

WASHINGTON

Richard B. Dahlager, Algona, Wash., in place of C. E. Googe, retired.

William K. Wuesthoff, Davenport, Wash., in place of J. J. Peak, retired.

Donald J. Auvil, Entiat, Wash., in place of Robert Kinzel, retired.

Asa Wayman Perkins, Garfield, Wash., in place of Ralph Gildea, transferred.

Howard W. Slevens, Lynwood, Wash. Office, established June 16, 1948.

Owen M. Lade, Sumas, Wash., in place of W. C. Adkins, transferred.

WEST VIRGINIA

Rena P. Lane, Elbert, W. Va., in place of D. L. Lester, resigned.

WISCONSIN

Clayton B. Hesslink, Cedar Grove, Wis., in place of J. K. Hesselink, transferred.

Leonard T. Goetz, Manawa, Wis., in place of John Lindow, retired.

Jack J. Morgenthaler, Springbrook, Wis., in place of M. E. Odekirk, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 12 (legislative day of October 1), 1951:

POSTMASTERS

ALABAMA

Max A. Burleson, Guin.
James R. Levy, Ozark.

ALASKA

Doris V. Richard, Annette.

CALIFORNIA

Kenneth S. Lewis, Carmichael.
Anton J. Blatnick, Cucamonga.
Owen S. Beck, Farmington.
Ethel I. Maddix, Friant.
Terrence O. Thomson, Holt.
Peter M. Murray, Livermore.
Marie L. Maher, North Palm Springs.
Adrian C. Firman, Puente.
Carl T. Erickson, Sebastopol.
Fred B. Niswonger, Weed.

COLORADO

Ellen I. Colclazier, Loretto.

CONNECTICUT

William J. Phelan, Waterbury.
Lucy N. Leonard, Watertown.

FLORIDA

John M. Ayers, Altha.
Norman F. Easton, Gibsonton.

GEORGIA

Hillyer C. King, Athens.
James C. Lipham, Bowdon.
John Preston Whigham, Eastman.
Ennis L. Brooks, Edison.
Edwin Parker Dodge, Nahunta.
Elizabeth M. Gray, Poulan.
Hugh D. Crook, Senoia.

IOWA

Arnold A. Benda, Brooklyn.
Lois Kathryn Allison, Carnarvon.
Robert J. Cavanagh, Delmar.
Eugene R. Wilbur, Randallia.

KANSAS

William J. Nelson, Natoma.

MAINE

Dennis R. Swan, Locke Mills.
Germaine H. Martel, Mechanic Falls.

MARYLAND

Woodrow B. Lippy, Manchester.
Charles W. Jones, Millington.

MASSACHUSETTS

Joseph E. McCumber, Nutting Lake.
Henry A. Duffy, South Attleboro.
Andrew J. Moran, Westport.

MICHIGAN

Anna L. Shepard, Alba.
Bernie J. Moorman, Barryton.
Lloyd Fred Porter, Bedford.
Chester W. Silkworth, Brooklyn.
Alvin F. Janowiak, Filer City.
Glenn W. Koontz, McMillan.
James E. McCracken, Pullman.
Percy H. McDonald, Richland.
Lloyd V. Preiss, Rockland.
Roy L. Wyckoff, Sheridan.
Robert W. Braun, South Range.
Erwin D. Clippard, Utica.
Clyde Bowman, White Cloud.

MINNESOTA

Stella M. Madsen, Bethel.
Norbert V. Honer, Cold Spring.
Nestor C. Sybillrud, Glenville.
Maurice P. Dahlheim, Hector.
Ernest W. Ipsen, Le Sueur.
Roger W. Corchran, Medford.
Al Buse, Red Lake Falls.
Burt E. Walker, Stephen.

MISSISSIPPI

Walter G. Watkins, Gholson.
James W. Terrell, Pass Christian.
Grover K. Tanner, Pelahatchie.
Marion F. Howard, Poplarville.
John C. Graves, Jr., Roxie.
Allie B. Collins, Valden.

NEBRASKA

Gertrude M. Wesierski, Ashton.
James J. Vanderloop, Cedar Rapids.
Delmer Vandewege, Firth.
Fredric J. Stevens, Hartington.
Jesse J. Cromie, Kimball.
Norman F. Hansen, Tilden.

NEW HAMPSHIRE

Russell V. Hawes, Pittsburg.
Francis V. Kelleher, Westville.

NEW YORK

John M. Quealy, Addison.
Joseph S. Dempsey, Sr., Bollivar.
Francis J. Schweigert, East Greenbush.
Milton S. Hubbard, Jefferson.
Archibald G. McLellan, Ogdensburg.
Samuel J. Bertuzzi, Oneonta.
Joseph F. Connolly, Schenectady.
Harold R. Martin, Schoharie.

NORTH CAROLINA

Richard D. Dixon, Edenton.
Edward L. Best, Louisburg.
Rupert R. Rawls, Oak City.
Robert L. Harrison, Spencer.

OHIO

Michael E. Sullivan, Leetonia.
Thomas H. Dearth, Londonderry.
Ray Edward Bayer, Perrysburg.

OKLAHOMA

Grace R. Heard, Cleveland.
Maynard E. Shelite, Freedom.

OREGON

Marie P. Balliew, Charleston.
Clarence E. Thomas, Deer Island.
Alta Geneva Brattain, Forth Klamath.

PENNSYLVANIA

Sarah C. Bassler, Brockton.
Ralph M. Arney, Centre Hall.
Harvey O. Eck, Emmaus.
Elizabeth M. Murphy, Hokendauqua.
Carl A. Truance, Rossiter.
George D. Hoffman, Shillington.
Ralph Lubinski, Waymart.
Kenneth J. Austin, Wellsboro.

PUERTO RICO

Margaret R. Keith, Aguirre.

SOUTH CAROLINA

Joseph J. Ropp, Manning.

SOUTH DAKOTA

Burdette W. P. Oakley, Mount Vernon.
Harvey J. Hullinger, Vivian.

TENNESSEE

Robert L. Van Eaton, Newbern.

TEXAS

E. B. Lee, Bessmay.
William F. Schwenke, Coupland.
Daniel R. Walsworth, O'Brien.
Elfay L. Orts, Paige.
Elmo M. Vickers, Pleasanton.

UTAH

John C. Green, Jr., Park City.

VERMONT

Stanley J. Pekalski, Bennington.
George F. Lawrence, Jr., Manchester.
Michael D'Agostino, Sheldon Springs.
Theresa I. Kallahan, Wells.

VIRGINIA

Thomas B. Simpkins, Aylett.
Herbert S. Hulvey, Fort Defiance.

WASHINGTON

Anthony C. Klotz, Burien.

WEST VIRGINIA

Juanita J. Dixon, Longacre.
Nathan W. Meadows, Rhodell.

WYOMING

Ruth A. Arbogast, Sunrise.

SENATE

MONDAY, OCTOBER 15, 1951

(Legislative day of Monday, October 1, 1951)

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

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

Almighty God, in whose keeping are the destinies of men and nations, endure with Thy wisdom our fallible minds. We come to Thee at the noontide hour when, from the Nation's beginning, our fathers have turned aside to seek Thy face. In disturbing days, strengthen us with the assurance that in the supreme tests only the soul is decisive and that only the spirit can save the flesh. Even as the busy tribes of humanity, with all their cares and fears, are carried swiftly onward with the flood of this tempestuous day, lead us who seek a sense of Thy presence to still waters and green pastures, where in some quiet shrine of devotion we may be reassured of those values which are excellent and permanent and which assert their sovereignty in all life's changing scenes. In the Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, October 12, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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

President had approved and signed the following acts:

On October 12, 1951:

S. 1994. An act to authorize the use of the incompleated submarine *Ulua* as a target for explosive tests, and for other purposes; and S. 2080. An act for the relief of Inooka Kazumi.

On October 13, 1951:

S. 263. An act for the relief of Akiko Mitsu-hata;
S. 1775. An act for the relief of Heinz Har-ald Patterson; and
S. 2231. An act to effect entry of a minor child adopted or to be adopted by a United States citizen.

LEAVES OF ABSENCE

Mr. IVES. Mr. President, I ask unanimous consent that the following Senators be granted leave of the Senate to be absent from the sessions of the Senate this week:

The Senator from Vermont [Mr. AIKEN] for the entire week.

The Senator from Washington [Mr. CAIN] and the Senator from Pennsylvania [Mr. MARTIN] for today and through Wednesday.

The Senator from Utah [Mr. BENNETT] for today and through Thursday.

The senior Senator from New York, myself, from 5 p. m. on Thursday through the remainder of the week.

The VICE PRESIDENT. Without objection, the leaves are granted.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senator from Florida [Mr. HOLLAND] and the Senator from Georgia [Mr. RUSSELL] be excused from attending the sessions of the Senate today.

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

COMMITTEE MEETING DURING SENATE SESSION

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

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATION, RENEGOTIATION BOARD (S. DOC. NO. 77)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$1,500,000, for the Renegotiation Board, fiscal year 1952 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISION OF A PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF DEFENSE (S. DOC. NO. 78)

A communication from the President of the United States transmitting a revision of a proposed supplemental appropriation, involving an increase of \$35,247,000, for the military functions of the Department of Defense, fiscal year 1952 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISION OF PROPOSED SUPPLEMENTAL APPROPRIATION, PAYMENT OF CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS (S. DOC. NO. 79)

A communication from the President of the United States, transmitting a revision of a proposed supplemental appropriation, involving an increase of \$1,274,504.88, for payment of claims for damages, audited claims, and judgments (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, FEDERAL TRADE COMMISSION (S. DOC. NO. 80)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$300,000, for the Federal Trade Commission, fiscal year 1952 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AMENDMENT OF NATIONAL DEFENSE ACT RELATING TO VIRGIN ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 62 of the National Defense Act of June 3, 1916 (39 Stat. 198), as amended (32 U. S. C., 1946 ed., sec. 4c), to include the Virgin Islands (with an accompanying paper); to the Committee on Armed Services.

PUNISHMENT FOR KILLING OR ASSAULTING CERTAIN FEDERAL OFFICERS

A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of proposed legislation to include, within the provisions of law providing punishment for killing or assaulting Federal officers on official duty, officers and employees of the Federal Security Agency engaged in enforcing the food and drug or public health laws of the United States (with an accompanying paper); to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Public Forum, of St. Petersburg, Fla., protesting against the opening of welfare rolls to public exposure, which was referred to the Committee on Finance.

FEDERAL-STATE RELATIONS—RESOLUTIONS OF GOVERNORS' CONFERENCE, GATLINBURG, TENN.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the the RECORD, resolutions adopted by the Forty-third Governors' Conference, held at Gatlinburg, Tenn., Wednesday, October 3, 1951, relating to civil defense, and so forth.

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

RESOLUTIONS AFFECTING FEDERAL-STATE RELATIONS ADOPTED BY THE FORTY-THIRD GOVERNORS' CONFERENCE AT GATLINBURG, TENN., ON WEDNESDAY, OCTOBER 3, 1951

CIVIL DEFENSE

In view of unsettled world conditions today, an effectively operated civil-defense program is essential as a first line of security for the Nation. In case of enemy attack, all levels of government—Federal, State, and local—must be prepared to cope with the situation by means of adequate civil defense.

Because civil defense is an integral part of our national security, the governors' conference recognizes that guidance and over-

all planning should come from the national government through appropriate channels, including the civil-defense establishment and the Department of Defense. However, the governors' conference also wishes to state its conviction that the State governments and the governors in particular have a special responsibility to cooperate with the Federal authorities in dealing with civil defense problems and to implement Federal policies and interstate civil defense compacts in order to protect the lives and homes, the farms and industries of our people.

In order to achieve a state of readiness, virtually all of the States have recently enacted basic civil-defense legislation and have established the necessary organization for civil defense. Many of the States have ratified compacts among themselves for effective interstate cooperation and mutual assistance in civil-defense activities. However, State and local civil defense programs have been hampered by the failure of Congress to appropriate funds adequate for cooperative Federal-State civil-defense operations and stockpiling.

The governors' conference urges that the Congress of the United States promptly make adequate provision for a well-conceived civil-defense program. We further recommend that all States which have not done so take immediate action to ratify the uniform interstate civil-defense compact as developed by the Council of State Governments and the Federal Civil Defense Administration.

In order that the enrollment of civil-defense forces may be facilitated, the governors' conference also urges that the Congress enact pending measures for indemnification of duly constituted civil-defense personnel who voluntarily assume civil-defense duties and who may be injured or killed in the performance of their duties. Such indemnification should be financed entirely by the Federal Government.

INTERSTATE COMPACTS

Many governmental problems that transcend State lines require common solutions by the States working together within regions and throughout the country. Any lack of cooperation results inevitably in the transfer to the Federal Government of powers, duties, and functions which are State responsibilities. Much recent progress has been made by the States cooperating through the mechanism of interstate compacts, and a large number of such compacts were ratified at the 1951 State legislative sessions. However, the States on occasion have been delayed in securing congressional consent to the detailed and specific agreements entered into among the States.

Therefore, the governors' conference strongly urges that the Congress take prompt action granting consent to interstate compacts now pending before it, and that in the future there be enacted general consent in advance legislation permitting the States to enter into agreements among themselves in broad fields of action for which the States have primary responsibility under our Federal Constitution.

EMPLOYMENT SERVICES

The governors' conference recalls the extreme difficulty which the States encountered in securing the return of the State employment services following their temporary federalization during World War II. We now note there is legislation pending in Congress, H. R. 5044, which would permanently transfer the State employment services to the United States Department of Labor. The governors' conference is strongly opposed to any Federal legislation designed to accomplish this purpose.

PUBLIC ASSISTANCE

The governors' conference has taken no position on the advisability of propriety of publicizing welfare rolls. The governors' conference is, however, unanimous in declaring that the publicizing of welfare rolls is a matter for determination by the individual States.

STATEHOOD FOR ALASKA AND HAWAII

The last four meetings of the governors' conference have recommended passage of statehood bills for Hawaii and Alaska. The governors' conference again urges prompt action by the Congress to permit these two Territories to achieve statehood.

LAW ENFORCEMENT

The Attorney General's Conference on Organized Crime, the Senate Crime Investigating Committee, and the American Bar Association Commission on Organized Crime have produced reports analyzing the problem of crime control and pointing to remedies. Some States have taken action to strengthen State and local law enforcement.

In order that States may be assisted in taking steps to control such organized crime as may exist within their borders, the governors' conference requests the drafting committee of the Council of State Governments to prepare specific drafts of suggested State legislation designed to remedy any present deficiencies.

We insist, however, that the prime responsibility for the elimination of such evils as may exist lies in the vigilance of local law-enforcement officials.

It is the sense of the governors' conference that public concern for local law enforcement should be invigorated by every legitimate means to combat the sinister menace of commercialized crime.

CRITICAL MATERIALS

Resolved, That the problem of procurement and allocation of critical materials, including particularly structural steel for hospitals, schools, public institutions, and highways, be referred to the executive committee of the governors' conference with a request that, consistent with the requirements of the national defense, appropriate action be taken looking toward the furnishing of such materials to the several States as quickly as practicable.

A motion made by Gov. Alfred E. Driscoll, of New Jersey, seconded by Gov. James F. Byrnes, of South Carolina, and passed unanimously by the governors' conference at the executive business session on October 3, 1951:

I move that the chairman of the governors' conference be authorized to appoint a special committee to confer with appropriate committees of the Congress of the United States for the purpose of securing the creation of a commission and appropriate formula. Designed to promote a return to a working federalism with an accompanying clarification and simplification in the Federal-State and local relations, insuring a substantial reduction in the total cost of administering Government while promoting greater efficiency and better service to the public and between various levels of Government.

