans fostered by certain people in our Government, become a member of this committee.

We owe it to those men in the Office of Alien Property who have wanted no part in the plans of Harry Dexter White, many of whom resigned because they did not like what was going on, and many of whom stayed on, hoping for the day when things would change, to immediately begin this investigation, to find the guilty parties, and once and for all turn that agency away from policies which can only help the Kremlin, to truly American policies. I ask for an early consideration of this resolution. In closing let me repeat just once more the Kremlin master plan of aggression—to do all things, through carefully prepared campaigns, often subtle and often indirect, many times using causes, which in themselves are good for evil ends, carried out over long periods of time, which have as their sole purpose the weakening of the will of the free people to resist Kremlin Communist aggression when the time is ripe.

Mr. President, I wish now to take up another subject, which is connected with the matter of resolving differences in diplomacy, and the need of unceasing effort.

The PRESIDING OFFICER. The Senator may proceed.

THE NEED FOR UNCEASING EFFORT TO RESOLVE DIFFERENCES BY DIPLOMACY

Mr. LANGER. Mr. President, the tragic events of recent weeks, and which are now unfolding on the field of battle, have initiated a debate on our foreign policy. Though this process, fundamental to a democracy, presents an aspect of disunity, I venture to say that it is fortunate for our country that the policy of the administration is being thus sharply questioned.

For a policy of exclusive or primary reliance on the accumulation of arms and armies has never served to maintain the peace. It has invariably culminated in war, and is likely to do so again. I believe that the Senator from Ohio [Mr. TAFT] is correct in saying that

"the course which we are pursuing will make war more likely."

It is not my purpose to attempt to discuss the whole range of administrative foreign policy. I am concerned here only with its attitude toward the conduct of negotiations with the Soviet Union.

As I understand that policy, it is one which holds that negotiation must await a time when we have attained what is referred to as situations of strength—when we have a certain number of divisions and tanks and planes, and when our Allies are similarly situated. An essential part of this plan involves the rearming of Germany.

But this vast effort may bring on countermeasures even including the world war which we all agree it is our prime purpose to avoid. Certainly there is reason to believe that an attempt to rearm Germany would have that effect. And recent events have made it quite clear that in the decisive area of the land army—the divisions in the field—we can hardly hope to establish a situation of relative superiority or even equality in the foreseeable future. The truth appears to be that while we have been suspending the practice of diplomacy during the past year, the balance of strength has not shifted in our direction.

The present course has not stopped local wars. It has not diminished the danger of a general holocaust. It has created the impression in many places that we are reluctant to attempt negotiations with the Soviet Union toward a peaceful settlement of differences. And now, in connection with the discussions in progress looking toward a four-power conference, the impression is created that we had to be forced by France and Great Britain into an agreement to participate in negotiations on any terms, and that we expect nothing to come of such a conference if it takes place.

Ferdinand Kuhn, the Washington Post reporter said to be close to the State Department, put it this way in a discussion of the proposed four-power conference, on Sunday, January 7, 1951: "If a conference is the price to pay for western unity, then Acheson will pay it. He cannot put the United States in the position of refusing a conference when his partners and his adversary want one."

I do not say that this is actually the attitude of the State Department. But it is the impression given to our people and the world. It also seems consistent with what the Secretary of State has been saying in the past, and with what the President said and omitted saying in his state of the Union message. The discussions concerning a four power conference were nowhere mentioned by the President. The President did say "We are willing, as we always have been, to negotiate honorable settlements with the Soviet Union." But this is a negative statement, suggesting that we will take no initiative. As I read it in the context of the President's message, and what the State Department is doing, it means essentially that if the opposing side will accept our terms, which it has already rejected, we will make agreements.

This policy, I submit, provides no basis for hope that we shall have a relaxation of tension and that the practice of effective diplomacy is suspended in favor of policies which seem to be founded on the view that war is inevitable.

I say that such a policy can only lead to disaster whether or not an agreement consistent with the aims of the United Nations and the interests of the United States can be reached through negotiation in good faith pursued with utmost energy and determination. For the American people and the people of Western Europe must know that every possible effort has been made by the United States to avoid war by diplomacy before they can be expected to give their wholehearted support to full-scale preparation for defense, and the war which may come if the present terrible tensions are not relieved.

I do not say that we must not arm for defense. That is, of course, necessary. But I do say that we must rely as much upon diplomacy as upon force. We must seize the diplomatic initiative from the Soviet Union. We must launch a great diplomatic campaign for peace. We must seek every opportunity to work for agreements in and out of the United Nations on any or all issues.

I do not suggest appeasement. I do not propose the abandonment of any fundamental principle. I do propose what negotiation has always meant—give and take on both sides.

It has been said that the word of the Soviet Union is no good; that it will not keep any agreement it makes. What is the good of making such agreements, we are asked? Even granting the total validity of this assertion as it applies to the readiness of the Soviet Union to break an agreement which no longer conforms to its interests, I believe that it does not justify a policy of continuing to suspend the effective practice of diplomacy.

I would point out first that we are prepared to enter into any agreements with the Soviet Union if it will accept our terms. It is then a question of terms and not of morality. For the less an agreement seems to the Soviet Union to conform to its interests, the sooner it can be expected to break it.

Moreover, I think it is correct to say that historically nations have made international agreements because they considered that the terms, taken as a whole, brought benefits, even if temporary, worthy of having rather than because they trusted the constancy or moral principles of the other party. It is equally true, I believe, that agreements concerning matters of great importance have been adhered to by governments because the interests which dictated their execution, or other national interests, continued to dictate their practical validity for the states concerned. The real question is whether it is reasonably possible to find a basis of agreement which conforms to the fundamental interests of both the Soviet Union and the other states concerned.

I think it is perfectly clear today that in a war involving the Soviet Union and the United States there could be no victor nation. At best there would be survivors. All notions concerning a push-button or mechanical war are by now fully exploded. Both sides will either find a way to live together in peace, or they will go down together in death and devastation.

The Soviet Union already knows that even with the few divisions we have, we can deliver terrible blows. They know now our vast potentiality for increasing our destructive power and delivering it many thousands of miles from our shores. To avoid that consequence of an effort to resolve differences by armed conflict, it is reasonable to expect that the Soviet Union would make and keep an agreement which did not involve surrender or appeasement on their side, because such an agreement would accord with their interests, if for no other reason.

That I believe is a basis for hope in negotiation. That is the hope which I believe we must explore endlessly, with utmost vigor and sincerity, and with a readiness to meet the Soviet Union halfway, if they display an equal disposition. I do not mean to minimize the difficulties and obstacles in the way of successful negotiation. They are undoubtedly enormous. They may well be insurmountable. But I say that there is no achievement open to mankind in our time which could equal the value of success in this effort. And I am unable to conceive of anything that could be lost if we now begin and continue this effort with a resourcefulness, determination, and tenacity at least equal to that we will now bring to increasing our military strength.

Today mankind demands statesmanship as never before. The function of statesmanship is not to make war but to avoid it.

Let us welcome the prospect of a four power conference and work for its realization, not deplore it. Let us go to the conference not warning of its futility, but determined to make it a success.

Our people want peace. The peoples of the world want peace. Let us exercise our historic role of leadership in such a manner that no man can ever say we failed in this critical hour to act as the preeminent champion of the fight for peace.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an article entitled, "West Germans' Melting Pot a Failure So Far," from Bonn, Germany, which was published in the Chicago Daily Tribune on Monday, January 29, 1951.

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

WEST GERMANS' MELTING POT A FAILURE SO FAR

BONN, GERMANY, January 28.—West Germany's 9,000,000 refugees from the east feel they are being treated as second-class citizens and are showing their resentment.

They feel they have been discriminated against socially and politically in trying to get jobs or a place to live in and in education. They form a large proportion of the unemployed.

LACKED REPRESENTATION

Until recent elections in five states, the refugees had no parliamentary representation because the occupying nations would not allow them to organize politically. That decision was based on the belief that it would be better for them to become assimilated

with the rest of the population and take their place within existing political parties.

But in the state elections the refugees put up candidates—largely right-wing Nationalists—and showed their power by polling a sizable vote. In refugee-crowded Schleswig-Holstein, where more than one-third of the population are refugees living in misery, they scored a resounding success by winning almost one-quarter of the vote in competition with both main established parties and special-interest splinter groups.

CHILLING RECEPTION

The failure of the refugees to merge with the local population is ascribed to two main reasons:

1. Their reluctance to give up hope of one day returning to their homelands in the east.

2. The chilling reception they have had in West Germany.

As the refugees comprise about one-fifth of the population, assimilation was bound to be long. But so far it has scarcely begun. Even the children have been unable to forget their origin and regard themselves as persons apart from the local people.

In the cities, places where refugees can meet have sprung up everywhere, usually in cafes. They can talk over their troubles, drinking East German schnapps such as Bears Tooth, Nikolaschke, or Pillkaller and eating their Koenigsberger klops and other regional dishes.

LIKE SOCIAL OUTCASTS

In small towns, villages, and the countryside, the contrast between refugees and local people is even more striking. Differentiated by dialect, religion, customs, and even clothing, they stand out almost as social outcasts.

When a refugee and a local workman go after the same job, it almost invariably goes to the local man. Refugee children have found that the local children obtain most of the places in the crowded secondary schools.

Especially unfortunate are the farmers. Thousands of skilled East German farmers are either unemployed or doing laborers' jobs.

Mr. LANGER. I yield the floor.

RECESS TO THURSDAY

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon Thursday next.

The motion was agreed to; and (at 6 o'clock and 48 minutes p. m.) the Senate took a recess until Thursday, February 8, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 5 (legislative day of January 8), 1951:

DIPLOMATIC AND FOREIGN SERVICE

Ellsworth Bunker, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina, vice Stanton Griffis.

IN THE MARINE CORPS

Maj. Gen. Merwin H. Silverthorn, United States Marine Corps, to have the grade, rank, pay, and allowances of lieutenant general while serving as Assistant to the Commandant of the Marine Corps.

Maj. Gen. Franklin A. Hart, United States Marine Corps, to have the grade, rank, pay and allowances of lieutenant general while serving as Commandant of the Marine Corps Schools, Quantico, Va.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 5 (legislative day of January 29) 1951:

CIVIL AERONAUTICS BOARD

Joseph P. Adams, of Washington, to be a member of the Civil Aeronautics Board for the term expiring December 31, 1956.

UNITED STATES COAST GUARD

To be captains

Dwight H. Dexter	Herbert F. Walsh
Lewis H. Schackelford	William W. Storey
Edward W. Holtz	Edwin J. Roland

To be commanders

Christian R. Couser	Russell W. Thresher
Willard L. Jones	William E. Schweizer
Robert N. Williams	

To be lieutenant commanders

George F. Erwin	Hamlett I. Allen
Wilfred Pantzer	Michael J. Hoosick
Walter G. Davis	David H. Douglas
Martin Lentz, Jr.	Theron H. Gato

To be lieutenants

Edwin W. Coleman	Raymond J. Evans
Robert S. Capp	Scott P. Berryman
Leslie F. Cool	Willis G. Partridge
John D. Roberts	

To be lieutenants (junior grade)

Nelson W. Allen
Roger J. Dahlby

To be chief radio electricians

August Dannenberg	Frederick Baldwin
Edward C. Brichta	James G. Leadbeater
Gabriel V. Denisov	

To be chief gunner

Donald A. MacLean

To be chief carpenter

Milo Taber

To be chief pay clerks

Harold E. Major	Floyd Bieri
Hobart W. Means	James W. Winchester

COAST AND GEODETIC SURVEY

To be ensigns, subject to qualifications therefor as provided by law

Barbour C. Stokes, Jr., effective January 18, 1950.
Robert E. Williams, effective March 7, 1951.
Michael C. Fox, effective March 18, 1951.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 5, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who hast blessed our beloved country so abundantly, we thank Thee for our Christian democracy which we have received and are enjoying as a priceless heritage.

We pray that the voice of America may bear clear and convincing testimony to men and nations everywhere that our democracy is not a self-centered, provincial, and political ideal but a dynamic spiritual principle and a way of life, bringing the richest blessings of freedom and opportunity to all mankind.

Grant that as fellow citizens we may feel that America's great hour has come when we must revive and strengthen the moral and spiritual foundation and qualities of our Republic if we are to survive and be an effective force in building a nobler civilization.

May all who hold positions of leadership and responsibility in church and state, during these days of world crisis, daily have the guidance of Thy spirit in their deliberations and decisions as they seek to do the will of God.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of Friday, February 2, 1951, was read and approved.

UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution 32, Seventy-third Congress, the Chair appoints the gentleman from Missouri [Mr. KARSTEN] as a member of the United States Territorial Expansion Memorial Commission to fill an existing vacancy thereon.

BOY SCOUT WEEK

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a proclamation by the President of the United States.

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

There was no objection.

Mr. JOHNSON. Mr. Speaker, I wish to call to the attention of the House the fact that the coming week is Boy Scout Week. We have many Members in this House who were Scouts themselves and many more who have been engaged in Scout work for many years. I hope the membership will find time to read the remarks which I will place in the RECORD, and especially the proclamation of the President regarding this important week.

From Maine to California, the Great Lakes to the Gulf, in every city, town, village, and crossroads, the forty-first anniversary of the Boy Scouts of America is being observed. To Boy Scout units, not only in the United States, but in Alaska, Hawaii, the Canal Zone, Guam, and other American territory, President Truman sent the following message:

To the Boy Scouts of America:

In sending you warm greetings and hearty congratulations on the occasion of Boy Scout Week, February 6 to 12—your forty-first anniversary—I speak for all patriotic citizens who believe Scouting is a bulwark against the evils of our time.

Scouting's determination to give to every boy the chance to absorb the benefits of the movement's program for physical, mental, moral, and spiritual development promises well for our Nation. In the days ahead we will need, as never before, men of high character, resolute purpose, and unflinching courage to meet successfully the problems of a challenging future.

Your enrollment of 17,500,000 members since 1910 and your present active membership of 2,750,000 as disclosed in official records is a great achievement. It speaks eloquently for our democratic way of helping boys through devoted volunteer leadership.

Your determination to continue with your campaign to strengthen the arm of liberty is most reassuring and merits sustained public approval. One and all, you have earned the confidence of our people and I salute you for your patriotic and selfless service.

HARRY S. TRUMAN.

The President has written eloquently of this great movement and all of us, I am sure, heartily concur with his timely and inspiring birthday greetings.

Yes, the Boy Scouts of America has earned the confidence of our people and has in these 41 years become deeply rooted in our national life as a great patriotic movement. Scouting is for all boys everywhere regardless of race, color, or religious belief. To the boys Scouting is fun, outdoor adventure, and fellowship. Boys become Scouts because they like to hike, to camp, to play, to learn how to do things. They like to belong to a gang, which in Scouting is the patrol. They like Scouting, too, because it is a man's life cut down to boy size, because they themselves are men in the making and are anxious to grow up.

Scouting gives a boy healthful outdoor adventure through its program of camping and hiking. A boy develops the ability to find his way in open country, to set up a shelter, build a campfire, and do many other things that develop self-reliance. Scouting also trains a boy to help other people in emergencies.

Over and above this program of skills is the Scout oath or promise by which a boy affirms his duty to God, his country, his fellow men, and himself.

Scout units are sponsored by the Nation's churches, schools, service clubs, veterans' posts, and other community institutions. Religious bodies of all major faiths, Catholic, Protestant, Jewish, and Mormon, sponsor Scouting on neighborhood basis; in fact more than half of the 78,716 Boy Scout units are sponsored by churches or synagogues. Scouts are trained to respect the convictions of others in matters of custom and religion.

The leadership of these units is in the hands of volunteer cubmasters, scoutmasters, and explorer advisers, and thousands of women are giving effective service as den mothers of Cub packs, for the younger boys.

The American people have come to recognize Scouting as a distinct asset to the community and their support of the movement has strengthened it in every part of the Nation. Scouting works closely with the home, the church, the school, and other basic institutions of our American life. The Boy Scouts of America is a ready and eager partner in every community effort to build boys into men of character and train them to be participating citizens. It is a program which develops physical fitness, courage, and high ideals of service to God and country.

As the President has stated in his Boy Scout Week message:

> In the days ahead we will need, as never before, men of high character, resolute purpose, and unflinching courage to meet successfully the problems of a challenging future.

Believe me, gentlemen, the Boy Scouts of America is doing an outstanding job in producing men of character trained for citizenship in our world of today. On the occasion of this forty-first anniversary we, too, salute the great patriotic service being given by the thousands upon thousands of volunteer leaders who are making this program so effective in the lives of American boys.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House on Wednesday next for 15 minutes, following the legislative program and any special orders heretofore entered.

BRITISH ADVICE TO GENERAL EISENHOWER

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

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

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, in London they are worrying about American visitors who are coming there. From the Financial Post, of Toronto, Ontario, Canada, comes an interesting article bearing a London date line:

LONDON CALLING—HOW WILL BRITISH INDUSTRY GET ALONG WITH UNITED STATES ARMS PRODUCTION EXPEDITER?

(By Adelphi)

(While Adelphi is on holiday this column is being written by another distinguished British commentator.)

LONDON.—We will be glad to welcome Mr. William Rogers Herod from the United States next month for we are always glad to welcome any distinguished American, and Mr. Herod is an old friend who spent 3 years here in the thirties.

Nevertheless, there is just a little uneasiness about his visit. He comes here with an official title, long and cumbersome, and sinister. It is "Coordinator and Expediter of the North Atlantic Defense Production Board."

Well, now, that's quite a mouthful. But what is he going to do? The worry is that he is going to tell us what we are to do.

We are only too pleased to have anyone give us good advice on running our industries, but we are an obstinate people. We may listen politely and even nod agreement, yet we are still inclined to think we know best.

WHERE WILL EISENHOWER FIND HIS TROOPS?

We are, of course, getting used to American visitors. We have General Eisenhower who has been spinning round Europe like a tee-to-tum.

A few hours in every capital city of Western Europe and a hasty visit to Iceland and—hey presto—the thing is done. That was General Eisenhower reviewing his troops. The reason he gets through it all so quickly is that the troops are not so numerous as to engage a lot of his time. Having had a look around Europe no wonder he is going peering into the igloos of Iceland to see if he can find some chaps there.

I imagine the General will return to the United States a somewhat worried man. For in present circumstances it is not easy to raise a European army comparable to the 60 or 70 divisions which the Russians have on our western front.

Meanwhile the dispute goes on as to whether to mobilize the Germans or not. This is likely to be an exhausting discussion when it is realized that the Government here has not yet made up its mind about mobilizing our own manpower.

The men released from the services at the end of the last war remain on a reserve. There is talk of recalling some of them for a refresher course. But the people here have a marked reluctance to wearing uniform in peactime; the Germans love it. So it may be that they will get the first army after all.

DEFENSE BILL HAS CHANCELOR WORRIED

No less important than men is money. How are we going to pay for all these defense preparations? This is what is worrying young Hugh Gaitskell, the new 44-year-old Chancelor of the Exchequer.

It is worrying a lot of other people too. Yet there is a cheerful resignation about it all, for the tax-ridden public metaphorically shrugs its shoulders and says "Well, they can't get any more out of me; they are taking the maximum already."

A year or so ago when Mr. Gaitskell was Minister of Fuel he burst into tears at a miners' meeting. He was crying at the failure of his beloved nationalization to produce coal. A very natural reaction for anyone who had grown up with the kind of adolescent hang-over which led him to suppose it would.

Now at the time of the last budget the conservative opposition warned the then Chancelor Sir Stafford Cripps and Mr. Gaitskell (who had become his right-hand man) that they were using up all the national resources on their socialism and that in an emergency there would be no slack to take up.

Did Cripps and Gaitskell listen? No. They knew better, just as Gaitskell did about coal nationalization.

It would be all right if it ended there. Unhappily it does not. I could leave Mr. Gaitskell sobbing quietly in a corner by the hour. But he has got to make up his mind whether he is going to raise this money out of taxation or by a new defense loan.

Obviously a loan is the answer but he knows as well as the next man that the cheap-money days are over. He could not get a loan now at less than 4 percent. And then what would happen? He would have his old crony, Dr. Dalton, the apostle of the cheap-money policy, booming at him. And that is enough to make anyone cry?

Indeed, if the doctor starts having a finger in our financial pie then we shall all have good reason to cry.

HOW SOCIALISTS SWEEP EXPERT ADVICE ASIDE

It was Oliver Lyttleton, member of Parliament and a wartime Minister, who led the shouts of warning to the Treasury of the dangers ahead.

But the planners took no heed of him. He was just a financier and a leading industrialist and a great figure in the city of London. He had been in trade, industry, commerce, and the money market all his life. Worse still, he had made a success of it. So what could be possibly know about? They swept him aside.

PERSONAL TAX EXEMPTIONS

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

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

There was no objection.

Mr. CURTIS of Nebraska. Mr. Speaker, in the drive to increase taxes there should be no attempt to lower the personal exemption from $600 to $500 or any figure below $600. To do so would put an unjust burden on millions of fine self-supporting Americans who have always had to work hard and manage well to make ends meet. I am opposed to lowering the personal exemption. It was raised to its present level by the Republican Eightieth Congress.

A lowering of the personal exemption from $600 to $500 would increase the direct taxes about $10 per month for the individual who has a family of three or four children. This should not be done.

We are told that we are in an emergency and that sacrifice is necessary. In that case let those connected with the Government set the example. In times of high taxes we should make every attempt to be fair. Politicians should certainly not have an advantage. I favor the repeal of the tax-exemption status for part of the income paid to the President and Members of Congress. Let the rules for determining business deductions be applied to these officials in the same manner that it is applied to taxpayers back home. They should have the same treatment but no more.

Mr. Speaker, there are countless people in every community who because of their strong character have always been self-sustaining in spite of great odds. They have never been relieved by the Government or anyone else. With the high cost of living brought about largely by Government spending policies and by high taxes, both direct and indirect, these people are finding it most difficult to get along. Unless balance and sanity are brought into our spending and tax programs, great numbers of these splendid citizens will be removed from the role of self-sustaining individuals. Recently I received a letter from a working girl in one of the towns in my district. I want to quote portions of that letter, as follows:

DEAR MR. CURTIS: It appears that it is going to be necessary to raise more taxes this year, and the solution most commonly advanced is to lower the income tax exemption. I thought perhaps you would be interested in seeing how one typical Nebraska stenographer's pay is spent, and perhaps you will agree that while the income tax laws do need a revision, it is not in the manner suggested.

I earn $25 a week which is a very ordinary and usual wage for stenographers and salesgirls in Nebraska. My weekly deductions are as follows:

Income tax	$2.30
Social security	.38
Health insurance	.75
Life insurance	1.20
Contribution to support of dependent brother	3.50
Board and room (2 meals a day)	12.00
Lunch at noon (sandwich and coffee on weekdays and 60 cents on Sundays)	2.10
Balance left for clothing, dental bills, entertainment, Christmas gifts, personal tax and all other incidentals	2.77
Total	$25.00

And there you have it. I wonder how many Congressmen would enjoy such a prospect, multiplied by 52 weeks. You will note that I contribute $3.50 per week to a dependent brother. This represents my proportionate share toward his support, taking into consideration my income and other expenses. The amount I contribute represents 14 percent of my gross income, but I am allowed no income-tax exemption for this expenditure because it does not represent "chief support." While it is true that this amount does not represent his chief support, it is equally true that a deduction of $3.50 makes a very big hole in $25. * * *

I realize I could earn much more money if I changed my position but for personal reasons it is impossible for me to do so. * * * I have studied over my expenditures very carefully and have come to the conclusion that I have a choice between going without any noon lunch and cutting out my life insurance and health insurance. Inasmuch as my health is poor and I have quite an investment in the life insurance policy, I would like very much to keep both my insurance policies, but on the other hand since I am already 25 pounds underweight, I would also like to have a noon lunch. Apparently I cannot have both. My position is no different from many other persons existing (not living) on a small fixed income, and certainly there are many of them. I am not a believer in "taxing the rich," on the contrary, I believe every citizen should pay his fair share toward maintaining his Government, but I do not think that taxes should be increased on low income groups when its effect will be to deny them the necessities of life, while the only effect of raising taxes on the higher income groups would be to deny them some of the luxuries of life. Surely a noon lunch is more important than a television set, is it not? * * *

I am writing you because I know it has always been your policy to work for fair tax legislation. I can assure you that I and many other persons earning only a small salary will appreciate anything you can do in our behalf.

Respectfully yours.

There are those who will say that individuals working for $25 a week or less should be paid more. The facts are that whether it is desirable or not many, many people must live on a fixed income of wages, or savings, and rents in these small amounts. It is easy to say that an employed person in such circumstances should go elsewhere to work. There may be good and valid reasons for not changing their location and their employment.

As one member of the Committee on Ways and Means whose responsibility it is to recommend taxes to this House, I do not propose to see this great group of splendid citizens destroyed.

TRAIN THE BOYS BEFORE SENDING THEM TO COMBAT

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

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I have asked for this time to read to the House a small news item from one of the newspapers I publish. It contains a story that I believe is of most vital importance to every Member of this body. I read:

Pvt. Wilbur Sweney, 22, youngest son of Mr. and Mrs. Howard Sweney, of Lebanon, Route 2, who had been wounded in action in Korea, died January 16, in a hospital in Japan. Private Sweney had been in service only 3 months and 3 days, his family reports. He is the third Warren countian to die in the Korean conflict. He left Lebanon October 13 for induction.

Mr. Speaker, this boy was taken from the Warren County farm, sent by bus to Cincinnati, where he was inducted into the Armed Forces on October 13, presumably sent to some training camp, shipped across the continent to the west coast, then across the Pacific to Korea, sent into battle where he was wounded, and transferred to the hospital in Japan, where he died on January 16, 3 months and 3 days after his induction.

I am wondering just how much military training this boy had. How well he was prepared to engaged in battle. I am also wondering just how sincere and honest some of our military leaders are when they attempt to tell us here in the Congress they will see to it every boy taken under the draft is given adequate and complete training in preparation for military service before they are sent overseas.

I say to you, sirs, such situations as I have described are an outrage.

REDUCE LEAVE OF FEDERAL EMPLOYEES

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

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

There was no objection.

Mr. VURSELL. Mr. Speaker, if the President and this Congress really want to make savings in the cost of the Government by reducing nonmilitary expenses, I am introducing a bill that will make it possible to save $200,000,000 to $250,000,000 in the next fiscal year and every year thereafter during our present emergency.

My bill will cut back the present 26-day annual leave for all Federal civilian employees in the executive department of the Government to 15 days' annual leave with pay, on and after June 30, 1951.