EXTENSION OF SECURITY RESTRICTIONS TO FEDERAL CIVILIAN AGENCIES—RESOLUTION OF NEW JERSEY PRESS ASSOCIATION

Mr. SMITH of New Jersey. Mr. President, on Friday, October 5, the New Jersey Press Association unanimously adopted a resolution with regard to the recent Executive order of the President extending security restrictions to Federal civilian agencies. 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 the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas President Truman has extended security restrictions to Federal civilian agencies by his Executive order; and

Whereas this arbitrary action denies the press its constitutional right of access to information; and

Whereas this denial may inevitably lead to withholding of information from the public: Be it

Resolved, That the New Jersey Press Association use every appropriate method at its disposal to demand that President Truman modify this Executive order so that the public may have news and information which is its right under the Constitution.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 1117. A bill for the creation of a Commission on Congressional Salaries, and for other purposes; with amendments (Rept. No. 949); and

S. 2077. A bill to provide for certain investigations by the Civil Service Commission in lieu of the Federal Bureau of Investigation, and for other purposes; with amendments (Rept. No. 950).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

H. R. 1672. A bill for the relief of Bank of America National Trust and Savings Association (Rept. No. 952); and

H. R. 2207. A bill for the relief of Numa A. Winstead (Rept. No. 953).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 1839. A bill for the relief of Willy Giroud (Rept. No. 954).

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

S. 1292. A bill to amend title 18, United States Code, to increase the criminal penalty provided for persons convicted of gathering or delivering certain defense information to aid a foreign government in time of peace (Rept. No. 955).

By Mr. McCARRAN (for Mr. HENDRICKSON), from the Committee on the Judiciary:

S. 968. A bill granting the consent and approval of Congress to an interstate compact relating to mutual military aid in an emergency; without amendment (Rept. No. 951).

By Mr. PASTORE, from the Committee on Post Office and Civil Service:

S. 1135. A bill to provide a recruitment procedure for the competitive civil service in order to insure selection of personnel on the basis of open competition and merit, and for other purposes; with amendments (Rept. No. 956).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. R. 4808. A bill to provide for the granting of an easement for a public road through the Pea Island National Wildlife Refuge in Dare County, N. C.; without amendment (Rept. No. 958).

BILLS INTRODUCED

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

By Mr. HAYDEN:

S. 2271. A bill for the relief of Carol Ann Hutchins (Sybille Schubert); to the Committee on the Judiciary.

By Mr. SCHOEPEL:

S. 2272. A bill for the relief of Donald Grant; to the Committee on the Judiciary.

By Mr. CASE:

S. 2273. A bill to amend the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture and Forestry.

By Mr. SMITH of New Jersey (for Mr. HENDRICKSON):

S. 2274. A bill for the relief of Ruth Sonin; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2275. A bill for the relief of Isador Strulovici and his wife, Bery; to the Committee on the Judiciary.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. O'CONNOR:

Address delivered before the Brooklyn Traffic Club by Mr. Charles R. Seal, Director of the Bureau of Water Carriers and Freight Forwarders of the Interstate Commerce Commission.

An editorial from the Washington Post of October 14, 1951, discussing the recent action of the Republic of Panama in denying charters to certain merchant vessels.

By Mr. McCARRAN:

An article relating to trading in gold, written by Fulton Lewis, Jr., published in the Washington Times-Herald of September 16, 1951, under the heading of "Washington report."

By Mr. SMITH of New Jersey:

(For Mr. HENDRICKSON.) Correspondence between regional director, Wage and Hour Public Contracts Division of the United States Department of Labor, and the Bayonne Times, of Bayonne, N. J., regarding a petition for approval of wage increases.

Article entitled "Doctor Points Way on Free Care Issue," published in the New York Times of October 7, 1951.

By Mr. IVES:

Letter regarding relations with Scandinavia, written by Benjamin H. Namm to the editor of the New York Times, and published in the Times on October 13, 1951.

By Mr. LEHMAN:

Editorial entitled "That Social Security Kitty," published in the St. Louis Post-Dispatch of October 6, 1951, relating to the social-security fund.

Statement by Dr. Leonard A. Scheele regarding shortage of nurses in tuberculosis hospitals.

By Mr. DWORSHAK:

Letter from a constituent discussing the Korean war.

LETTERS ON RURAL PUBLIC LIBRARY DEMONSTRATION SERVICE

Mr. WILEY. Mr. President, I have received letters from the Wisconsin Council of Agriculture Cooperative and from the Wisconsin Congress of Parents and Teachers endorsing Senate bill 1452, the revised bill for demonstration of library service in rural areas.

The State of Wisconsin has long been interested in this subject and has done much pioneering in this rural library field. I am hoping that this legislation can be brought up very shortly for consideration on the floor.

I ask unanimous consent that there be printed in the body of the RECORD these two significant letters which I have received—the first from the distinguished executive secretary of the Wisconsin

Council of Agriculture Cooperative, Milo K. Swanton; the second, from Mrs. Robert Schumpert, legislative chairman of the Wisconsin Congress of Parent-Teachers.

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

WISCONSIN COUNCIL OF
AGRICULTURE COOPERATIVE,
Madison, Wis., October 5, 1951.

HON. ALEXANDER WILEY,
Member of the Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: This is to call your attention to Senate bill 1452 and to present our position with respect to it. We would like to see the bill pass. We look upon library services as being one of the basic and important allies to the improvement of rural life in America.

At the recent Nation-wide Rural Life Conference we gave much emphasis to the need for building up and improving rural library services as a means of counteracting today's detrimental "isms" and as an influence that can restore stability to the rural home wherein a revival of the lost art of good reading should and can constitute a major stabilizing influence.

We are convinced that the bill does not involve Federal control. Senate bill 1452 requires that the State free library commission must submit a plan for library development. In other words, State autonomy is provided. In our State 750,000 rural people are without library service. Senate bill 1452 is designed primarily for the purpose of meeting this lack of rural service. Another good feature of the bill is the fact that it places responsibility for the raising of library funds locally as a requirement for any Federal allotment.

Coming back to my previous statement concerning the battle of the "isms," I feel now, more than ever, that library services constitute a valuable ally in the building of a strong, sound, and dependable public opinion that can resist subversive influences and at the same time help to marshal constructive forces of minds and morals as a powerful yet peaceful alternative to the type of world tension and confusions that are abroad in the world today. The program of rural library extension which can be brought about from an appropriation of this kind will result in constructive influences of inestimable value. Therefore, I sincerely recommend your support of Senate bill 1452.

Sincerely yours,

MILo K. SWANTON,
Executive Secretary.

WISCONSIN CONGRESS
OF PARENTS AND TEACHERS,
Madison, Wis., October 10, 1951.

The Honorable Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: We are writing you concerning bill 1452, the library-service bill.

According to recent word, the Senate Committee on Labor and Welfare has recommended this legislation. We urge that you give it your full support. Since the Senate passed a similar library bill last session, we know that you are aware of the importance of this measure for a largely rural State such as ours. The bill will provide an initial allotment of \$40,000 for Wisconsin plus an estimated \$141,493 on the basis of its rural population.

Our organization, interested primarily in education and child welfare, is keenly aware of what accessibility of good reading means to a community. We know that the success of democracy is dependent upon an informed

electorate and that libraries will furnish sources of information to the public. We have seen a State-supported demonstration library project working out successfully for two of our counties.

We need Federal support to help initiate more library services in our rural areas.

We ask you to vote for bill 1452.

Very truly yours,

GRACE SCHUMPERT
(Mrs. Robert Schumpert),
Legislative Chairman.

LETTER FROM MILWAUKEE SCHOOL DIRECTORS ON STEEL ALLOCATION

Mr. WILEY. Mr. President, I am sure that there is not a man in the Senate who would deny for one moment the fact that the Nation's school system has a tremendous responsibility in this critical period in handling the swollen enrollments of youngsters now reaching school age.

I am sure, too, that there is not a man in the Senate who would deny for one moment the fact that the whole future of America depends upon these little tots. If we educate them adequately, if we train them to meet the responsibilities which will be theirs in the America of tomorrow, we need have little fear as to how they will measure up to our ideals.

One of the really unfortunate situations is that America's school plant is so terribly obsolete. Our children are being trained today in many instances in schools which were inadequate 20 years ago, often in rickety firetraps with poor plumbing, poor lighting, poor ventilation; buildings are not adequate for one-third of their present enrollment. In some States, building has not been so far behind the expanded number of students, but in almost all of the States of the Union, a great amount of construction is vitally necessary. In probably no State are present buildings really adequate and located in the right areas to meet changes in population.

In face of this urgent need, it is an unfortunate fact that sufficient steel has not been allocated by the defense agencies for school repair and construction. This seems incredible in view of the fact that steel seems to be made available for a host of unnecessary items and in view of the fact that the entire school-construction needs of this Nation could be met by 1 percent of the national steel production for each quarter.

To some extent, this situation also prevails in delayed highway construction where numerous bridge projects are being held up for lack of adequate steel.

I am indeed hoping that the defense agencies will wake up to this situation and provide more steel for these essential purposes. I do not underestimate for one moment the clamor which reaches them for steel for various and sundry purposes. And I recognize that the steel pool, so to speak, is becoming increasingly tight in view of the defense emergency. However, certainly, schools and yes, highways, should have their basic needs met.

I ask unanimous consent that there be printed in the RECORD an excellent letter which I have received from the secretary-business manager of the Milwau-

kee Board of School Directors. It is illustrative of a great many well-deserving appeals which have come to me from other educational authorities throughout my State. I endorse emphatically the views expressed.

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

BOARD OF SCHOOL DIRECTORS,
Milwaukee, Wis., October 11, 1951.

HON. ALEXANDER WILEY,
United States Senate,
The Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At a recent conference of the National Council on Schoolhouse Construction, members of the council heard the startling fact that while 3,300,000 tons of steel (or 15 percent of the total 21,000,000 tons allocated by the National Production Authority for the fourth quarter of 1951 for all purposes) had been allocated for automobiles, only 100,000 tons (one-half of 1 percent of the total 21,000,000 tons) had been allocated for school construction. The outlook for needed new school buildings is dismal because the small amount of steel allocated for schools will barely complete projects now under construction.

Everyone connected with education is acutely aware of the fact that there is a great need for new school buildings to house the increasing school population. I am sure that you, too, are probably aware of this need. Speaking for our own community I can truthfully say that at no time in the 20 years during which I have been connected with the Milwaukee public-school system have we been faced with such an acute school housing shortage. We are now in the midst of a very extensive building program—to my knowledge, the most extensive the Milwaukee Board of School Directors has ever undertaken at one time. We now have several sorely needed buildings under construction; construction work on several others, equally badly needed, will, we hope, be started soon. Unless the projects are completed without further delay we are definitely going to be faced with a school housing shortage even greater than the acute shortage which already exists in our community. However, these projects cannot be completed unless we get the needed steel.

Milwaukee of course is only one community where there is definitely a need for additional school facilities and where a shortage of steel will seriously handicap school-building construction. This situation also prevails elsewhere in our State and in many other communities throughout the United States.

There is evidence that steel is available for needed schools without handicapping defense, but the difficulty seems to lie in obtaining recognition by the National Production Authority of the need of adequate schools. Education is a definite part of the over-all defense effort and an investment in the future of our country, and the proper housing of our school children is important for effective education. It is the opinion of school authorities that if only 1 percent of the national steel production each quarter would be allocated for the schools, America could meet its educational plant needs.

We realize that the Office of Education cannot do anything under present limitations. However, perhaps men like Manly Fleischmann, Administrator of the National Production Board, and Charles E. Wilson, Chairman of the Defense Production Authority, can do something to alleviate the acute shortage of steel for the schools. If they are unable to do anything about the matter, then congressional action is needed.

Would you please see what you can do to promote a more adequate allocation of

steel for schoolhouse construction. As stated above, it is felt that the allocation of only 1 percent of the national steel production each quarter would take care of the school needs. Your determined effort to attain this end will, I am sure, be very much appreciated by the folks "back home" in many parts of the United States.

Very truly yours,

W. E. RILLING,
Secretary-Business Manager.

CONGRATULATIONS TO SENATOR KNOWLAND ON BECOMING A GRANDFATHER

Mr. MOODY. Mr. President, I rise to extend my hand across the aisle, to pay a compliment to the achievements of the very senior Senator from California [Mr. KNOWLAND]. At the age of 43 he is, I believe, the most junior in years of any of the senior Senators of this body. I think the Senate should have official notice that now, at that tender age, he has become a grandfather. Not alone is he the youngest grandfather sitting in this body today, but so far as my research is able to discover he is the youngest grandfather, at least in the modern history of this body. If any other Senator has other information on this subject, I shall be glad to correct the RECORD, but in any event, my congratulations, and I am sure the congratulations of the entire Senate, to Grandpa KNOWLAND and his fine family.

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

Mr. MOODY. I am very glad to yield.

Mr. KNOWLAND. I merely wish to express my appreciation to my good friend from Michigan for his very kind remarks. I may say it shows what life in the Senate does to one, because it is only a matter of a mere 6 years ago that I came into this body, at that time the youngest Member of the Senate. Now, 6 years later, I am a grandfather.

Mr. WILEY. Mr. President, I understand the remarks of the distinguished Senator from Michigan related to our good friend from California [Mr. KNOWLAND]. I want to pay tribute to the great grandfather of this distinguished granddaughter, who happens to be here visiting his son, the senior Senator from California. When we were in California to sign the Japanese Treaty Senator KNOWLAND's father, who was a former Representative in Congress, received us most graciously and certainly convinced us of the hospitality of California. So I congratulate the sire and the great-grandfather on the arrival of this youngster. May she grow up and render distinguished service to this country as her grandfather, the present Senator from California, and her great-grandfather have done.

Mr. MCKELLAR. Mr. President, a moment ago something was said about Grandfather KNOWLAND, our highly esteemed and beloved associate. I served in the House of Representatives with former Representative Knowland, Great-Grandfather Knowland of the youngest KNOWLAND. He is still living and one of the finest men I ever knew. I do not think I ever knew a more perfect or a more delightful and congenial gentleman than the father of our present senior Senator from California. He

made a great legislator and was esteemed by all. He was one of the best men we had in the House at that time. It is true he was a Republican, but one of the best in the House. He was one of the best Republicans I ever knew. I take pleasure in saying this about the father of our distinguished colleague from California. I congratulate them all on the addition to their great family.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Brewster	George	Monroney
Capehart	Hayden	Murray
Carlson	Hill	Neely
Case	Hoey	O'Mahoney
Clements	Hunt	Schoeppel
Connally	Ives	Smith, N. J.
Cordon	Johnston, S. C.	Smith, N. C.
Dirksen	Knowland	Sparkman
Douglas	Lehman	Underwood
Dworschak	Maybank	Wiley
Ecton	McFarland	Young
Ellender	McKellar	
Fulbright	McMahon	

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Florida [Mr. HOLLAND], the Senator from Colorado [Mr. JOHNSON], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Louisiana [Mr. LONG] are absent on official business.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. NIXON], the Senator from Ohio [Mr. TAFT], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent by leave of the Senate to attend the funeral of a relative.

The Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The VICE PRESIDENT. A quorum is not present.

Mr. McFARLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BENTON, Mr. BRICKER, Mr. BUTLER of Maryland, Mr. BUTLER of Nebraska, Mr. CHAVEZ, Mr. EASTLAND, Mr. GREEN, Mr. HENDRICKSON, Mr. HENNINGSON, Mr. HICKENLOOPER, Mr. HUMPHREY, Mr. KERR, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MILLIKIN, Mr. MOODY, Mr. MORSE, Mr. O'CONNOR, Mr. PASTORE, Mr. ROBERTSON, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. WATKINS, and Mr. WILLIAMS entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

AMENDMENT OF THE RAILROAD RETIREMENT ACT AND THE RAILROAD RETIREMENT TAX ACT

The Senate resumed the consideration of the bill (S. 1347) to amend the Railroad Retirement Act and the Railroad Retirement Tax Act, and for other purposes.

Mr. DOUGLAS. Mr. President, as chairman of the subcommittee which conducted hearings on this bill and prepared the revised draft, I think it might be appropriate for me to speak at not too great length on the bill and the problems of railroad retirement.

As all of us know, we really created two systems of old-age security in 1935, one for the railroad workers and another for a much larger group of covered occupations. Although the first Railroad Retirement Act was declared unconstitutional, it was replaced by another act in 1937. So we have had these two systems going along parallel to each other now for almost 15 years.

The Railroad Retirement Act was originally passed not only to provide future protection for those who would become aged, but also to reinforce and in a sense bail out the private pension plans which the railroads had established on their systems prior to 1935. A great many of the railroads had individual plans, but during the depression the solvency of these plans was threatened, and the older workers under the seniority system tended to stay on in order to increase their earnings, with the result that, under the seniority system, the bulk of the effects of the depression fell upon the younger workers. The result was that the Railroad Retirement Act was passed to provide annuities not merely for those who would pay contributions into the system and would become aged in the future, but also to provide annuities for those who were at the moment aged and who had not paid contributions in the Federal system in the past. In other words, the railroad-retirement system assumed from the very beginning the liability of payments to the large number of aged railroad workers who had grown up in the industry. Many of these people had thought they

were partially protected by private funds, only to find this protection largely removed. They would have been in a very difficult position if they could have received benefits only in proportion to their payments into the social-security system which was not started until 1935, or, in its second form, until 1937. This is one reason why the contributions under the railroad retirement system have always been much greater than the contributions under the social security system.

At present both the railways and the workers are assessed 6 percent of wages paid up to \$300 a month, or a total of 12 percent, whereas the contributions under social security are only 1½ percent upon each, a total of 3 percent, and even at their maximum, many years in the future, will not rise above 3¼ percent upon each, or a total of 6½ percent. In other words, the railroad retirement system started with this liability which it assumed, and because of that initial liability and because the rates of benefit for retired railroad workers were in excess of those provided under social security, the rate of contributions has always been much greater for railroad retirement than for social security.

When in the last session of Congress we revised the Social Security Act, we not only increased the benefits under that system but we also still further divorced the benefits from an actuarial relationship to individual contributions. We put the social security system much more closely in conformity with needs rather than basing it upon prior contributions, with the result that we greatly increased benefits for survivors and for wives. Consequently the benefits under the social security system for survivors now tend to be in excess of what the benefits under railroad retirement are for survivors. Social security also provides a wife's benefit or spouse's benefit, whereas the railroad retirement does not provide a spouse's benefit or a wife benefit at all. Accordingly, there is presented a situation in which people inside the railroad retirement system who pay very much greater contributions than are paid under social security have no protection, no added allowance for wives, and less protection in the case of survivors than those under the social-security system itself.

These facts plus the increase in the cost of living, making existing benefits less adequate to meet current living costs, has created a very widespread demand for an improvement or rather for an increase in benefits under railroad retirement; and varying plans were drafted, introduced, and considered by the subcommittee.

One plan, Senate bill 1347, drew its chief popular support from the so-called nonoperating unions, namely, the shop crafts, the clerks, the section hands, and other unions. Another bill drew its support primarily from four operating unions; and other bills were introduced by private pension organizations. In general, the difference between the bills of the nonoperating brotherhoods and of the operating brotherhoods could be summarized approximately as follows:

The nonoperating brotherhoods wanted a liberal spouse's benefit with a maximum monthly payment of \$50. They wanted an approximate 75-percent increase in the benefits for surviving widows and children, a 13.8-percent increase for annuitants, and a 15-percent increase for pensioners.

They wanted to get the funds for these added benefits from three sources: First, they wanted to increase the tax base from \$300 a month to \$400 a month. Then to provide that workers on the railroads who were employed for less than 10 years, and who, either before that or after that, were in occupations covered by the Social Security Act, would be treated not as being under both railroad retirement and social security, which would be the present system of getting dual benefits, but would receive single benefits under social security; that they would receive the social-security system of benefits, and in turn the railroad-retirement system would transfer to social security the amounts which they would have paid into social security had they been covered under that system from the very beginning, retaining for railroad retirement the difference between the contributions under social security and the contributions under railroad retirement. That was the second source of funds.

The third source of funds which was proposed was a work clause to disqualify from the benefits those aged annuitants who in outside occupations received more than \$50 a month. That is the disqualification which prevails in social security, and it was proposed to extend it to railroad retirement.

The four operating brotherhoods wanted to provide first a 16½ percent increase in annuities and pensions, but they did not wish to provide an increase for survivors or a spouse's benefit, they did not wish to increase the tax base, nor did they wish to have either the proposed transfer to social security or a work clause disqualifying those receiving over \$50 a month. There were also certain other proposals.

The committee worked hard on this matter. The hearings are before us, and I hope the copies will be distributed. It will be observed that it is a volume of approximately 600 pages. We had a number of actuarial studies and estimates made. We finally decided we would propose a 15-percent increase in annuities and pensions for the retired workers; and we would propose a 33½-percent increase in survivors' benefits, but with the proviso that in no case would the survivor's benefit under railroad retirement be less than the survivor's benefit under social security.

We introduced a modification of the wife's or spouse's benefits equal to 50 percent of the employee's benefit with a maximum of \$40 a month instead of the \$50 a month which had been originally requested. We felt that it was unsafe to increase benefits without also increasing the financial resources of the fund. There had been in the past increases in the scale of benefits to retired railroad workers, in one case accompanied by an increase in contributions, and in another

case not accompanied by an increase in contributions, and these tended to turn out actuarially sound, even though the actuaries had predicted in advance that that would not be the result.

The railroad retirement fund in the past has had good luck because the increase in the scale of wages brought employees nearer to the \$300 maximum, and because of increasing contributions to the fund, so that the last increase in benefits, which was not accompanied by an increase in the rate of contributions, turned out actuarially, to the surprise of many people, to be all right. Certainly I do not think it wise to trust fortune too far, to depend again on the continued upward drift in earnings to make increases in benefits. Therefore the subcommittee sought to make savings and economies which would permit the proposed increase in the scale of benefits to be paid.

The first, and, I imagine, the chief, point of controversy between the nonoperating and the operating unions was increasing the tax base from \$300 a month to \$350 a month instead of to \$400, as the nonoperating unions had originally urged. For this reason it is estimated that there will be brought into the fund in gross revenues approximately \$50,000,000 a year more; that is, it is estimated that there are \$600,000,000 in wages and salaries which fall within the bracket from \$300 to \$400 a month, and that \$400,000,000 of this amount is in the \$300 to \$350 level. Since the rate of taxation is 12½ percent, this will bring in annually approximately \$50,000,000.

It is estimated that the added benefits which will be created by thus raising the benefit base as well as the tax base will be somewhere between \$20,000,000 and \$25,000,000 a year, thus producing a net saving to the fund of approximately from \$20,000,000 to \$30,000,000 per annum. Since the total taxable payroll is at present approximately \$5,300,000,000, this will amount to about one-half of 1 percent. In other words, without increasing the rate of taxation, a net added revenue of about one-half of 1 percent is obtained, which could be used to help finance the benefits.

We rejected the idea that if a retired worker earned more than \$50 a month in employment covered by the Social Security Act he should be disqualified from benefits. Very frankly, I think that in the future we shall have to reconsider that provision in the social-security law, because both the Railroad Retirement Act and the social-security law were passed in a period of unemployment and depression when one of the purposes was to take off the labor market the aged workers so that the younger workers could get jobs. This was particularly the case with railroads, where seniority resulted in bumping off younger workers. We are certainly not now in a period of surplus labor; we are in a period of labor shortage.

One of the big problems we have is being able to utilize the services of aged workers. The subcommittee did not want to add to the aggravation of this problem by putting into the bill a provision that if a worker received more

than \$50 a month in outside earnings, he would be disqualified from receiving benefits, particularly when he had made such large contributions out of his own earnings toward his own protection. Therefore, this feature was rejected and so the work clause is not contained in the measure. The bill helps to finance the system by an exchange provision with social security. It provides that where workers have been employed on a railway system for less than 10 years, the benefits they will receive will not be determined under the railroad retirement formula, but will be determined under the social-security formula. The railroad-retirement formula is 2½ percent a year multiplied by the number of years of service, and it is, therefore, very closely tied to the past earnings of the workers.

The social-security formula does not bear a very close relationship to the past earnings of the worker, but it is based more on the idea of need, and it does not have too much of the individual insurance element in it.

So the bill provides that the workers who have been employed for less than 10 years are to receive the benefits which they would have received had they been under social security, and the railroad-retirement system is then to turn over to social security the amounts which the workers and their employers would have contributed had they been under social security during the entire time. Conversely, there is an exchange in the opposite direction for those who have been employed for more than 10 years.

The total long-time level cost which the actuaries estimate under the bill is 14.06 percent of payroll. The maximum contributions will be 12½ percent. There is a gap between the two. It is not so great a gap as would have been provided, I believe, under the bill suggested by the four operating brotherhoods, but it is a gap. It is my judgment that the whole question of the time provisions of the railroad-retirement system and the relationships of the railroad-retirement system to social security should be considered by a joint congressional committee. We shall have time enough to do that even if our estimates—and they are very conservative—that this bill will cost 14.06 percent are true. Even if the estimates are true, and I believe they are the best estimates we can get, the existing fund of close to \$2,500,000,000 would not be exhausted in 30 years. So that we have, roughly, until 1990, or close to 1990, before we will be in our most difficult position.

But, nevertheless, I think we should begin relatively early to study both the railroad-retirement fund itself and its relationships to the social-security system and see if any degree of integration can be effected between them and the degree to which dual benefits can be eliminated and a broader coverage with resulting reduction in costs obtained. If the bill in its present form should be passed by the Senate, it is my intention to seek action on Senate Concurrent Resolution 51, to provide for such a joint study.

I think that is approximately all I wish to say, Mr. President, except this—

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

Mr. DOUGLAS. I am happy to yield to the Senator from Montana.

Mr. MURRAY. I understand that the operating groups feel that the increase in the tax base which the Senator has suggested is not fair to them, that the increase comes from the operating brotherhoods, and they feel that would not be exactly fair.

If the bill were amended to change the base from \$350 to \$300, I should like to ask the Senator if that would not be a sufficient base to effectively carry out the program, at least until there is time to make a more extensive study of the problem. After such a study we could then agree on a base which would be fair and just to all concerned.

Mr. DOUGLAS. Mr. President, I should be reluctant to accept that proposal, for a number of reasons. In the first place, I think it is apparent that a larger annual revenue is needed in order to meet the increased benefits. I do not like to vote increased benefits without seeing some increased revenue coming in. No one desires an increase in the rate of taxation. No one wants to go above 12½ percent. That is about the maximum.

I believe it is proper, however, to increase the base, for several reasons. In the first place, the money is needed. In the second place, while those drawing from \$300 to \$350 will pay more, they will also be receiving wives' benefits which they do not now receive; there will be increased annuities for the aged, and an increase of one-third in survivors' benefits. In other words, the benefits as well as the contributions are going up.

Another point is that there has always been a differential between the maximum paid under railroad retirement and the maximum paid under social security. Prior to 1950 the maximum under social security was \$250 a month, the maximum under railroad retirement was \$300, and hence there was \$50 more of earnings protected under railroad retirement than was protected under social security. Now the social-security maximum has gone up to \$300, and it would seem to me fair to continue this \$50 differential by raising the railroad retirement figure to \$350.

The Senator from Montana has put his finger on the real difference in the house of labor. The operating unions do not want to have the tax base raised to \$350. I do not like to raise the tax base, but to my mind it is a necessary price which must be paid for raising the benefits.

I should like to point out, also, that the committee recommendation for an increase in the tax base of from \$300 a month to \$350 a month was an attempt to enable those urging an increase up to \$400 a month and those opposing any increase at all to reach an agreement.

Mr. MURRAY. Mr. President, I am very much interested in the need for the legislation now being considered. I did not have the opportunity of attending the hearings, and the bill is highly

technical, but it seems to me that in the interest of having the proposed legislation enacted at this session of the Congress it would be wiser to accept the \$300 base rather than insist on the \$350 base, because, otherwise, it might result in having the bill blocked in the House or in conference.

Mr. DOUGLAS. My own belief is that the need for increased benefits on the part of those who are already on the annuity rolls and the need for added survivors' benefits, in view of the increase in living costs, is apparent. There is such a need for increased benefits that the question of the tax base will turn out to be relatively less important. I think that any group which holds up the passage of such a bill merely because it does not want an increase in the tax base will be putting itself in a very disadvantageous position before the members of the group.

Mr. LEHMAN. Mr. President—

The PRESIDING OFFICER (Mr. HOY in the chair). Does the Senator from Illinois yield to the Senator from New York?

Mr. DOUGLAS. I am glad to yield.

Mr. LEHMAN. The Senator gave some figures a little while ago showing the increased charge on the fund by the proposed legislation, which, I think, was 14.06 percent. Am I right in assuming that that was based on an increase in the tax base from \$300 to \$350?

Mr. DOUGLAS. Yes; and if it were not for that, the cost would be nearer 14½ percent of payroll.

Mr. LEHMAN. Am I not correct in the statement that, while there has been some difference among some of the railway unions as to the tax base, and possibly some other minor questions, there has been no difference, and there is no difference today in the feeling that there must be an increase in the pensions, annuities, and in the amounts paid to survivors, to widows and children?

Mr. DOUGLAS. We are all agreed that there should be an increase in the benefits of pensioners and annuitants. The operating unions are more concerned with the planned increase across the board and are not enthusiastic about a wives' benefit.

Mr. MURRAY. Mr. President, of course that was intended as an emergency proposal, in order to secure the passage of the proposed legislation at this session. The proponents indicated that they had no doubt that later more careful study would be given to the subject, and a full and complete bill would be worked out.

Mr. DOUGLAS. Yes. With respect to the increase in tax base, it is interesting that in 1937, when the present act was passed, 98 percent of the payroll of the railroads was taxable under the \$300 maximum. So that the \$300 maximum took in virtually the entire payroll. Now only 84 percent of the railroad payroll is covered by the \$300 maximum. If we raise the level from \$300 to \$350, we will cover only approximately 92 percent of the payroll, so we are still leaving 8 percent of the payroll untaxed, whereas the

\$300 provision left 16 percent of the payroll untaxed.

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

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

Mr. LEHMAN. My reason for asking questions is that there is some difference of opinion between the operating and nonoperating brotherhoods. That being the case, am I not correct in stating that the subcommittee has been considering the pending bill, with amendments to the bill, for a period of not less than 6 months?

Mr. DOUGLAS. That is true. We began our hearings the 27th of April, conducted them to the middle of May, studied the matter all through the summer, and brought out our bill in September, and have been having incessant conferences with interested parties during the entire time.

Mr. LEHMAN. If that is so, as of course it is, is it not pretty clearly established that if we are to recognize the need for higher pensions and annuities and survivors' benefits, a bill containing provisions similar to those of the pending bill, is absolutely essential, and that we cannot finance the plan with any degree of actuarial security save on the basis proposed?

Mr. DOUGLAS. That is my feeling. It is my feeling, first, that we need at this session an extension of the benefits under the system of railroad retirement and, second, that it is unsound merely to vote the benefits without providing some additional revenue which will help to meet the payment of the benefits.

Mr. LEHMAN. Is it not a fact, too, that the subcommittee, of which I am not a member, which spent months considering this matter, and the full committee of which I am a member, were in substantial agreement on the need for legislation of the type proposed, increasing the pensions and annuities and the survivors' benefits?

Mr. DOUGLAS. The Senator from New York is correct. It may be that the Senator from Illinois, because he has labored on this matter, has accentuated the differences between the various groups. Those differences are real, but I believe every one is agreed to an increase, roughly, of 15 percent in the benefits of annuitants and pensioners, and in rough agreement on an increase of one-third in benefits to survivors, that that is the point of agreement.

The nonoperating unions emphasize the need for a spouse's benefit. Then, in order to get added funds for that, and also to meet some of the other costs, they want to introduce the economy of transferring the short-time workers to social security and raising the tax base to get an added net gain of about \$25,000,000 a year.

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

Mr. DOUGLAS. Certainly.

Mr. LEHMAN. Since the need for increased annuities, pensions, and survivors' benefits has been so clearly established, and, further, since that need has been recognized by both the operating and the nonoperating brother-

hoods, it seems to me highly essential that at this session Congress enact a bill effectuating those increased benefits. It appears to me that while we must recognize the differences which now exist, they are relatively so small in comparison to the benefits which would result from the passage of this bill that I am very strongly in favor of its enactment at this session of the Congress.

Mr. DOUGLAS. I thank the Senator from New York.

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

Mr. DOUGLAS. I yield.

Mr. CASE. I was struck by a couple of sentences in the committee report. On page 7 we find the following language:

The greatest sufferers from the present wave of price inflation are those people who are trying to exist on a fixed income, such as pensions and annuities. They are trying to get along on a fixed number of dollars each month. And these dollars are buying less and less as the cost of the basic necessities of life soars higher and higher.