This will affect only about 1,500,000 civilian employees who are now receiving 26 days' annual vacation leave with pay. It will not affect the 500,000 postal workers who have never received more than 15 days' annual leave with pay.

Based on the approximate 1,500,000 civilian employees it would make a saving of from $200,000,000 to $250,000,000 during the coming year. It would probably reach $250,000,000 because doubtless 500,000 new additional employees will be added to the payroll between now and the end of fiscal year 1952.

If those now enjoying 26 days' annual leave are cut back to 15 days, they will, in fact, receive 3 weeks' leave with pay because Federal employees work only 5 days a week, 8 hours a day. It should be pointed out that those who work more than 40 hours a week receive increased overtime pay.

Mr. Speaker, I should like to point out that a Nation-wide study made by the Civil Service Commission and other departments of the Government to determine leave without pay granted throughout the Nation by private business and industrial firms over a year ago reported 15 days' leave with pay is the customary standard policy of such firms and private businesses.

If this legislation is enacted it will keep leave of Federal employees in line with employees in private business.

Mr. Speaker, it is time that something be done to lower the load on the Government which derives its taxes from the people who are, in fact, the Government.

Federal civilian payrolls are now costing the people $7,500,000,000 a year based on 2,000,000 employees. Thousands are being added to the Federal civilian payrolls weekly. The number of employees may soon reach a peak of 3,000,000 which would increase the cost of civilian Fed-

eral employment alone to over $11,000,000,000 a year.

Mr. Speaker, for 52 weeks of the year the average workweek is 40 hours or a total of 2,080 work hours a year including legal holidays.

About 10 percent of all this working time is allocated to annual leave. At present the cost of annual leave—for which no compensatory work is done—amounts to approximately $750,000,000 a year.

In these trying times no one working for the Government should object to working at least 95 percent of the time for which he is paid.

I think it is not asking too much if this reduction in leave is written into law.

Mr. Speaker, this proposed legislation also provides that beginning July 1, 1951, all leave thereafter accruing during the year must be used during the fiscal year in which the same is earned.

This will stop the unwise practice of allowing annual leave to accrue. It may be interesting to the Congress, and I am sure will be to the people, to know that accrued annual leave which has not been used up by the employees in the past has now reached the amount of $581,000,000, a liability the Government will have to pay.

My bill does not affect or prevent the payment of this annual leave already accrued under existing statutes.

Mr. Speaker, in addition to the 26 days' annual leave at present, these Federal employees are entitled under the present law to 15 days' annual sick-leave allowance, which is also not affected under this proposed legislation. It is not proposed at this time to reduce the 15-day annual sick-leave allowance, but it might be well to tighten up the regulations governing it to make the abuses of malingering impossible.

Mr. Speaker, I hope this legislation may have the endorsement of the executive department of the Government and the approval of the Congress at an early date so that it may go into operation with its benefits to the Government in the fiscal year beginning July 1, 1951.

212 WORKDAYS

If a Federal employee takes advantage of the 8 holidays, the 26 days' vacation, the 15 days' sick leave, and the great majority of them do, they only work 212 days out of 365. Their net working time is only 1,688 hours, and on a 5-day-week average, instead of 40 hours, they work 32 hours and 27 minutes a week.

It figures out this way. There are 52 Sundays and 52 Saturdays they do not work, unless occasionally and then they draw overtime for the amount they do work over 40 hours a week. Add to this 8 national holidays, 26 days' leave with pay, and 15 days' sick leave and you have a total of 153 days that are not worked. This subtracted from 365 days in the year leaves 212 workdays in the present setup.

In addition to a steady job and sure pay, the Federal worker has the benefit of a liberal retirement, a part of which is paid for by the worker and a part of it by the Federal Government drawn from taxes of all of the people. In fact, millions of dollars each year is added by the Federal Government to the trust fund out of which Federal workers receive their annual retirement when they leave Government service. The President has said, and wisely so, that all of us must make sacrifices in higher taxes and in tightening our belts so that we may pay the expenses of Government without adding further to the deficit.

Mr. Speaker, this legislation, if approved, will help to keep down appropriations from $200,000,000 to $300,000,000 a year. It does not reduce salaries, and it throws no one out of employment.

I believe the great majority of the patriotic Federal workers will be willing to make this light sacrifice, and it is light compared with the sacrifice our soldiers must make, to help to protect the solvency of our Government.

This is only one of hundreds of departments of Government that must make their equal sacrifice. The retirement Federal workers have helped to pay for along with Government which they hope to draw in future years after being separated from the Government, will all be lost and there will be no retirement checks coming in the future if we continue to pile up this national debt till we destroy the purchasing power of the dollar and wreck our Government financially.

The Congress has voted for many raises for Federal employees. It is not my purpose to single out one group of our good American citizens, the great majority of whom have been doing a splendid job for the Government, asking them to make the special sacrifice.

All groups and all American citizens are going to have to make equal, and in many instances, much greater sacrifices in the trying days ahead.

I am inserting herein a copy of the bill I have introduced:

A bill to reduce the annual leave of Federal officers and employees to 15 days during the continuance of the existing national emergency, and for other purposes

Be it enacted, etc., That from and after July 1, 1951, and during the continuance of the present national emergency proclaimed by the President on December 16, 1950, annual leave with pay shall be granted and allowed to civilian officers and employees of the Government of the United States whose appointments are on an annual or monthly basis at the rate of not to exceed 15 working days per annum. No such annual leave shall be accrued and carried forward from one fiscal year to another fiscal year, but shall be taken and used during the fiscal year in which the same shall be earned from and after July 1, 1951: *Provided*, That nothing herein contained shall be construed as affecting any annual leave that has heretofore been or shall be accrued to and including June 30, 1951.

SEC. 2. All laws and parts of laws in conflict herewith are hereby suspended during the continuance of the existing national emergency proclaimed by the President by Proclamation numbered 2914 of December 16, 1950.

RESULT OF POLL CONDUCTED BY RADIO STATION KSUM, FAIRMONT, MINN.

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

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

There was no objection.

Mr. O'HARA. Mr. Speaker, radio station KSUM at Fairmont, Minn., has just rendered a significant public service. Over a 1-week period ending January 30, this station submitted a poll of two questions to the people of the area it serves:

Question No. 1: "Should we pull out of Korea?" received 1,323 answers. One thousand one hundred and seventy-five, or 89 percent, said "Yes."

Question No. 2: "Who should determine whether American troops be sent overseas, Congress or the President?" received 1,291 answers. One thousand two hundred and fifty-one, or 97 percent, said Congress should make the decision.

Mr. Speaker, I do not claim to be an expert on foreign thinking and foreign morale, but I do claim to know something about American thinking and American morale.

Mr. Speaker, to those who lead nations or armies, morale is the greatest factor in victory or defeat.

Now is the time that all who love and are charged with preserving this country do some realistic thinking, before it is too late.

POLL CONDUCTED BY THE SANTA MONICA INDEPENDENT, SANTA MONICA, CALIF.

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

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

There was no objection.

Mr. JACKSON of California. Mr. Speaker, some weeks ago one of the newspapers in my district, the Santa Monica Independent, initiated a poll of its readers to determine, if possible, the thinking of people in the area covered by the Independent on several vital foreign-policy matters. The results of the poll have been communicated to me by the editors of the paper, and I think that they are interesting enough to merit inclusion in the CONGRESSIONAL RECORD.

It should be remarked that the Independent is not a partisan publication, nor do the editors generally take any position with respect to the implementation of foreign policy which might be construed by its readers as evidencing a bias in either direction on controversial issues. There is every reason to believe that the publication sought to obtain an honest and objective round-up of current thinking on the questions posed.

The outcome of the poll represents no surprise to me, but rather confirms my convictions as expressed so often here on the floor of the House, both before the Korean expedition and following the Communist counterattacks. For many months I have pointed out time and again that Korea was the last spot on earth that we should have chosen for a test of strength with the military forces of communism. Geography, topography, communications, logistical

factors were all weighed against this Nation in reckoning the chances of ultimate success for our arms; and even assuming ultimate success, recorded military and naval testimony before the committees of Congress has invariably indicated serious doubts in the minds of qualified witnesses as to the value of the operation. That Korea did not figure in the concept of the defense of the United States was admitted publicly by no less an authority than the Secretary of State, Dean Acheson, who placed Korea outside the perimeter of our defense line in the Pacific.

The operation in Korea has not been a military success. Our forces have suffered severe losses to this time, and the end is by no means in sight. An ever-mounting wave of public opinion is demanding withdrawal of United Nations forces from the Korean peninsula.

The Independent's poll consisted of seven questions, as indicated below. I think that it will be interesting to the Congress to see how readers responded, and for that reason the final results follow:

First. Should the United States withdraw from Korea? Yes, 78.16 percent; no, 21.12 percent; no opinion, 0.72 percent.

Second. Should the United States send more troops to Europe? Yes, 60.56 percent; no, 37.32 percent; no opinion, 2.11 percent.

Third. Should the United States withdraw to the defenses of the Western Hemisphere and build them up? Yes, 50.70 percent; no, 41.55 percent; no opinion, 7.75 percent.

Fourth. Should the United States launch an all-out attack against Red China, including the use of the atom bomb? Yes, 19.01 percent; no, 78.88 percent; no opinion, 2.11 percent.

Fifth. Should the United States abandon Formosa and allow Red China into the United Nations? Yes, 46.48 percent; no, 50.71 percent; no opinion, 2.81 percent.

Sixth. Should the United States rearm Germany? Yes, 36.17 percent; no, 52.48 percent; no opinion, 11.34 percent.

Seventh. Should the United States quit the United Nations? Yes, 43.67 percent; no, 54.22 percent; no opinion, 2.11 percent.

LENTEN SERVICES

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

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

There was no objection.

Mr. HAGEN. Mr. Speaker, in this hour of decision the fate of mankind mostly rests on our moral strength and spiritual faith and understanding.

As we approach this Lenten season the Christian world is faced with great challenges which will be successfully met through faith and a close adherence to the deep spiritual traditions upon which our Nation is founded.

I would like to call to the attention of the Members the daily 20-minute Lenten service for the Capitol Hill community at the Lutheran Church of the Reformation, opposite the Folger Shakespeare Library. These services have been conducted for some years and have given new inspiration and understanding to those of us on the Hill who have attended them.

The church is within quick walking distance of the House and Senate Office Buildings and the Capitol. The service is held each weekday from 12:10 to 12:30 except Saturdays. Speakers each day will be ministers of the various Protestant denominations of the Washington area. Everyone will be welcome.

I commend these services to my fellow Members of the Congress for their personal attendance. I also would like to suggest that we make it possible for our staff members to attend. The services start on Ash Wednesday, February 7, and continue through Lent.

GENERAL EISENHOWER

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

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

There was no objection.

Mr. GROSS. Mr. Speaker, Members of Congress and the American people were sold a bill of goods that General Eisenhower toured Europe and ascertained whether we have allies in fact as well as in name.

He returned without specific information, as he blandly admitted before the joint meeting of Congress. And his radio speech to the Nation last Friday evening was saturated with "ifs."

According to Eisenhower, if England, if France, if Italy, if Holland, if all the rest can rise to the patriotic grandeur of their forefathers, we might get some help.

Does he mean the kind of help we are not getting in Korea?

In other words, and according to the Eisenhower formula, if we provide the ham, we will be sure to have ham and eggs—if we also provide the eggs.

REVISION OF IMMIGRATION, NATURALIZATION, AND NATIONALITY LAWS

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

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

There was no objection.

Mr. WALTER. Mr. Speaker, I have introduced today a bill to revise the laws relating to immigration, naturalization, and nationality, and it is my desire at this time to draw the attention of the House and of the American public to this important legislation. It is long overdue and its introduction and enactment has been urged by every interested branch of Government, by the legal profession, and by numerous social and religious groups helping the new immigrants and concerned with the civic education of our future fellow citizens.

My bill is similar but not entirely identical with the bill, S. 716, introduced in the other body by the senior Senator from Nevada. It represents the final product of painstaking research and careful drafting done in cooperation with the Department of State and the Department of Justice. It certainly is not the last word of what we would like to see on our statute books. In many respects it does not even reflect my own views and no department of the administration has officially reported on it at this time.

My purpose in introducing it is to provide for a companion bill in the House, thus permitting us to hold joint hearings with our colleagues from the Committee on the Judiciary of the Senate. We intend to open hearings in about 4 weeks and we invite every interested person and organization to give us the benefit of their views.

My bill is designed to supersede a true maze of laws and amendments as they have accumulated through the years and to write a single, comprehensive and modernized Immigration and Nationality Code without departing from the basic thought governing our immigration policy since 1917, namely, the quota system based on the principle of national origin.

It appears to me that the present world situation is being rather satisfactorily reflected in this proposed legislation. While on the one hand we intend to correct certain shortcomings of our immigration and naturalization laws hampering the free and highly desirable international exchange of skills, scientific experiences, and professional abilities by the free nations of the world, on the other hands we have taken notice of the activities of subversive element inspired and directed by our enemies and we have tried to the best of our abilities to strengthen the safeguards protecting the internal security of this Nation. We believe that we are providing in this bill for more equitable means of preventing the separation of families. We have also incorporated into this bill certain legislative proposals hereto favorably acted upon by the House, such as the bill sponsored by the able gentleman from Minnesota [Dr. WALTER H. JUDD] repealing the remaining racial exclusion clauses of our immigration laws and granting minimum immigration quotas to every independent nation of the Orient. I can assure the House that an effort will be made to have this vital legislation extensively debated by the public and by the Congress but it is our earnest desire to expedite our work so as to be able to take final action on a bill, which I hope will emerge in improved form and shape from the Committees on the Judiciary of both Houses before this session of Congress adjourns.

RECIPROCAL TRADE AGREEMENT ACT

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

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

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time in order to advise my colleagues that H. R. 1612, legislation to

extend the Reciprocal Trade Agreement Act, will be up on Wednesday in the amendment stage. In this connection I would like to call the attention of all Members of the House to the RECORD of last Friday on page A557 of the Appendix, where you will find a critical analysis of the existing so-called escape clause in these trade pacts. I trust everyone will have an opportunity to read it because it will concern an amendment on Wednesday. I propose to offer an amendment to provide an avenue of escape for all harassed industries, particularly during this period when the American Government is freezing so many critical materials, and therefore not available for domestic manufacture.

LEAVE OF ABSENCE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. FORRESTER] be granted leave of absence for several days to attend a funeral in his district.

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

There was no objection.

THE RAILROAD STRIKE

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

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

There was no objection.

Mr. BRYSON. Mr. Speaker, yesterday a young marine lieutenant, here for the week end, asked me to do him a favor. He desired to send a marine lieutenant's trench coat to one of his friends who in a few days will be on his way to Korea. During the past few days, we have experienced cold weather here in Washington. From the reports coming to us from Korea, it is much colder there. I gladly agreed to send the coat to the young marine. This morning I went to the post office, after having had the garment properly packed, and requested that it be mailed first-class and insured. The package met all the postal requirements as to size and weight but was not accepted for mailing by reason of the railroad strike and embargo. Surely this is a deplorable plight. It is a concrete example of how this strike is impeding and interfering with the progress of the war. How anyone could condone or justify such acts is beyond my comprehension. I believe that there is adequate legal authority for dealing with such treasonable acts. Of course it is incumbent upon the executive department of the Government to see that the laws are enforced. If it appears that there is not sufficient legal authority to deal with a situation such as this, then we should immediately proceed with the enactment of proper legislation. Let it not be said that those of us who are calling young men from their homes daily for military service in foreign countries failed to make provision for their comfort and safety.

MILITARY MANPOWER DEMANDS

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

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

There was no objection.

Mr. RAMSAY. Mr. Speaker, the most difficult question that confronts Congress today in its preparedness program is manpower, which involves the critical decision of drafting either 18-year-olds or veterans and fathers.

This decision—the most difficult of all—will require deep courage on the part of every Member of Congress.

Our present draft program of 19 to 26 is not sufficient to meet manpower demands.

It will not be sufficient to meet military manpower demands under any proposal yet submitted.

The great area of dispute, as I see it, lies in determining the best means of halting Russian aggression. Three major proposals have been offered.

One is the proposal of complete mobilization and combat with the enemy. This is the proposal of Governor Dewey, the titular leader of the Republican Party.

Another is the proposal to abandon Europe and Asia to the Communists, and leave only outposts in England and Japan. This is basically the proposal offered by the Honorable Herbert Hoover, our only living ex-President and a Republican elder statesman. Mr. Hoover, in the eyes of many in his party, has more claim to leadership than Governor Dewey. Senator ROBERT A. TAFT, referred to in the press as "Mr. Republican," subscribes to this policy, and is an active advocate of it in the other body. It has also found vocal support from the Honorable Joseph Kennedy, a former Ambassador to Great Britain and a leading Democrat.

Finally there is the policy of the administration. A policy of containing Russia; of bolstering the ability of allies to resist Russia; and of building up areas of strength from which to bargain, or, if full-scale warfare is required, areas from which to attack Russian military forces and strategic positions.

While the specific proposals of former President Hoover, former Ambassador Kennedy, and Senator Taft differ somewhat in detail, they are essentially identical. I do not believe they meet the test of what is best for the United States. If the recommendations of Mr. Hoover or Senator Taft are adopted, I believe we would be forced to withdraw even from Japan and England—especially from England. This would return our defense line to the limitations suggested by Mr. Kennedy, so the major distinctions between these positions become more or less academic.

What would be the result of the Taft-Hoover-Kennedy program? It would immeasurably strengthen Soviet Russia. Her strategic position would be greatly enhanced. Russia could get at the United States much more easily. If war comes—and I believe it would be an inevitable result of the Taft-Hoover-Kennedy proposals—our ability to wage it would be greatly weakened.

Mr. Speaker, I shall not take the time to list in detail the military advantages which would be Russia's if she controlled all the world except the Western Hemisphere and the few Pacific and Atlantic islands which would lie within our defense perimeter. This has been done enough times in our Congress and in our media for public comment to be familiar to all. Russia's manpower and industrial resources would be greater than ours.

If "pulling in our horns"—so to speak—as proposed by Mr. Hoover, Senator Taft, and Mr. Kennedy, and those who support their position, were a guaranty of lasting peace, I would support that position. I would support it even though it strengthens Russia and means living in a domestic economy, calling for a tremendous military budget and a tremendous number of our people in uniform.

I realize, Mr. Speaker, that proponents of this program set forth the theory that we need only strong sea-air forces, but relatively little in the way of ground forces. In my opinion, this is an absolutely false premise. If we were to grant—and I do not so grant—that we would not require ground forces to aggressively engage the enemy in combat, we would still have to maintain a large standing army. In order to properly patrol our perimeter, we would need advance bases. These bases for sea-air power would have to be protected by ground forces. Perhaps in the case of our naval bases, protection could be afforded by marines—but these would still be ground forces, and would be a drain on our manpower.

Mr. Speaker, my main reason for opposing this proposal is that I believe it will make war with Russia—a stronger and even more formidable Russia—inevitable.

History has shown us that no aggressor ever stops of his own accord. He must be stopped. Sometimes it has been possible to halt aggression by strong diplomatic measures. Generally, aggression has had to be stopped by force of arms.

Diplomatic measures have been effective, only when an aggressor realizes that his diplomatic opponents are backed by military strength.

By turning over all of Europe and Asia, and probably losing England, we would be permitting Russian aggression to reach a point where our diplomatic overtures for peace would have no weight whatsoever. We would be forced to fight or surrender.

There is, Mr. Speaker, still another reason for opposing the proposals of Mr. Hoover, Senator Taft, and Mr. Kennedy. If we follow this course, we shall be playing right into the hands of Russian diplomacy—the goal of which is to drive a wedge between the United States and the Western European powers.

I should be the last person on earth to imply that the honorable and patriotic gentlemen who propose this course are motivated by any desire to play into the hands of Russia. To these distinguished gentlemen, I attribute only the highest of patriotic motives. In my opinion, they have reached their positions

only after serious and sober weighing of all facts at their command. But—I also believe what they proposed would be as helpful to the grand strategy of the Kremlin as any proposal by the Politburo itself.

Mr. Speaker, as I see it, if we lost Europe, we would also lose most of our Western Hemisphere allies. It is human nature to want to be on the winning side. Once a bandwagon is rolling, it gathers passengers as it goes on. I am firmly convinced that the hard core of Communists in some of our neighboring lands would find their tasks made easier with the compelling bandwagon argument to back up their nefarious propoganda.

Before proceeding to analyze alternative courses, I believe a word of explanation is due Members. I have emphasized the political affiliations of the principal advocates of the foreign policy proposal just discussed. I shall also emphasize the political affiliation of advocates of alternative policies. I do this, Mr. Speaker, to highlight that thinking is not along partisan lines.

Two leading Republicans and one leading Democrat have given voice to the proposal just discussed. Both Republicans and Democrats are found as leading advocates of alternative proposals. Whatever course is followed, we find bipartisanship in its advocacy.

The policy, Mr. Speaker, which I believe best meets the test of what is good for the United States, is the policy of containment being followed by the administration. It has become known in the public press as the Truman-Acheson policy, but it is a continuation of the bipartisan policy in which the distinguished Senator VANDENBERG and our beloved colleague, the gentleman from New Jersey, Dr. EATON, had so much a part.

The Honorable John Foster Dulles, a former Republican Senator, had a hand in its formulation, and assists in its implementation. By roll call votes in this House, and in the other body, many other Republicans have indicated their support. It too is bipartisan, although it does not have the support of all Democrats, and it does not have the support of all the Republicans.

This is a policy aimed at halting Russian aggression. To do this, we have embarked on a program of building up those nations who will fight Russian aggression. We have had some notable successes. Greece and Turkey are two outstanding examples. The Marshall plan of building up the economic strength of anti-Communist Western Europe has been, and is continuing to be successful.

We were effective in stopping the rise of communism in Italy. We have driven a breach in the iron curtain by weaning Tito—himself a Communist—from the lap of the Kremlin.

Its chief aim is to build up areas of strength from which to bargain with Russia. It is predicated upon building the United Nations into an effective vehicle for maintaining world peace. If successful, this policy will bring peace. If it fails in its primary mission, it has the collateral benefit of building up the war potential of our allies to assist in military operations.

This policy, Mr. Speaker, offers no guarantee of peaceful settlement of problems arsing from Russian aggression. But it most assuredly strengthens the hands of the United States and our allies in dealing with these problems through diplomatic channels. And if war comes, we are in a better position for prosecution than if we follow the Hoover-Taft-Kennedy alternative.

There is a third alternative proposal. It was given voice by Gov. Thomas E. Dewey. Briefly, Mr. Dewey wants full mobilization now—to the extent of 200 divisions. In effect, this means war with Russia now. Mr. Dewey does not suggest actual combat, but I believe that would be the direct result.

I shall not discuss this proposal, because I believe it is merely an extension of our present program. It merely presupposes that diplomacy will not do the trick, and that our sole hope lies in military measures.

Mr. Speaker, this brings me to a second set of serious decisions Congress must make. As I see it, no matter which way we move, no matter which of the three proposals for dealing with Russian aggression we adopt, we must mobilize to a greater extent than we at present find ourselves.

Even the Hoover-Taft-Kennedy proposal of tightening our perimeter, and depending largely on sea-air power, calls for manpower. Even if we do not maintain Ground Forces for offensive combat, we must have large numbers of ground troops to protect the advance bases. None of the proposals will do other than make heavy demands on our Treasury. Industrial capacity must be diverted to military production in greater proportion.

The die has been cast on taxes, but the end is not yet in sight. The die has been cast on controls over our economic life. In fact, the people have demanded faster action than has been displayed so far—and, firmer action.

The manpower decision is the one which Congress must make. This choice is going to be the most difficult of all. Our present draft program of 19–26 is not sufficient to meet manpower demands. It will not be sufficient to meet military manpower demands under any proposal yet submitted.

Congress must decide whether we shall take 18-year-olds, or whether we shall take veterans and fathers. Many of the veterans were called up when they were 18. If total mobilization becomes necessary, we must take all, and we shall have no choice.

Mr. Speaker, the decision I must make shall indeed require courage on my part. I believe this can be said of every Member of the House. I do not know, at this time, how I shall vote when the issue is drawn. I constantly think of the two alternatives. I read, I think, and I search for a third alternative. One which will meet the necessities of the crisis we face. I find none. No alternative which will relieve me of this distasteful decision. It must be "either-or." Either 18-year-olds, or veterans and fathers. Which shall it be?

I do not want to draft 18-year-olds. Congress does not approve this course, but we may reluctantly authorize it. How easy it would be, Mr. Speaker, to say "No" to this proposal, and thus ease the minds and hearts of millions of American mothers. If we follow the dictates of our emotions, that would be the vote each of us would cast. It would be an easy way out; it might win votes.

Such a course would be beneficial, Mr. Speaker, if we did not have to meet manpower requirements from another source—this other source being veterans and fathers. A "Nay" vote to this alternate proposal would be easy also, and one we would make, if we followed our emotions. What a great relief this would be to millions of American mothers, whose sons served during World War II—many of them going to the colors at the age of 18. Again—what a great relief this would be to millions of American wives of these veterans with small children. Again, too, such a course might win votes.

But, Mr. Speaker, we cannot say "No" to both propositions. This would endanger the lives of every American, and indeed risk the homes and security of every American—mothers, wives, and children all. Our emotions must not guide our decisions.

We must take care that our decision on this matter, and all others, is not guided solely by pure, cold reasoning and logic. When America is governed by reasoning and logic, America will cease to be.

It is the fact that ours is a Government of people, whose decisions are tempered with warm emotion, and are subject to human frailties, which makes our democracy a living, vibrant force. All hope for the world would be lost if the lawmakers of this Nation could subvert their human emotions to cold logic. I find it impossible to accomplish such a subversion. I believe this to be true of all Members of the House. In approaching this or any other problem we must seek to achieve a careful balance between cold logic and warm emotion.

I know, Mr. Speaker, this body will courageously face this and other grave issues in the ensuing months. I know that decisions will be reached only after a collective soul searching—as great as any recorded in this country.

Finally, I know that whatever decision is reached, that decision will be supported 100 percent by all the people.

COMMITTEE ON PUBLIC WORKS

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Buildings and Grounds of the Committee on Public Works be permitted to sit during general debate this week during the sessions of the House.

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

There was no objection.

TO REQUIRE A YEA-AND-NAY VOTE ON ALL APPROPRIATION BILLS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute, and to revise and extend my remarks.

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am today reintroducing my resolution requiring a yea-and-nay vote on all appropriation bills passed by this House. I introduced this same resolution last year, but the Rules Committee never granted a rule for its consideration by the House. I have never introduced a bill that received more favorable response and aroused more public interest than I got from the introduction of this resolution.

There are 38 States in the Union that require a yea-and-nay vote on appropriations. There is no rhyme or reason why the Members of Congress should not be required to stand up and be counted in appropriating the taxpayers' money, irrespective for what purpose it may be appropriated. I know that our taxpayers desire to know how their Congressmen vote when it comes to spending their money. In the Eighty-first Congress, first session, we passed appropriations of $29,000,000,000 in the House without a record vote, and the people cannot tell who voted for or against a single appropriation bill.

It appears that we will do away with the omnibus appropriation bill this year and will be called upon to pass a number of appropriation bills, and the requirement of a yea-and-nay vote could be the means of making each Member consider seriously his vote on each appropriation bill and possibly could be the means of bringing about some economy.

This is a period when we want to economize. I do not know whether or not this will bring about economy, but I believe it will have a tendency to do so. I think our constituents have a right to know how we vote on spending their money. I hope the Committee on Rules will grant a rule to bring this resolution up for consideration and give the membership an opportunity to work its will.

Mr. RANKIN. If the gentleman will yield, does the bill apply to the Senate?

Mr. ROGERS of Florida. This is a House resolution amending House rule XXI and applies to the House only. I am quite sure if the House sets this good example by passing this resolution, the Senate will follow. However, that is their business.

THE RAILROAD STRIKE SITUATION

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

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

There was no objection.

Mr. ANDREWS. Mr. Speaker, in the armed services when a man faked illness he was branded a gold bricker and usually wound up in the guardhouse. This illegal, wildcat, unpatriotic strike on the part of certain railroad employees is nauseating to the American people. My information is that many of those men who are now out on strike have been deferred by their draft boards solely because of the fact that they were engaged in an industry or occupation which was essential to the national defense. This strike is paralyzing the commercial life of our Nation and is impeding the war effort.

I am today introducing a bill which provides that the selective service law be amended so that whenever any man who has been deferred because of occupation or employment for any reason stops working he must immediately report to his draft board and go into the Army of the United States. I hope I have the support of every Member of the Congress to see that this bill becomes law.

The SPEAKER. The time of the gentleman from Alabama has expired.

OUR ARMED FORCES NEED SKILLED RAILROAD MEN

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

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

There was no objection.

Mr. BARDEN. Mr. Speaker, we have a lot of fine boys in Korea. I understand there is a possibility that they may run short of ammunition. We have a lot of fine, patriotic folks in this country who are being terribly handicapped in whatever war effort they are putting forth. Some time ago the House of Representatives and the Senate acted in a situation which was of great interest to the people. It was declared that there was a shortage of doctors in the Army and Navy. So, in the public interest, and the interest of national defense, and in the interest of our country which is at war, we passed a bill and singled those men out, and said, "You are specially trained to render special service to this country in this great emergency." And we drafted them. There has never been a time that I know of when this Nation needed some skilled trainmen and skilled engineers and trained railroad men more than we need them this morning. Are we going to rise to the occasion, or are we going to permit the war effort to lag behind, to the detriment of the country? Personally I cannot help but feel somewhat as a fine American wrote me this morning, and I quote:

> When this country is at war the hands and minds of everyone able to move and think effectively should either voluntarily channel themselves or be involuntarily channeled into essential tasks in the Nation's defense.

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

SPECIAL ORDER GRANTED

Mr. SUTTON asked and was given permission to address the House for 30 minutes tomorrow, following the legislative program and any special orders heretofore entered.

SPEAKER RAYBURN HONORED AT WHITE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a transcript of the proceedings of the White House recently in honor of our distinguished Speaker.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, there was an extraordinary and historic event at the White House on January 30, 1951, when President Truman honored our Speaker, the Honorable SAM RAYBURN, of Texas, on the occasion of Mr. RAYBURN's setting a new record for tenure of the Speakership.

At the President's invitation, there were many notables present, including Chief Justice Fred M. Vinson and Vice President Alben W. Barkley, both from the State of Kentucky, which had held the Speakership record through Henry Clay.

The majority leader of the House, Hon. JOHN W. MCCORMACK, of Massachusetts, the minority leader, Hon. JOSEPH W. MARTIN, JR., also of Massachusetts, and former Speaker, and the Texas delegation, including Senators TOM CONNALLY and LYNDON JOHNSON, were present.

Mr. Truman also had as his special guests at the ceremony of presenting to the Speaker a gavel made of wood that had been placed in the White House in 1817, the Speaker's sister, Miss Lucinda Rayburn, and his brother, Dick Rayburn, both of Bonham, Tex., and his nephew, Robert Bartley.

The White House was kind enough to let me have a transcript of the proceedings on that occasion, as follows:

President TRUMAN. Mr. Speaker, Mr. Vice President, Mr. Chief Justice, I have a very pleasant duty to perform this morning, to congratulate the Speaker of the House of Representatives on having served longer as Speaker of the House than any other man in the history of this Republic and in order to show him that I feel very kindly to him, if he has to be shown that, I had a gavel made of wood from the White House that was used in 1817 to rebuild the White House after the British burned it. But this is to SAM RAYBURN who has served as Speaker of the House of Representatives longer than any man in the history of the Republic, with honor and devotion to his country, date January 30, 1951, and it is signed by the President. Mr. Speaker. [Applause.]

Speaker RAYBURN. Mr. President, to me this is a great occasion for many reasons; to be here in your presence and with you and to receive this presentation, evidence of your friendship and your trust. I appreciate every colleague of mine and every friend from the Hill, including the newspapermen and photographers and television people, whom sometimes I have a little trouble with. To everyone from the depth of a grateful heart I thank you. This is a great day to me. It means much to me. It means much to my family and to my friends back in Texas who have so long trusted me by voting for me and making me their representative. Here again, Mr. President, again I thank you most sincerely. [Applause.]

President TRUMAN. Mr. Speaker, it gives me great pleasure to present you with a gavel. This was made of wood that was used in the reconstruction of the White House in 1817.

Speaker RAYBURN. I shall treasure it all the days of my life.

President TRUMAN. I would like the Vice President to say a word.

Vice President BARKLEY. In 1824, President Monroe gave many a great reception in the White House here out of which this gavel

came. Everybody wanted to attend one reception and everybody wanted to meet General Lafayette. Two men came to the reception unaccompanied and when they were presented to Lafayette he said to one of them, "Are you married?" He said, "Yes; I am married, I have a wife and three children." He said to the other one, "Are you married?" He said, "No, I am a bachelor." He said, "Lucky dog." [To Speaker] You are a lucky dog.

President TRUMAN. Chief Justice Vinson.

Chief Justice VINSON. Mr. President, Mr. Speaker, I don't know whether I ought to be happy or not being a Kentuckian. We must concede that the record set by our great Henry Clay has been broken. I tell you it took a long time to do it and it took Texas and a great Texan to do it. [Applause.] I tell you the truth. Even though I am a Kentuckian I am happy that my good friend SAM RAYBURN holds the all-time record for service as a Speaker of the House of Representatives, where he has performed a duty, where he has performed tasks, where he has been a great pacificator many, many times over. Clay you know was known as a great pacificator. He may have pacificated once or twice but this man RAYBURN has been pacificating for almost 40 years.

President TRUMAN. I would like to ask the former Speaker of the House and the minority leader to say a few words, Hon. JOE MARTIN.

Mr. MARTIN of Massachusetts. Mr. President, Speaker RAYBURN, friends of Speaker RAYBURN, it is with a little misgiving that I join in these ceremonies. I, unfortunately, held them up. They would have taken place 2 years previously but for me. Nevertheless, I am happy to come here and join in wishing my good friend of many years, SAM RAYBURN, the very best of wishes. Mr. RAYBURN is a very great parliamentarian and a great American, and I know I express the words of everyone who has come in association with him that we love him and honor him.

President TRUMAN (to Speaker). Do you want to thank these people for the kind words they said to you?

Speaker RAYBURN (banging gavel). I think, Mr. President, it is about time to bring the speaking to a close. But first I want to say thanks to my friend Fred Vinson, who was my manager when I was elected Speaker of the House of Representatives and to my successor and predecessor JOE MARTIN for his kind words.

President TRUMAN. I think the majority leader ought to express his opinion.

Majority Leader MCCORMACK. Mr. President, Mr. Speaker RAYBURN, Chief Justice Vinson, the association between Speaker RAYBURN and me during his years as Speaker has been very, very close, not only on the personal level, but because of our relationship as Speaker—he as Speaker and I as majority leader of the House during the greater part of the period that Speaker RAYBURN has been Speaker. He may come from Texas, he might be termed a Texan, but, in the hearts of all Americans, he is an outstanding American and one of the greatest men of this era.

President TRUMAN. This has been a great day for me. Way back in the early days I tried to get out of the way and let SAM RAYBURN be nominated for Vice President. I didn't have any luck, and now I am privileged to present him with this memento of a long term of service. I have had no greater pleasure in any time I can remember.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

THE FEDERAL RESERVE BOARD'S CONTROVERSY WITH UNITED STATES TREASURY

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

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

There was no objection.

Mr. PATMAN. Mr. Speaker, before any Member takes the side of the Federal Reserve Board in the controversy with the Treasury Department, I hope he seriously considers what the result will be here in the event the Federal Reserve Board should win in this contest.

During the past year the Federal Reserve Board has deliberately caused an increase in short-term paper up to 300 percent in interest. The Federal Reserve Board is now trying to greatly increase interest rates. We are paying this year $500,000,000 additional interest on our national debt by reason of the policies of the Open Markets Committee of the Federal Reserve Board, which the Federal Reserve Board is responsible for.

I certainly urge you to consider the fact that the Federal Reserve Board, if it should win—and I certainly hope it does not—will increase interest charges on our national debt from $1,500,000,000 to $2,000,000,000 by next year, and price control, I submit, should apply to banks and the Federal Reserve the same as to the people.

The SPEAKER. The time of the gentleman from Texas has expired.

REPUBLICAN ORGANIZATION WHIP SET-UP

Mr. ARENDS. I ask permission to extend my remarks at this point in the RECORD and include the organizational set-up of the Republican whip.

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

There was no objection.

(The matter referred to follows:)

Republican whip, LESLIE C. ARENDS, Illinois; deputy whip, RALPH A. GAMBLE, New York.

Eastern regional whip, W. STERLING COLE, New York—8 States, 50 members: Maine (3), New Hampshire (2), Vermont (1), Connecticut (4), Delaware (1), A. N. SADLAK; Massachusetts (8), W. H. BATES; New York (22), KATHARINE ST. GEORGE; New Jersey (9), T. MILLET HAND.

East central regional whip, HARRY MCGREGOR, Ohio—6 States, 54 members: Pennsylvania (20), LEON H. GAVIN; Michigan (12), GEORGE DONDERO; Ohio (15), HARRY MCGREGOR; Maryland (3), Tennessee (2), Kentucky (2), J. GLENN BEALL.

Midwest regional whip, CHARLES B. HOEVEN, Iowa—8 States, 56 members: Indiana (9), RALPH HARVEY; Illinois (18), C. W. BISHOP; Wisconsin (9), Minnesota (5), North Dakota (2), South Dakota (2), GLENN DAVIS, of Wisconsin; Iowa (8), Missouri (3), CHARLES B. HOEVEN, Iowa.

Western regional whip, A. M. COLE, of Kansas—9 States, 39 members: Kansas (6), Colorado (2), Nebraska (4), Oklahoma (2), A. M. COLE of Kansas; Washington (4), Oregon (4), Montana (1), Idaho (2), Wyoming (1), WALTER NORBLAD; California (13), ALLAN HUNTER.

THE RAILROAD STRIKE

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

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in answer to the gentleman from North Carolina [Mr. BARDEN] as to what the House would do about the railroad strike, I am no prophet, but I probably know as much about future events as some fellows who talk over the radio, and my prediction is that we will not do anything about it. It is a simple problem, as has been said so many times before. These gentlemen, who are on strike, who are preventing the support of Armed Forces abroad, have that power and they have special privileges only because of legislation that the Congress has enacted. I would not want to vote to take away the right of any man to strike, but I would like very much to have an opportunity to vote upon a bill that has been before this House several times in years gone by which would deprive these union men of the special privileges which the House has granted them, when they misuse those privileges, when they interfere with national organizations, like the transportation system, or the telephone, light, and water companies in such a way as to endanger the public. When they cut off those things which the people must have and interfere with the war effort, there is no reason why we should not take away the authority granted them and which has enabled them to do these unpatriotic things.

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

REPUBLICAN LEADERSHIP

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

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

There was no objection.

Mr. BENDER. Mr. Speaker, the people of America are looking to the Republican Party for leadership today. They have lost confidence in this administration. If we were to hold an election today, the Republican Party would win an overwhelming victory.

Our people cannot understand how the strongest nation in the world has gotten itself so mixed up that it does not know whether it is afoot or on horseback. This is the time of the year when we remember two of our country's greatest heroes. They were men who stood for fixed principles. They knew what they had to do. The Republican Party knows what must be done today. We are not afraid of the Soviet Union. The administration is quaking in its boots in fear of Russia. That is the key to its whole policy—fear. Let us make the situation clear. Our people abhor war, but if any nation drives us into war, we are not going to sell America short. This should be our position—America is strong. The Republican Party will make it still

stronger. We shall make America impregnable. Our party today stands for the biggest, most modern air force in the world. We want the aircraft carriers the administration vetoed not so long ago. We want the Marine Corps, which this administration called a police force. When we have these things, the Soviet Union will know that America means business. When this is known, we shall have peace.

PRICE STABILIZATION

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

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

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, along with everybody else in this House, I voted to create the Office of Price Stabilization. I was shocked last night when I heard Drew Pearson say that the only thing which kept this Office from rolling back prices was a phone call which supposedly came from a powerful industrialist.

I make the statement here that the Office of Price Stabilization should not be guided in its decisions by telephone calls either from industrialists or labor leaders, or any other highly placed individuals, except the rank and file of the people of the United States. For that reason, I believe that the statement made by Mr. Pearson should be looked into and investigated. If things like that are going on, they should report the information for the welfare of the people of the United States.

To freeze prices at levels they are today would be a drastic mistake, although it would be better than to let them go unchecked.

The real way to give the people their money's worth of a costly price-administration program is to roll back price levels to 1939.

I said prices, not wages. And I mean food prices at retail, not on the farm. I also refer to all the other items which go to make up the average consumer's needs.

Roll them back to 1939, leave wages high, and let us get down to the serious business of shouldering our responsibilities in the current crisis.

FOOD PRICES

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

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

There was no objection.

Mr. JAVITS. Mr. Speaker, a particular note of unrealism exists in the whole wage-price freeze in that due to section 402, paragraph (3), subsection (d), of the Defense Production Act of 1950 the price freeze does not apply to many agricultural commodities selling below 100 percent of parity. Wheat and corn are excluded as selling under 100 percent of parity, while cotton, beef, veal, and lamb are selling far above parity and are included. I have introduced a bill, H. R. 1778, to correct this situation and to provide that the 100 percent parity price standard should give way to the actual support-price standard, thus making the freeze immediately applicable.

Though retail products like bread are frozen in price, the fact that the basic ingredient is permitted to rise further inevitably results in exceptions for these end items, and the freeze order makes such exceptions, or they would soon disappear from the retail shops. Undoubtedly there are certain middlemen and processors making hay out of the situation; the way to fix attention on them and get that corrected is to cure the obvious defect in the law as it relates to the freezing of prices of farm products at the farm. The same is true regarding the point made—of such great importance to all of us—that a small proportion of farmers—those who need it least—are collecting most of the Government-support money on agricultural commodities. A thorough investigation is needed on both matters.

The problem raised by section 402 of the Defense Production Act is fundamental to the relations between the people in the cities and the people on the farm. Food represents 40 percent of the normal family budget and city consumers just cannot understand why it continues to far outstrip the rise in the BLS Consumer's Price Index generally, an increase for example to a record of 220.5 for foods as of January 15, 1951, on the 1935–39 average as 100, and an increase of over 5 percent from November 15 alone, against 178.4 in the BLS index for all items as of December 15, 1950, last available date. Is it not time to ask whether those who believe they are protecting the farmer are straining the situation to a point where it may prove to be impossible to maintain proper and advisable floors under farm prices—which I am for—because consideration of the consumers' needs have seemingly not been given enough weight at this time.

In view of the statements of the leaders of the great farm organizations, city people question, too, whether the rank and file of the farm people themselves want this super-maximum protection. Perhaps they are themselves caught in the squeeze of being the beneficiaries of something they know ultimately to be against their best interests as it is not in the national interest in the present situation. Certainly the Banking and Currency Committee ought to look into this situation without delay, as I am sure it would if the administration gave the lead on it.

KOREAN CONFLICT AND PETTY POLITICS

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

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

There was no objection.

Mr. TACKETT. Mr. Speaker, it is regrettable that our serious predicament in Korea is being used by a few within the minority party of this Congress for the selfish purpose of fostering their own individual political ambitions; while, in effect, such criticism is serving only to disunite our people at a time when unity is essential. They appear daily upon the floor of this House to arbitrarily denounce every personal, business, or political activity of the leader of the majority party. They gleefully speak with vim, vigor, and vitality of our unsuccessful military efforts; and one is impressed by their happiness to report disaster to our Armed Forces.

The absence of the I-told-you-so approach in these daily words of criticism is distinctly obvious and glaringly noticeable. They have failed to offer any constructive approach and would just as vigorously be criticizing any other course that might have been followed. These critics were not heard at the time denouncing the idea of defending South Korea, or even crossing the thirty-eighth parallel; but, to the contrary, most of them were openly insistent that we defend South Korea and were critical of hesitancy to cross the thirty-eighth parallel. Most of these same Members have been hollering ever since I have been in Congress for us to tie up with Chiang Kai-shek in order that we could more quickly find ourselves in military conflict within Asia.

The minority party has always taken great pride in referring to the foreign spending program as a bipartisan matter; in fact, the Marshall plan was the brain child of the Republican Eightieth Congress. They have strongly insisted upon infiltrating with our wealth in an effort to buy with money that which Russia is attempting to take with force. They should not now be surprised to find the results of their so-called bipartisan efforts to stick the nose of the United States into the business of every other country, resulting in the warfare that has continuously been predicted by a few of us who have attempted to put country above petty politics.

The hindsight of an illiterate is usually more reliable than the foresight of an intellectual. It is a simple political maneuver to criticize the activities of an opponent without mentioning the critic's predictions at the involved time. One of this group has just announced to this House that the minority will get together tonight at the Uline Arena for the purpose of criticizing our situation in Korea. I am just wondering how much time will be devoted at this parley to criticizing mistakes made by General MacArthur, the pride of the minority party.

Considering the over-all foreign situation, none of us can now look upon the Korean conflict as the proper solution for difficulties in the Far East. It must be conceded that our military and executive leaders guessed wrong; but it is unknown whether any now criticizing the movement would have acted to the contrary. Most of us are good "Monday morning quarterbacks" who might have called the same plays we later criticize

had we been dealing with a like situation under similar circumstances.

We now know that perhaps the immediate cause of our country's becoming entangled in the Korean conflict at the time was due to a sudden reversal of our policy concerning Korea. Knowing Communist philosophy and ulterior motives as we do, I doubt that a different policy would have definitely precluded similar conflict at some place within that area. All of us now know that a definite and ironclad decision should have been made on the proposition of whether South Korea was vital to our defense and should or should not be defended. These factors were questionable within all ranks, and no doubt the indecisions which culminated in a couple of complete reversals of policy hastened the conflict in Korea. These were mistakes to which all are susceptible. It is difficult to find a present-day critic of the Korean affair who suggested at the time that we not enter Korea. It is still debatable whether we should have crossed the thirty-eighth parallel when it was reached. Some of our military leaders contend that such act was detrimental to our welfare there, and even to our internal security; while other such experts contend that we would have found ourselves in the same critical situation had our forces not crossed the thirty-eighth parallel. Of course, all the answers now available to questions concerning our difficulties in the Korean conflict would be in reverse and the picture there would be quite different, but for the fear of so concentrating our efforts in that campaign as to weaken our defense on more vital fronts.

Therefore, our position in Korea is similar to one man wearing boxing gloves fighting 10 men armed with knuckles—we are restrained to a limited warfare while the Communist opposition has no limitations. We are fighting a war while not being permitted to fight a war. Our appeasement policy precludes us from bombing the enemy's vital production facilities within China and Manchuria, while our enemy is in no wise restricted concerning our defense supplies.

Because of restraining policies, we refuse to use millions of Chinese Nationalists who are anxious to combat communism upon the theory—which is possibly justifiable—that we cannot afford to aggravate and antagonize the Chinese upon the mainland for fear that we would find our defenses divided, a part in the East, a part in Western Europe, and a part in Alaska, should Russia take advantage of our divided situation. Under such restrictions, our possibilities for a successful conclusion are doubtful; and it would not take a military tactician to know that if such is to be our continued rules for warfare in that area, we should immediately evacuate Korea. If it be decided that we continue the fight in Korea, certainly we should not be restricted in our warfare if we expect a successful conclusion to that conflict.

Those believing contrary to my thinking will suggest that our leaving Korea will injure our prestige and that, actually, we are merely assisting and should continue our efforts on behalf of the United Nations. Well, I do not go for that face-saving stuff when young American manhood is involved in a lost cause; and even though I am a strong advocate of the United Nations as an eventual international agency for lasting peace, it so happens that 95 percent of the efforts in Korea are by the young men of the United States of America. We have lost other battles without losing face or disgracing ourselves, and can leave Korea in pride for having gone all out in the defense of democracy, and to save a division of our forces at a time when areas more vital to our defense are in peril.

We must gain and maintain additional dependable allies, never forsaking them or thinking of withdrawing our defenses to the borders of this country; and we should never forget those who furnished us a place to fight and assisted us to defeat our enemies during World Wars I and II, precluding conflict from our homeland, preventing the destruction of our material possessions, and prohibiting the suffering of our families.

There is no doubt in my mind but that we can defeat our Communist enemies in Korea, or the whole of Asia, in a short time and with a minimum of casualties, provided an all-out warfare in that area be determined feasible and justifiable in face of Communist threats adverse to our security elsewhere. We must depend upon our military leaders for this vital decision.

Whether we are in accord with all foreign policy activities in the past, the world crisis today has passed the point where academic and rhetorical discussion is in order. Common sense and practical action, uninfluenced by political considerations, party alinement, political indebtedness, or personal ambition, should be our foremost objective. Political demagoguery has no place in our decisions; the welfare of our country should be uppermost in our minds—even above true party alliance and devotion.

To daily publicly denounce proven mistakes that you might have made had the decision been yours to make in no wise contributes to the security of our democracy and to the settlement of the world crisis. This arbitrary criticism has even reached the infamous stage of suggesting the impeachment of the leader selected by the people of the United States. This is just another underhanded method of promoting discord to the detriment of our people. None of these critics suggests that the President is guilty of any of the crimes upon which he might be impeached constitutionally; they do not even intimate that mistakes or errors constitute impeachable grounds, and I am not acquainted with any person—including all the arbitrary critics to whom I have referred—who are free from susceptibility to mistakes and errors. Any of us can justifiably find fault with and strenuously debate policies, philosophies, and advocacies of most any person; but to prominently promulgate the congregated activities with which we do not agree without taking into consideration activities with which we are in accord is to dissimilate the true picture and fail to properly evaluate the advisability of such actions.

The people elected our President in 1948; he is the same man with like ability as when elected. We knew him then as we know him now. To suggest his impeachment upon the advance complaints is to suggest an impeachment of the people's rights. Even though I am not in accord with many of the policies and philosophies of our leader, I could not and I would not, even if he were a Republican, suggest his removal from office merely because he is not in full accord with my beliefs or because he may have been in error. No doubt a few in high-ranking positions with the present administration have considerably dampened the popularity of our leader. They are burdensome to the administration, and I wish they were not so connected; but to remove them at this time is impractical and could well lead to defeat on the diplomatic front.

There is nothing more honorable than the admission of blunder and bungle. No doubt I have made a lot of them, but I am, indeed, grateful for my willingness to admit and acknowledge a cognizable error or mistake; and I am thankful that my Good Maker endowed me with the ability to realize that only constructive action, rather than arbitrary criticism, serves to benefit mankind.

In order to further promote discord, disunity, and lack of confidence in our leadership, some of these critics would have the world believe that there is a Communist behind every bush in this country awaiting his time to practice his beliefs, which is no less than encouraging Communist Russia to feel that a majority of the people in this country are communistically inclined and want liberation at the hands of Russia. No doubt there are a few Communists in this country, but it would be known to any intelligent person that those few people know nothing about the principles of democracy or they would not be followers of such a wild-eyed, fairy-tale, utopian idea.

Believers in democracy need not worry half so much about the people throughout the world knowing the ideologies of communism as Russia needs worry about their knowing the true democratic principles which have made these United States into the greatest nation on the face of the globe. Our systems are in no wise comparable, as different as night and day; and there is no question which system would be selected by those who know both systems of government.

I have daily listened to these arbitrary critics and have never heard one of them utter a constructive suggestion; they just criticize and don't seem to know which one of their fellow party members to follow. All are divided on the Korean conflict as well as everything else; just anything to be arbitrary. Some advocate the Taft doctrine, which is a doctrine of indifference even to the extent of suggesting the draft of 18½-year-old boys rather than the draft of 18- or 19-year-olds—just anything to be different. Others are for the Wherry philosophy, which is just a couple of words different to the Taft doctrine. Still others are

stringing along with me-too Dewey; and, too, others are preaching the praises of Hoover whose theories, ideologies, philosophies, and policies once led this Government into its most despicable dilemma.

My short experience in this Congress convinces me that there is no lack of intelligence in this legislative body, but it is regrettable that many of the Members do not exhibit more individual courage and place their Government above petty party politics, follow the wishes of their people and the dictates of their conscience rather than act as poll parrots to a few so-called party leaders.

COMMITTEE ON THE JUDICIARY

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 95, Rept. No. 24), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on the Judiciary acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (1) of the Rules of the House of Representatives, and for such purposes the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

CREDIT AND INTEREST RATES

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

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

There was no objection.

Mr. CRAWFORD. Mr. Speaker, the gentleman from Texas [Mr. PATMAN] has raised the issue found between the Treasury and the Board of Governors of the Federal Reserve System. Far too long this country and its people have been subjected to the feud which has been running between the Secretary of the Treasury, the White House, and the Board of Governors of the Federal Reserve System.

The gentleman from Texas has cautioned us on taking a position. I hope to use my 20-minute special order today discussing this very question.

COMMITTEE ON FOREIGN AFFAIRS

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

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

There was no objection.