The distinguished Senator from Illinois is known as one of the outstanding economists of the country. I should like to have his opinion on what the future holds in store if we raise the level of retirement benefits and pension benefits generally. Does that foreshadow a rise in freight rates and passenger rates, with a resultant contribution to the spiral of inflation generally, with the possibility that a year or 2 years from now we shall have to come back and take further action in order to reach the higher level which the spiral produces?

Mr. DOUGLAS. There is no increase in the rate of taxation in the committee bill. The only increase which comes is from the raising of the tax base from \$300 to \$350 a month. That will bring in an added \$50,000,000 a year, half of which will be contributed by the workers and half by the railroads. The railroads will contribute an added \$25,000,000 a year.

The total wage bill at present is about \$6,000,000,000, I believe. So this would amount to something less than one-half of 1 percent of the wage bill, and therefore appreciably less than one-half of 1 percent of operating costs. So I do not believe that the program will contribute to inflation.

Furthermore, it must be remembered that there has been built up a reserve of about \$2,500,000,000 out of past contributions of the railroads and of the men. So in a sense we are contributing to workers the added protection which we thought we had accorded them when the act was originally passed. However, the protection has been made less adequate by the increase in the cost of living, over which they have had no control. So they are drawing on funds which they themselves have helped to contribute to meet contingencies which neither they nor the Congress anticipated.

Mr. CASE. I think it is beyond argument that the increase in living costs means that the dollar protection which was supposedly provided in prior legis-

lation would not today provide the protection in goods or in living comforts which was anticipated at the time of the prior enactment.

Mr. DOUGLAS. That is correct.

Mr. CASE. That is unquestionably true. Does the Senator feel that the reserves can be drawn upon without impairment?

Mr. DOUGLAS. I do not want to have the reserves treated in a cavalier fashion. I want to have them continue for a relatively long period of time. That is why I do not want to finance the increase in benefits exclusively from the existing reserves. All I am saying is that even with an estimated cost of 14.06 percent and contributions of 12½ percent, the reserves will last for approximately 30 years. Long before the expiration of that time—in fact, I think within the next 5 or 6 years—we should look over the entire system, in connection with social security, and see if there is not some way by which we can reduce the average charges while maintaining benefits.

Mr. CASE. In that connection, what the Senator has just said reminds me of another sentence in the report, which refers to the change in the tax base from the present maximum of \$300 a month to the new maximum of \$350. Then follows this sentence:

This preserves the historic difference between the tax base of the social-security system and the tax base of the railroad-retirement system.

The remark which the Senator has just made would suggest to me that possibly he saw in a general review and survey of the whole situation the possibility that the two might be drawn closer together. However, this sentence rather suggests that the pending legislation would preserve the historic difference. Would the Senator care to comment on that situation?

Mr. DOUGLAS. I think it is quite possible that instead of \$350 a month being too high for railroad workers, \$300 a month may be too low for those covered by social security.

Mr. CASE. It certainly is true that those who get an annuity or pension benefit based upon the tax base of a salary up to \$100 a month under present conditions receive an inadequate return so far as meeting living costs is concerned. Pension benefits must be supplemented in some other way.

Mr. DOUGLAS. Of course, the railroad benefit has always been tied much more closely to individual earnings, namely, 2½ percent of average earnings multiplied by the number of years of employment. So the railroad benefits have both been tied more closely to previous earnings, and have been larger in amount, than the straight old-age annuities to persons under social security. Social security has provided survivors' benefits which at the moment are in excess of railroad survivors' benefits; also the spouse's benefit, which the railroad system has not had at all. But so far as concerns the basic pension or annuity for retired workers, the railroad benefits have always been in excess of those under social security. It would

be very difficult to integrate the two systems.

Mr. CASE. If the Senator from Illinois will indulge me for one further question, he as a member of the committee may be conversant with the provisions of the bill which the House has passed. I am not. Can the Senator say—perhaps he has already said it, when I was not in the Chamber; if not, I would appreciate a statement for the RECORD—what constitutes the essential difference between the approach in the Senate bill and the approach in the bill passed by the House? What will be the issue in conference?

Mr. DOUGLAS. As I understand, the House committee bill provides a 15-percent increase in benefits to pensioners and annuitants. A similar provision is contained in the Senate committee bill. The House bill also provides an increase of 33½ percent for survivors. The Senate bill contains a similar provision. The two bills are identical up to that point.

Beyond that we add a spouse's benefit equivalent to half the employee's benefit, up to \$40 a month. Then, to provide added revenue, we raise the tax base from \$300 to \$350. In addition, we provide for a transfer between social security and railroad retirement, under which a short-time worker, who has been employed for less than 10 years, is transferred to social security; with a converse adjustment in the accounts of those who have been employed for more than 10 years.

Mr. CASE. Of course, it is impossible to predict what will happen in conference, but I am interested in knowing whether or not the Senator from Illinois has any information which would bear upon the probability that the conferees will reach an agreement before the adjournment of this session of Congress.

Mr. DOUGLAS. The Senator from Illinois is neither a prophet nor the son of a prophet, but he will say that an agreement such as that is devoutly to be wished.

If the Senator from South Dakota will turn to page 12 of the committee report, he will see some estimates on costs. The estimated cost under the House bill is 14.71 percent. The estimated cost under the Senate bill is 14.06 percent. In other words, we make very real savings from the increase in the tax base and from the transfer into social security.

Mr. CASE. I appreciate very much the observations of the Senator from Illinois. My question with regard to the conference was not in any way an attempt to lead the Senator on.

Mr. DOUGLAS. I understand.

Mr. CASE. I was thinking about the probable adjournment of Congress and the possibility of reaching some agreement on a bill. If action is to be taken it would be desirable, if possible, to complete action promptly so that the conference could take action and the conference report be acted upon before the adjournment of the session.

Mr. DOUGLAS. The House is due to take action on its measure tomorrow. I hope very much we can get an agreement and obtain passage of a bill on the subject before we adjourn.

Mr. CASE. I thank the Senator from Illinois.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the committee amendments may be considered en bloc and agreed to.

The PRESIDING OFFICER. With the reservation that any Senator may offer an amendment to any committee amendment?

Mr. DOUGLAS. Yes.

The PRESIDING OFFICER. The Senator from Illinois asks unanimous consent that the committee amendments be considered en bloc and agreed to, with the understanding that any Senator may have the right to offer amendments to the committee amendments. Is there objection? The Chair hears none. Without objection, the committee amendments are agreed to en bloc.

The committee amendments, agreed to en bloc, are as follows:

On page 2, line 8, before the word "by", to insert "and"; in line 11, after the word "phrase", to strike out the semicolon and "and by striking out the next to the last sentence of such subsection (a)"; after line 16, to strike out:

"Sec. 4. Subsection (d) of section 2 of the Railroad Retirement Act of 1937 as amended, is amended by inserting in the first sentence '(1)' after 'individual' and by changing the period at the end of the first sentence to a comma and inserting after the comma the following: 'or (ii) is receiving an annuity under paragraph 1, 2 or 3 of subsection (a), or under paragraph 4 or 5 thereof after attaining age sixty-five, is under the age of seventy-five, and shall earn more than \$50 in "wages" or be charged with more than \$50 in "net earnings" from self-employment"; or (iii) is receiving an annuity under paragraph 4 or 5 of subsection (a), is under the age of sixty-five, and shall earn more than \$100 in "wages" or be charged with more than \$100 in "net earnings from self-employment.""

And in lieu thereof to insert:

"Sec. 4. Section 4 of the Railroad Retirement Act of 1937, as amended, is amended by substituting for the phrase 'sixty days' in subsection (k) thereof the phrase 'six months.'"

On page 3, after line 12, to strike out:

"(e) For the purpose of this section and of subsection (1) of section 5, 'wages' shall mean wages as defined in section 209 of the Social Security Act, without regard to subsection (a) thereof; and 'net earnings from self-employment' shall be determined as provided in section 211 (a) of the Social Security Act and charged to correspond to the provisions of section 203 (c) of that act."

In line 20, to reletter the subsection from "(f)" to "(e)"; on page 4, line 6, after the word "than", to strike out "\$50" and insert "\$40"; in line 12, after the word "subsection", to insert "Provided further, That, if the annuity of the individual is awarded pursuant to a joint and survivor election, the spouse's annuity shall be computed or recomputed as though such individual had not made a joint and survivor election"; on page 5, line 1, after the word "this", to strike out "subsection" and insert "third proviso"; in line 6, to reletter the subsection from "(g)" to "(f)"; in line 22, to reletter the subsection from "(h)" to "(g)"; in the same line, after the word "subsection", to strike out "(f)" and insert "(e)"; in line 24, after "(d)", to strike out "with

regard to service, 'wages' and 'net earnings from self-employment'; on page 6, line 14, after the word "to", where it occurs the first time, to strike out "'2.80'" and insert "'2.76'"; in the same line, after the word "to", where it occurs the second time, to strike out "'2.00'" and insert "'2.07'"; in line 15, after the word "to", to strike out "'1.40'" and insert "'1.38'"; in line 22, before the word "by", to insert "and"; on page 7, line 12, after the word "pension" to insert: "as reduced pursuant to clause (1) or clause (ii) of this paragraph: *Provided, however,* That, in the case of any individual receiving or entitled to receive an annuity or pension on the day prior to the date of enactment of this proviso, the reductions required by this paragraph shall not operate to reduce the sum of (A) the retirement annuity or pension of the individual, (B) the spouse's annuity, if any, and (C) the benefits under the Social Security Act which the individual and his family receive or are entitled to receive on the basis of his wages, to an amount less than such sum was before the enactment of this paragraph."

On page 8, line 2, after the word "of", to strike out "400" and insert "350"; in line 7, after the word "to", to strike out "'sections'" and insert "'section'"; in line 8, after the word "(b)", to strike out "(4)"; in line 9, after the word "to", where it occurs the first time, to strike out "'\$4.10'" and insert "'\$4.14'"; in line 10, before the word "and", to strike out "'\$68'" and insert "'\$69'"; in line 24, after "(f)" to insert "and (g) (2)"; on page 9, line 3, after the numeral "5", to strike out "(1)" and insert "(1)"; in line 16, after the word "she" to strike out "and by substituting for the phrase 'an annuity for each month equal to three-fourths of the employee's basic amount' the following: 'a survivor's insurance annuity: *Provided, however,* and insert 'by striking out the phrase 'three-fourths of'; and by changing the period at the end thereof to a colon, and by inserting after the colon the following: "; in line 24, after the word "subsection", to strike out "(f)" and insert "(e)"; on page 10, line 1, after the word "the", to strike out "survivors" and insert "widow's or widower's"; in line 5, after the word "by", to strike out "substitute for the phrase 'an annuity for each month equal to three-fourths of the employee's basic amount' the following: 'a survivor's insurance annuity.'" and insert "striking out the phrase 'three-fourths of'; and by changing the period at the end thereof to a colon and inserting after the colon the following: "; in line 13, after the word "subsection", to strike out "(f)" and insert "(e)"; in line 14, after the word "the", to strike out "survivors" and insert "widow's current"; in line 19, after the word "phrase", to strike out "an annuity for each month equal to one-half of the employee's basic amount" the following: 'a survivor's insurance annuity: *Provided, however,* That if the employee is survived by more than one child entitled to an annuity hereunder, each such child's annuity shall be (1) two-thirds of a survivor's insurance annuity plus (ii) one-third of a survivor's insurance annuity divided by the number of such children'" and insert "'one-half" the phrase "two-thirds.""

On page 11, line 6, after the word "phrase", to strike out "'an annuity for each month equal to one-half of the employee's basic amount' the phrase 'a survivor's insurance annuity'" and insert "'one-half" the phrase "two-thirds"; in line 10, after the word "by", to strike out "striking out all after the phrase 'whose death' and substituting the following: 'the same two or more children are entitled to annuities for a month under subsection (c), any application of each such child shall be deemed to be filed with respect to the death of only that one

of such employees from whom may be derived a survivor's insurance annuity for each child under subsection (c) in an amount equal to or in excess of that which may be derived from any other of such employees." and insert "substituting for the phrase 'one-half' the phrase 'two-thirds'; in line 23, after the word 'the', to strike out 'word' and insert 'phrase'; in the same line, after the amendment just above stated, to strike out "'widow'" and insert "'widow,'""; in line 24, after the word 'this', to strike out 'word' and insert 'phrase'; in the same line, after the word 'appears' to insert 'in the first sentence, and after the phrase 'widow,' wherever this phrase appears in the fourth sentence; and"; on page 12, line 3, after the word 'sentence' to strike out "'twelve times the survivor's insurance annuity'" for "eight times the employee's basic amount"; by inserting after the first sentence thereof the following: "Upon the death, on or after the first day of the month next following the month of enactment hereof of a completely or partially insured employee who will have died leaving a widow, widower, child, or parent who would on proper application therefor be entitled to an annuity under this section for the month in which such death occurred, there shall be paid a lump sum of four times the survivor's insurance annuity to the person or persons in the order provided in this paragraph."; by inserting before "would" in the fourth sentence thereof the following: "of twelve times the survivor's insurance annuity"; by inserting in that sentence "widower," after the word "widow," wherever it appears, and by substituting in that sentence the phrase 'eight times the survivor's insurance annuity' for the phrase 'such lump sum' wherever it appears." and insert "for the word 'eight' the word 'ten'; on page 13, at the beginning of line 2, to strike out "\$400" and insert "\$350"; in line 3, after the word "to", to strike out "other" and insert "others"; in line 7, after the word "benefits", to strike out "paid" and insert "which"; in line 8, after "(k)", to insert "(1)"; in the same line, after the word "section", to insert "are paid"; in line 14, after "(k)" to insert "(1)"; on page 14, line 7, to strike out "annuity," and insert "annuity"; after line 7, to insert:

"(3) In the case of any individual receiving or entitled to receive an annuity under this section on the day prior to the date of enactment of the provisions of this paragraph, the application of paragraph (2) of this subsection to such individual shall not operate to reduce the sum of (A) the annuity under this section of such individual, (B) the retirement annuity, if any, of such individual, and (C) the benefits under the Social Security Act which such individual receives or is entitled to receive, to an amount less than such sum was before the enactment of the provisions of this paragraph."

In line 22, after the word "section" to strike out "the total of annuities payable for a month with respect to the death of an employee, after any adjustment pursuant to subsection (g) (2) and after any deductions under subsection (i), is more than \$40 and exceeds an amount equal to 2½ times a survivor's insurance annuity, such total of annuities shall, subject to the provisos in subsection (e) of section 3 and in subsections (a) and (b) of this section, be reduced proportionately to such amount or to \$40, whichever is greater. Whenever according to the provisions of this section the total of annuities payable for a month with respect to the death of an employee is less than \$20 such total shall, prior to any adjustment pursuant to subsection (g) (2) and prior to any deductions under subsection (i), be increased proportionately to \$20" and insert "as to annuities, payable for a month with respect to the death of an employee, the total of annuities is more than \$30 and exceeds

either (a) \$160, or (b) an amount equal to two and two-thirds times such employee's basic amount, whichever of such amounts is the lesser, such total of annuities shall, prior to any deductions under subsection (i), be reduced to such lesser amount or to \$30, whichever is greater. Whenever such total of annuities is less than \$14, such total shall, prior to any deductions under subsection (i), be increased to \$14." After line 20, to strike out:

"Sec. 21. (a) Subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by striking out subdivision (ii) of paragraph (1) and inserting in lieu thereof the following:

"(i) is under the age of 75 and will have earned more than \$50 in 'wages' or will have been charged with more than \$50 in 'net earnings from self-employment'; or."

"(b) Such subsection (1) is further amended by striking out subdivision (iii) thereof and by redesignating subdivision (iv) as subdivision (iii)."

And in lieu thereof to insert:

"Sec. 21. Subdivision (ii) of paragraph (1) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended, by substituting '\$50' for '\$25.'"

On page 17, after line 13, to strike out:

"(b) Paragraph (2) of the said subsection (k) is amended by changing '1950' to '1956'; by inserting after the word 'awards' where it first appears the following: 'and in administering the proviso in section 3 (c) of this act'; by substituting 'Federal Security Administrator' for 'Social Security Board'; and by striking out from said paragraph (2) all after the phrase 'such legislative changes as' and substituting the following: 'would be necessary to place the Federal Old-Age and Survivors Insurance Trust Fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act.'"

And in lieu thereof to insert:

"(b) Subsection (k) (2) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting the following:

"(2) (A) The Board and the Federal Security Administrator shall determine, no later than January 1, 1954, the amount which would place the Federal old-age and survivors insurance trust fund (hereafter termed "trust fund") in the same position in which it would have been at the close of the fiscal year ending June 30, 1952, if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act.

"(B) On January 1, 1954, for the fiscal year ending June 30, 1953, and at the close of each fiscal year beginning with the fiscal year ending June 30, 1954, the Board and the Federal Security Administrator shall determine, and the Board shall certify to the Secretary of the Treasury for transfer from the railroad retirement account (hereafter termed "retirement account") to the trust fund, interest for such fiscal year at the rate specified in subparagraph (D) on the amount determined under subparagraph (A) less the sum of all offsets made under subparagraph (C).

"(C) At the close of the fiscal year ending June 30, 1953, and each fiscal year thereafter, the Board and the Federal Security Administrator shall determine the amount, if any, which if added to or subtracted from the trust fund would place such trust fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act. For

the purposes of this subparagraph, the amount determined under subparagraph (A), less such offsets as have theretofore been made under this subparagraph, and the amount determined under subparagraph (B) for the fiscal year under consideration shall be deemed to be part of the trust fund. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the trust fund, the Board shall, within 10 days after the determination, certify such amount to the Secretary of the Treasury for transfer from the retirement account to the trust fund; if such amount is to be subtracted from the trust fund, the Administrator shall, within 10 days after the determination, certify such amount to the Secretary of the Treasury for transfer from the trust fund to the retirement account. The amount so certified shall further include interest (at the rate determined in subparagraph (D) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification. In the event the Administrator is required under the provisions of this subparagraph to certify to the Secretary of the Treasury an amount to be transferred to the retirement account from the trust fund, the Administrator, in lieu of such certification, may offset the amount determined under the first sentence of this subparagraph against the amount determined in subparagraph (A) as diminished by any prior offsets and the offset shall be made to be effective as of the first day of the fiscal year following the fiscal year under consideration.

"(D) For the purposes of subparagraphs (B) and (C), for any fiscal year, the rate of interest to be used shall be equal to the average rate of interest, computed as of May 31 preceding the close of such fiscal year, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest shall be the multiple of one-eighth of 1 percent next lower than such average rate.

"(E) The Secretary of the Treasury is authorized and directed to transfer to the Trust Fund from the Retirement Account or to the Retirement Account from the Trust Fund, as the case may be, such amounts as, from time to time, may be determined by the Board and the Federal Security Administrator pursuant to the provisions of subparagraphs (B) and (C) of this subsection, and certified by the Board or the Administrator for transfer from the Retirement Account or from the Trust Fund."

On page 21, line 20, after the word "pension", to strike out "began." For the purposes of subsections (b) and (i) (1) (iii) of this section, the term "widow" shall include a woman who has been divorced from the employee if she (A) is the mother of his son or daughter, (B) legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of 18, or (C) was married to him at the time both of them legally adopted a child under the age of 18; and if she received from the employee (pursuant to agreement or court order) at least one-half of her support at the time of the employee's death, and the child in her care referred to in subsection (b) is the child described in clauses (A), (B), and (C) entitled to a survivor's insurance annuity under subsection (c) with respect to the death of such employee;" and insert "began.;" on page 22, line 14, after the word "uncle", to strike out "by substituting in subdivision (iii) for the phrase 'shall have been wholly dependent upon and supported at the time of his death by' the phrase 'shall have received at least one-half of his support from'; by changing the semicolon after the phrase 'is claimed' in said subdivision (iii) to a period

and striking out the portion of the sentence following that phrase." and insert "and by amending subdivision (iii) to read as follows: '(iii) a "parent" shall have received, at the time of the death of the employee to whom the relationship of parent is claimed, at least one-half of his support from such employee.'"; on page 23, line 11, after the word "subsection", to strike out "(g)" and insert "(f)"; after line 24, to strike out:

"(c) Paragraph (6) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by striking '(a) after "209" and by inserting after the word "Act", the following: ', and, in addition (i) "self-employment income" as defined in section 211 (b) of that act and (ii) wages deemed to have been paid under section 217 (a) of that act on account of military service which is not creditable under section 4 of this act.'"

And in lieu thereof, to insert:

"(c) Paragraph (6) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(6) The term "wages" shall mean wages as defined in section 209 of the Social Security Act (except that for the purposes of section 5 (1) (1) (ii) of this act such wages shall be determined without regard to subsection (a) of said sec. 209). In addition, the term shall include (i) "self-employment income" as defined in section 211 (b) of the Social Security Act (and in determining "self-employment income" the "net earnings from self-employment" shall be determined as provided in section 211 (a) of such act and changed to correspond with the provisions of section 203 (e) of such act), and (ii) wages deemed to have been paid under section 217 (a) of the Social Security Act on account of military service which is not creditable under section 4 of this act."

On page 26, line 4, after the word "over", to strike out "\$400" and insert "\$350"; in line 18, after the word "quarters", to strike out "after" and insert "beginning with"; after line 23, to strike out:

"(g) Paragraph (10) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting the phrase "survivor's insurance annuity" for the phrase "basic amount" wherever this phrase appears; by substituting in subdivisions (i) and (ii) of said paragraph '\$100' for '\$75'; and substituting for '\$250' in subdivision (i) the following: '\$400 if wages are not included in the average monthly remuneration, or \$300 if wages are included'; and by striking out from subdivision (i) all the language after the phrase 'plus (C)', up to and including the phrase 'or more', and by substituting for said language the following: '\$1 for each of his years of service after 1936'; by substituting in said subdivision (i) '\$20' for '\$10' wherever the latter figures appear; by substituting in subdivision (ii) of said paragraph the phrase 'the survivor's insurance annuity' for the phrases 'the amount computed under his subdivision' and 'such amount'; by substituting '\$35' for '\$33.33', and for '\$25' and substituting '\$15' for '\$13.33' and '\$300' for '\$250', and by striking out the phrase 'four-thirds of.'"

And in lieu thereof, to insert:

"(g) Paragraph (10) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting in subdivision (i) for '\$250' the following: '\$350 if wages are not included in the average monthly remuneration, or \$300 if wages are included'; by substituting in said subdivision (i) '\$14' for '\$10'; and by substituting '\$300' for '\$250' in subdivision (ii) thereof."

On page 28, line 8, after the numerals "1951", to insert "for services rendered after such date"; in line 10, after the word "figures" to strike out "\$400" and insert "\$350"; in line 19, after the word "of", to

strike out "retirement and"; in line 20, after the word "the", to strike out "monthly compensation and average monthly remuneration" and insert "basic amount"; in line 22, after the word "recomputed", to strike out "but shall be increased to the next highest multiple of \$1"; in line 24, after the numeral "3", to insert "4"; in line 25, after the word "act", to strike out "and the elimination of the language in section (3) (b) of the Railroad Retirement Act"; on page 29, line 2, after the word "part", to insert "on or"; in the same line, after the word "the", to insert "date of"; after line 3, to strike out:

"(c) The amendments made by sections 4 and 21 with respect to 'wages' and 'net earnings from self-employment' shall not apply to 'wages' from service, or to 'net earnings from self-employment' in which an individual (other than a disability annuitant under the age of 65) in receipt of an annuity on the enactment date hereof was engaged on such date without forfeiting the annuity."

In line 11, to reletter the subsection from "(d)" to "(c)"; in line 13, after the word "occurring", to insert "on or"; in the same line, after the word "the", to insert "date of"; after line 13, to strike out:

"(c) With respect to retirement and survivor annuities currently payable and awarded under the Railroad Retirement Act prior to the enactment of this act, and with respect to the death of, individuals who have completed less than 10 years of service, and with respect to spouses of such individuals during such individuals' lifetime, the amendments made by this act shall apply in the same manner as to, and with respect to the death of, individuals who have completed 10 years of service."

After line 22, to insert:

"(d) In the case of any retirement or survivor annuity awarded under the Railroad Retirement Acts prior to the date of enactment of this act and currently payable, if such annuity was awarded to, or with respect to the death of, any individual who has completed less than 10 years of service, then the amendments made by this act shall apply with respect to such annuity as if such individual had met the requirement of 10 years of service which is imposed as a condition to benefits under the Railroad Retirement Act of 1937, as amended by this act. In addition, the spouse of any such individual shall not, during such individual's lifetime, be barred from a spouse's annuity under such act by reason of the fact that such individual has completed less than 10 years of service."

"(e) Where the parent of a deceased employee has, prior to the date of enactment of this act, been awarded a survivor annuity under the railroad retirement acts which is currently payable, the entitlement of such parent to a survivor's annuity in accordance with the amendments made by this act shall be determined without regard to whether or not such employee died leaving a 'widow' or 'widower,' as defined in this act."

On page 31, line 8, after the word "the", to insert "month of"; in line 13, after the word "spouse", to insert "as used in this act"; in line 15, after the word "under", to strike out "that" and insert "the Railroad Retirement"; in the same line, after the word "act", to insert "of 1935"; on page 32, after line 2, to strike out:

(j) All recertifications required by reason of the provisions of this act other than section 10 shall be made without application therefor. Recertifications pursuant to sections 9 and 10 of this act shall be made only upon application therefor in such manner and form, and filed within such time as the Railroad Retirement Board may prescribe."

And in lieu thereof to insert:

"(j) All recertifications by the Railroad Retirement Board required by reason of the provisions of this act other than section 10

shall be made without application therefor. Recertifications pursuant to section 10 of this act shall be made only upon application therefor in such manner and form and filed within such time as the Railroad Retirement Board may prescribe."

And after line 16, to insert:

"AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"SEC. 28. Section 1 (k) of the Railroad Unemployment Insurance Act, as amended, is amended by adding at the end of the first paragraph thereof the following: "Provided further, That any calendar day on which no remuneration is payable to or accrues to an employee solely because of the application to him of mileage or work restrictions agreed upon in schedule agreements between employers and employees or solely because he is standing by for or laying over between regularly assigned trips or tours of duty shall not be considered either a day of unemployment or a day of sickness."

"SEC. 29. Subsection (a-1) of section 4 of the Railroad Unemployment Insurance Act, as amended, is amended by striking out all of subsections (iii) and (iv) thereof.

"SEC. 30. The provisions of sections 28 and 29 of this act shall become effective with respect to registration periods beginning on and after January 1, 1952."

So as to make the bill read:

"Be it enacted, etc., That section 1 of the Railroad Retirement Act of 1937, as amended, is amended by substituting in the last sentence of subsection (f) thereof the phrase 'one hundred twenty-six' for the phrase 'fifty-four' and by adding after subsection (p) thereof a new subsection as follows:

"(q) The terms 'Social Security Act' and 'Social Security Act, as amended' shall mean the Social Security Act as amended in 1950."

"SEC. 2. Subsection (a) of section 2 of the Railroad Retirement Act of 1937, as amended, is amended by inserting in the first sentence thereof, after 'enactment date,' the following: 'and shall have completed 10 years of service,'; and by inserting in the first sentence of paragraph 5 of said subsection a period after the phrase 'regular employment' and striking out all of that sentence following that phrase.

"SEC. 3. Subsection (c) of section 2 of the Railroad Retirement Act of 1937, as amended, is amended by substituting for the phrase 'sixty days', the phrase 'six months'.

"SEC. 4. Section 4 of the Railroad Retirement Act of 1937, as amended, is amended by substituting for the phrase 'sixty days' in subsection (k) thereof the phrase 'six months'.

"SEC. 5. Section 2 of the Railroad Retirement Act of 1937, as amended, is amended by adding after subsection (d) thereof the following new subsections:

"(e) Spouse's annuity: The spouse of an individual, if—

"(1) such individual has been awarded an annuity under subsection (a) or a pension under section 6 and has attained the age of 65, and

"(2) such spouse has attained the age of 65 or in the case of a wife, has in her care (individually or jointly with her husband) a child who, if her husband were then to die, would be entitled to a child's annuity under subsection (c) of section 5 of this act,

shall be entitled to a spouse's annuity equal to one-half of such individual's annuity or pension, but not more than \$40: *Provided, however,* That if the annuity of the individual is awarded under paragraph 3 of subsection (a), the spouse's annuity shall be computed or recomputed as though such individual had been awarded the annuity to which he would have been entitled under paragraph 1 of said subsection: *Provided further,* That if the annuity of the individual is awarded pursuant to a joint and survivor

election, the spouse's annuity shall be computed or recomputed as though such individual had not made a joint and survivor election: *And provided further*, That any spouse's annuity shall be reduced by the amount of any annuity and the amount of any monthly insurance benefit, other than a wife's or husband's insurance benefit, to which such spouse is entitled, or on proper application would be entitled, under subsection (a) of this section or subsection (d) of section 5 of this act or section 202 of the Social Security Act; except that if such spouse is disintituled to a wife's or husband's insurance benefit, or has had such benefit reduced, by reason of subsection (k) of section 202 of the Social Security Act, the reduction pursuant to this third proviso shall be only in the amount by which such spouse's monthly insurance benefit under said act exceeds the wife's or husband's insurance benefit to which such spouse would have been entitled under that act but for said subsection (k).

"(f) For the purposes of this act, the term "spouse" shall mean the wife or husband of a retirement annuitant or pensioner who (i) was married to such annuitant or pensioner for a period of not less than 3 years immediately preceding the day on which the application for a spouse's annuity is filed, or is the parent of such annuitant's or pensioner's son or daughter, if, as of the day on which the application for a spouse's annuity is filed, such wife or husband and such annuitant or pensioner were members of the same household, or such wife or husband was receiving regular contributions from such annuitant or pensioner toward her or his support, or such annuitant or pensioner has been ordered by any court to contribute to the support of such wife or husband; and (ii) in the case of a husband, was receiving at least one-half of his support from his wife at the time his wife's retirement annuity or pension began.

"(g) The spouse's annuity provided in subsection (e) shall, with respect to any month, be subject to the same provisions of subsection (d) as the individual's annuity, and, in addition, the spouse's annuity shall not be payable for any month if the individual's annuity is not payable for such month (or, in the case of a pensioner, would not be payable if the pension were an annuity) by reason of the provisions of said subsection (d). Such spouse's annuity shall cease at the end of the month preceding the month in which (i) the spouse or the individual dies, (ii) the spouse and the individual are absolutely divorced, or (iii), in the case of a wife under age 65, she no longer has in her care a child who, if her husband were then to die, would be entitled to an annuity under subsection (c) of section 5 of this act."

"Sec. 6. Subsection (a) of section 3 of the Railroad Retirement Act of 1937, as amended, is amended by changing '2.40' to '2.76', '1.80' to '2.07', and '1.20' to '1.38'; and by striking out the phrase 'next 1.50'; and substituting for said phrase the following: 'remainder of his "monthly compensation."'

"Sec. 7. Subsection (b) of section 3 of the Railroad Retirement Act of 1937, as amended, is amended by substituting (in each instance in the parenthetic phrase of par. (1)) 'his "monthly compensation"' for '\$300'; and by striking out all of paragraph (4) and inserting in lieu thereof the following paragraph:

"The retirement annuity or pension of an individual, and the annuity of his spouse, if any, shall be reduced, beginning with the month in which such individual is, or on proper application would be, entitled to an old-age insurance benefit under the Social Security Act, as follows: (1) in the case of the individual's retirement annuity, by that portion of such annuity which is based on his years of service and compensation before

1937, or by the amount of such old age insurance benefit, whichever is less, (ii) in the case of the individual's pension, by the amount of such old-age insurance benefit, and (iii) in the case of the spouse's annuity, to one-half the individual's retirement annuity or pension as reduced pursuant to clause (i) or clause (ii) of this paragraph: *Provided, however*, That, in the case of any individual receiving or entitled to receive an annuity or pension on the day prior to the date of enactment of this proviso, the reductions required by this paragraph shall not operate to reduce the sum of (A) the retirement annuity or pension of the individual, (B) the spouse's annuity, if any, and (C) the benefits under the Social Security Act which the individual and his family receive or are entitled to receive on the basis of his wages, to an amount less than such sum was before the enactment of this paragraph."