Mr. RICHARDS. Mr. Speaker, as acting chairman of the Committee on Foreign Affairs, I wish to announce a new departure and experiment in committee procedure which I hope will further legislative participation in the formulation of United States foreign policy. This new procedure has been agreed upon after consultation with Chairman KEE, who is temporarily absent for a routine physical check up, and careful study by the committee.

The Foreign Affairs Committee has unanimously approved this plan and has voted to call in the authors of all bills referred to the committee and give them an opportunity to speak for 15 minutes on behalf of their proposals. Most of these bills and resolutions touch on some phase of the foreign policy of the United States. Special hearings for this purpose will begin Tuesday, February 6, and run through Thursday, with additional meetings to follow later.

This will give Members of Congress an opportunity to be heard before the committee's legislative schedule is made up for the session. Boiled down to its essentials, it means that the thinking of Members of Congress will be weighed and their reasons for sponsoring bills taken into consideration before establishing priority of committee action.

Members of the committee have long been conscious of a growing need for more adequate presentation and consideration of the general legislative viewpoint. The area of legislation coming before the Foreign Affairs Committee has a peculiar relationship to the power of the Executive that does not exist with any other legislative committee. It is clearly the function of the Executive to proclaim and conduct the foreign policy of the United States. It is the function of the legislative to implement this policy when considered advisable or necessary.

In recent years the State Department has established the growing and happy custom of conferring with the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate before, and not after, formulating proposals for legislative action to implement foreign policy. In other words, the legislative is now to some extent being taken into the confidence of the Executive in foreign-policy matters.

Now we propose, in view of the critical international situation and the acute interest of every Member of the House in foreign affairs, to go one step further and bring the membership of the House closer to the Foreign Affairs Committee and its problems before, and not after, we begin to formulate the momentous legislation effecting foreign policy that we are bound to consider in our committee during this session.

Formerly the usual practice has been to receive views of Members of Congress only after regular hearings commenced. Along with witnesses from the executive branch, or private life, they presented their testimony for or against bills. There was a significant difference however in the relative positions of congressional and executive committee witnesses. On most major bills, the hearings had been scheduled at the request, direct or indirect, of the executive branch and some Members of Congress have felt that the stew had already been seasoned and cooked before they were invited to partake of the repast.

The new procedure will put consideration of legislative views of the rank and file of the House on foreign-policy questions on a more equitable basis by assuring their study before firming up the order in which bills will be listed for regular legislative hearings. A lot of Members of Congress have come up with some pretty good ideas which have been very helpful in the past, and we want to make sure that in the pressure of work we do not miss any good bets by not hearing from all the Members who have sponsored foreign-affairs legislation.

A glance at the work record of the committee would show how the need has increased for a new method of screening bills. In past years it was possible for the committee to give full attention to bills sponsored by the executive branch and still have plenty of time left over for hearing Members who requested to be heard on measures of their own sponsoring.

However, during the Eighty-first Congress the Foreign Affairs Committee was almost continuously occupied, holding 273 meetings on 115 of the 405 bills referred to it, and hearing 659 witnesses in the process. Although as much time as possible was devoted to congressionally sponsored legislation, the committee was so busy with many urgent and major measures sponsored by the executive branch that the need became more and more evident for a system that would provide the fairest and most efficient possible method of pre-schedule screening. It had not even been possible to give consideration to all of the administration-sponsored proposals because of various factors relating to timing, relative degree of urgency, and so forth.

The Eighty-second Congress is little over a month old. Already 80 bills and resolutions have been referred to the committee. They embrace over 40 different subjects and cover practically all phases of the critical problems that face the world today. Included are questions involving use of atomic weapons, our membership in the United Nations, the situation in the Far East, disarmament, communism, assistance to other countries, both military and economic, and even international efforts to discover a cancer cure.

PAYMENT OF INTEREST ON SERIES E SAVINGS BONDS

Mr. DOUGHTON, from the Committee on Ways and Means, reported the bill (H. R. 2268) to authorize the payment of interest on series E savings bonds retained after maturity, and for other purposes (Rept. No. 25), which was referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

WE ARE TOO CLOSE TO DICTATORSHIP

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

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

There was no objection.

Mr. McDONOUGH. Mr. Speaker, I was interested in the remarks recently made by the gentleman from Arkansas concerning the opposition party holding a meeting in Washington and criticizing the party in power. Now, that is just too bad, is it not?

If the situation ever develops in this Nation when the opposition party cannot complain about the party in power, God help the Nation. I know the gentleman does not represent and he is not expressing the views of the majority of his party. Certainly it is a matter of general debate across the Nation as to the Korean crisis, the Korean war, the Korean police action, or whatever you wish to call it.

I doubt if that is going to be the predominant note at the Republican meeting to be held at Uline Auditorium this evening. I do not like the majority party crying when they are in power about the opposition party saying anything against what the majority party may be doing because, God knows, this country will never advance or progress if such condition is ever brought about in this Nation. We are too close to dictatorship in this country right now. What do the Democrats want? Do they want the right to do as they please without opposition from any source. When the party in power cannot stand opposition or criticism there must be something radically wrong in the administration that should be revealed and brought to the attention of the public.

I, for one, shall never yield my right to speak out and criticize the faults of the party in power when I think they are wrong and to suggest, recommend, and propose improvements in the administration of the Government in the best interests of the public welfare. That is what the people of my district sent me here to do.

SPECIAL ORDER GRANTED

Mr. WOOD of Idaho asked and was given permission to address the House for 30 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

PREPAREDNESS

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

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

There was no objection.

Mr. GAVIN. Mr. Speaker, I just listened to my very good and able friend, the gentleman from Arkansas [Mr. TACKETT], asking why and what we would do about Korea. I might say to the distinguished gentleman from Arkansas that we never had an opportunity to determine what we would do about Korea.

I would like to ask my distinguished friend what his party did when we, in the Committee on Armed Services, recommended a national defense program of $17,000,000,000 and the administration cut it back to $14,000,000,000? At that time they were going to take off a little of the fat and none of the muscle. But when the administration got through with it, they not only had taken off the fat and the muscle but severed a couple of main arteries as well and the patient—the national-defense program—almost expired.

I might ask the gentleman from Arkansas why something was not done about national defense at that time. I do not recall hearing any protest. It was a great program of a great American, Secretary of Defense Forrestal.

That great and able Secretary of Defense was retired; the 70 air groups were cut back to 48; they moth-balled the fleet; canceled the carrier; fired Admiral Denfeld; cut back the ground forces; cut back the Navy Air; and skeletonized the Marine Corps; all of which scuttled the defense program.

We were then precipitated into the Korean situation totally unprepared and our boys were rushed to Korea to fight tanks with carbines. Why does not the distinguished gentleman from Arkansas comment about that?

The Committee on Armed Services prepared a very comprehensive program of national defense to give this Nation strength to meet any demands that might have been made upon us and had this program gone through as was authorized by the Congress, we might not have had a Korea.

The gentleman asked what we did. Well, I might say the Committee on Armed Services did their part. However, no action was taken by the administration on the defense program. That is the reason we found ourselves in a desperate position when the Korean situation broke.

STAYING ON THE JOB

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

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

There was no objection.

Mr. COLE of New York. Mr. Speaker, it seems to be the order of the day today to criticize and complain about people not doing their full job during this emergency, and it occurs to me that perhaps we who are connected with the Government are somewhat guilty in that respect. I am becoming a little impatient every Saturday morning to come to my office and find, in connection with these innumerable problems that the people are sending to us and asking for help, that every time we call up some department or agency very rarely is a person on the job. It makes us wonder just how important this national effort is. It seems to me that the Government itself, especially the administration, could do well by setting an example and have its people on the job some time between Friday afternoon at 5 o'clock and Monday morning at 9 o'clock. Full speed in defense production cannot be had by taking the week end off for pleasure—either by industry or Government.

AUTOMOBILE TAX

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

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

There was no objection.

Mr. DONDERO. Mr. Speaker, I was rather shocked a few minutes ago to pick up the Washington News and find that in the headline today there is a proposal by the Secretary of the Treasury to impose another 20-percent tax on automobiles. Part of the economy, a very large part of the economy of this country, is represented by automobiles. They are no longer a luxury. They are an absolute necessity, and our national defense depends a great deal upon the use of trucks and automobiles in the moving of goods and men and women to their places of employment. I have in mind thousands of men residing in my State, and they also reside in your State, who are employed not only in the actual making of the automobiles in the factories, but in the preparation of material that goes into those automobiles. I know of one firm in the city of Detroit making automobiles that has 7,000 contributors in the way of small corporations in every State of the Union.

If automobiles become too expensive to buy, there will be no work for those who now make them and our economy would be injured by the loss of a vast amount of tax money now being poured into the Treasury through this source. This loss of revenue would impose a greater burden upon the Government than could possibly be offset by imposing another tax upon a commodity already paying more than its just share. Such a tax would injure our economy rather than help it.

THE RAILROAD STRIKE

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

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

There was no objection.

Mr. COX. Mr. Speaker, I am wondering if this Congress has the courage, the patriotism, and the decency to deal effectively with the railroad workers now treasonably on strike against our soldiers who are fighting, bleeding, and dying in Korea.

JERE COOPER, JR.

Mr. RANKIN. Mr. Speaker, I have just received the sad news that one of our distinguished colleagues, the gentleman from Tennessee [Mr. COOPER], has lost his only son, Jere Cooper, Jr., who passed away rather suddenly at his home in Tennessee on yesterday.

He was one of the finest little fellows I have ever known. His untimely death was a great shock to all who knew him.

I ask unanimous consent that the House extend to Mr. COOPER our heartfelt sympathies in his great bereavement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. DOLLIVER asked and was given permission to extend his remarks and include a newspaper statement showing that the profits of the farmer are less now than on most items in 1947.

Mr. BURDICK asked and was given permission to extend his remarks.

Mr. HILLINGS asked and was given permission to extend his remarks and include an editorial appearing in the Washington Star of Sunday, February 4, concerning appointments being made by the Office of Price Administration.

Mr. TALLE asked and was given permission to extend his remarks and include a letter written by the chairman of the Recreation Board, District of Columbia.

Mr. McGREGOR asked and was given permission to extend his remarks.

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

Mr. PROUTY asked and was given permission to extend his remarks and include an address by the Honorable W. Arthur Simpson, commissioner of social welfare, State of Vermont.

Mr. HOPE asked and was given permission to extend his remarks and include a press release.

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

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

Mr. FERNANDEZ asked and was given permission to extend his remarks and include three short articles from the Washington Post.

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

Mr. THOMPSON of Texas asked and was given permission to extend his remarks and include extraneous matter.

Mr. MANSFIELD asked and was given permission to extend his remarks on the awarding of the Congressional Medal of Honor to Col. Justice M. Chambers, and to include with it the citation read by the President of the United States.

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

Mr. EVINS asked and was given permission to extend his remarks and include an editorial from the Christian Science Monitor.

Mr. JONES of Alabama asked and was given permission to extend his remarks and include a report.

Mr. HORAN asked and was given permission to extend his remarks and to include extraneous matter.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks and include an editorial.

Mr. COLMER asked and was given permission to extend his remarks and include a brief statement.

Mr. THORNBERRY asked and was given permission to extend his remarks and include a letter.

Mr. PATTERSON asked and was given permission to extend his remarks and include a letter.

Mr. VURSELL asked and was given permission to include with the remarks he previously made a bill to which he referred.

Mr. ANGELL asked and was given permission to extend his remarks and include excerpts.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

ST. LAWRENCE WATERWAY AND HYDROELECTRIC PROJECT

Mr. FLOOD. Mr. Speaker, I had thought it was axiomatic that we cannot have our butter and our guns too. Yet that is exactly what is proposed in the President's recommendation for the proposed St. Lawrence waterway-hydroelectric project. At a time when we are faced with perhaps the greatest crisis ever to confront this country, at a time when our young men are being taken from their homes and their schools, at a time when record-breaking taxes are to be imposed upon the people, we are asked to embark upon this fantastic undertaking whose ultimate costs, you can rest assured, will total more than a billion dollars; which would require the diversion of materials and labor so badly needed for defense, and which, if the claims of its proponents even approximate the truth, would bring about an economic dislocation to a great part of our country. I say it is preposterous.

Mr. Speaker, long before I came to Congress, long before most of my colleagues came, this project was being agitated. Until a few years ago, the agitation for this project was largely confined to a relatively few civic boosters, with more civic enthusiasm than logic or economic sense, who dreamed of making ocean ports of the Great Lakes ports. In their enthusiasm they even visualized the *Queen Mary* docking at Duluth.

In those days it was sought to arouse the interest of Midwest farmers with arguments that they could ship their wheat abroad more cheaply. An even earlier argument was that bananas from Latin America would be delivered to midwestern markets more cheaply. As regards wheat the argument was that Liverpool controlled the world market, that it even influenced the price which the farmer received here at home. There is no evidence that the Midwest farmers were ever greatly aroused although some farm organizations have given perfunctory support to the project down through the years.

Well, the wheat argument is now out. No one contends any more that Liverpool controls any markets, and the fact is that the amount of wheat which the farmers can ship abroad and the price they receive is now fixed by international agreement.

In more recent years the moving argument for the waterway is that it is essential to national defense. We have successfully fought two World Wars without it but nevertheless it is now brought forward as essential to the present emergency. Yet it would take 7 years to build it and when constructed would be icebound 5 months of the year.

Mr. Speaker, I do not think it is generally understood that there is at present a 14-foot waterway in the St. Lawrence which permits smaller foreign vessels, mostly Scandinavian, South American, and Russian, to come into Great Lakes ports—Cleveland, Detroit, Toledo, Chicago, and so forth. This waterway has a capacity of some 15,000,000 tons a year. With a relatively small expenditure, this capacity could be increased several million additional tons. Yet the highest tonnage ever handled was 9,500,000, and this figure dropped in 1948 and 1949 to 7,500,000 tons, although I understand the figure for last year is back up in the neighborhood of 9,000,000 tons. So it is proposed to build another and deeper waterway of 27 feet depth. I want to say in passing that when the New York State barge canal was being agitated it was claimed it would handle 25,000,000 tons a year. The largest it has ever handled is 5,000,000 tons.

The propaganda of the proponents has long been that just a little bottleneck in the International Rapids of the St. Lawrence River, just about 50 miles long, is all that prevents the Great Lakes ports from becoming a New York, a Boston, a Baltimore, a Philadelphia or a New Orleans, and is a blow at the democratic processes—that a few "selfish interests" on the Atlantic seaboard will not permit this little obstruction to be removed.

Mr. Speaker, every port on the Great Lakes is an additional bottleneck in that there is not one with a harbor depth sufficient to accommodate the shipping which a 27-foot waterway depth that is proposed would invite. Millions of additional dollars would have to be spent at every one of these ports using the new waterway in the deepening of entrance channels, harbors, slips, and the like.

Then what would be accomplished? The American merchant marine on which we have spent $19,000,000,000 would have been given a stab in the back. Larger foreign, cheaply manned vessels would be able to use this depth than those which now use the 14-foot waterway. but less than 9 percent of American-flag tonnage, because of the size of American-flag ships—and the trend, for economic reasons, is toward still larger ones—would be able economically to use the 27-foot depth.

These statements, Mr. Speaker, are not subject to dispute. They are substantiated by Secretary of Commerce Sawyer, by General Fleming, head of the Maritime Administration. The late Secretary of Defense James Forrestal, in endorsing the project, nevertheless pointed to its limited use by American-flag vessels. Naturally I am referring to loaded vessels.

It is contended, however, that the proportion of American-flag ships that could use the waterway would be considerably

enlarged if they carried only part loads. That, I submit, is a splendid proposition to put up to our American ship operators. They are having their troubles enough to compete with foreign shipping for world commerce because of their higher costs of operation, and no doubt vessels are frequently moved with part loads. This is manifestly not a desirable situation and certainly a situation becomes impossible, when a part load becomes a capacity load and they have to scramble to fill even that.

This is the reason why 30 of this country's leading oceangoing operators have testified they could not use the waterway and are vigorously opposed to it.

Then, Mr. Speaker, for whom are we being asked to build the waterway? Is there any question in anybody's mind that if the waterway would be profitably available to American ship operators, they would be for it?

What is being proposed is that after the taxpayers of this country have put up $19,000,000,000 to develop and maintain an American merchant marine, we throw them to the mercy for 7 months in the year—the waterway would be icebound for the five other months in the year—of cheaply manned, lower operating cost foreign vessels. It costs an American-flag vessel at least $500 a day more to operate than a comparable foreign vessel.

Mr. Speaker, our merchant marine depends to an inestimable extent upon the commerce that moves from the Midwest down to the Atlantic seaboard and Gulf coast for reshipment abroad. Is it conceivable that we want to wreck this set-up?

Now, Mr. Speaker, I frankly do not know, and neither does anyone else know, to just what extent these smaller and more leisurely moving foreign vessels would come into the Great Lakes. I doubt there would be many more than come in now. It is not an inviting proposition even to foreign vessels because it would take about 18 days to make a round trip between Quebec and Duluth or about 17 days between Quebec and Chicago. Thus it would take any sizable vessel longer to make either of these trips than it would to cross the ocean.

Mr. Paul M. Zeis, of the Department of Commerce, in his report on "potential" traffic for the waterway, issued in 1948, estimates this "potential" traffic at from fifty-seven to eighty-five million tons annually. He does not say this amount of tonnage would be handled; indeed, he admits that the locks in the Welland Canal would have to be duplicated to handle this amount. But he is charged with showing that enough tolls would be available to make the project self-liquidating. More realistic previous estimates of tonnage that would be handled were 25,000,000 tons, or roughly 16,000,000 more than is now handled.

But interestingly enough, Mr. Zeis and more practical proponents of the waterway do not visualize any great fleet of oceangoing vessels, foreign or any kind, moving between Great Lakes ports and Europe. What they have in mind is that cargoes moving from the Great Lakes would be transshipped at Montreal instead of at Buffalo and other United States transshipping points as is now the case. What a project for the United States Congress to authorize and appropriate for.

Now, Mr. Speaker, I have dealt with this proposition as it was originally justified, and as it has been justified until here recently. A new angle has been added. To the ranks of the civic boosters who have primarily visualized the waterway as making it possible for citizens of Duluth, Detroit, and others, to go down to the wharves on Sunday and see European vessels, have been added a small but very influential and financially well heeled steel operators. Six of the smaller Midwest steel companies, vociferous private enterprisers and vigorous opponents of the waterway in the past, have invested in the Labrador-Quebec ore project. So this subsidized project, because no serious student of the subject thinks it would, in fact, be self-liquidating, becomes essential to national defense.

These gentlemen have hooted in the past at the promise of moving the Atlantic seaboard to the Midwest and they chuckle privately over such a dream even now. But they have a justification of their own.

It is, and they have just come to belated realization, coincident with their investments in Labrador-Quebec, that the waterway would extend the Great Lakes system to Montreal, not to Europe, just to Montreal. And above Montreal, on the Bay of St. Lawrence, is a place called Seven Islands which is to be the port for their ore which they are to bring down from the Canadian wilderness over a 360-mile railroad that must be constructed through tunnels, up and down grade and over about as barren ground as you can imagine. So if the taxpayers will just build the waterway and extend the Great Lakes system to Montreal they will be in a better competitive position with their ore at the Midwest steel centers.

This, I insist, Mr. Speaker, is a cost problem of theirs, not a matter of national defense or of national importance.

The situation in regard to this country's ore supply is this:

For several years steel producers have been looking around for foreign sources of high-grade ores to supplement, not replace, the lower grade ores of the Lake Superior area which are being developed to serve as the new ore of this fabulous area now that its high-grade ores are running out. I want to emphasize that these Lake Superior ores are still to be the steel industry's main reliance. Foreign supplies from all sources foreseeable in the next 20 years are less than one-third of what the industry's needs are expected to be at that time.

Of the three main foreign sources which American steel operators are working, Labrador-Quebec is only one and its promoters promise to bring in 10,000,000 tons annually in 1955. The other two sources are the Bethlehem and United States Steel operations in Venezuela, and that of Inland Steel and the Cyrus S. Eaton enterprises at Steep Rock, Ontario, only 140 miles from Port Arthur on Lake Ontario. Of equal importance, the Labrador-Quebec project is the only one of the three whose promoters would be helped by the waterway. Bear in mind there is no question of this ore coming in; its promoters have said that without the waterway, it will be brought to Midwest steel centers on presently available transportation facilities on favorable competitive terms. Manifestly, if this ore is so essential to our national well-being, its promoters would not have a worry about competitive terms.

I would like to point out, Mr. Speaker, that three of the steel companies asking for this subsidized waterway, have low-grade or taconite ore deposits in the Lake Superior area and their representatives have been down here negotiating with the RFC for a loan with which to develop them. It strikes me that this group of private enterprisers are becoming mighty dependent upon the Government, yet I have heard expressions of fear in the steel industry that the so-called bureaucrats are trying to move in on that industry.

It strikes me that there have been a lot of irresponsible statements, in the agitation for the waterway, about Detroit, Chicago, and other Great Lakes cities becoming ghost towns, because, unless they do get the waterway, the steel industry will move to the eastern seaboard. Certainly the 10,000,000 tons of ore which are promised from Quebec-Labrador, just about one-tenth of this country's present consumption and the only foreseeable ores that would move over the waterway, would not prevent such a calamity.

Furthermore, these statements appear all the more ridiculous when they are uttered at the time of the greatest expansion ever to take place in the Midwest steel industry, and in Great Lakes steel construction. It is quite obvious, Mr. Speaker, that the Midwest steel industry has no idea of moving to the seaboard or anywhere else.

Now, Mr. Speaker, there is another phase to this project. It is proposed to construct a power works in the International Rapids. The power generated would be divided equally between the United States and Canada. It is from this phase that the waterway derives much of its strength. The adjectives applied to this power project have reached the grandiloquent stage. It would unquestionably be a big power plant, Mr. Speaker, but the power available to the American side, 570,000 kilowatts of firm power, would be no more than that produced by any one of four privately operated plants at present in New York State. It would produce no more than 10 percent of the State's present consumption. I am not trying to minimize the size of this project, I want simply to put it in its true perspective. It is wrapped up in all sorts of romance and accomplishment of a free and progressive people. This St. Lawrence undertaking, propagandized as an eighth wonder of the world, to repeat, would be no more important, no bigger, for the American side, than any one of four plants in New York now operating.

I doubt that I have heard any more hysterical statements than those re-

cently made by Governor Dewey who has sought to make political football of this proposition. In one outburst he claimed that his reelection was a mandate for New York State to enter into an agreement with Ontario to build the hydroelectric works of this dual project, in order that he could give the people of his State cheaper electricity. The denial of this great beneficence to his people, he said, constitutes a monumental fraud.

Mr. Speaker, Governor Dewey has contended that this plant operated by the State of New York would save consumers of New York State $20,000,000 a year. These alleged savings would come from the fancy bookkeeping fact that the State-operated plant would not be subjected to taxes and other costs which the private utilities have to bear. But even in this way, these alleged savings would mean to the average household consumer of electricity one-twentieth of 1 cent a kilowatt-hour or a saving on the monthly bill of 5 cents a month.

The claims of its proponents that it would bring a new day to all New England, except for Maine, are denied by the former chairman of the Federal Power Commission, Mr. Nelson Lee Smith. In a letter and staff memorandum to Senator SALTONSTALL, it was stated that its effect on New England power rates and on the needs of the area would be negligible.

Mr. Speaker, I have heard, time after time, these advocates lamenting the tremendous amount of power that is going to waste because the St. Lawrence goes undeveloped. I have heard this project likened to the labor of millions of Chinese coolies.

But Mr. Speaker, I hear no grief expressed for the billions of tons of coal that are lying undeveloped in the ground. This is unutilized energy, Mr. Speaker, just as much as an unharnessed river.

Mr. Speaker, in the past 18 months, the private utilities of New England, excluding Maine, have built practically the power equivalent of the St. Lawrence project. Notwithstanding the continued clamor of the public power advocates about an alleged power shortage in New England, the facts are that this region has a margin of 20 percent of reserve capacity. On schedule between now and the end of 1952, these private utilities plan to provide an additional 450,000 kilowatts, privately financed. Taken with the 500,000 kilowatts added in the past 18 months' period, these private utilities will have added in 3½ years, one-half the time it would take to build the St. Lawrence works, only 190,000 kilowatts less than twice the firm power capacity of those works. Yet we are told that the St. Lawrence is needed as a defense project.

The facts are, Mr. Speaker, that a recent Federal survey showed that only one section of the country is better off than New England in power reserve capacity and that is the South Central region.

On the question of its being a defense project, Mr. Speaker, I quote from a recent speech by Mr. Charles E. Wilson, Director of Mobilization. He said:

> The development of the St. Lawrence would take a long time. There are much more pressing problems if we are to win the war of production.

Now, Mr. Speaker, in conclusion let me say this. If the claims of the proponents as to what the waterway would accomplish are not true, then certainly there can be no justification for it. But if they only approximate the truth the waterway would wreak an economic revolution in this country.

For 7 months in the year when the waterway is open, there would be an almost complete demoralization of the present transportation system, by which goods move from the Middle West to the Atlantic and Gulf ports for export to Europe, and imports from Europe for the Middle West come into these ports for inland distribution. This intended bypassing of the Atlantic and Gulf ports would, as I have said, do irreparable harm to our merchant fleet and it would do irreparable harm to the Great Lakes fleet which is not adapted to deep-sea navigation because of fog, ice, and other navigational hazards.

The railroads estimate their annual loss in revenue at between $100,000,000 and $250,000,000. The foreign traffic through the port of New York would be cut more than half or more than 3,000,000 tons a year. Other Atlantic and Gulf ports would suffer proportionately. The coal industry would be rendered another blow which in its present state it can ill afford to take. We in the anthracite mining area in Pennsylvania recall the mid-thirties when British, Russian, Indochinese, German, Moroccan, and other foreign anthracite invaded our New England and Canadian markets to the extent of more than 2,000,000 tons per year. What the opening of new Lake States markets may entail to the anthracite industry bewilders the imagination. A great portion of this tonnage entered the United States duty-free because of either reciprocal trade agreements or most-favored-nation clauses in our treaties. It is estimated that approximately a half-million persons in the Atlantic- and Gulf-coast areas whose livelihood rests directly or indirectly upon this traffic would be adversely affected. Millions of dollars of investments would be wiped out.

The SPEAKER pro tempore (Mr. BECKWORTH). Under previous order of the House, the gentleman from Ohio [Mr. HAYS] is recognized for 1 hour.

LUSTRON CORP.

Mr. HAYS of Ohio. Mr. Speaker, I am informed that defense housing occupies No. 1 priority in our defense program. A few days ago, one of our distinguished colleagues, the gentleman from the Seventh Congressional District of Tennessee, made some timely statements concerning this important subject on the floor of this House. Since then, I have spent considerable time and effort in an intensive investigation of this vital project. My investigations have disclosed some startling facts, which I would like to present as an aid to our defense effort.

As my honorable colleagues know, the Lustron Corp., formerly one of the Nation's leading manufacturers of prefabricated houses, is located near Columbus, Ohio. This great plant has been shut down for over a year.

Through loans made by the RFC, the Lustron Corp. owes the Federal Government some $37,500,000. Lustron officials have come up with a proposal to reactivate the plant, reschedule payments of this loan, and repay the moneys over a period of 6 to 7 years.

Mr. Speaker, I have learned that certain high Government officials are planning to scuttle Lustron and give it to the Navy to convert into an assembly plant for airplane frames.

Now, I am not concerned with the issue of whether or not Lustron should have had the loan granted them in the first place. The fact still remains that here is one of the most modern plants equipped to produce critical housing ever constructed, equipped with $15,500,000 worth of valuable and modern machinery, standing idle.

While our defense production lags all over the United States because of housing shortages, here is a plant that can be reactivated and turning out 100 units of housing a day in less than 3 months.

To my mind, any responsible person or persons in the employ of the Federal Government who can advocate destruction of a plant whose admitted salvage value is not more than $5,000,000, should be examined by a board of psychiatrists.

The acute housing shortage throughout the Nation has affected not only much-needed defense workers, but our fighting men as well and by that I mean our men training in camps all over the country.

Their morale has hit a new low and something must be done for them now.

I have in my possession photostatic copies of letters on surveys on housing conditions made late in 1950 by civilian and military authorities in various parts of the country. Their contents are an unbelievably accurate portrayal of conditions which have no right to exist in this Nation today.

Here are excerpts from several of them:

Scott Air Force Base, Ill.:

> We have 439 quarters and 2 trailer parks of 40 trailers for airmen and 20 trailers for officers. Of a population of approximately 14,000, some 4,000 are eligible for quarters. You will readily see that our capacity is limited and, therefore, the personnel who are not quartered at the base must find housing within a radius of 30 miles.

United States Atomic Energy Commission, Richland, Wash.:

> For permanent operating personnel on the project, we have need for 800 rental houses within the next 2 years. Several hundred Army personnel will also require housing in the same area.

Castle Air Force Base, Calif.:

> The latest survey revealed 1,215 families were without housing or living in substandard housing.

George Air Force Base, Calif.:

> Of the 1,000 families represented by personnel stationed at this base, which require

dependent accommodations, it is estimated that 300 families will require quarters locally. Inasmuch as this base is situated on the Mojave Desert, 50 or 60 miles distant from communities which are capable an appreciable amount of rental possibilities, it is evident that the personnel of my command are seriously restricted for adequate housing.

Camp Breckinridge, Ky.:

Comparison of rents being charged before this post was reactivated and the present rate: Four families live in a converted barn. There are 11 two-room apartments available. Four are occupied by servicemen. The other seven are vacant. No modern facilities, no plumbing of any type, outside toilet with shower, walls of plasterboard, paint coming off. Occupants must use a coal stove for heat and hot plate for cooking. Rent, $50 a month for two rooms. Previous civilian occupants were paying $15 per month.

I might say I have made some personal investigation at some of the other camps, notably Camp Pickett in Virginia, and I found down there that many apartments, which are substandard by any set of standards you can apply, are renting at $100 and $125 a month to Army personnel.

I have endeavored to show how seriously the Government is in need of immediate housing. Manpower shortage is an item to be considered. Actual figures show that in erecting a Lustron house, a saving of 80 percent manpower is made, as against the building of conventional houses.

My investigation shows that the Government has need of better than 800,000 units, averaging 1,000 square feet per unit.

Here is some pertinent information about Lustron houses that I know will interest you all. During the course of his remarks recently, the gentleman from Tennessee [Mr. SUTTON] placed a letter in the RECORD from General Shepherd, former commanding general at Quantico, now in command of the Marines in Korea. In it, the general gave lavish praise of the 60 Lustron houses that had been erected at Quantico. They had been constructed at a saving to the taxpayers of the Nation of some $6,000 per unit.

Mr. Speaker, I have heard it said over and over again that housing is our No. 1 priority. That means housing both in the United States and on bases outside continental United States. Without adequate housing we cannot expect to do very much in our defense efforts.

Are you honorable gentlemen aware that the Federal Government is at present paying $39 per square foot for housing, outside continental United States? Lustron will erect their houses in Alaska and other out-of-country bases of the United States for $25 per square foot. A mere saving of some $14,000 a unit.

A Lustron house is one of the finest labor-saving structures this country has ever known. The Lustron house is prefabricated, made up in sections, and shipped to their destinations ready for erection. Any man who can handle a screw driver or wrench can erect a Lustron house.

If the Government will reactivate the Lustron Corporation, they can start production of a minimum of 100 houses every 24 hours. These are the very type of houses the military wants so urgently. Houses that may be used over and over again. And should it ever become necessary to dispose of surplus property as we do after every war, the Lustron house has both real and potential surplus value. I know of many instances where it has been necessary for the Government to dispose of conventional houses at virtual give-away prices.

A Lustron house will not deteriorate. It does not have to be painted, and there is practically no upkeep. And should it ever become necessary to dispose of these houses, they can be stored indefinitely and maintained for future needs.

I should like to make an interesting point of comparison at this time. I would like to compare a Lustron house with a can of beer.

The annual consumption of steel used in construction of Lustron houses, at the rate of 100 units per day, 365 days a year, is 300,000 tons. While the annual consumption of steel used by the beer industry in beer cans is 285,000 tons. This figure excludes the amount of tin used annually in these cans.

Reactivation of the Lustron plant will enable the taxpayers of the Nation to recover the $37,500,000 already loaned to the corporation. Not to mention a saving to the Government of from $6,000 to $14,000 per unit for each house constructed. Lustron could save the Federal Government annually better than $500,000,000.

Mr. Speaker, my distinguished friend, the gentleman from Tennessee, has indicated that there was skulduggery and strange maneuvering involved in the attempted foreclosure of the loan to the Lustron Corp., and in view of the evasiveness and run-around I have been getting in trying to collate this information, I am convinced there is entirely too much covering up.

Why should the Navy wreck a plant that can be of such immediate aid to our defense production? The only use the Navy would make of the entire plant is to sell the machinery for salvage and use the bare walls as an assembly plant for airplane frames.

According to the record, Lustron has 23 acres of buildings occupying 200 acres of ground. There is ample space to build an assembly plant for the airplane factory without destroying Lustron. It is my understanding that the Government has been building some warehouses similar to the type of building required for an assembly plant for $3.50 a square foot. Further, I am told the airplane factory needs approximately 1,000,000 square feet for an assembly plant. In other words, construction of a new plant would cost the taxpayers no more than $3,000,000 to $4,000,000. But certain unscrupulous persons in the Government propose to destroy $15,500,000 worth of machinery and salvage the entire Lustron project at a total of $32,500,000 in order to expend another few million dollars to use the Lustron plant as an assembly plant. This is criminal.

The type of Government officials who will advocate such expenditures are men who should be removed from office. Our Government leaders must be men of sound judgment, of ability, of stature, with vision, a desire to cooperate, and a realization of the necessity for action. Unless we can be assured of this type of leadership, I fear that the huge appropriations this Congress has already made, and the additional appropriations that will be made in the years to come, will avail us just about as much as hair under the barber chair which is swept away each night.

Mr. Speaker, I think this Congress should demand that our Government officials discontinue their wrangling and get on with the business on hand. I propose to go into the matter of the Lustron corporation with some of the highest authorities in this Government, and, if for any reason some of our high-minded bureaucrats are permitted to junk such a magnificent plant, I, personally, will carry the message to the far corners of our country and demand that the taxpayers exact their pound of bureaucratic flesh.

These are perilous times. There is need for action. I hope that the Members of this illustrious body will become interested in this matter and join with us in reactivating Lustron Corp.

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

Mr. HAYS of Ohio. I yield to the gentleman from Tennessee.

Mr. SUTTON. Mr. Speaker, I am indeed grateful to the gentleman for bringing out the facts about the housing necessity of the Armed Forces. On January 12 I made a speech on the floor of this House stating that there was skulduggery in the RFC and that I would at a future date name names and places, and also bring out the facts about the closing down of the Lustron Corp., and refer also to Kaiser-Frazer and some others, the facts of which should be brought out.

On last Saturday, I believe it was, a subcommittee of the Senate Committee on Banking and Currency put out an interim report in connection with its investigation of the RFC for the past 2 years. This report, when I made the speech last week, I asked the Members of the House to get when it came out on January 31.

I hold in my hand a confidential subcommittee print which will be released day after tomorrow, according to my understanding, in reference to this matter, and I hope each Member will get one of these reports because it bears out exactly what I said on January 12 in reference to the skulduggery, the almost criminal action of certain high officials of the Reconstruction Finance Corporation, the skulduggery of Young, Jacobs, and any other number of people to whom I referred on the floor last week.

It is also interesting to note what the gentleman from Ohio said about the photostatic copies he has from the armed services, and it is interesting to me particularly to note that it is the Navy, according to General Harrison, that wants this plant and that they want only the four walls. He says it is absolutely necessary that they have these four walls even though there are $15,500,000 of machinery in there which is good for nothing except the building

of Lustron prefabricated houses. He said this is absolutely necessary even though it would cost over $15,000,000 to tear down the plant, resulting in the further loss of $15,500,000 of machinery, plus the fact it will take 12 to 14 months to clear it out and put it into operation.

General Harrison, who is president of I. T. & T., told me at a meeting I had with him that his company had just completed a warehouse for $2.50 a square foot; yet he wants to rid the taxpayers of this $15,500,000 worth of equipment, he wants to destroy this Lustron plant, because the Navy wants it, so he says.

I called Captain Reynolds of the United States Navy and he says they are in dire need of this plant. I also talked with some people at Columbus, Ohio, some of the underlings out there, not the top men, because they said they had orders from Washington to keep quiet. One of their highest-ranking officials told me: "I cannot discuss Lustron with you, because I have orders from Washington not to talk about it."

I talked with some of the other people and they say: "We do not want the Lustron plant destroyed, we need their houses. We could have a plant of four walls completed in shorter time and it would cost the taxpayers less money if some of the people down in Washington would let us go ahead and build an assembly plant."

They tell us it is the Navy that wants to bring about this wholesale destruction. Mr. Speaker, it is amusing to me to note some of the photostatic copies of communications I have from departments here in Washington.

Here is a photostatic copy of a speed letter from the Chief of Naval Operations to the Chief of Naval Personnel dated August 21, 1950—the latter part of 1950—which in part says:

Request continental naval activities be directed advise personnel ordered Pacific area not to bring or have dependents come to San Francisco area unless private arrangements in advance have been made for housing. Present housing shortage for Naval personnel is critical and is of increasing seriousness. The foregoing does not apply to hotel accommodations as there is no shortage at present.

That is from the Chief of Naval Operations to the Bureau of Personnel here in Washington, D. C. Yet it is strange that the Navy itself, according to General Harrison, wants to take this plant over and do away with housing that the Navy is so direly in need of.

Here is another letter from the commandant of the Eleventh Naval District:

A representative of your office has requested that I forward to you a statement on the housing situation in the San Diego area insofar as naval personnel are concerned.

The housing situation in the San Diego area is critical, both in private housing and in Navy and Federal housing. Motel rates are gradually increasing and housekeeping rooms for couples are very scarce. My housing office has over 500 applications for this last type of accommodation. Medium priced private rentals are rapidly decreasing while the listing of rentals in the $100 price per month bracket is increasing.

The Navy has 745 Homoka housing units in this area. There are over 200 applicants waiting for vacancies in these units. The Navy has 3,492 units in permanent housing projects in this area. There are approximately 300 shore based personnel awaiting assignment to these units. In an attempt to make space available in the permanent housing projects, 300 eviction notices have been served to tenants who have completed 3 years tenancy as of August 1, 1950. In many instances, extensions have been granted where tenants were found to be building or buying homes. Most of these extensions are to be terminated on February 1, 1951.

The shortage for housing for families of personnel at sea (in aircraft squadrons and ships) is extremely critical. There are over 1,000 applications on file for two-bedroom units in Federal projects for which these people are eligible. In an attempt to alleviate the situation for sea personnel with large families, the hardship cases in this group are being assigned to Homoja housing. There are many instances of personnel with two preschool age children being housed in one bedroom Federal units. Vacancies in the Federal housing projects are very, very scarce. It is believed that this is due to the increased labor and employment in local defense concerns as well as civil service personnel in Government activities.

Here is another letter: Headquarters, Ninth Naval District, Great Lakes, Ill., from the commandant to the Chief of Naval Personnel:

Forest Park, Ill., area. Military personnel assigned to the activity, married civilian personnel transferred from other stations, and married civilian personnel who must reside in the general area of the plant for reasons of economy are compelled to pay exorbitant rentals if they are successful in locating apartments, houses or housekeeping rooms in the general geographical proximity of the plant. A sampling of the rentals assessed reflects that 1-room unfurnished kitchenettes, when available, are rented for $62.50 monthly, a 4-room furnished house is available in nearby Maywood for $200 monthly, a 5-room unfurnished dwelling in Oak Park can be rented for $175 monthly, four four-room unfurnished flats will be available in River Forest on December 1, 1950, for $125 monthly, housekeeping rooms are sometimes available but the rentals range from $12 to $16 weekly and single rooms alone rent for $9 to $14 weekly.

Realtors who handle rentals in the Forest Park, Maywood, Berwyn, Cicero and Oak Park communities, all near the plant, mutually term conditions with respect to availability of rental units as poor with no foreseeable prospects of relief. There is no public housing in the area and there is none proposed at this time.

A reasonably accurate barometer of area housing conditions is the number and nature of inquiries received by the employee counselor, this activity. Efforts to alleviate the problem, by making counseling service available to military and civilian personnel, have met with little success. This is due to the total absence of listings for rental units for families. Some of the plant's 1,400 civilian personnel have purchased dwellings in the vicinity. In contrast, however, the housing plight of others has frequently had direct effect upon the station's personnel requirements. A notable example occurred recently when an employee transferred to NOP Forest Park from the Central Torpedo Office, Newport, R. I., was compelled to return to Newport after the transfer had been consummated, due to his inability to find housing for himself and family.

There is no other rental housing, public or private, available in the immediate area of Crane, Ind., and housing conditions in the Bloomington, Bedford, Bloomfield, Washington areas (20–35 miles from NAD, Crane), are critical.

Great Lakes, Ill., area: The housing situation is now critical. There are long waiting lists for all Navy and other Government-controlled housing. Naval personnel concerned should be strongly advised against transporting their families into the area prior to making definite housing arrangement, unless they are prepared to pay in excess of $75 per month for rent. Civilian rentals are available in very limited number in small communities 10 to 20 miles from the Naval Training Center. Motel and trailer camp accommodations are very limited in number.

Omaha, Nebr., area: There is an acute shortage of housing of any description. Rental property is particularly scarce. Rents are exorbitant. Children are not welcome.

Any person with dependents in the Naval Service, officer or man ordered to this area for duty and for whom public quarters on this Reserve Center are not available will have extreme difficulty in locating a place to live suitable or otherwise.

St. Louis, Mo., area: No Navy or Government-controlled housing is available in this area. There is an acute shortage of private rental units and rents for furnished apartments are from $100 to $150 per month.

It is virtually impossible to rent an apartment, either furnished or unfurnished, for a short-term period.

Denver, Colo., area: In the Denver area housing is critical. It is extremely difficult to find homes to rent and those that are available usually rent for $125 per month and up. Small unfurnished apartments, when one can be found, may be rented from $75 and up. There are numerous motels in this area where two rooms with bath and kitchen may be obtained during the winter months from about $100 per month and during the summer for $50 per week and up. In general, hotel rooms are exceedingly scarce and are remote from the station.

Olathe, Kans., area: The housing conditions for the local Olathe, Kans., area are regarded as poor and immediate housing is not available. There are housing possibilities in the smaller towns 20 to 30 miles distant from NAS, Olathe.

Housing in the Kansas City area is regarded as critical, unless personnel are prepared to pay $90 to $100 per month for rent. Desirable housing for rent under the above figures is extremely hard to find.

Naval personnel concerned are advised not to transport dependents into the Olathe, Kans.-Kansas City area prior to making definite housing arrangements.

Indianapolis, Ind., area: The housing situation is not good and rental housing is not within the means of the average naval or civilian person.

Reopening of Army installations in the area is making the situation worse.

Here is another photostatic letter from the commandant, Eighth Naval District, New Orleans, to the Chief of Naval Personnel:

1. The housing situation in New Orleans is still somewhat critical, and civilian housing is quite expensive.

2. Enlisted personnel with children will have a varying period of delay, 1 to 4 weeks, depending upon their needs, before assignment in the Bienville homes (low rent) housing naval housing project. These apartments are unfurnished except for stove and refrigerator.

3. Officers and enlisted personnel without children are not assigned quarters in Bienville homes at present.

4. Civilian furnished housing is available at rates of $50 up for one-bedroom apartments, and $90 up for two-bedroom houses. Unfurnished civilian housing is very scarce.

5. Hotel accommodations are practically impossible, except by very early reservation, and then limited to a maximum of 5 days. Auto courts are available at $5 up per day.

6. Families should not be brought to the New Orleans area until housing has been secured unless sufficient personal funds are available to cover the waiting period.

Yet the Navy still wants this for an assembly plant.

Here is the headquarters Eighth Naval District, saying the same thing, that housing is critical.

Headquarters Thirteenth Naval District, Seattle, Wash., the same thing.

Fifth Naval District, commandant to the Chief of Naval Personnel: Housing is critical.

Commandant, Third Naval District to the Bureau of Naval Personnel: Housing situations are critical.

All the way through, Mr. Speaker, you find the same thing. I could quote from every naval district in the United States, with the exception of two, and they all say that defense and servicemen housing is critical, and they are pleading and begging for housing. Why should the Navy, according to General Harrison, want to destroy a plant that could produce 100 houses a day, houses that we are in dire need of, at a minimum cost, when the commandants of the naval districts insist that they are in dire need of housing and that the housing situation is very critical?

This morning I called Mr. Foley down at the Housing Administration and asked him if the Navy had requested any housing. He said, "No." I said, "Is it your expectation that they will?" He said, "Yes." He said, "The housing that we are in dire need of is for 6,000 families." That is where the new hydrogen plant is being erected. They are in need of houses for 3,000 families at Paducah, Ky., for the Atomic Eneregy Commission. He said, "We need them fast." Yet my friends, to erect a plant where we could produce 100 houses a day at $6,000 a unit savings to the taxpayers seems criminal to me, because if we could get these houses at Savannah and the houses at Paducah in nothing flat, then we could go ahead with our atomic-energy program at a fast pace, which we need to do. The economy and savings in Lustron houses has been proven at Quantico. They had three bids on houses down there, and the Navy could not buy most of the houses because they cost too much. They wanted $13,000 for them. We did not appropriate enough money for them to buy those 68 houses at $13,000 a unit. So, the Navy put in another call for bids. Lustron houses were sent down there for $7,200, which saved the taxpayers of this country $6,000 on each one of those houses.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

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

Mr. CRAWFORD. The gentleman says that Lustron houses were sent down there for $7,200 per unit. What did it cost to get those constructed per unit?

Mr. SUTTON. Of course, I have not gone into what it would actually cost to get them constructed. Does the gentleman mean to manufacture them or construct them? Seven thousand two hundred dollars was the price at Quantico put up.

Mr. CRAWFORD. Does the gentleman mean Lustron would erect the houses for $7,200?

Mr. SUTTON. Erect the houses for $7,200 a unit.

Mr. CRAWFORD. A turnkey job?

Mr. SUTTON. A turnkey job. It saved the taxpayers $6,000 a unit.

Mr. CRAWFORD. Is the situation in that locality so that organized labor would permit Lustron to do so?

Mr. SUTTON. I believe you will find organized labor is behind Lustron 100 percent, because I have telegrams from all over Ohio and all over this country admiring the stand I took on January 12 when I condemned the Reconstruction Finance Corporation for trying to close down this plant. Manpower is a shortage as well as housing right now.

Mr. CRAWFORD. I think the gentleman from Ohio [Mr. HAYS] referred, if I am not mistaken, to the saving that could be effectuated by shipping Lustron production to the Alaska bases, as an illustration.

Mr. SUTTON. I believe the gentleman will find that there are two of them in Alaska now. The house the Government has been buying to put in Alaska was costing $39 a square foot, according to their own figures, and the Lustron house costs $25, which was a saving of $14 a square foot in Alaska, erected.

Mr. CRAWFORD. A friend of mine who constructs fabricated dwelling quarters spent $75,000 of his own funds to try to break the combine in Alaska. He could put in completed two-bedroom dwelling units for around $11,000, as against about $45,000 that we are paying for two-bedroom dwelling units there at Anchorage and Fairbanks. After he had sunk the $75,000 and had put in three or four units, he found himself cold-bloodedly up against the rules and regulations of the Federal Housing Administration and organized labor in Alaska, and he has had to withdraw from the field, although he is in position to continue to make those shipments provided he can get the support of the Federal Government and organized labor in letting him install those units at the two bases at Anchorage and Fairbanks.

There is a combination up there that prevents him from doing so by reason of the fact that there is so much gravy in the $45,000, $55,000, and $75,000 homes that are being built there. So I personally do not believe, after watching this thing for a number of years and having been up in the Territory and held hearings all over the Territory, that if Lustron were equipped with a billion dollars of capital it could necessarily break the combine in Alaska and get these low-priced units up there.

Mr. HAYS of Ohio. I might say to the gentleman that he perhaps knows more about the situation in Alaska than any other Member of the House. I certainly think he knows what he is talking about. On the other hand, may I say that the Government needs a lot of houses in Alaska. It seems to me that if the Government cannot buy houses where it wants to, if it cannot get houses at a price that will save almost 50 percent to the taxpayers in taking the houses up there and erecting them, then the whole situation needs extensive looking into.

Mr. CRAWFORD. I agree with the gentleman 100 percent in that observation. That is the reason I am trying to make this little contribution here.

Mr. HAYS of Ohio. I appreciate the gentleman's contribution.

Mr. CRAWFORD. I can see no reason or sense to this high cost in Alaska, except that the Federal Government agencies have let those combinations in restraint of trade proceed.

Mr. HAYS of Ohio. That might be a good place for the Committee on Armed Services to begin an investigation. As I recall, we gave them authority to do that, just last Friday. In trying to check on these procurement agencies, I think the Armed Services Committee has a very fertile field to work in. I believe there is plenty of work ahead for them to do, from the little bit of looking into it I have done, not only in the construction field but in procurement generally.

Mr. SUTTON. May I say to my distinguished friend the gentleman from Michigan [Mr. CRAWFORD] that his aims are the same as mine, in that if we can get houses into Alaska, not for $42,000 or $45,000 but for $25,000 or even $10,000, I am interested in saving the overburdened taxpayers that money.

The case I had brought to my attention was through my investigation of the RFC before the talk I made on the floor of the House on January 12. When I got into the investigation of the RFC I got into Lustron. I thought an injustice had been done there in the closing down of that factory by certain people who wanted to take over Lustron for their own measly lust of gold, including some of the directors of RFC that I mentioned before—Mr. Dunham, for example. If we can save the taxpayers $1,400,000 a day in producing houses for national defense to go to Alaska, regardless of what company it is, I am wholeheartedly in favor of it. If we can clean out a Government agency, whether it is Democratic or Republican—and I being a Democrat it is hard to condemn my own administration—where skulduggery exists, I believe the taxpayers should not be robbed, and we should not let that skulduggery go on. That is why I took the floor to help in cleaning out the RFC. I made the talk on the basis that the taxpayers want it because it is a $2,000,000,000 corporation of the Federal Government, and at the same time we would get these houses which are so badly needed for our defense and get them as cheaply as we can and as fast as possible, as well as getting the best for the least expense, for the armed services.

That is my sole purpose in this matter. I am sure the gentleman from Ohio has the same intention, and I am positive that the gentleman from Michigan [Mr. CRAWFORD] has the same idea in mind.

Mr. HAYS of Ohio. May I say to the gentleman from Tennessee that I do not know anything about the background of the RFC dealings with Lustron. As I said earlier in my speech the $37,500,000 that the RFC loaned to Lustron is water over the dam. They received it, and whether the money should have been

loaned or whether it should not have been loaned is beside the point now. Now the point is, as I see it, that there is at least $15,500,000 worth of expensive, almost brand-new equipment out there which cannot be used for anything except to build this particular type of house. The question now comes up, are we going to go ahead and lose $37,500,000 and write that money off the books and, as the Navy has been quoted in the press as saying, send bulldozers in and just bulldoze that machinery out of there and destroy it so that the value of the machinery is absolutely destroyed, except for what it is worth as junk, or are we going to use the machinery for something that we need? As I see it two wrongs do not make a right, and if it was wrong to lend them the money in the beginning, that is neither here nor there. The point, I reiterate, is are we going to destroy this $15,500,000 worth of machinery which cannot be used for any other purpose when we so badly need housing at Army bases and all over the country, at our atomic energy plants, and so forth? I have personally gone to some of these Army camps to observe the situation at first hand. I tell you it is no wonder that the morale of some of these troops at some of these camps is very low when they see their families coming down there to exist in the kind of places that they are living in around these camps, because the Government has not met its obligations and has not provided quarters for them.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield further?

Mr. HAYS of Ohio. Yes, I am glad to yield to the gentleman.

Mr. CRAWFORD. It stands to reason that American genius can produce prefabricated houses at low-unit cost if it can produce automobiles and flying machines and railroad cars and what-not. Here is the Committee on Banking and Currency of the House holding hearings now on the very far-reaching so-called defense housing bill with apparently every intention of going out and spending literally hundreds of millions of dollars for the purpose of acquiring low-unit cost dwellings for our people at those places where defense bases are to be built, that is, for the workers, the structural workers, or the permanent residents of the base; and for permanent homes throughout the country. I agree with the gentleman; I think it is getting awfully close to treason against our people to throw out fifteen or twenty millions of dollars of newly designed and recently built up-to-date equipment when there is so much need for its use. There just is not any sense to that kind of performance. I do not care what the argument on the other side of the question might be. It takes time, labor, and precious material to build these wonderful machines. That machinery should not be destroyed. As the gentleman says, it is not a question now whether the loans were good loans or bad loans. That is beside the point. The question is how you are going to get low-cost housing for the benefit of the fellow who buys it or for the benefit of the taxpayer if it is used in a public manner. Why not use the equipment that was built for that purpose?