"Sec. 8. Subsection (c) of section 3 of the Railroad Retirement Act of 1937, as amended, is amended by inserting in the last sentence thereof after '\$300' the following: 'through the calendar year 1951, and in excess of \$350 thereafter.'"

"Sec. 9. Subsection (e) of section 3 of the Railroad Retirement Act of 1937, as amended, is amended by striking out the phrase 'and not less than 5 years of service'; by changing the phrase 'subsection 2 (a) (3)' to 'section 2 (a) 3 or the last paragraph of section 3 (b)'; by changing '\$3.60' to '\$4.14', and '\$60' to '\$69'; and by changing the period at the end of the subsection to a colon and inserting after the colon the following: '*Provided, however*, That if for any entire month in which an annuity accrues and is payable under this act the annuity to which an employee is entitled under this act (or would have been entitled except for a reduction pursuant to sec. 2 (a) 3 or a joint and survivor election), together with his or her spouse's annuity, if any, or the total of survivor annuities under this act deriving from the same employee, is less than the amount, or the additional amount, which would have been payable to all persons for such month under the Social Security Act (deeming completely and partially insured individuals to be fully and currently insured, respectively, and disregarding any possible deductions under subsec. (f) and (g) (2) of sec. 203 thereof) if such employee's service as an employee after December 31, 1936, were included in the term "employment" as defined in that act and quarters of coverage were determined in accordance with section 5 (1) (4) of this act, such annuity or annuities, shall be increased proportionately to a total of such amount or such additional amount.'"

"Sec. 10. Section 3 of the Railroad Retirement Act of 1937, as amended, is amended by striking out subsection (h) thereof.

"Sec. 11. Subsection (i) of section 3 of the Railroad Retirement Act of 1937, as amended, is amended by redesignating it as subsection (h).

"Sec. 12. Subsection (a) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting 'and Widower's' after 'Widow's'; by inserting 'or widower' after 'widow'; by inserting 'or his' after 'her'; by inserting 'or he' after 'she'; by striking out the phrase 'three-fourths of'; and by changing the period at the end thereof to a colon, and by inserting after the colon the following: '*Provided, however*, That if in the month preceding the employee's death the spouse of such employee was entitled to a spouse's annuity under subsection (e) of section 2 in an amount greater than the widow's or widower's insurance annuity, the widow's or widower's insurance annuity shall be increased to such greater amount.'"

"Sec. 13. Subsection (b) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by striking out the

phrase 'three-fourths of'; and by changing the period at the end thereof to a colon and inserting after the colon the following: '*Provided, however*, That if in the month preceding the employee's death the spouse of such employee was entitled to a spouse's annuity under subsection (e) of section 2 in an amount greater than the widow's current insurance annuity, the widow's current insurance annuity shall be increased to such greater amount.'"

"Sec. 14. Subsection (c) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting for the phrase 'one-half' the phrase 'two-thirds.'"

"Sec. 15. Subsection (d) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting, 'no widower,' after 'widow'; and by substituting for the phrase 'one-half' the phrase 'two-thirds.'"

"Sec. 16. Subsection (e) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting for the phrase 'one-half' the phrase 'two-thirds.'"

"Sec. 17. Subsection (f) (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting 'widower,' after the phrase 'widow,' where this phrase first appears in the first sentence, and after the phrase 'widow,' wherever this phrase appears in the fourth sentence; and by substituting in the first sentence for the word 'eight' the word 'ten.'"

"Sec. 18. Subsection (f) (2) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting 'widower,' after the word 'widow' wherever this word appears; by inserting 'or her' after the words 'his' and 'him' wherever these words appear, by inserting after '\$300' the following: 'through the calendar year 1951 and \$350 thereafter'; by inserting immediately before ', or to others' in the first sentence the following: ', and to others deriving from him or her, during his or her life.'; by changing the period at the end of said subsection to a comma and by inserting after the comma the following: 'except that the deductions of the benefits which, pursuant to subsection (k) (1) of this section, are paid under section 202 of the Social Security Act, during the life of the employee to him or to her and to others deriving from him or her, shall be limited to such portions of such benefits as are payable solely by reason of the inclusion of service as an employee in "employment" pursuant to said subsection (k) (1).'

"Sec. 19. Subsection (g) (2) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(2) If an individual is entitled to more than one annuity for a month under this section, such individual shall be entitled only to that one of such annuities for a month which is equal to or exceeds any other such annuity. If an individual is entitled to an annuity for a month under this section and is entitled, or would be so entitled on proper application therefor, for such month to an insurance benefit under section 202 of the Social Security Act, the annuity of such individual for such month under this section shall be only in the amount by which it exceeds such insurance benefit. If an individual is entitled to any annuity for a month under this section and also to a retirement annuity, the annuity of such individual for a month under this section shall be only in the amount by which it exceeds such retirement annuity.

"(3) In the case of any individual receiving or entitled to receive an annuity under this section on the day prior to the date of enactment of the provisions of this paragraph, the application of paragraph (2) of this subsection to such individual shall not operate to reduce the sum of (A) the an-

nunity under this section of such individual, (B) the retirement annuity, if any, of such individual, and (C) the benefits under the Social Security Act which such individual receives or is entitled to receive, to an amount less than such sum was before the enactment of the provisions of this paragraph.

"Sec. 20. Subsection (h) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(h) Maximum and minimum annuity totals: Whenever according to the provisions of this section as to annuities, payable for a month with respect to the death of an employee, the total of annuities is more than \$30 and exceeds either (a) \$160, or (b) an amount equal to two and two-thirds times such employee's basic amount, whichever of such amounts is the lesser, such total of annuities shall, prior to any deductions under subsection (i), be reduced to such lesser amount or to \$30, whichever is greater. Whenever such total of annuities is less than \$14, such total shall, prior to any deductions under subsection (i), be increased to \$14."

Sec. 21. Subdivision (ii) of paragraph (1) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended, by substituting "\$50" for "\$25."

Sec. 22. Subsection (j) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by striking out all of the third sentence thereof after the phrase "the month in which" (including the proviso), and substituting the following: "eligibility therefor was otherwise acquired, but not earlier than the first day of the sixth month before the month in which the application was filed."

Sec. 23. (a) Paragraph (1) of subsection (k) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting "(1)" after the word "determining" and by inserting in said paragraph after the word "Act" where it first appears the following: "to an employee who will have completed less than 10 years of service and to others deriving from him or her during his or her life and with respect to his or her death, and lump-sum death payments with respect to the death of such employee, and (ii) insurance benefits with respect to the death of an employee who will have completed 10 years of service"; by striking in said paragraph after "1947," the following: "to a widow, parent, or surviving child,"; by inserting before the word "occurring" the phrase "of such an employee"; by inserting after the phrase "such date" the following: ", and for the purposes of section 203 of that act"; by substituting in said paragraph "210 (a) (10)" for "209 (b) (9)"; and by inserting at the end of such paragraph (1) the following sentence: "In the application of the Social Security Act pursuant to this paragraph to service as an employee, all service as defined in section 1 (c) of this act shall be deemed to have been performed within the United States."

"(b) Subsection (k) (2) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting the following:

"(2) A) The Board and the Federal Security Administrator shall determine, no later than January 1, 1954, the amount which would place the Federal Old-Age and Survivors Insurance Trust Fund (hereafter termed "Trust Fund") in the same position in which it would have been at the close of the fiscal year ending June 30, 1952, if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act.

"(B) On January 1, 1954, for the fiscal year ending June 30, 1953, and at the close of each fiscal year beginning with the fiscal year ending June 30, 1954, the Board and the Federal Security Administrator shall

determine, and the Board shall certify to the Secretary of the Treasury for transfer from the Railroad Retirement Account (hereafter termed "Retirement Account") to the Trust Fund, interest for such fiscal year at the rate specified in subparagraph (D) on the amount determined under subparagraph (A) less the sum of all offsets made under subparagraph (C).

"(C) At the close of the fiscal year ending June 30, 1953, and each fiscal year thereafter, the Board and the Federal Security Administrator shall determine the amount, if any, which if added to or subtracted from the Trust Fund would place such Trust Fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act. For the purposes of this subparagraph, the amount determined under subparagraph (A), less such offsets as have theretofore been made under this subparagraph, and the amount determined under subparagraph (B) for the fiscal year under consideration shall be deemed to be part of the Trust Fund. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the Trust Fund, the Board shall, within 10 days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Trust Fund; if such amount is to be subtracted from the Trust Fund, the Administrator shall, within 10 days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined in subparagraph (D) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification. In the event the Administrator is required under the provisions of this subparagraph to certify to the Secretary of the Treasury an amount to be transferred to the Retirement Account from the Trust Fund, the Administrator, in lieu of such certification, may offset the amount determined under the first sentence of this subparagraph against the amount determined in subparagraph (A) as diminished by any prior offsets and the offset shall be made to be effective as of the first day of the fiscal year following the fiscal year under consideration.

"(D) For the purposes of subparagraphs (B) and (C), for any fiscal year, the rate of interest to be used shall be equal to the average rate of interest, computed as of May 31, preceding the close of such fiscal year, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest shall be the multiple of one-eighth of 1 percent next lower than such average rate.

"(E) The Secretary of the Treasury is authorized and directed to transfer to the Trust Fund from the Retirement Account or to the Retirement Account from the Trust Fund, as the case may be, such amounts as, from time to time, may be determined by the Board and the Federal Security Administrator pursuant to the provisions of subparagraphs (B) and (C) of this subsection, and certified by the Board or the Administrator for transfer from the Retirement Account or from the Trust Fund."

"Sec. 24. (a) (1) Paragraph (1) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting "widower", after "widow", where this word first appears; by substituting '216 (c), (e), and (g)' for '209 (j) and (k)', and by substituting '202 (h)' for '202 (f)'

"(2) The said paragraph (1) is further amended by striking out subdivision (i) thereof and inserting in lieu of such subdivision the following:

"(1) a "widow" or "widower" shall have been living with the employee at the time of the employee's death; a widower shall have received at least one-half of his support from his wife employee at the time of her death or he shall have received at least one-half of his support from his wife employee at the time her retirement annuity or pension began."

"(3) The said paragraph (1) is further amended by inserting in subdivision (ii) after the phrase 'such death' the following: 'by other than a step parent, grand parent, aunt, or uncle'; and by amending subdivision (iii) to read as follows: '(iii) a "parent" shall have received, at the time of the death of the employee to whom the relationship of parent is claimed, at least one-half of his support from such employee.'

"(4) Paragraph (1) of the said subsection (1) is further amended by substituting for all the matter which follows subdivision (iii) the following: 'A "widow" or "widower" shall be deemed to have been living with the employee if the conditions set forth in section 216 (h) (2) or (3), whichever is applicable, of the Social Security Act are fulfilled. A "child" shall be deemed to have been dependent upon a parent if the conditions set forth in section 202 (d) (3), (4), or (5) of the Social Security Act are fulfilled (a partially insured mother being deemed currently insured). In determining for purposes of this section and subsection (f) of section 2 whether an applicant is the wife, husband, widow, widower, child, or parent of an employee as claimed, the rules set forth in section 216 (h) (1) of the Social Security Act shall be applied;'

"(b) Paragraph (4) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting after the table the following: 'If upon computation of the compensation quarters of coverage in accordance with the above table an employee is found to lack a completely or partially insured status which he would have if compensation paid in a calendar year were presumed to have been paid in equal proportions with respect to all months in the year in which the employee will have been in service as an employee, such presumption shall be made.'

"(c) Paragraph (6) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(6) The term "wages" shall mean wages as defined in section 209 of the Social Security Act (except that for the purposes of section 5 (1) (1) (ii) of this act such wages shall be determined without regard to subsection (a) of said section 209). In addition, the term shall include (i) "self-employment income" as defined in section 211 (b) of the Social Security Act (and in determining "self-employment income" the "net earnings from self-employment" shall be determined as provided in section 211 (a) of such act and charged to correspond with the provisions of section 203 (e) of such act), and (ii) wages deemed to have been paid under section 217 (a) of the Social Security Act on account of military service which is not creditable under section 4 of this act.'

"(d) Paragraph (7) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by inserting before the word 'had' the phrase 'completed 10 years of service and will have'; and by inserting in the parenthetical phrase in subdivision (1), after the word 'quarter' the following: 'which is not a quarter of coverage and.'

"(e) Paragraph (8) of subsection (1) of section 5 of the Railroad Retirement Act of

1937, as amended, is amended to read as follows:

"(8) An employee will have been "partially insured" at the time of his death, whether before or after the enactment of this section, if it appears to the satisfaction of the Board that he will have completed 10 years of service and will have had (i) a current connection with the railroad industry; and (ii) six or more quarters of coverage in the period ending with the quarter in which he will have died or in which a retirement annuity will have begun to accrue to him and beginning with the third calendar year next preceding the year in which such event occurs."

"(f) Paragraph (9) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by changing the language before the first proviso to read as follows:

"(9) An employee's "average monthly remuneration" shall mean the quotient obtained by dividing (A) the sum of (i) the compensation paid to him after 1936 and before the quarter in which he will have died, eliminating any excess over \$300 for any calendar month through 1951, and any excess over \$350 for any calendar month after 1951, and (ii) if such compensation for any calendar year is less than \$3,600 and the average monthly remuneration computed on compensation alone is less than \$300 and the employee has earned in such calendar year "wages" as defined in paragraph (6) hereof, such wages, in an amount not to exceed the difference between the compensation for such year and \$3,600, by (B) three times the number of quarters elapsing after 1936 and before the quarter in which he will have died; by inserting in the second proviso after the word "quarter" the following: "which is not a quarter of coverage and"; and by changing the period at the end of said proviso to a colon and adding the following: "And provided further, That if the exclusion from the divisor of all quarters beginning with the first quarter in which the employee was completely insured and had attained the age of 65 and the exclusion from the dividend of all compensation and wages with respect to such quarters would result in a higher average monthly remuneration, such quarters, compensation and wages shall be so excluded."

"(g) Paragraph (10) of subsection (1) of section 5 of the Railroad Retirement Act of 1937, as amended, is amended by substituting in subdivision (1) for "\$250" the following: "\$350 if wages are not included in the average monthly remuneration, or \$300 if wages are included"; by substituting in said subdivision (1) "\$14" for "\$10"; and by substituting "\$300" for "\$250" in subdivision (ii) thereof.

"Sec. 25. Section 17 of the Railroad Retirement Act of 1937, as amended, is amended by striking out subsection (b) of."

"AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

"Sec. 26. Sections 1500, 1501 (a), 1510, and 1520 of the Railroad Retirement Tax Act are amended, effective with respect to compensation paid after December 31, 1951, for services rendered after such date, by substituting for the figures "\$300", wherever they appear in said sections, the figures "\$350."

"EFFECTIVE DATES

"Sec. 27. (a) Except as otherwise specifically provided the amendments made by this act shall take effect with respect to benefits accruing under the Railroad Retirement Acts and the Social Security Act after the last day of the month in which this act is enacted, irrespective of when service or employment occurred or compensation or wages were earned: *Provided, however,* That in the recomputation pursuant to this act of sur-

vivor annuities heretofore awarded, the basic amount shall not be recomputed.

"(b) The amendments made by sections 3, 4, and 22 of this act shall apply to benefits awarded in whole or in part on or after the date of enactment of this act.

"(c) The amendments made by sections 17 and 18 of this act shall take effect with respect of deaths occurring on or after the date of enactment of this act.

"(d) In the case of any retirement or survivor annuity awarded under the railroad retirement acts prior to the date of enactment of this act and currently payable, if such annuity was awarded to, or with respect to the death of, any individual who has completed less than 10 years of service, then the amendments made by this act shall apply with respect to such annuity as if such individual had met the requirement of 10 years of service which is imposed as a condition to benefits under the Railroad Retirement Act of 1937, as amended by this act. In addition, the spouse of any such individual shall not, during such individual's lifetime, be barred from a spouse's annuity under such act by reason of the fact that such individual has completed less than 10 years of service.