Mr. HAYS of Ohio. I thank the gentleman for his contribution. In my opinion he is 100 percent right. The only argument I have heard from General Harrison against reactivating this plant is that the plant went bankrupt. The General may be a good businessman. I do not know. I understand he has been president of the I. T. & T. for some time. It so happens that my father and I have owned some stock in that corporation for perhaps the past 20 years. And the only thing I have ever gotten from them so far is a bunch of explanations as to why they have not paid any dividends. So I do not think he should be throwing any rocks at a corporation simply because it went bankrupt. The gentleman from Michigan [Mr. CRAWFORD] and the gentleman from Tennessee [Mr. SUTTON] hit the nail on the head when they said that the essential thing is that this $15,500,000 worth of expensive, hard-to-get, hard-to-manufacture machinery ought not to be junked.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. NICHOLSON. The gentleman ought to know that last year we built in this country 1,500,000 housing units. Now this department of Government has fixed it up so that we will not be able to build half a million this year. You are right about the need for more houses, but if we have the Federal Government making it so that no one can build a house, what good will it do to fix up Lustron or anybody else?

Mr. HAYS of Ohio. The gentleman raises a point that I would like to answer. After all is said and done, if we do not get so wrapped up in our daily tasks and the requests of our constituents, we are the ones who can do something about it. That is why I am trying to bring it out on the floor today.

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

Mr. HAYS of Ohio. I yield.

Mr. SUTTON. The gentleman mentioned General Harrison. I was talking with him the other day on this subject. I went to the White House, and I was sent from the White House to see the genial and capable Administrator of the Office of Defense Mobilization, Charles E. Wilson, and from there I was sent to General Harrison. Last Saturday at 10 o'clock I was in General Harrison's office talking to him about this matter. In our conversation I brought out the fact which the gentleman brought out this afternoon, because he told me that they used 385,000 tons of steel for beer cans, excluding tin. I knew it took only 300,000 tons of steel to make 100 houses per day of prefabricated houses. When General Harrison told me that he was recommending that Lustron be turned over to the Navy, I said, "Which is more important, 385,000 tons of steel for beer cans or 300,000 tons of steel for housing?" I wish you could have seen the expression on his face. He blew up. He said, "Beer is essential for the morale of the American people." I ask you Members of this Congress which is more essential for these boys in the service, a beer can or a house.

Mr. HAYS of Ohio. If anyone cares to go out here to the rack in the Speaker's lobby and get yesterday's paper—I just came back from Ohio about 12:15, and I had with me the Cleveland Plain Dealer. There is a quarter page of ads of companies in Cleveland that are offering steel, asking for inquiries about steel. Some of them list the amounts of steel, the sizes and shapes and the strips that they have on hand. I thought there was a shortage of steel. In fact, I was amazed when I read that yesterday. I do not know whether this is gray-market steel or European steel or what kind of steel it is, but anyone knows when there is open traffic going on in steel, they advertise in the papers, the big Sunday metropolitan papers like the Cleveland Plain Dealer; these dealers are not covering up the fact that they have steel.

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

Mr. HAYS of Ohio. I yield.

Mr. GROSS. That is a question I was about to ask. Is this black-market steel? and what is the price of it? You can buy steel in Chicago today at 24 cents a pound if you want to pay for it.

Mr. HAYS of Ohio. I thank the gentleman. I think he has a point. I think perhaps some of these regulators downtown ought to be doing a little more regulating along that line instead of the kind of regulating they are doing. I am getting a little tired of it all.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield further?

Mr. HAYS of Ohio. I yield.

Mr. CRAWFORD. I was going to address an inquiry to the gentleman from Massachusetts [Mr. NICHOLSON], but I see he has been called from the floor. However, he made a remark to the effect that private home construction is limited to about half the units built last year. I think that limitation—and this is what I wanted to verify—I think that limitation is based on the amount of material that is allocated for the use of the private citizen who wishes to build. That does not mean to say within the concepts of the military program there is not a lot of material which can be used for building dwelling units. That is the point I want to clear up, but my friend has been called off the floor.

Mr. HAYS of Ohio. I think the gentleman is exactly right, and, of course, I think too many of us take for granted that the military is so sacrosanct that their conclusions and opinions are not to be questioned, but it so happens that I have been around the world a bit since the last war. I have seen literally thousands of planes sitting all over the world being destroyed by the elements. I am not in position to say that the Navy should not have so many planes or that it should have so many, but I think we ought to look into the matter carefully before we give them authority to purchase 50,000 planes or any other great number of planes when we find thousands of planes sitting out in the waste places rusting out. I have seen them in Egypt, for instance, as far as the eye could reach; there they were. I was told by people who should know that some of them had never been in the air except to be flown from the United States to that

point. I think the whole problem is that some of these people downtown seem to me to be rushing into the thing pell mell and without enough thought.

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

Mr. HAYS of Ohio. I yield.

Mr. SUTTON. I wish to state to the gentleman from Ohio that before they carry out the decision made by General Harrison on wrecking this plant, which to me is criminal, notwithstanding the fact the decision was made by a general of the United States Army, the Senate Committee on Banking and Currency is going out to Columbus next Monday and Tuesday to investigate, because they think something smells pretty bad.

Mr. HAYS of Ohio. I am glad to hear that the Senate is to make an investigation. I think it would be a good thing if some committee of the House were to go out there and take a look at this situation also.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mrs. ROGERS of Massachusetts. This has nothing to do with the sale or disposition of the Lustron Co., but the gentleman may recall that the RFC refused a loan to the Waltham Watch Co., a loan which would have kept that plant in operation and enabled it to fill Government orders for precision instruments which are so vitally needed in our national defense, and also to prevent a great industry from being killed.

Mr. SUTTON. The trouble is they did not have Merle Young on their side or Rex Jacobs.

Mr. HAYS of Ohio. What the gentlewoman from Massachusetts states is true. The thing I am interested in at this point is not trying to dig up all the past errors of the RFC; I am just interested in trying to investigate and prevent the destruction of $15,500,000 worth of machinery that the taxpayers paid for that is sitting there in Columbus idle now; another arm of this bureaucracy proposes to destroy it. One arm of the bureaucracy created it, another now wishes to destroy it.

I know that the Congress and the individual Members of the Congress do not have time to check every one of these stupendous projects which are being undertaken, but I think when one is brought to our attention that we might do something about it and it might make an example and might, to use a cliche, put the fear of God into the hearts of some of the bureaucrats downtown, and make them think twice before they get to issuing these mandatory orders: "Do this; do that" without any regard to the amount of money involved or the people who will have to pay for it.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield further?

Mr. HAYS of Ohio. I yield.

Mrs. ROGERS of Massachusetts. It all fits into the same picture. The Waltham Watch Co. is now back in operation making precision instruments, but only after having wasted a lot of precious time. I thank the gentleman.

Mr. HAYS of Ohio. Mr. Speaker, I yield back the balance of my time.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 20 minutes.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein excerpts from Report No. 3 of the Federal Deposit Insurance Corporation, an excerpt from the January 2, 1951, daily statement of the Secretary of the Treasury, quotations from the February 4, 1951, issue of the Washington Sunday Star, and perhaps two or three other quotations I may wish to include.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GOVERNMENT FINANCING

Mr. CRAWFORD. Mr. Speaker, when General Eisenhower made his report to the Members of the House last Thursday, among other things he said:

> The very problems involved in the very expression "defense of the freeworld" are so vast and so complex that no man could hope in a lifetime of study and reflection to solve them all. He can certainly not be sure of the accuracy of his conclusions.
>
> The next assumption I would like to make is that we are concerned not only with the protection of our territories, of our rights, of our privileges, but we are also concerned with the defense of a way of life. Our own way of life has certain factors that must persist if that way of life itself is to persist, for example, the freedom of the individual, his political freedom, his freedom of worship, and that he will have an economy based upon free enterprise. In other words, our system must remain solvent, as we attempt a solution of this great problem of security. Else we have lost the battle from within that we are trying to win from without.
>
> Now, military defense is made up of many things. The things that defend or that act for it on the field of battle are many and varied and as complex as the Nation itself. The fighting forces are but the cutting edge of a very great machine. The inspiration and the power which we find in the hearts of citizens and all of the various mechanisms that are necessary are represented in our investment capacity, our economic processes, and so on, so that when we talk about defending the free world, we are not merely talking about the divisions and groups and battleships and planes. We are talking about what is in our hearts, what we understand with our heads, and what we are going to do as a body.
>
> As I said a moment ago, military strength is made up of various things, of which the fighting forces are merely the cutting edge. One of the greatest factors in this whole thing is morale, and, ladies and gentlemen, almost the rest of my talk will be made up, directly or indirectly, in discussions of this question of morale; because morale involves understanding, it involves heart, it involves courage, fortitude, basic purpose.

MUST ACCEPT DISADVANTAGE

> We must accept, as we must always accept, the disadvantage, militarily, internationally, that goes with peaceful intent and defensive purpose only. Any aggressor picks a day on which he intends to strike, and he builds everything to that point. We have to devise a scheme that we can support if necessary over the next 20 years, 30 years, whatever may be the time necessary, as long as the threat, the announced threat of aggression remains in the world, and that means since we must be ready at any time, one of the important times is today, and from there on.

FINANCING BIG CONSIDERATION

> I believe that properly adjusted to this purpose of ours, the purpose of peace and security, is our ability to carry it forward without insolvency for year after year. I believe that within those limits we must now go to the production of equipment exactly as if we were preparing for an emergency and war.

Now, Mr. Speaker, I am very much impressed with the general's repeated reference to the question of solvency and insolvency. Undoubtedly, the general has some big question in his mind as to how this undertaking is to be financed and whether or not we can do the job of financing and still retain an economy based upon free enterprise.

Mr. Speaker, when we entered World War I we faced a Federal debt of less than $1,500,000,000. When we entered World War II this debt was about $49,000,000,000 and now as we begin the operations under what might be termed World War III we have a Federal debt of about $257,000,000,000. These are very fundamental facts in the light of what the general has reported to us.

INSURED BANK HOLDINGS OF FEDERAL SECURITY

The Federal Deposit Insurance Corporation report No. 33, page 9, shows that insured banks on June 30, 1950, held $72,553,872,000 of the United States Government obligations, direct and guaranteed. That is a fundamental fact, at this particular hour, we cannot ignore.

TREASURY NONMARKETABLE OBLIGATION

January 2, 1951, the Treasury had outstanding nonmarketable obligations in the form of Treasury savings notes, United States savings bonds series D, E, F, and G, and depositary bonds, and Armed Forces leave bonds and Treasury bonds, investment series, totaling some $68,124,937,281.74. The amount of series E bonds alone outstanding January 2 amounted to $34,546,168,368.23. During the period January to December 20, 1950, the sales of series E bonds by the Treasury amounted to about $3,500,000,000 plus, with cash redemptions of those bonds by the people of $3,800,000,000. In the face of all the selling camapign pressure the people redeemed small savings bonds issues during the year 1950 of about $1,250,000,000 in excess of sales. In the years 1952, 1953, 1954, and 1955 the Treasury will face a super task in refunding maturing series E bonds alone. Here are the figures taken from the January 2, 1951, Treasury statement:

1952	$3,873,457,573.12
1953	5,361,717,550.00
1954	5,923,756,771.66
1955	4,704,723,804.41

And with the years 1956, 1957, 1958, and 1959 running from $2,400,000,000 up to $2,800,000,000 annually. Of course there will be many other maturities in the marketable issues which will not be met through payment because the tax dollars will not be there to meet the maturities. This simply means more and more refunding operations faced by the Treasury.

So, Mr. Speaker, when the general referred to "talking about what is in our

hearts, what we understand with our heads, and what we are going to do as a body," he must have somewhat had in mind this financing problem and the solvency of our financial system.

On or about the 18th of January last, Secretary of the Treasury Snyder appeared before a group in New York City and made some observations pertaining to the interest rate to govern on refunding operations and such new issues as may be necessary due to the deficit financing of the Treasury. Secretary Snyder certainly left the country to understand the financing would be made within the pattern of a 2½-percent rate, and of course his statements carried the implication there would be no increase (within the near future) in the short-term rates. He likewise announced that the holders of the near maturing series E bonds would be given the opportunity to automatically extend the time of the maturing bond for another 2 years, and this would be equivalent to a 20-year bond at an interest rate of about, say, 2.9 percent per annum.

I understand that the Committee on Ways and Means will have a bill on the floor of the House this week authorizing that transaction.

This is a ridiculously low rate for such a transaction, especially with the buying power of the dollar continually declining. But that is not all, Mr. Speaker. Mr. Snyder, among other things, said:

In the firm belief, after long consideration, that the 2½-percent long-term rate is fair and equitable to the investor, and that market stability is essential, the Treasury Department has concluded, after a joint conference with President Truman and Chairman McCabe, of the Federal Reserve Board, that the refunding and new money issues will be financed with the pattern of that rate.

At the time I wondered about the absolute accuracy of the Secretary's statement insofar as it involved Chairman McCabe of the so-called independent Federal Reserve Board. For too many years, Mr. Speaker, the good people of this country have been subjected to the suicidal economic or financial war or feud running between Secretary Snyder, and backed by President Truman, and the Board of Governors and the Open Market Committee of the Federal Reserve System.

The fight now is in the open. President Truman has really put the silk hat on this contest between the two agencies in sending his now famous letter on this subject to Chairman McCabe of the Board. By reason of what Secretary Snyder said at the New York meeting which misled many to believe the entire Board was in agreement with the Treasury on interest rates on refunding and new issues, plus what the President said in his letter to Chairman McCabe, and in the light of the actual facts, I am forced to the conclusion a deal was made between the President and the Secretary to accomplish what? Simply to so compromise the Board that the interest rates and the supply of credit and money can be dominated by the political office of the Secretary of the Treasury.

Mr. Speaker, on the front page of yesterday's Sunday Star appears this article:

ECCLES ASTONISHED BY TRUMAN STAND ON INTEREST RATE POLICY—DISPUTES ASSUMPTION THAT BOARD SUPPORTS TREASURY POSITION

An apparent attempt by President Truman to smooth over Treasury and Federal Reserve Board differences in the Federal interest rate policy backfired yesterday and at least one Board member threatened to resign.

The dispute became deeper and more bitter when Marriner S. Eccles, a member and former chairman, declared he was astonished by a Presidential letter indicating that the Board sided completely with the Treasury's stand for low interest rates on Government obligations.

He disclosed a record of a White House meeting at which President Truman last Wednesday talked with the Board's Open Market Committee. The President, in a letter to Board Chairman Thomas B. McCabe, said he had assurance that the agency would fully support the Treasury defense financing program, both as to refunding and new issues.

The record stated that the President made no mention of recent differences of opinion with the Treasury. It also contained no direct references to Treasury defense financing programs both as to refunding and new issues.

At the root of the controversy between the Treasury and Board officials are two major questions:

Is the Federal Reserve System, created by Congress in 1913 as an independent agency to control the credit structure being dominated by the administration and the Treasury?

Does the Treasury's so-called easy money policy of low interest rates add to inflation?

Secretary of the Treasury Snyder has defended that policy. He warned recently that an increase of as much as one-half of 1 percent in the average rate of interest on outstanding Treasury obligations would boost debt carrying charges by $1,500,000,000 a year.

DOUGLAS IS FOE OF POLICY

That policy is disputed not only by some Board members but also by some influential Members of Congress, notably Senator DOUGLAS, Democrat, of Illinois, chairman of a joint economic committee group that last year looked into the problem. Senator DOUGLAS reportedly will lead a congressional drive against what he has called the Treasury's devotion to low-interest rates that will ultimately cost the Government and taxpayers far more in higher prices for goods and services.

Mr. Eccles, in disclosing a record of what took place at the White House meeting, explained that the committee, made up of the seven Board members and presidents of Federal Reserve banks in five metropolitan centers, agreed on the record. He added, however, that:

"Any other comment would be superfluous. I am giving you this solely on my own responsibility and without the knowledge of other members of the committee. It is most unfortunate that this vitally important matter of monetary and credit control which Congress has placed in the Federal Reserve System has been raised in a manner which only needlessly adds to the confusion."

M'CABE CONFERS WITH TRUMAN

Following a notation that Chairman McCabe had met with Mr. Truman in the President's office shortly before the meeting with the committee in the Cabinet room, the record continued:

"The President stated that during the past few weeks he had met with many groups in Government because he wanted them to know the seriousness of the present emergency and to ask for their full assistance and cooperation. He stated that the present emergency is the greatest this country has ever faced, including the two World Wars and all the preceding wars.

"The President emphasized that we must combat Communist influence on many fronts. He said one way to do this is to maintain confidence in the Government's credit and in Government securities. He felt that if people lose confidence in Government securities all we hope to gain from our military mobilization, and war if need be, might be jeopardized. He recalled his wartime experience when he bought Liberty bonds out of his soldier's pay. When he returned from France and had to sell his bonds to buy clothes and other civilian things, he got only $80 or a little more for his hundred-dollar bonds and later they were run up to $125. He said he did not want the people who hold our bonds now to have done to them what was done to him.

"He stated that most politicians would not ask for higher taxes prior to election but that he had vetoed a reduction in taxes before election and won anyway. If it had not been for that irresponsible reduction in taxes, he said, the Federal budget would have been in balance all these years. He stated that he wanted to levy all the taxes necessary to pay the cost of the defense effort, which, he felt, would be between one hundred and one hundred and twenty billion dollars over the next few years. He stated that he had just met with the congressional leaders and asked for $16,500,000,000 in taxes and that he expected to get this in two bites—a quick tax bill yielding about ten billion and the other six and a half billion to come after more careful study. He wanted us to understand that he is doing all he can on the tax front to combat inflation.

"The President gave each member of the committee a copy of The Federal Budget in Brief. He expressed the opinion that the budget had been pared to an irreducible minimum. He said that he had participated in the preparation of 16 budgets and felt he was competent to judge and understand them. Maybe something could be cut out, but it would make a hole in the defense effort and that he would not do.

"The President said he felt we had done a good job and wanted us to continue to do a good job in maintaining the financial structure of the country. He further stated that he had had a number of conferences with our chairman but this was his first opportunity to meet and talk with the entire committee. He made no mention of recent differences of opinion with the Treasury."

COMMITTEE WORK PRAISED

"Chairman McCabe thanked the President for receiving us and indicated that we all share his concern for the maintenance of the Government credit. He stated that although the support of the Government bond market was something in the nature of an extra-curricular activity for the Federal Open Market Committee, it had performed this service for the past 9 years or more and had done a very good job. He stated that the committee had always carefully weighed its responsibilities to the Government and to the general economy as well and that these are statutory responsibilities which it could not assign, if it would.

"The President interjected that he was familiar with that, but wanted the committee to continue its good work during the defense period. He emphasized that he was speaking of the defense period only.

"Chairman McCabe referred to the fact that in the last few days the Government bond market had gone up a few thirty-seconds and then had come down a few thirty-seconds, which he considered to be proper market operational technique. The President said he would not undertake to discuss

details of that kind, that he was principally concerned with maintaining the confidence of the public in Government securities as one way of presenting a unified front against communism. He did not indicate exactly the details of what he had in mind, but he reiterated that we should do everything possible to maintain confidence in the Government securities market. The Chairman outlined concisely some of the responsibilities with which we were charged, principally to promote stability in the economy by regulating the volume, cost, and availability of money, keeping in mind at all times the best interests of the whole economy. The Chairman turned to the members of the Federal Open Market Committee and said the President could depend on everyone in the group to do what they could to protect the Government credit."

DIFFERENCES EXPECTED

"Chairman McCabe stated that with a group of men such as those composing the Federal Open Market Committee there would, of course, be differences of opinion as to just how the best results could be obtained. The President nodded, indicating that he understood this. The Chairman suggested the following procedure—that we consult frequently with the Secretary of the Treasury, giving him our views at all times and presenting our point of view strongly, and that by every means possible we try to reach an agreement. If this could not be accomplished, he (the Chairman) would like to discuss the matter with the President. The President said this was entirely satisfactory and closed the meeting on the same note as it was opened, namely, that he wanted us to do everything possible to maintain confidence in the credit of the Government and in the Government securities market and to support the President of the United States in achieving this end.

"The Chairman stated at the end of the meeting that he presumed that any statement concerning this meeting would be made by the President. The President said he would have no objection to our making a statement and thought that it might be a good thing. The Chairman then asked him what would be the general nature of the statement, and he said it can be said that we discussed the general emergency situation, the defense effort, budget and taxes, and that he had stressed the need for public confidence in the Government's credit. He said further that he would be talking to the press the next morning and that he would be prepared to answer questions that might be raised. Since the President indicated that he would be discussing it with the press, the Chairman said he felt it would be best for us not to issue any statement to the press at this time. The President did not seem particularly concerned about whether or not a statement was issued. The press conference scheduled for the following morning was canceled because of General Eisenhower's appearance at the Capitol."

TRUMAN LETTER RELEASED

The record concluded with press association accounts of an announcement Thursday by Presidential Press Secretary Joseph H. Short that the Board had pledged its support to the President to maintain the stability of Government securities as long as the emergency lasts. Mr. Short was quoted as saying the announcement was "to quiet those rumors" of differences of opinion between the Treasury and the Board.

The White House late Friday gave out the text of President Truman's letter to Chairman McCabe.

Expressing thanks to the Board and committee for "their expression of full cooperation," the letter stated:

"Your assurance that you would fully support the Treasury defense financing program, both as to refunding and new issues, is of vital importance to me. As I understand it, I have your full assurance that the market on Government securities will be stabilized and maintained at present levels in order to assure the successful financing requirements and to establish in the minds of the people confidence concerning Government credit."

Based on the facts and on what has now appeared in the paper, and on Mr. Eccles' testimony before the Senate committee, I repeat that I think a deal was made between the Secretary of the Treasury and the President. When Mr. Eccles appeared before the Senate committee, among other things, he said this:

People hold an unparalleled amount of liquid assets in the form of bank deposits, Government bonds, equity in insurance policies, building and loan shares, and other forms. Potentialities for inflation are now tremendous. It would be impossible to prevent inflation under these conditions without at least balancing the Federal budget. As inflation proceeds, the desire increases to convert liquid assets into money and then into goods and services.

That is the reason people are running away from the ownership of dollars to the ownership of things, because they do not have confidence in the constant buying power of the dollar, simply because the administration continues to proceed with policies which generate the inflationary forces instead of taking steps which will destroy those forces.

This is what is known as the flight from the dollar. Thus you can have an inflation even if all Federal deficit financing is done outside the banks.

He further said:

The only way to stop access to Federal Reserve funds is by withdrawing Federal Reserve support from the Government securities market and penalizing borrowing by the member banks from the Federal Reserve banks. As long as the Federal Reserve is required to buy Government securities at the will of the market for the purpose of defending a fixed pattern of interest rates established by the Treasury, it must stand ready to create new bank reserves in unlimited amount. This policy makes the entire banking system, through the action of the Federal Reserve System, an engine of inflation.

Nobody knows that any better than Secretary Snyder. I will not say the same of Mr. Truman, because I do not think he knows much more about technical banking, generally speaking, than a lot of high-school boys who have studied the subject some in our high-school system. This whole question is technical and difficult and on it he has not specialized. He leaves the matters largely to the Secretary of the Treasury.

Going a step further, Mr. Allan Sproul, who is one of the top men in the Federal Reserve banking picture, had this to say, and all in reference to the anouncement of the Secretary:

I am afraid that the announced debt management policy would lead us directly or indirectly into too much financing by the banks, if we had to do any substantial amount of deficit financing.

Going further, Mr. Sproul said:

And even in terms of possible refunding of bank-held debt, by sale of long-term obligations to nonbank investors who temporarily find other outlets for funds lacking, it would have shortcomings. It runs the risk of falling short of attracting willing nonbank investors in the first instance, and of creating reluctant holders of Government securities for the longer run. We must have learned from our experience during and following the last war, with respect to market bonds, and more recently since the Korean fighting started, with respect to savings bonds, that these are real risks. If these risks were realized, they would mean that too much of our financing would sooner or later be done with bank credit based on the ready availability of Federal Reserve credit. And when that credit began to express itself in inflationary price advances, we would again find our powers to control the inflationary brew greatly impeded by the needs of a Government security market requiring extended periods of extraordinary support.

Remember I gave you the figures of the bonds held by the banks in excess of $72,000,000,000 last June 30. The job is to keep this new financing out of the bank portfolios. How can you do that? If you want the people to buy them, how can you have the people buy them other than by an interest rate which will cause the people to put their money into Government bonds on a long-term basis, and then protect the buying power of the dollar so that if you buy a 20-year bond today, when it matures and you cash it in you will have the same buying power that you put into the bond at the time you bought it. The gentleman from Texas, as he probably will state later on today, and as he stated before—and this is no criticism of him because these are his views—he is entitled to his views the same as I am entitled to my views—as I say the gentleman from Texas will probably state that his position is that a rate high enough to induce you to buy long-term Government bonds and keep the bonds out of the banks will run up the cost of carrying the debt. Of course it would. But the great Creator of the universe certainly knows that that type of operation would save our people literally billions of dollars which they are now losing by reason of the inflationary forces. As the Government goes out to buy 150 or 200 or 500 billion dollars' worth of goods for defense purposes, it would save the Government of the United States, namely, the taxpayers of this country, additional billions of dollars by preventing the inflationary forces from running against those purchase orders to be placed by the Government. So he who advocates a low interest rate on a great Federal debt simply so that you can stand up and say that the faith and credit of the Government was never so high as it is today as a result of the rigged low-interest rate which the Treasury is now advocating and thus forcing the issues into the bank portfolios instead of into the hands of the people—I say that he who advocates such a philosophy is advocating a fallacy and that time that has passed and time yet to come will prove it to be a fallacy, because it is literally unsound to go upon such a theory, when you are in a country such as ours with a private enterprise system, to which General Eisenhower referred. Upon what basis can you advocate soundly a philosophy which says to the citizen, "Here, you buy Government bonds. You put in $1,000 today that will buy us $1,000 worth of goods and 15 or 20 years from now I will hand you back $1,000 that will only buy $400

worth of goods." That citizen has lost the interest on his money. He has lost $600, as you and I have lost on these bonds that we bought in 1937, 1938, 1939, 1940, and 1941; some of which bonds have matured, and others are about to mature. We have lost on that investment. The President made a statement to the 10 members of the open market committee at the White House the other day. He called them in and discussed this very subject, at which time he said nothing to those 10 men about approving this 2½-percent rate; but in a letter which he sent out, it leaves the inference before the people of the country to the effect that they okayed that rate, and he sends this letter over there to Chairman McCabe in such a manner as to tie him into the agreement when the Board of Governors and the open market committee made no such agreement insofar as I can ascertain from those who deal with this subject from day to day and who generally are well informed on what transpires in such close dealing.