"(e) Where the parent of a deceased employee has, prior to the date of enactment of this act, been awarded a survivor annuity under the railroad retirement acts which is currently payable, the entitlement of such parent to a survivor's annuity in accordance with the amendments made by this act shall be determined without regard to whether or not such employee died leaving a "widow" or "widower," as defined in this act.

"(f) All joint and survivor annuities heretofore and hereafter awarded shall, notwithstanding the provisions of law under which the election of the joint and survivor annuity was made, be increased to the amount that would have been payable had no election been made, if the spouse for whom the election was made predeceased the individual who made the election; such increased annuity shall, subject to the provisions of section 2 (c) of the Railroad Retirement Act of 1937, as amended, begin to accrue on the first of the calendar month following the calendar month in which the spouse died but not before the calendar month next following the month of enactment hereof.

"(g) All pensions due in months following the first calendar month after the month of enactment hereof, shall be increased by 15 percent.

"(h) The increase in retirement annuities provided by this act shall apply also to annuities heretofore awarded under the Railroad Retirement Act of 1935, and the term "spouse" as used in this act shall include the wife or husband of an employee who has been awarded an annuity under the Railroad Retirement Act of 1935. The provisions of this act shall not apply to annuities heretofore paid under the railroad retirement acts in lump sums equal to their commuted values.

"(i) The annuity of the spouse of an employee who has been awarded an annuity under section 3 (b) of the Railroad Retirement Act of 1935 or under section 2 (a) 2 (b) of the Railroad Retirement Act of 1937 prior to its amendment by Public Law 572, Seventy-ninth Congress, shall, subject to the provisions of this act, be one-half the annuity such employee would have received had the annuity been awarded at age 65.

"(j) All recertifications by the Railroad Retirement Board required by reason of the provisions of this act other than section 10 shall be made without application therefor. Recertifications pursuant to section 10 of this act shall be made only upon application therefor in such manner and form, and filed within such time as the Railroad Retirement Board may prescribe.

"AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"Sec. 28. Section 1 (k) of the Railroad Unemployment Insurance Act, as amended, is amended by adding at the end of the first paragraph thereof the following: "Provided further, That any calendar day on which no remuneration is payable to or accrues to an employee solely because of the application to him of mileage or work restrictions agreed upon in schedule agreements between employers and employees or solely because he is standing by for or laying over between regularly assigned trips or tours of duty shall not be considered either a day of unemployment or a day of sickness."

"Sec. 29. Subsection (a-1) of section 4 of the Railroad Unemployment Insurance Act, as amended, is amended by striking out all of subsections (iii) and (iv) thereof.

"Sec. 30. The provisions of sections 28 and 29 of this act shall become effective with respect to registration periods beginning on and after January 1, 1952."

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the suggestion of the absence of a quorum may be withdrawn and that the order for the call of the roll may be rescinded.

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

The committee amendments to the bill having been agreed to en bloc, the question is, Are there any further amendments to be offered to the bill?

If there are no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1347) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 467. An act to authorize the exchange of wildlife refuge lands within the State of Minnesota; and

S. 509. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718d), as amended.

The message also announced that the House insisted upon its amendments to the bill (S. 1335) to readjust size and weight limitations on fourth-class (parcel post) mail; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. BURNSIDE, and Mr. REES of Kansas were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 537. An act to further amend the Communications Act of 1934;

S. 1450. An act to provide for the exchange of certain lands owned by the United States of America for certain privately owned lands;

H. R. 732. An act for the relief of Konstantios N. Bellos;

H. R. 782. An act conferring United States citizenship posthumously upon Siegfried Oberdorfer;

H. R. 794. An act for the relief of Arthur E. Hackett;

H. R. 824. An act for the relief of Luisa Monti;

H. R. 1087. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," to empower the courts to remit or mitigate forfeitures under the Indian liquor laws;

H. R. 1100. An act for the relief of Eugenio Bellini;

H. R. 1119. An act for the relief of Mario DiFilippo;

H. R. 1252. An act for the relief of Mr. and Mrs. Miroslav Kudrat;

H. R. 1413. An act for the relief of Franz Geyling;

H. R. 1596. An act for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar;

H. R. 1696. An act for the relief of Jack Warner and family;

H. R. 1908. An act for the relief of Helena Jange Chinn;

H. R. 2210. An act for the relief of Hye Pah Kung;

H. R. 2322. An act to authorize the improvement of East Pass Channel from the Gulf of Mexico into Choctawhatchee Bay, Fla.;

H. R. 2684. An act to provide for the sale, transfer, or quitclaim of title to certain lands in Florida;

H. R. 3221. An act for the relief of Joji Ikeda, a minor;

H. R. 3424. An act for the relief of Yumi Horluchi;

H. R. 3430. An act for the relief of the estate of Nora B. Kennedy, deceased, and Mrs. Ann E. Norton;

H. R. 4154. An act for the relief of the estate of Jake Jones, deceased;

H. R. 4205. An act to provide retirement benefits for the Chief of the Dental Division of the Bureau of Medicine and Surgery, and for other purposes;

H. R. 4270. An act for the relief of the estate of Jennie Gayle, deceased;

H. R. 4271. An act for the relief of Mr. and Mrs. Richard G. Adams and legal guardian of Dorothy Margaret Adams;

H. R. 4550. An act to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes;

H. R. 4693. An act to amend section 77, subsection (c) (3), of the Bankruptcy Act, as amended;

H. R. 4740. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1952, and for other purposes;

H. R. 4931. An act for the relief of Lewyt Corp.; and

H. R. 5054. An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, October 15, 1951, he presented to the President of the United States the following enrolled bills:

S. 537. An act to further amend the Communications Act of 1934; and

S. 1450. An act to provide for the exchange of certain lands owned by the United States of America for certain privately owned lands.

JOINT COMMITTEE ON RAILROAD RETIREMENT LEGISLATION

Mr. DOUGLAS. Mr. President, there is a companion measure to the bill just passed, Senate Concurrent Resolution 51, setting up a joint Senate-House committee to study the railroad retirement fund and the relationship between that fund and the social-security system and such changes as may be needed in the railroad retirement system and the social-security system. That concurrent resolution has been referred to the Committee on Rules and Administration.

I have talked with the chairman of that committee, and it is my understanding that it is acceptable to the chairman of the committee that the committee be discharged from the further consideration of the concurrent resolution. If unanimous consent to that effect is obtained—and I now make the request—it is my purpose to have stricken from the concurrent resolution the provision authorizing an expenditure in that connection, and then to arrange to have the funds taken care of by later action of the Committee on Rules and Administration.

Mr. HAYDEN. Mr. President, as I understand the concurrent resolution, it provides that a joint committee consisting of three members of the House Committee on Education and Labor and three members of the Senate Committee on Labor and Public Welfare be designated to study the railroad retirement legislation. The concurrent resolution was referred to the Committee on Rules and Administration because the concurrent resolution carries an authorization of an expenditure of \$50,000. I would have no objection if we could have an understanding that the part of the concurrent resolution authorizing the expenditure of \$50,000 be stricken from the measure; and that matter can be taken up later.

However, insofar as creating the joint committee is concerned, I have no objection at this time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois?

Mr. DIRKSEN. Mr. President, reserving the right to object, let me ask whether this matter comes subject to objection.

Mr. HAYDEN. The question is on giving unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of the concurrent resolution.

The PRESIDING OFFICER. That request has been made.

Mr. HAYDEN. I wish to have an understanding arrived at that if the committee is discharged from the further consideration of the concurrent resolu-

tion, the provision of the concurrent resolution authorizing the expenditure of \$50,000 from the contingent funds of the House and the Senate will be stricken out.

Mr. DIRKSEN. Mr. President, will my colleague yield at this point?

Mr. DOUGLAS. I yield.

Mr. DIRKSEN. Let me say that I think this is a highly laudable undertaking; I think such a joint committee is absolutely necessary. Almost everyone is aware of the fact that there has been a difference of opinion between the operating personnel and the nonoperating personnel of the railroads, and we have the question of how high the rates in the tax bill should go, and what the proper base should be, in view of the additional burden imposed upon the floor.

I have said before that I think an adequate staff of actuaries should be appointed to look into this matter, as well as into the social-security system. Such a proposal was made a few years ago, but the proposed committee was never created. The appointment of such a committee is overdue at the present time, because I doubt very much whether we can carry on a program of this magnitude and not court disaster unless we can ascertain whether the plan is on good ground.

I say to my colleague from Illinois that I think this is a very worth-while undertaking, and I believe it should have been begun long ago.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request of the Senator from Illinois [Mr. DOUGLAS].

Mr. GEORGE. Mr. President, I should like to ask the Senator from Illinois a question.

Mr. DOUGLAS. I am glad to have the Senator from Georgia do so.

Mr. GEORGE. Does the concurrent resolution call for an investigation of the social-security system?

Mr. DOUGLAS. Only insofar as it relates to the railroad-retirement system. The study would be centered primarily upon railroad retirement.

Mr. GEORGE. It is not intended, is it, to have a review of the Social Security Act?

Mr. DOUGLAS. Only insofar as it touches railroad retirement.

Mr. GEORGE. The social-security system does not affect the railroad-retirement system at all, as those systems now stand.

Mr. DOUGLAS. No, not as they now stand, except that there is under the present act a correlation with social security in the computation of survivor benefits and a possibility that a person may obtain dual benefits by qualifying both under the Railroad Retirement Act and also under the Social Security Act, so as to receive benefits under both acts.

Mr. GEORGE. That would be true; but the two systems are not interlocked in any way.

Mr. DOUGLAS. That is correct. However, it may well be that economies for both the systems could be obtained if we could reduce the amount of the

payments which constitute dual benefits.

It is also true that in the amendment to the Railroad Retirement Act which has been adopted in the bill just passed, workers employed for less than 10 years under the Railroad Retirement Act will, if Senate bill 1347 becomes a law, be transferred to Social Security and will receive, not railroad-retirement benefits but social-security benefits, and the social-security system in turn will have turned over to it the contributions which the workers and employers would have made to social security had they been originally under it.

Mr. GEORGE. Mr. President, if there is to be a study of the Social Security Act as such, then certainly members of the committees of the House and of the Senate having jurisdiction of that subject ought to be on this committee, if it is to be a joint committee study of the subject.

Mr. DOUGLAS. I may say we have this problem of split jurisdiction, in that the Senate Finance Committee and its corresponding committee in the House have, of course, supervision and jurisdiction over the social-security system. The railroad-retirement system on the other hand is handled by the Senate Committee on Labor and Public Welfare and the House Committee on Interstate and Foreign Commerce.

This is primarily a study of the railroad-retirement system, and not a study of the social-security system. Therefore, we thought it proper to have the study conducted by the committees which have jurisdiction. But we can say this, that wherever changes are considered in the social-security system, of course, the Senate Finance Committee and the corresponding committee of the House will be consulted. We do not intend to move without consulting those bodies.

Mr. GEORGE. I should like to have that understood, Mr. President.

Mr. DOUGLAS. Yes.

Mr. GEORGE. I have no objection to a study by the two labor committees. The Committees on Labor and Education, as I understand, will conduct the studies.

Mr. DOUGLAS. The parallel committee in the House is the Committee on Interstate and Foreign Commerce.

Mr. GEORGE. Yes, both the House Ways and Means and Finance Committees will be engaged in a further study of social security in 1952, also, and I have no objection if it touches only incidentally the social-security system in the way the Senator describes.

Mr. DOUGLAS. I thank the Senator.

Mr. CASE. Mr. President, reserving the right to object, do we have the understanding, or an assurance, by the Senator from Illinois, agreeing to the suggestion made by the Senator from Arizona before consent is given, that the \$50,000 appropriation feature will be stricken by amendment, so that that may be considered later, and separately by the Committee on Rules and Administration?

Mr. DOUGLAS. I shall be very happy to give that assurance.

The PRESIDING OFFICER. There is a unanimous consent request to discharge the Committee on Rules and Administration from the further consideration of Senate Concurrent Resolution 51. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. I move that the Senate proceed to the consideration of the resolution (S. Con. Res. 51).

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois.

The motion was agreed to, and the Senate proceeded to consider the concurrent resolution (S. Con. Res. 51) establishing a Joint Committee on Railroad Retirement Legislation.

Mr. DOUGLAS. Mr. President, I now ask that section 4 (b), on pages 3 and 4 of Senate Concurrent Resolution 51 be stricken.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois to amend the concurrent resolution as indicated.

The amendment was agreed to.

The PRESIDING OFFICER. The question is upon agreeing to the resolution (S. Con. Res. 51), as amended.

The resolution, as amended, was agreed to as follows:

Resolved by the Senate (the House of Representatives concurring). That there is hereby established a joint congressional committee on railroad retirement legislation, hereinafter called the "joint committee," to be composed of three members of the Senate Committee on Labor and Public Welfare and to be appointed by the chairman of that committee, and three members of the House Committee on Interstate and Foreign Commerce and to be appointed by the chairman of that committee. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. The joint committee shall select a chairman and vice chairman from among its members.

SEC. 2. It shall be the duty of the joint committee, and it is hereby authorized and directed, to make a full and complete fact-finding study and investigation of the Railroad Retirement Act, and of such related problems as it may deem proper, with a view toward ascertaining what changes should be made in such act. The joint committee shall determine the scope of such study and investigation, without limitation thereon, and the following shall be given consideration:

1. The character and amount of present benefits and the estimated cost of providing such benefits.

2. The existing relationships between the system established by the Railroad Retirement Act and the old-age and survivors insurance system.

3. The changes that should be made in the character and amount of benefits to be provided workers subject to the Railroad Retirement Act and the estimated cost of providing such benefits.

4. Any changes that should be made in the existing relationships between the system established by the Railroad Retirement Act and the old-age and survivors insurance system with a view to simplifying administration, eliminating inequities and anomalies as regards benefits to workers whose earnings are included in whole or in part under

either system, and strengthening the financial base for benefits to be provided under one system without impairing the financial base underlying benefits provided under the other system.

SEC. 3. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eighty-second Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eighty-second Congress, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable and, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government.

AMENDMENT OF SECTION 503 (B) OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 3298) to amend section 503 (b) of the Federal Food, Drug, and Cosmetic Act.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with amendments.

Mr. HUMPHREY. Mr. President, I, for a few moments, wish to discuss this bill, and first to offer on behalf of the committee an amendment which is made necessary by a mistake in the original title of this bill. The title of the act should be amended to read: "An act to amend section 303 (c) and section 503 (b) of the Federal Food, Drug, and Cosmetic Act."

The PRESIDING OFFICER. The title will be amended, after the bill is passed. The Senator may send the amendment to the desk.

Mr. HUMPHREY. Mr. President, I am sure this bill does not need a great deal of discussion, and I shall be very brief in my remarks concerning it. The committee report on the bill describes exactly what this bill is designed to accomplish. First, it provides a statutory definition of a "prescription" drug. It expressly forbids the sale of prescription drugs without a prescription. It specifies how prescription drugs are to be labeled, both at the time of interstate shipment and at the time of ultimate dispensing, and it prohibits unauthorized refilling of prescriptions for them. In other words I may say to the Senate that the purpose of this bill is to tighten up the provisions of the Federal Food, Drug, and Cosmetic Act, insofar as it pertains to prescription drugs containing habit-forming and dangerous ingredients.

Under the present law there is some ambiguity as to "prescription drugs," which has a particular legend to it. We

add a cautionary legend to that label. There has been a ruling of the Administrator which has caused great confusion in the drug trade, both in the dispensing areas and in the manufacturing areas. This bill clarifies that point of law.

Further than that, it provides for more express control over dangerous drugs and habit-forming drugs. I should like to remind the Senate that one of the serious problems of today grows out of the use of the so-called phenobarbital drugs. This bill provides that no such drug can be sold without a prescription. There may be a refill of a prescription provided authorization is given by the physician. It strengthens the hand of the Food and Drug Administration in the control of this very serious problem which has repeatedly been brought to the attention of the American people.

I might also say, Mr. President, that all the groups interested in amending the Food and Drug Act for the purpose of improving it and strengthening it have joined together in support of the measure. The bill was reported unanimously by the Committee on Labor and Public Welfare, after extensive hearings. It was passed by the House of Representatives after extensive hearings before the House committee and after debate on the floor of the House.