Personally I think that is sheer intellectual dishonesty which should not be practiced at a time when we are expecting our people to carry a $269,000,000,000 debt and put $60,000,000,000 into the tax box on the theory that that is going to prevent inflation by balancing the budget, when you know as well as we all know anything that the inflationary forces can continue to run after the budget is balanced, and through the sales of these refunding issues to the portfolios of the commercial banks instead of to our people. Too much of the debt structure of $256,000,000,000 is in short term paper, and too much held by banks. It should be shifted from banks to the people themselves and the way to do this is increase the interest rate and stabilize the dollar.

For 5 or 6 years I sat on the Committee on Banking and Currency of the House of Representatives and argued with Secretary of the Treasury Morgenthau against this very type of debt structure which he built under the previous administration on the ground that was the easy way to do it and of course he and his chief, Mr. Roosevelt, was all the time inflating prices and running down the buying power of the savings of the people and making the citizens feel they were growing rich by reason of the increased supply of money and cheap credit.

Mr. Speaker, the President took occasion to point out to the Open Market Committee his experience upon his return from World War I and how he sold bonds at $80 which cost him $100 and went on to say in substance that he did not want people who hold bonds now have done to them what was done to him. Well. Is President Truman so uninformed on what his inflationary policy has done to our people? If you hold any savings bonds which you purchased in 1937 or 1938 or 1939 or 1940 and all of which have matured, just how much could you buy with your returned investment plus the interest thereon—yes, I say plus the interest—as compared to what you could buy with just your investment at the time you bought those bonds? This is the hard cold fact Mr. Truman and Mr. Snyder face. This attitude and knowledge of the people of what has happened, what they have felt, what they have experienced, is real. They know that as they collect on a savings bond today which has matured and which they purchased about 10 years ago that what they have lost due to inflation is about 150 percent of what Mr. Truman is griping about and what he lost on his transaction. I repeat that Mr. Truman's philosophy on this inflation and interest rate question is fallacious and destructive to our people.

There are those who would have profits cut and taxable income reduced and at a time the President calls for more than $60,000,000,000 for the tax box on an annual basis. If we are to pay these bills there must be income—big income—that can be taxed: Make no mistake about that. But unless Mr. Truman and Mr. Snyder can stabilize the buying power of the dollar and stop their inflationary forces they will have more trouble than at present. Let the full light of truth on this matter of high finance come to our people if you want them to purchase tens of billions of dollars of Federal securities annually and carry a debt aggregating from two hundred and fifty-six to three hundred billion dollars or more. If the 20- to 30-year program of General Eisenhower is to be consummated, let me say, Mr. Speaker, it will be necessary for someone to do things other than make sales talks to the people. Some bad policies will have to be changed.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. BECKWORTH). Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 20 minutes.

Mr. REES of Kansas. Mr. Speaker, before delivering the address I have prepared on another subject, I would like to ask the gentleman from Michigan [Mr. CRAWFORD] one question in respect to the speech he just delivered, which I admit is extremely important and informative.

As I understand it, the gentleman believes the interest rates on these bond issues should be in sufficient amount so that the people of the country will want to buy them as an investment; in other words, make them sufficiently attractive so that the people will invest in Government bonds as they would any other securities and reduce spending to that extent, rather than have the banks to invest so much of their funds in them. Is that right?

Mr. CRAWFORD. May I make myself perfectly clear. A low interest rate, short-term policy, has been followed by previous Secretaries of the Treasury, and both Presidents in the White House, which substantially drove the Federal debt into the portfolios of the banks. That was almost equivalent to sheer printing-press money. About the only difference was the psychological influence on the people, because as those bonds went into the bank they expanded the supply of money and provided the inflationary force.

Now, here we are coming around to the maturing of nonmarketable securities. The buying power of the dollar, through inflation, has substantially decreased, and citizen after citizen who holds a bond that matures gets his money, and instead of going back into the bond market, as evidenced by what happened last year, says, "Well, I am going to take this money and go and buy some goods and services, because if I buy another bond, it will drop another 20 or 30 percent in value."

Now, why does the bank take it? The bank is willing to take it on the low interest rate, and thus you engineer more inflation. My position is to pay a rate of interest sufficiently high to the citizen so that he will buy these long-term bonds—not short-term bonds—hold them to maturity, and thus keep them out of the banks and thus destroy the inflationary force, and put the dollar on a stabilized buying basis. I am willing to pay my share of the taxes incident to that increased burden of carrying the public debt by reason of the higher rate of interest, and I will wager dollars to doughnuts you can get 75,000,000 other people in the United States to do the same thing if they understand what is really going on right now.

Mr. REES of Kansas. I thank the gentleman from Michigan for his views.

REPORT OF HON. LINDSAY C. WARREN, COMPTROLLER GENERAL OF THE UNITED STATES

Mr. REES of Kansas. Mr. Speaker, Members of Congress have recently received a letter from the Comptroller General, Hon. Lindsay C. Warren, who outlined the savings which have been accomplished by the General Accounting Office in its internal operations since April 1946.

It is a rare thing, indeed, for Members of Congress to receive letters from the heads of Government departments which demonstrate actual achievements in the field of Government economy and reducing nonessential Federal expenditures.

I wish to take this opportunity to call attention to Comptroller General Warren's excellent record and compliment him on his activities, not only as head of the important General Accounting Office, but also as an able and conscientious administrator.

We need in our Government more officials of the high caliber and conscientious devotion to duty such as the Honorable Lindsay C. Warren.

I have reason to believe that Mr. Warren's letter was too conservative in taking credit for savings and reductions of nonessential Federal spending. I know personally of many instances in which the General Accounting Office has brought about great reductions in Government spending and has saved our Government hundreds of millions of dollars.

During the Eighty-first Congress, the House Post Office and Civil Service Committee called upon the General Accounting Office to assist in an investigation of

mismanagement and maladministration of the Army Finance Center, St. Louis, Mo. In addition to uncovering a multitude of discrepancies and examples of maladministration, the General Accounting Office is recovering Federal funds improperly spent by the Army Finance Center at the rate of over $100,000 a month. The way of a Government administrator who seeks to save Federal funds is not easy. The Department of the Army fought vigorously the activities of the House Post Office and Civil Service Committee as well as the General Accounting Office in our mutual endeavor to improve the operations of the Army Finance Center.

Upon other occasions the General Accounting Office, under authority of section 206 of the Legislative Reorganization Act of 1946, has cooperated with the House Post Office and Civil Service Committee, the Appropriations Committees and the Committees on Expenditures in Executive Agencies, to secure a more efficient and more economically conducted Government operation.

During the Eightieth Congress when I had the honor of being Chairman of the House Post Office and Civil Service Committee I discussed with Comptroller General Warren the possibility of conducting studies of various operations in the postal service to determine whether such services could be conducted more efficiently with a reduction in the large postal deficit. The General Accounting Office cooperated with our Committee and made an excellent study of the post offices at Philadelphia and Los Angeles. Upon the basis of these studies, the Hoover Commission formulated many of its recommendations which have been carried out by the Congress and the Post Office Department.

Mr. Speaker, if I had more time I would cite hundreds of examples wherein the General Accounting Office, under the able leadership of Hon. Lindsay Warren, has produced a substantial savings in Federal funds in almost every department and agency in the Government. The only criticism I have heard of the Comptroller General has been by uninformed and ill-advised persons who are motivated by a selfish or personal desire for the continuation of some nonessential Federal expenditures. The Comptroller General is assisted by a most capable staff who are loyal to the Comptroller General and to the policies and principles for which he stands.

In reducing the staff of the General Accounting Office from 14,904 in April, 1946, to 7,063 employees in January, 1951, I trust the Comptroller General has not been handicapped in the performance of his important duties and responsibilities. I sincerely hope that the General Accounting Office will be able to carry on its excellent and constructive work which is so important during this period when Government expenditures have reached a new peacetime high.

Under the Legislative Reorganization Act, the Comptroller General has a function which is of great importance today. He is authorized to conduct investigations into the manner in which Government expenditures are being made and to report to the Congress with respect to these matters. I earnestly hope that the Comptroller General will continue to exercise his responsibility in this field as he has in the past and that the Congress will appropriate him sufficient funds to carry out this important activity.

In his letter to the Members of Congress, Comptroller General Warren made the following observation:

> It is essential to our economic survival not only that the national defense be strengthened, but that it be done as effectively and economically as possible. On this score, the GAO bids fair to make a real contribution. We will not only audit defense spending, but will also concentrate to seek out excesses, waste, and extravagances in the defense program. At the same time, we will continue to keep a watchful eye on civilian spending to ferret out those extravagances and frills which our country should not and cannot now endure.

I am certain the great majority of the American people will support Mr. Warren in his efforts to bring about savings and reductions of nonessential Federal spending. The heads of all agencies in our Government ought to scrutinize the situation with respect to their particular activities and make sure that expenditures be made on the basis of absolute need and that manpower be utilized in such manner as to bring about the highest efficiency and the most productivity possible.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

FEDERAL RESERVE BOARD TRYING TO FORCE AN INCREASE OF INTEREST RATES

Mr. PATMAN. Mr. Speaker, I have listened with interest to the gentleman from Michigan [Mr. CRAWFORD], for whom I have a very high regard. I have known the gentleman from Michigan for a long time. I have always had a high regard for him. He is one of the most studious Members of this body. I do not know of any Member of this House, since I have been here 22 years, who has worked harder than FRED CRAWFORD has worked. I will be a witness for him any time if he were ever to need one, and I am sure he never will, as to his honesty, sincerity of purpose, and his desire at all times to do something in the interest of our country.

I am not going to take direct issue with him on all of the things he said, because in his talk he did not make his views sufficiently clear to me and on one or more I agree with him.

One thing in particular that I have in mind is about interest rates to individuals. He makes a very fine argument in favor of an interest rate that will cause the individual to invest his money in Government bonds, although the interest rate is higher than our going rate at this time. Unfortunately for that argument, though, we do not need to increase our rates to get individuals to buy our bonds; they are buying all that we issue; so that is not needed. The question as I see it is between the Federal Reserve and the Treasury through interest rates that will be paid to banks.

The interest rates that have been compelled the last year or two by the Federal Reserve Board which, of course, dominates the Open Markets Committee because the Board constitutes 7 members of the 12 on the Open Markets Committee—the interest rates have increased from three-eighths percent for short-term securities to 1.375 percent; these interest rates have increased over 300 percent. To individuals? No; to banks. So the policy of the Federal Reserve Board has been to make it more profitable to those institutions that do not need and are not entitled to that extra profit at this time on Government securities. Of all the times in history, the banks of our country today are enjoying the greatest prosperity they have ever enjoyed. It has not been long since I have been a Member of this House when the banks were paying four and five hundred million dollars a year interest on demand deposits. We passed in this body what was known as the Federal Deposit Insurance Corporation Act and required a small assessment from the banks for that guaranty up to $5,000 for each depositor or customer.

The banks said: "We need a saving somewhere in order to pay that money," which would cost them about $100,000,000 a year, although it finally reached about $130,000,000 a year. In conference a little phrase was written into the law which made it illegal, if you please, unlawful—the kind of regimentation the people like if it benefits them—for the banks to pay interest on demand deposits. That saved them hundreds of millions a year and they would be paying out today, were it not for that law, a billion dollars a year. We put it in the law. I believe the gentleman from Michigan will agree with me on that. All right; we permit them to withhold that interest from the demand depositors to pay for the guaranty of their deposits up to $5,000. Now they have paid about $125,000,000 a year that way to the FDIC, but the banks have been saved a billion dollars a year; and last session we made it easier for them to put up that money. They have in the past been given a back log of Government credit of $3,000,000,000 upon which they could always rely, and reduced their assessments. So we have been pretty good to the banks; they do not need this now, not at all. But during the last year we have arbitrarily—that is the Federal Reserve Board—has arbitrarily forced up interest rates from three-eighths of 1 percent to 1.375 percent on short-term paper, or more than 300 percent. An attempt is now being made to increase the 2½ percent rate. Does the demand come from the people? No. Who does it come from? It comes from the banks including the Federal Reserve banks.

The Government is good to the banks in another way. Let us assume a groceryman who has 7 cans of peas up there on his shelf. If he had to buy only 1 of the 7 cans and when he made a nickel profit on that can, that nickel would be on the investment he made. Take the other 7 cans that Uncle Sam had bought for him, and in which he had no investment at all; he makes a nickel apiece on all those, the groceryman would be

in a pretty good condition. That is exactly what the banks do. They make a loan of $1 that they actually own; then they extend the credit of the Nation on $6 more. That is Uncle Sam's credit. That is your credit and mine that they are using. That is a mortgage upon the homes of the people of this country, on business and our incomes. The Federal Reserve System uses that absolutely free.

During the last few years the Federal Reserve Board has maneuvered itself into a position of what the members consider, I am sure, to be a position of great security. When the Federal Reserve Act was passed and became law on December 23, 1913, it provided that somebody had to be on there to represent the people—the Comptroller of the Currency and the Secretary of the Treasury—but when our national debt was low, when nobody was looking, so to speak, the Secretary of the Treasury and the Comptroller of the Currency were taken off. We now have seven members left, none of whom are responsible to the people directly. They are certainly not elected by the people and they are certainly not responsible to anyone who is elected by the people. They are separate and distinct from any other agency of the Government. They consider themselves independent and their arrogance in this particular case demonstrates to me they are ready to assert their independence which they have gotten in amendments to the law that came through a phrase here and a sentence there when nobody was looking. So I think it is about time to bring the whole thing out into the open. I think we ought to have a fair and a complete investigation of the Federal Reserve System. Let us go behind that iron curtain.

A great deal has been said about the General Accounting Office, but the General Accounting Office has never audited their books. What will their books contain? They will show the use and possibly the abuse of Government credit.

The money that we have today, the only money upon which we rely for business, that keeps us from resorting to barter, is in the form of Federal Reserve notes. That is your money. What does a Federal Reserve note say? A Federal Reserve note does not say that the Federal Reserve bank that issues it will pay to the bearer upon demand so much money. It does not say that the Federal Reserve System will pay it or that the Federal Reserve Board will guarantee the money. The Federal Reserve money, and the only actual expanding money we have today, says that the United States Government will pay to bearer upon demand $20 or whatever the amount happens to be. The Government promises to pay it.

Who issues it? Why, the privately owned Federal Reserve banking system. Did you think we would come to that in this country? Who else can issue money? Can the Treasury issue money? Not a penny—not a dime. Can the Comptroller of the Currency issue money? Not a penny—not a dime. The issuance of money is confined strictly and solely to the Federal Reserve System. It is a blank mortgage upon all of the property of all of the people and upon their income and everything they make. And they issue them at the Federal Reserve banks free of charge. They pay the cost of printing, it is claimed, and possibly they do, which, of course, is too insignificant to mention, about 30 cents per $1,000.

All right. Now, these Federal Reserve banks in using that Government credit free make a lot of money. It goes into the funds of the banks. We used to have a law that 90 percent of those profits would go into the United States Treasury for the use of the Government's credit free. While Members of the Congress were not looking and without much, if any debate in either chamber, the House or the Senate, that also was repealed. There is no law now upon the statute books compelling them to pay their excess profits into the Treasury. Wise men, as they are, and knowing how vulnerable they must be, they have discreetly decided that they should pay approximately 90 percent into the Treasury anyway, which they have done the last 2 years. But, there is no law compelling them to do it. And, before they do it, what do they deduct? You know, the deducts always come in for their share. Sometimes the deducts get more than anybody else gets. So, before they make this calculation as to the net profit they have certain expenses they can charge. No one supervises or audits these expenses. That is before you get down to the net profits. So, here we have what a critic could call a politburo, in our financial system, or a Kremlin, in charge of our financial system, that is using our Government credit as they want to use it. They are not audited by the General Accounting Office; no report on them. Of course a report to Congress usually is made, but you know how they are made rather general.

INVESTIGATIONS NEEDED

So, I think it is time for a congressional committee to go into this great Federal reserve system and see what makes it tick in the way and manner it is ticking today, which I think is against the public interest.

President Truman, yes, as Commander in Chief, asked the members of the Federal Reserve Board and the open markets committee, including, of course these five presidents of the Federal Reserve banks, to come to see him. Why? To help win the war, in the interest of national defense. What did he ask them to do? "During this defense period, gentlemen, I hope you help me keep the Government credit stabilized." Here is what he said, "The President would like to depend on everyone as a group to do what you can to protect the Government's credit." Is that asking too much of them? That is all the President asked. And, they promised it as they should. Then the President's secretary authorized this statement: "Washington, AP. The Federal Reserve Board has pledged the support to President Truman to maintain the stability of Government securities as long as the emergency lasts." They did. Do they dispute that they did? I am sure not one of them will refuse to go along in a case like that.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

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

Mr. McCORMACK. And the purpose of that was to stabilize the price of Government bonds in the market which has been going on since December 31, 1941, and Mr. Eccles himself, as Chairman of the Federal Reserve Board, assured a stable market in Government bonds in a public statement he made at that time, to prevent bonds going down to 82, like they did after World War I, and the holder forced to sell them. We know what happened then. They were purchased by certain interests, and they sold them as high as $115 to $125 some time later.

Mr. PATMAN. Mr. Truman had personal experience with that. He was in World War I. He bought bonds, just as we did, and deductions were made from our pay each month to pay for those bonds. When the boys came back in 1918 and 1919 after the war, some of them were compelled to sell the bonds for as low as $80, and Mr. Truman did himself. They were Government bonds, bonds of the United States, that were worth 100 cents on the dollar. The people who bought them used the Government's credit to hold them until they could get $125 for them.

I knew of isolated cases back in remote sections of the country where these swindlers would go out and buy the bonds for as low as 74 cents on the dollar, using the Government's credit to buy those bonds and swindling the veterans out of them.

Mr. Truman wants to stop that. I want to stop it. When the financing bill was before the Committee on Ways and Means in 1941, I appeared before that committee and pleaded with them, "Whatever you do, gentlemen, as members of this great Committee on Ways and Means, do not let a situation like that occur in this country again. It is scandalous, it is disgraceful."

I have not looked it up, but I think you will find in the reports that we were promised that the American people would never again be forced to go through such swindles as that and through such scandalous situations. This is an attempt by the Federal Reserve Board, whether intended or not, to restore the power to swindlers to do more racketeering like that on the American people.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. REES of Kansas. I do not hold any brief for the banks, but suppose the Government asks for the floating of a loan of say a billion dollars within the rather near future, at a low-interest rate, as the gentleman advocates, even lower than the last interest rate; how does the gentleman propose to float that loan?

Mr. PATMAN. We will not have any trouble floating it.

Mr. REES of Kansas. How would you do it?

Mr. PATMAN. Just as we have always done it. We are doing it every day. The people in the country today have

confidence in their Government. They have more reason to have confidence in their Government than they ever had before. More people own their homes, own their farms, have good jobs, have automobiles, and are enjoying more of the comforts and even the luxuries of life than ever before in history. They have reason to have confidence in their Government that gave them these things.

Mr. REES of Kansas. But who would buy the bonds?

Mr. PATMAN. The individuals and the banks and the insurance companies. I agree with the gentleman from Michigan that we should not sell the bonds to the banks. That is just like creating money on the books of the banks. They are not out 1 penny for those bonds. It is creating money, it is inflationary. The gentleman from Michigan is exactly correct. It should not be permitted. But this increased interest rate deal is not restricted to individuals. The banks will be the principal beneficiaries, and they are not entitled to it.

Mr. REES of Kansas. We read in the newspapers that the individuals are selling bonds presently and that they have been reinvesting their money in other securities and other investments.

Mr. PATMAN. That is right. The Federal Reserve Board's action will shake the confidence of the people, and anything is likely to happen. If the Federal Reserve Board does not get in line and obligate itself to help win this war, just like the President and Congress and everybody else, you are likely to shake the people's confidence more, and more people are liable to sell bonds. This thing is confidence-shaking. The Federal Reserve Board should certainly be ashamed of itself to take issue with the President of the United States in a national emergency like this, and at a time when we are trying to stabilize prices, to fix prices on everything, commodities, products, salaries, and wages. They want to be exempt and they want to increase the interest rate another 50 percent or more.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may proceed for four additional minutes.

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

There was no objection.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CRAWFORD. I think it was in the President's statement to the open-market committee when they met there at the White House the other day where he said something about his war experience and the fact that after returning from the service he sold bonds as low as 80 cents on the dollar as if that was a considerable burden to him. I think the gentleman from Texas will agree with me that the facts are that the good people of this country who purchased savings bonds in the late thirties, which bonds have matured in the last 2 or 3 years, and especially during the last year lost in the buying power of the dollars invested in those bonds anywhere from 150 percent to 200 percent as compared to the losses which the President refers to having suffered through having to sell bonds at $80 instead of at par. There are two sides to this question and the President might as well admit it because the inflationary forces are destroying the buying power of all the savings of all the people of the United States, whether he likes it or not.

Mr. PATMAN. I join the gentleman in expressing apprehension that any increase in prices, wages, interest rates, and so forth is heading towards inflation. I invited attention to the fact that we are paying half a billion dollars more this year in interest because the Federal Reserve Board compelled the increase in interest rates on short-term securities. Where are we going to get that money from? It would be obtained through deficit financing. Is that helping to fight inflation? No. That is pouring oil on the fire of inflation—that is what it is doing. If you were to permit the Federal Reserve to win this fight, and increase the interest obligation of the Nation by at least $2,000,000,000 more by next year, will that be fighting inflation? Of course not. That is all inflationary. We do not have the money to pay it. It will result in deficit financing again, which will be doubly inflationary.

In conclusion, let me say I read a statement the other day which was very interesting to me. It was made at Beaumont, Tex., on January 10, by Charles E. Wilson, president of General Motors. He said the Federal Government did not have the political guts to tax the people enough to pay for the present emergency. Who did he mean when he said, "the Federal Government"? He meant us. He meant the Congress. That is who he meant. I hope we prove Mr. Wilson to be wrong. I am going to vote for the tax bills that are necessary to balance this budget, if they are presented to us. I will vote for taxes that I would never vote for before—taxes that I have always opposed. But I will vote for them if it is necessary to do so. I am not going to hide behind some little insignificant something in the budget and say, "You ought to cut that out, and I am not going to vote for taxes because you will not cut that item out." We have a challenge here today. Now is the time when we should compel the Federal Reserve System, if they do not do it so that we can help win this war and quit giving out these statements against the President who is trying to protect the people. It is time for them to stop it. It is time to balance the budget, and not have any more deficit financing if it can be helped.

The SPEAKER. The time of the gentleman from Texas has expired.

MANAGEMENT OF THE FEDERAL DEBT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, this is one of the very few occasions during my 23 years as a Member of this body that I have ever asked for the privilege of addressing the House under a special order.

In view of the importance of the matter discussed by the gentleman from Michigan [Mr. CRAWFORD] and the gentleman from Texas [Mr. PATMAN] with respect to the superindependent body that is accountable to nobody, I am trying to find out what they are independent of; playing such an important part in the life of the people of our country that they claim complete independence from everybody—this creature of something, but responsible to nobody—in view of the importance of this subject, I feel constrained to make some remarks today.

I would like to talk today about a subject which is of direct personal interest to every citizen of our country. It has to do with the management of the Federal debt of this country. There are a great many people who feel that this subject is one which can only be understood by financiers or by specialists in monetary management. A decision relating to the management of the public debt, they feel, can have little bearing on their own personal lives or on their own personal finances.

Nothing could be further from the truth. The public debt is owned by every one of us, whether we actually have in our possession a savings bond, or whether we own Government bonds indirectly—such as the depositors in commercial banks or in mutual savings banks, or as the policyholders in insurance companies. Moreover, the payment of the interest on the public debt affects every one of us. Interest on the public debt this fiscal year will represent more than 10 percent of the total expenditures of the Federal Government. It will be more than twice as large as the entire projected deficit of the Federal Government for this fiscal year.

It is clear that every person in this room, every taxpayer, and every American citizen is affected by decisions which have to do with interest payments on the public debt. That is why I should like to take a few minutes today to bring to the attention of the people of our country an extremely important announcement recently made with respect to such payments.

The announcement to which I am referring relates to the rate of interest on the long-term securities of the Federal Government. The present return on such securities is 2½ percent per year. The Secretary of the Treasury, as chief fiscal officer of the Government, has recently announced that 2½ percent will continue to be the maximum rate paid on Federal securities throughout the period of national crisis in which we now find ourselves.

As the Members of the Congress are well aware, the Secretary of the Treasury since this Nation was founded has been charged by law with full responsibility for the management of the Nation's finances. The Congress has further provided that every issue of Fed-

eral securities with a maturity of more than 1 year must be approved by the President of the United States. But no part of the Secretary's responsibilities can be delegated. That is why it is both important and necessary that only the Secretary of the Treasury formulate and announce financial policies which are appropriate for the Federal Government.

The 2½ percent rate now paid on long-term Government securities is not a new rate. It has been in effect for more than 10 years. It was an integral part of our financial system during a period when we financed the most costly war in our history and then made a most rapid and successful return to peacetime business at a high level of activity. During this momentous decade in our history, the 2½ percent rate paid on long-term securities has been the most important single factor in the financial policies adopted by private business throughout the entire country. It is the most important factor in the financial markets where the obligations of private business are bought and sold. It is a key factor in the rates charged by public utilities. It is a key factor in insurance operations. It is a major consideration in the operation of practically all of the Nation's financial institutions. Most of these institutions, it may be noted, have shaped their policies and built their business around that rate. And their business has been better in the past 10 years than ever before.

Most life-insurance companies, for example, have brought the guaranteed interest provisions of their policies into alinement with the 2½ percent rate which they receive for the investment funds which they put into a long-term Federal securities. Today, a very large proportion of the new life insurance premiums received by insurance companies are on policies written at interest rates of 2½ percent or less. It is clear that this rate has been satisfactory both to the insurance companies and to their customers, since there is $100,000,000,000 more life insurance in force now than there was 10 years ago.

Mutual savings banks have had the same satisfactory experience. The interest which they pay on funds of their depositors is closely related to the interest they receive on their large investments in Federal securities. But the mutual savings banks have not suffered—their deposits are twice as large as before World War II.

It is evident that the 2½-percent rate has not interfered with a tremendous expansion in these financial institutions. And it has been sufficient to make their operations highly profitable. After investing very substantially in Government securities based on the 2½-percent rate, earnings of banks and life-insurance companies are double those of 10 years ago. In addition, financial institutions of all types are enjoying the best earning position in their entire history.

Our country has never been more prosperous than during the recent postwar period. Our individual citizens, who saved during the war years in order to build up financial backlogs and in order to buy houses, automobiles, household equipment, and so on when war restrictions were over, have never been in a better financial position than they are right now. Yet the funds available for investment in our economy during the past decade, whether of private individuals, financial institutions, or business concerns, have received a rate of return closely tied to the 2½-percent rate paid on long-term Federal securities.

The securities of the United States Government make up one-half of all the debt obligations of the country, public and private. As long as they constitute such a significant portion of the debt of the country, the rate paid on long-term Federal securities will be the controlling factor in the rate of return on investment funds in this country. For that reason, any change in this rate is of overwhelming importance not only to our financial institutions and to individuals who hold large portions of their assets in Federal securities, but to every citizen in the country. That is why the announcement on the part of the Treasury that the 2½-percent rate will be continued and will not be raised is of such extreme significance. That is why the demand for a higher rate—which has been particularly insistent in some sectors of the financial community—must be examined and analyzed for what it is worth.

The first fact which should be made crystal clear in the minds of every taxpayer is that the present interest charge on the public debt amounts to almost $6,000,000,000. A rise of ½ of 1 percent in the average rate of interest would add $1,250,000,000 to the budget expenditures of the Federal Government. Let me repeat that figure—$1,250,000,000.

Right now, interest on the public debt has to be paid at the rate of $16,000,000 every day of the year. It has to be paid at the rate of over $600,000 every hour of the day. To pay the added cost brought about by a one-half of 1 percent rise in the average rate of interest, there would have to be an increase in the Federal income taxes paid by individual taxpayers, or, instead, the burden would be shifted to business corporations. If, on the other hand, we did not increase taxes to pay for the added interest charge on the debt, this cost under present budget conditions would have to be paid for by deficit financing, thereby increasing inflationary pressures.

Yet the very people who are clamoring for higher interest rates also want to balance the budget by forcing cuts in nondefense expenditures. Higher interest costs on the public debt would turn the budget in just the opposite direction. They would increase nondefense expenditures. They would increase the deficit. They would increase the need for higher taxes at a time when every dollar of added tax money is needed to pay for the defense requirements of this Nation.

Since this is true, we need to ask what the real driving force is behind this demand that the Government pay more for the money it borrows from its citizens.

Those who want a greater interest return on Federal securities say that slightly higher rates will cause more individuals and more institutions with available funds to invest in the securities of their Government. I simply do not believe that this argument can hold water. The people of this country, whether individual citizens, presidents of financial institutions, members of boards of directors, investment managers, or those who in some other way are concerned with investment funds—do not, I am certain, need the inducement of an added levy on the taxpayers of the Nation to invest their funds in the securities of their Government. Investment in Federal securities is already well recompensed. It has already proven highly profitable.

Federal Reserve officials have stated that the purpose of raising interest rates is to combat inflationary pressures by restraining credit expansion. Credit expansion must be restrained, but this cannot be done by small increases in interest rates—either short-term or long-term. Such increases are not effective in combating inflationary pressures. Moreover, in my view, the use of such ineffective measures is extremely dangerous, because they give the country a false sense of security. People believe that the fight against inflation is being won in a painless way. This cannot be done.

The fight against inflation is a hard fight. It is a fight which cannot be won by a theoretical approach that has no practical basis of successful operation behind it. It is a fight which cannot be won by talk and propaganda—by saying that small increases in interest rates will keep prices down. Those who advocate this course of action do not prove their case.

Those persons who are answerable for running the fiscal affairs of the Government of the United States have tremendous responsibilities. The stakes are so large and the risk so great that we cannot try experiments. We must let the cold light of careful analysis shine on the problem and use tools in the fight against inflation that we know have a real opportunity of winning the battle.

The rapid credit expansion that this country is experiencing can be controlled. We have effective measures for this purpose. But events have shown that small increases in interest rates do not cut down the urge of businessmen to borrow. They do not stop credit expansion. The situation in recent months is a case in point. Starting in August, the Federal Reserve, through open-market operations, caused yields on Government securities to rise. It carried on an extensive propaganda campaign to lead people to believe that these small increases in interest rates would, by themselves, deter businessmen from borrowing. The record makes clear what happened. In nearly every week since August 18, for example, loans of weekly reporting member banks have risen. The total loan increase of these banks in the past 5 months has amounted to over $4,000,000,000. This, it seems to me, should have been no surprise. Businessmen know that a fraction of 1 percent is too little to matter when it comes to borrowing money for carrying inventories, plant construction, and the like.

Years ago, we had more extreme examples. In 1919 and 1920, rates on short-term Treasury issues were run up sharply. They reached nearly 6 percent, and the rate on call money went as high as 30 percent. In 1929, the rates on short-term Treasury issues were run up to above 5 percent, and the call money rate went to 20 percent. All of you are familiar with the market crashes which followed.

It seems to be clear that increases in interest rates large enough to result in effective discouragement of loans would represent a crude application of economic laws that is out of harmony with proper economic policy. It would be on a par with driving civilian users of essential defense materials—such as steel, aluminum, copper, zinc—out of the market by means of excessive price rises. This is a course of action which in any area of our economic life is not only unjust in its effects, but is extremely dangerous to the healthy functioning of the economy.

In my view, the demand that the Government pay the investors more money for their funds at the expense of taxpayers is in reality a cloak for an effort on the part of certain sectors of the financial community to use the national emergency for selfish advantage. I believe that such is the real force and the real motivation of the pressure being exerted on the Government for higher rates now. It is no more and no less than an attempt on the part of a few to profit at the expense of many. That is why I have used this occasion to throw some additional light on a current issue of such great import to every one of us—an issue which needs only to be clearly viewed to be appreciated in its true proportions.

The Treasury has stated that its policy is to maintain stability in the Government-bond market. I agree with that policy. The great number of financial people agree with that policy. The announcement has been made that the 2½-percent rate will be maintained, and that such financing as is required will be done within the framework of that rate.

This program is essential in order to keep a high level of confidence in Government securities—confidence that has been built up over a long period of years. It is essential in order to keep the millions of investors who have been brought into the Government-security market so laboriously during the past decade.

We have an army of bondholders. We need them now. We do not want to make the mistake of chasing them away as we did after World War I, when Liberty bonds were allowed to drop to 82. As you well know, it has taken years of financial planning plus tremendous quantities of promotion and aggressive selling to bring nonbank buyers of Government securities—particularly individuals and small corporations—back into the Government-security market. We cannot waste this effort.

The fiscal policy of the Treasury recognizes these facts. That is why it calls for stability in the Government-bond market built around the 2½-percent rate on long-term bonds. I agree with such a program. I feel that it is tremendously important. The credit of the United States Government is the foundation on which the financial strength of our Nation is built.

We must keep this foundation strong. We have the ability and the resources to do so. And I am certain that we have the will to do so. A debt-management policy which succeeds in maintaining stability and confidence in the credit of the United States Government is essential to our national survival.

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

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman say why the President refused to impose price and wage controls until so many months elapsed, after the Congress gave him authority to do so?

Mr. McCORMACK. I will discuss that on some other occasion. Why did Congress refuse? Did the gentleman vote to permit the gamblers to continue gambling on the commodity market? Did the gentleman vote to permit them to do that?

Mr. GROSS. I certainly did not.

Mr. McCORMACK. Was the gentleman in favor of exempting farmers on the question of the 100-percent parity? Those were avenues, wide-open avenues. Did the gentleman vote to permit gambling in food in the commodity futures market? Did he vote for that?

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

Mr. McCORMACK. Well now, my question is just as irrelevant, I will admit, to the subject we are discussing today, as the gentleman's question to me.

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

Mr. McCORMACK. Yes; I will yield.

Mr. GROSS. Yes, I voted to stop profiteering in the market, and if the gentleman will go back to the RECORD he will find that I am one of the few when I made the statement in the RECORD on that subject.

Mr. McCORMACK. The gentleman voted to permit the Government to control speculation on the commodity market.

Mr. GROSS. He certainly did. How did the gentleman vote?

Mr. McCORMACK. But a great majority of the Members of the House did not. I voted the same way the gentleman did.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman has made a very interesting statement on economics, and I am always interested in hearing him on any subject. But, I would like to know if the gentleman is making an explanation or apology for the situation that now exists, for the reason that what he has recited up to now has been in the control of the party that he is the majority leader of in this House, and all of the situation that we are under concerning the Treasury Department and the bond situation is the responsibility of his party. Now, what is this, an explanation or an apology that he is giving to the Congress?

Mr. McCORMACK. How wise a question my very sweet friend from California asked. It is neither an explanation nor an apology.

Mr. McDONOUGH. What is it?

Mr. McCORMACK. It is a statement. Of course, the gentleman may not be able to distinguish between a statement, an explanation, and an apology. The gentleman from Michigan [Mr. CRAWFORD] took issue with the position of the President and the Treasury on this particular matter. Then the gentleman from Texas [Mr. PATMAN] stated his views. The gentleman from Massachusetts [Mr. McCORMACK] is now stating his views. The gentleman is talking about an apology. Does the gentleman desire to have American bonds go down to 82?

Mr. McDONOUGH. No.

Mr. McCORMACK. Then the gentleman and I are in agreement. The gentleman is very frank, as he always is when he is asked a direct question.

Mr. McDONOUGH. Will the gentleman yield further?

Mr. McCORMACK. Yes. The gentleman has made out my case from his angle, so I will yield.

Mr. McDONOUGH. Not by the answer to that question. It is not so simple as that.

Mr. McCORMACK. That is all this whole thing was for—to stabilize the price of bonds during the emergency.

Mr. McDONOUGH. The gentleman will admit that this whole debate that has come onto the floor of the House today originated in a dispute between Mr. Marriner Eccles and the President just within the last 36 hours.

Mr. McCORMACK. No.

Mr. McDONOUGH. It came from that source.

Mr. McCORMACK. I would not say Mr. Eccles.

Mr. McDONOUGH. The problem we are facing now and the debate we are having now is the result of a misunderstanding on the fiscal policy of the United States in the administration itself.

Mr. McCORMACK. No.

Mr. McDONOUGH. There is no party question here. I am not speaking as a Republican to a Democrat, except to say that this responsibility is on the Democratic Party.

Mr. McCORMACK. Of course, the gentleman occasionally reaches an honest but rash conclusion. The gentleman knows that the Federal Reserve Board is not subject, under the law, to the slightest direction from the President of the United States. If anything, it is more responsible to Congress. Any report it makes is supposed to be made to Congress, as I recall. Is that correct?

Mr. McDONOUGH. That is true.

Mr. McCORMACK. The members of this Board are appointed, and, once they are appointed, they are for all practical purposes accountable to nobody, yet they have the financial destiny of the people of this country under their control. They exercise their judgment honestly. I am not going to make the slightest

intimation conveyed that they are not sincere. They are fine men. But it is a tremendous power to vest in anyone. I would not want it. I do not know why they want it.

Some years ago the Secretary of the Treasury was a member and had a voice on that Board, and the Congress took it away. That was the voice of the public. We have a voice in the stock exchanges, not the commodity exchanges but the stock exchanges. We do not have a public voice on the Federal Reserve Board. The gentleman knows that. Within the realm of the Federal Reserve System a question may arise and within the realm of the Treasury a question may arise, and these questions may be related to one another. The Federal Reserve Board says it is in favor of higher interest rates on long-term securities. The Secretary of the Treasury says "No," in substance. There is an impasse. The most logical thing in the world is that they should then sit in with the President of the United States, the one who should consider it, no matter who that President might be. That would be true if a matter arose 20 years from now and there was a President there who was elected as a Republican. He would be the President, though.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DEANE. Mr. Speaker, I think our majority leader is to be commended for taking the floor which, as he indicated, is seldom, to speak under a special order to call to the attention of the House this matter with which so few of us are thoroughly familiar. I feel a careful analysis of what the gentleman has said will show that what he has said is completely free of any political implication. I think as Democrats we have the courage to stand on our feet and criticize any organization within this Democratic administration. Personally I feel that the majority leader and the gentleman from Texas who spoke a moment ago are to be commended for taking the floor today and opening up this subject in order that the Members of the Congress may be more acutely aware of the problems involved.

Mr. McCORMACK. And may I state that the gentleman from Michigan [Mr. CRAWFORD], also is to be commended for calling these problems to our attention in the same way.

Mr. DEANE. I hope the majority leader and other Members of the House will follow it up to the end that this matter is thoroughly understood by all Members of the Congress and to serve notice to the Federal Reserve System and any other agency of the Government that the Congress is studying this very carefully and that decisions which are made should be made in the interest of the American people.

Mr. McCORMACK. I thank the gentleman.

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

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts may proceed for 3 additional minutes.

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

There was no objection.

Mr. McCORMACK. I hope that the members of the Federal Reserve Board and the Secretary of the Treasury and all others interested will dispassionately consider not only this question but any other questions that arise. It seems as if we are going to have a sharp legislative fight on it. I hope we do not. They can control the situation by sitting around the table as men respecting each other's views, no matter how much they may differ with each other, and not impugning each other's motives. I make that suggestion and I hope that they will approach this problem in that way rather than having the question brought up here during this emergency, in a legislative battle, so that the questions involved will be obscured and involved in intense debate on the Floor of the House which we know will envelop it.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PATMAN. I said in my remarks that the Federal Reserve Board originally had as members of that board the Secretary of the Treasury and the Comptroller of the Currency. Eventually they were taken off the board. I desire to read the original Federal Reserve Act on that very point:

SEC. 10. A Federal Reserve Board is hereby created which shall consist of seven members, including the Secretary of the Treasury and the Comptroller of the Currency, who shall be members ex officio, and five members appointed by the President of the United States, by and with the advice and consent of the Senate.

So you see at that time out of the seven members two were selected by someone responsible directly to the people—by the President of the United States. Those two members were the Secretary of the Treasury and the Comptroller of the Currency. By changing that over a period of years just a little now and then, now we have a board of seven men. The Secretary of the Treasury is not on the Board, and the Comptroller of the Currency is not on the Board. There are seven independent members selected for 14 years. They are under no obligation to the Executive or to the executive branch. They are an independent body and they are asserting their independence in a way which is costly to the people of the United States.

Mr. McCORMACK. With reference to that point, I believe they are unwise in creating the question, or so-called question of independence. We have gone along now for 10 years with market operations on the part of the Government so that the price has been established. Certainly it seems to me during the emergency the policy which was in operation during World War II and in the postwar years to date might well be followed. One of the worst things which I think could happen and which would have the effect of impairing the morale of our people would be to have Government bonds dropping again to as low as 90, or 85 or 82, as a result of open-market operations. And then to have people—again I do not mean to say they did it deliberately, but again to have people who are financially able to buy them up and hold them over a long period of time, as they did after World War I, in some cases disposing of them at $125. I think this question should not be aggravated. The members of the Federal Reserve Board ought to realize the significance of world conditions and they ought to sit around the table with the Secretary of the Treasury and thrash these questions out instead of having the question brought in to the legislative body with an intensity of feeling which will appeal to the emotions of our people and the effect of which would be to divide our people on this false issue of independence of the Federal Reserve Board.

EXTENSION OF REMARKS

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post of February 3.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RABAUT, for an indefinite period, due to a death in the family.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock p. m.) the House adjourned until tomorrow, Tuesday, February 6, 1951, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

162. A letter from the President, Commission on Licensure, Healing Arts Practice Act of the District of Columbia, transmitting a report showing the activities of the Commission for the fiscal year ended June 30, 1950, pursuant to section 47 of the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929; to the Committee on the District of Columbia.

163. A letter from the Assistant Secretary of the Interior, transmitting copies of certain legislation passed by the Municipal Councils of St. Thomas and St. John and St. Croix, V. I., pursuant to the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Interior and Insular Affairs.

164. A letter from the Secretary of the Navy, transmitting a letter dealing with certain resolutions pertaining to the administration of the government of American Samoa, which were submitted by members of the Fono of American Samoa; to the Committee on Interior and Insular Affairs.

165. A letter from the Assistant Attorney General, transmitting a letter relative to there appearing to be a technical violation of section 1211 (h) of Public Law 759, Eighty-first Congress, pursuant to the provision of section 1211 (i) (2) of Public Law 759, approved September 6, 1950; to the Committee on Appropriations.

166. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 15, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Chassahowitzka

River, Fla., authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

167. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 14, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Creque Gut and tributaries, island of St. Croix, V. I., authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

168. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 10, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Julington Creek, Fla., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

169. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 18, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Coldwater Creek, Calhoun County, Ala., authorized by the Flood Control Act approved on July 24, 1946; to the Committee on Public Works.

170. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 15, 1950, submitting a report, together with accompanying papers, on a preliminary examination of waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the intracoastal waterway through the Hillsboro and West Palm Beach Canals, authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

171. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 28, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Westfield River, Mass., with a view to modifying the existing Knightville Reservoir to provide low-flow regulation, authorized by the Flood Control Act approved on July 24, 1946; to the Committee on Public Works.

172. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 12, 1950, submitting a report, together with accompanying papers, on a preliminary examination and survey of Chapel Creek, Dorchester County, Md., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

173. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 12, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Choctawhatchee River, Fla., authorized by the Flood Control Act approved on December 22, 1944; Choctawhatchee River and tributaries, Alabama and Florida, and Choctawhatchee River, Fla., and Ala., authorized by the Flood Control Act approved on July 24, 1946; and Choctawhatchee River, Ala. and Fla., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

174. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 12, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Little Pottsburg Creek, Fla., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

175. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 14, 1950, submitting a report, together with accompanying papers, on a preliminary examination of channel to Pahokee, on Lake Okeechobee, Fla., authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

176. A letter from the Secretary of the Interior, transmitting a draft of a bill entitled "A bill to authorize the Secretary of the Interior to undertake certain additional developments in connection with the Central Valley project, California, and for other purposes"; to the Committee on Interior and Insular Affairs.

177. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill relating to the activities of temporary and certain other employees of the Bureau of Land Management"; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MADDEN: Committee on Rules. House Resolution 95. Resolution authorizing the Committee on the Judiciary to conduct studies and investigations relating to matters within its jurisdiction; without amendment (Rept. No. 24). Referred to the House Calendar.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 2268. A bill to authorize the payment of interest on series E savings bonds retained after maturity, and for other purposes; without amendment (Rept. No. 25). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 2141. A bill to make permanent the existing temporary privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; with amendment (Rept. No. 26). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 2192. A bill to amend section 313 (b) of the Tariff Act of 1930; without amendment (Rept. No. 27). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H. R. 2374. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 2375. A bill to exempt amounts paid for admissions to operas from the Federal tax on admissions; to the Committee on Ways and Means.

By Mr. KEARNEY:

H. R. 2376. A bill granting to persons in the Armed Forces who receive or are eligible to receive the Korean Campaign Medal, and to their dependents, all the rights, benefits, and privileges granted to veterans of World War II and their dependents; to the Committee on Veterans' Affairs.

By Mr. RANKIN (by request):

H. R. 2377. A bill to clarify the requirement in title II of the Servicemen's Readjustment Act of 1944, as amended, with respect to the period within which a course must be initiated; to the Committee on Veterans' Affairs.

By Mr. VURSELL:

H. R. 2378. A bill to reduce the annual leave of Federal officers and employees to 15 days during the continuance of the existing national emergency, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALTER:

H. R. 2379. A bill to revise the laws relating to immigration, naturalization, and nationality; and for other purposes; to the Committee on the Judiciary.

By Mr. ANDREWS:

H. R. 2380. A bill to amend the Selective Service Act of 1948 to provide that certain individuals who engage in strikes while occupationally deferred shall be made immediately available for military service; to the Committee on Armed Services.

By Mr. BARTLETT:

H. R. 2381. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska; to the Committee on Interior and Insular Affairs.

H. R. 2382. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims for basic and overtime compensation; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 2383. A bill to amend section 304, subsections (a) and (b) of the Federal Food, Drug, and Cosmetics Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. EVINS:

H. R. 2384. A bill to provide that attendance during designated dates at service academies of veterans of the Spanish-American War and World War I shall be considered active military or naval service on the same basis provided for veterans of World War II for the purpose of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. GRANT:

H. R. 2385. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. HORAN:

H. R. 2386. A bill to provide for the regulation and control by farmers of their surplus agricultural commodities, to provide for the establishment of farmer-elected control boards, and for other purposes; to the Committee on Agriculture.

H. R. 2387. A bill restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 2388. A bill to authorize grants to Ferry and Okanogan Counties, Wash., in lieu of taxes on certain lands restored to tribal ownership; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY of Tennessee:

H. R. 2389. A bill to authorize the sale of post route and rural delivery maps, opinions of the Solicitor, and transcripts of hearings before trial examiners, at rates to be determined by the Postmaster General; to the Committee on Post Office and Civil Service.

H. R. 2390. A bill to rescind certain details required by law to be included in the annual report of the Board of Trustees of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (by request):

H. R. 2391. A bill to liberalize the eligibility requirements for payment of pension to children of deceased World War II veterans; to the Committee on Veterans' Affairs.

By Mr. ALLEN of Louisiana (by request):

H. R. 2392. A bill to amend Veterans Regulation No. 1 (a), as amended; to establish for persons who served in the Armed Forces during a period of war a further presump-

tion of service connection for active pulmonary tuberculosis and certain other chronic diseases; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H. R. 2393. A bill to amend title 28 of the United States Code to authorize the Chief Justice of the United States to assign circuit judges to sit upon the Supreme Court in place of any justice who is unable to serve; to the Committee on the Judiciary.

H. R. 2394. A bill to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts; to the Committee on the Judiciary.

H. R. 2395. A bill to amend title 18 of the United States Code, entitled "Crimes and Criminal Procedure," to provide basic authority for certain activities of the United States Secret Service, and for other purposes; to the Committee on the Judiciary.

H. R. 2396. A bill to amend chapter 213 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. FERNANDEZ:

H. R. 2397. A bill authorizing an appropriation for emergency repairs to and protection of the Canadian River siphon, Vermejo reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

H. R. 2398. A bill to amend Public Law 848, Eighty-first Congress, second session; to the Committee on Interior and Insular Affairs.

By Mr. LESINSKI:

H. R. 2399. A bill to provide that the hours of work (exclusive of overtime) in any one calendar day of officers and employees subject to section 604 (a) of the Federal Employees Pay Act of 1945 shall be limited to a period of not more than 10 consecutive hours; to the Committee on Post Office and Civil Service.

H. R. 2400. A bill to amend the Classification Act of 1949 to place the position of charwoman working part time in the appropriate grades of the crafts, protective, and custodial schedule; to the Committee on Post Office and Civil Service.

By Mr. WALTER:

H. R. 2401. A bill to increase criminal penalties under the Sherman Antitrust Act; to the Committee on the Judiciary.

By Mr. LARCADE:

H. R. 2402. A bill to provide that certain persons who served in the merchant marine shall not be liable for induction into the armed services under the Selective Service Act of 1948; to the Committee on Armed Services.

By Mr. HORAN:

H. J. Res. 152. Joint resolution relating to Father's Day; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. J. Res. 153. Joint resolution granting the consent of Congress to joinder of the United States in suits in the United States Supreme Court for adjudication of claims to waters of the Colorado River system available for use in the lower Colorado River Basin; to the Committee on the Judiciary.

By Mr. BECKWORTH:

H. Res. 116. Resolution to direct the Committee on Interstate and Foreign Commerce to investigate actual and contemplated action affecting production or consumption of newsprint, or affecting certain other matters; to the Committee on Rules.

By Mr. FURCOLO:

H. Res. 117. Resolution creating a select committee to conduct an investigation and study of the United States educational system in the light of world conditions; to the Committee on Rules.

By Mr. RICHARDS:

H. Res. 118. Resolution providing for expenses of conducting studies and investigations authorized by House Resolution 28; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. Res. 119. Resolution to amend the rules of the House to require the yeas and nays in the case of final action on appropriation bills; to the Committee on Rules.

By Mr. SHEPPARD:

H. Res. 120. Resolution to increase compensation to certain employees under the jurisdiction of the Doorkeeper; to the Committee on House Administration.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Indiana, proposing an amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Montana, relative to ratifying proposed amendment to the Constitution of the United States relating to the terms of office of the President of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New Mexico, relative to opposing the drafting of 18-year-old youths; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ALLEN of California:

H. R. 2403. A bill for the relief of Leda Taft; to the Committee on the Judiciary.

H. R. 2404. A bill for the relief of Mark Yoke Lun and Mark Seep Ming; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 2405. A bill for the relief of Food Service of Evansville, Inc.; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 2406. A bill for the relief of B. H. Manley; to the Committee on the Judiciary.

H. R. 2407. A bill for the relief of the Wilson County Fair, Inc.; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 2408. A bill for the relief of Mrs. Margit Helena Falk Raboff; to the Committee on the Judiciary.

H. R. 2409. A bill for the relief of Mrs. Toshi Ishibashi; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 2410. A bill for the relief of John DelGatto; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 2411. A bill for the relief of Pierino Francesco Berta; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 2412. A bill to grant increased retired pay to Maj. Gen. Wilson B. Burtt, United States Army, retired; to the Committee on Armed Services.

By Mr. SMITH of Virginia:

H. R. 2413. A bill for the relief of the Kloman Instrument Co., Inc.; to the Committee on the Judiciary.

By Mr. SMITH of Virginia (by request):

H. R. 2414. A bill for the relief of Arthur C. Thompson; to the Committee on the Judiciary.

H. R. 2415. A bill for the relief of Maurice Mumford; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

37. The SPEAKER presented a petition of W. Dudley Gunn, secretary-treasurer, Gulf States Marine Fisheries Commission, New Orleans, La., favoring quotas being placed on shrimp importations from all foreign countries, which was referred to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 6, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the guiding wisdom in the life of men and of nations, we pray that we may be endowed daily with understanding and insight to discern and interpret rightly the eternal will of God.

May the assurance of Thy continuing grace and favor inspire us to search diligently and faithfully for the right solution to all our national and international problems.

Give us a more vivid sense of our social responsibility. May we be loyal partners with men everywhere in the difficult task of establishing the kingdom of brotherhood upon the earth.

Encourage us to carry on heroically and hopefully in the glorious adventure of bringing in the day of peace and good will.

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.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 82. An act to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941;

S. 101. An act to amend the Reorganization Act of 1949; and

S. 658. An act to further amend the Communications Act of 1934.

ECONOMIC COOPERATION ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 52)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on