I am convinced that the measure, if enacted, will provide greater protection to the public health. It certainly will dissolve and remove from the area of conflict and debate many regulations and administrative rulings on the part of the Food and Drug Administration. The bill provides for better control over the shipment in interstate commerce of habit-forming and dangerous drugs. It will clothe the Food and Drug Administration with authority to effectuate a more meaningful control of some of the preparations which have been a cause of injury to the public health.

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

Mr. HUMPHREY. I yield.

Mr. CASE. Mr. President, the distinguished Senator from Minnesota, as many Members of the Senate are aware, received some of his early technical training in South Dakota. His distinguished father established a drug store in that State, and his brother now operates it. I should like to ask if the members of the drug trade generally were aware of the consideration of this bill by the committee.

Mr. HUMPHREY. Indeed, they were, and they were all given adequate opportunity to testify. The National Association of Retail Druggists, the American Pharmaceutical Association, the American Medical Association, the American Proprietary Association—every association in the profession of pharmacy and medicine was permitted to testify and did testify in support of the bill.

Mr. CASE. In the hearings held by the Senate committee?

Mr. HUMPHREY. That is correct.

Mr. CASE. I believe the Senator has said that the bill comes before the Sen-

ate with the unanimous support of the Committee on Labor and Public Welfare.

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The amendments were, on page 3, line 4, after the word "by", to strike out "mail or otherwise without examination of the patient" and insert "mail"; in line 11, after the word "the", to strike out "production" and insert "protection"; in line 20, after the word "sentence", to strike out "or any other statement which represents or implies that the dispensing of the drug without the prescription of a licensed practitioner"; on page 4, after line 6, to insert:

SEC. 2. Subsection (c) of section 303 of the Federal Food, Drug, and Cosmetic Act, as amended, is amended by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and the following: "or (4) for having violated section 301 (b), (c) or (k) by failure to comply with section 502 (f) in respect to an article received in interstate commerce to which neither section 503 (a) nor section 503 (b) (1) is applicable, if the delivery or proffered delivery was made in good faith and the labeling at the time thereof contained the same directions for use and warning statements as were contained in the labeling at the time of such receipt of such article."

And in line 19, to change the section number from "2" to "3."

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I want to offer an amendment with regard to changing the title of the bill.

The PRESIDING OFFICER. That does not have to be done at this time.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I move to amend the title so as to read "An act to amend sections 303 (c) and 503 (b) of the Federal Food, Drug, and Cosmetic Act, as amended."

The motion was agreed to.

Mr. HUMPHREY. Mr. President, in order that Members of the Senate may have a full understanding of the measure, I ask unanimous consent that the committee report, which is very descriptive of the bill and its purposes, may be printed in the RECORD at this point.

There being no objection, the report (No. 946) was ordered to be printed in the RECORD, as follows:

The Committee on Labor and Public Welfare, to whom was referred the bill (H. R. 3298) to amend section 503 (b) of the Federal Food, Drug, and Cosmetic Act, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

(1) On page 3, line 5, strike out the words "or otherwise without examination of the patient" and insert in lieu thereof a comma.

(2) On page 3, lines 19-22, strike out the words "or any other statement which repre-

sents or implies that the dispensing of the drug without the prescription of a licensed practitioner is prohibited."

(3) On page 4, between lines 5 and 6, insert a new section 2, to read as follows:

"Sec. 2. Subsection (c) of section 303 of the Federal Food, Drug, and Cosmetic Act, as amended, is amended by inserting before the period a semicolon and the following: 'or (4) for having violated section 301 (b), (c), or (k) by failure to comply with section 502 (f) in respect to an article received in interstate commerce to which neither section 503 (a) nor section 503 (b) (1) is applicable, if the delivery or proffered delivery was made in good faith and the labeling at the time thereof contained the same directions for use and warning statements as were contained in the labeling at the time of such receipt of such article.'"

On page 4, line 6, strike out the figure "2" and insert in lieu thereof the figure "3."

INTRODUCTION

This bill amends the Federal Food, Drug, and Cosmetic Act to deal more directly and realistically with the labeling and dispensing of drugs that may be sold only upon the prescription of licensed practitioners. It has a twofold objective: (1) to protect the public from abuses in the sale of potent prescription drugs; and (2) to relieve retail pharmacists and the public from burdensome and unnecessary restrictions on the dispensing of drugs that are safe for use without the supervision of a physician. The committee believes that the bill, as amended, will serve to eliminate much confusion and dissatisfaction caused by ambiguities in the present provisions of the act, and will benefit drug manufacturers, retail druggists, medical practitioners, and the public.

In its consideration of this bill, the committee has had the benefit of careful study of its provisions by its standing Subcommittee on Health. The subcommittee carefully and thoroughly explored the need for such legislation at this time, and examined the manner in which the provisions of the bill are adapted to deal with the serious problems which have been shown to exist in connection with the labeling and dispensing of both "prescription" and "over-the-counter" drugs. Hearings on the bill were held before the subcommittee from September 11 through September 13, 1951. Favorable action on the bill was urged at the hearing by the Federal Security Administrator and by the Food and Drug Administration, the agency of the Government that administers and enforces the Federal Food, Drug, and Cosmetic Act. In addition, virtually all segments of the drug industry, including the principal associations of drug manufacturers, the retail druggists, and the licensed pharmacists, were represented at the hearing and submitted testimony which clearly shows that this bill is necessary legislation and will do much to make the act a fairer and more effective instrument for protecting the public against abuses in the labeling and dispensing of drugs. A representative of the American Medical Association testified at the hearing in support of the bill.

The hearing held before the subcommittee developed the fact that while there was virtually unanimity of opinion of those who testified as to the need for basic changes in the law governing the labeling and dispensing of the "prescription" drugs, there were two principal issues in controversy.

1. The first area of controversy was over a proposal to authorize the Federal Security Administrator to list by name or class the "dangerous" drugs that may be sold only on prescription. The subcommittee had before it for consideration at the time of the hearing, not only this bill, which has been passed by the House of Representatives, but also the companion Senate bill (S. 1186),

and amendments in the nature of a substitute therefor, introduced by Senator HUMPHREY. The principal difference between the bill as passed by the House of Representatives and Senator HUMPHREY's amendments in the nature of a substitute, had to do with the requirement under which, as part of the definition of so-called dangerous drugs, an administrative determination would have been necessary thus to classify a drug. The amendments in the nature of a substitute for S. 1186 also set forth detailed procedures, including administrative hearings to be followed in connection with the making of administrative determinations referred to, together with provisions for judicial review of such determinations.

Prior to the hearing, the provisions for administrative listing of so-called dangerous drugs were vigorously supported by the National Association of Retail Druggists, and equally vigorously opposed by the several associations of drug manufacturers, including the American Pharmaceutical Manufacturers' Association, the American Drug Manufacturers Association, and the Proprietary Association. At the hearing, however, a statement was submitted on behalf of all four of these associations, indicating an agreement on their part that the controversial provisions for administrative listing of so-called dangerous drugs might be eliminated. The four associations, at the same time, proposed two new amendments to the bill. This agreement had the effect of eliminating one of the principal areas of controversy, particularly in view of the fact that the subcommittee was assured by the Food and Drug Administration and the Federal Security Administrator that the bill, while not in their view the best solution, would be workable in the form proposed under the agreement. The subcommittee recommended to the Committee on Labor and Public Welfare, therefore, that the provisions of the House bill which omit the administrative listing provisions, rather than the provisions of the amendments in the nature of a substitute for S. 1186 which include such provisions, be favorably reported to the Senate. The subcommittee further recommended, in reporting favorably on the House bill, that the bill be amended to include the two amendments proposed by the associations of retail druggists and drug manufacturers under the agreement referred to above. The intent and effect of these amendments are discussed hereafter in this report.

2. The other principal area of controversy which developed at the hearing arose with respect to certain language of the bill which was objected to by the representative of a firm engaged in selling through the mail to epileptic patients living throughout the United States a medication comprised principally of phenobarbital. Although the language in question was included in the legislation as originally introduced in both the House of Representatives and the Senate, in the bill as reported to the House of Representatives by the House Interstate and Foreign Commerce Committee and in the bill as passed in the House of Representatives, no issue had been raised concerning this language prior to the hearing before the subcommittee. The subcommittee, however, felt that the language might safely be omitted from the bill. Accordingly, it proposed, and the committee recommends, that this language be stricken. The effect of this amendment is discussed elsewhere in this report.

WHAT THE BILL DOES

As has been pointed out, the bill amends the Federal Food, Drug, and Cosmetic Act so that its provisions will be better adapted to deal realistically with the labeling and dispensing of drugs that may be sold only upon the prescription of licensed practitioners. Its provisions are remedial in the sense that they are intended to protect the

public from abuses in the sale of potent prescription medicines. They will also relieve retail pharmacists of unnecessary restrictions on the dispensing of drugs that are safe for use without medical supervision.

Prescription drugs

The bill provides a statutory definition of prescription drugs; it expressly forbids their sale without a prescription; it specifies how they are to be labeled both at the time of interstate shipment and at the time of ultimate dispensing; and it prohibits unauthorized refilling of prescriptions for them.

There are three classes of drugs covered by the statutory definition. The first includes the habit-forming drugs subject to section 502 (d) of the present statute. These are such drugs as the barbiturates. The third class includes all new drugs restricted to prescription sale by effective new-drug applications under section 505 of the present statute. There is no controversy whatever about these two classes. The second class includes any drug which "because of its toxicity or other potentiality for harmful effect, or the method of its use, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer such drugs."

This definition of so-called dangerous drugs is contained in paragraph (b) (1) (B) of the bill. It is substantially the same as the administrative definition now contained in the regulations issued by the Federal Security Administrator under the provisions of the Federal Food, Drug, and Cosmetic Act. The proposed definition, however, omits the reference to efficacious for use, as well as safe for use, without the supervision of a medical practitioner in order to be eligible for over-the-counter sale. This omission is not intended to mean that the only matter to be considered in applying the definition is whether or not a particular drug is poisonous.

The word "safe," as used in the definition, is intended to have its ordinary meaning. For example, nontoxic drugs like quinidine sulfate, intended for heart disease, or penicillin, for infections, are not safe for self-medication because their unsupervised use may indirectly cause injury or death. The language of the definition clearly shows that toxicity is only one factor to be considered by the courts in determining whether a particular drug is safe for use without medical supervision. The definition requires the court to consider also other potentialities for harmful effect, the method by which the drug is used, and the collateral measures that may be necessary in order to use the drug safely. When this language is given judicial interpretation consistent with the over-all purpose of the Federal Food, Drug, and Cosmetic Act to protect the public health it will effectively restrict to prescription sale all drugs that require professional supervision for their use.

In order to give this general definition a more precise meaning so that it may be applied with greater uniformity by the drug trade the Administrator can exercise the authority he has under section 701 (a) of the Federal Food, Drug, and Cosmetic Act to issue interpretative regulations. It is to be understood that the inclusion of the statutory definition does not, of course, in any way derogate from the Administrator's authority to interpret and enforce the definition through the issuance of any regulations necessary or appropriate to protect the public from indiscriminate dispensing of drugs over the counter when they may be unsafe for use without the supervision of a practitioner licensed by law to administer such drugs.

As previously stated, the committee considered S. 1186 together with H. R. 3298. S. 1186 would have authorized the Federal Security Administrator to list by name or

class the drugs which he considered within the statutory definition. The grant of such administrative authority was objected to as an unnecessary regulation of the drug industry, and the committee concluded that administrative listing is not necessary at this time. It was felt that the statutory definition, together with the authority to make interpretative regulations, could bring an end to the existing confusion in drug labeling and that uniformity can be achieved through cooperative efforts of the drug industry and the Food and Drug Administration working under the statutory plan. If the present confusion is not ended by this legislation, it will then be time enough to consider the need for the administrative listing approach.

All drugs covered by the three classifications of prescription drugs must bear a label containing the statement "Federal law prohibits dispensing without prescription." This gives the retail druggist clear notice that he will be in violation of the Federal Food, Drug, and Cosmetic Act if he dispenses any drugs so labeled without a prescription. This bill also specifies what information must be contained upon the label of the package dispensed to the patient. That label must contain the name and address of the dispenser, the serial number and date of the prescription or of its filling, the name of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, contained in the prescription.

This bill strengthens the controls over the habit-forming barbiturates. The problems of misuse of these drugs to the detriment of the public—especially of young people—are growing and must be controlled in the public interest. The bill requires that they be sold only on prescription and forbids unauthorized refills of prescriptions for them. In this, it is a definite and clear step forward. It is felt, however, that these drugs pose a special problem not common to all drugs because they are desired by addicts for nonmedical use. This will call for their special treatment, and the committee wishes it understood that in recommending the passage of this bill, as amended, it does so with the knowledge that further legislative consideration must be given to adequate barbiturate controls.

The bill does not relieve any person from any requirements of law, now existing or hereafter adopted, with respect to drugs covered by the narcotic control laws. Paragraph (5) of section 1 makes this clear.

Oral prescriptions

The present law does not recognize the practice of dispensing drugs on oral prescriptions. The committee feels that in this respect the law needs modification and clarification for the convenience of the public, the retail druggist, and the physician. The filling and refilling of prescriptions upon oral or telephone orders with proper safeguards should be permitted, and this bill gives statutory recognition to the practice of telephone dispensing. It permits oral prescriptions for all drugs. However, in the case of habit-forming drugs, dangerous drugs, and new drugs limited to prescription sale, an oral prescription would have to be reduced promptly to writing and kept on file by the pharmacist. The oral order may be communicated to the dispenser by the prescriber himself or under his express authority.

Oral prescriptions for habit-forming drugs

The committee believes that the term "oral prescription," as used in the bill in connection with habit-forming drugs to which section 502 (d) of the act applies, should be given a construction which will assure that these drugs are used only upon the express order of a practitioner licensed by law to administer them. In fact, certain of these drugs, such as narcotics subject to

the Harrison Narcotics Act may be dispensed only on a written prescription of a licensed practitioner, and this requirement is expressly preserved by the bill. (See par. (5) of the new sec. 503 (b).) The public interest clearly requires that other habit-forming drugs be dispensed and used only under the close and immediate supervision of a licensed practitioner. Accordingly, it is the intention of the committee that the term "oral prescription," as applied to these drugs, means an order communicated orally to the pharmacist by a practitioner licensed by law to administer such drugs, expressly prescribing such a drug, which is reduced promptly to writing and filed by the pharmacist. The Food and Drug Administration, within the limitations of its staffing, can check pharmacists' records to make sure that all habit-forming drugs sold are accounted for by prescriptions on file. The pharmacist, before he dispenses any such drug on oral order, must obtain satisfactory evidence, on the basis of consultation with the licensed practitioner or otherwise, that the order has been expressly authorized in each case by such practitioner.

The Federal Security Agency may adopt regulations needed for the efficient enforcement of this provision, and may find it desirable to require special records for any habit-forming drugs dispensed so that pharmacists and enforcement officials alike can readily detect any possible abuses of the oral prescription privilege extended for such drugs.

Refilling prescriptions

The bill, as amended, deals expressly with the troublesome problem of refilling prescriptions. Under the present law a drug dispensed by refilling a prescription without the knowledge or consent of the prescriber is misbranded and the dispenser is liable to criminal prosecution. The committee concluded that these provisions are too stringent and should be modified. There is no reason why the law should prohibit the refilling of prescriptions for drugs that are not dangerous and are suitable for use by a layman without medical supervision. The bill provides that prescriptions for such drugs may be freely refilled. But, here again, as to drugs which are habit-forming, or which are dangerous, or which are restricted by new drug applications to use under medical supervision, the bill requires that prescriptions may be refilled only with the prescriber's express authorization. This authorization may be either written or oral, but if it is given orally the dispenser must promptly reduce it to writing and keep it on file.

The provisions relating to the refilling of prescriptions are needed to meet a serious public-health problem which has arisen from the indiscriminate refilling of prescriptions for dangerous and habit-forming drugs. A witness for the Food and Drug Administration cited cases in which death had occurred as a consequence of unauthorized prescription refills. The use of dangerous and habit-forming drugs must be under the supervision of the prescribing physician. This bill is intended to require that the licensed practitioner, if he has not authorized the refill in writing, be consulted by the pharmacist and the refill be authorized by such practitioner before any prescription for a drug that is limited to prescription sale may be refilled.

EFFECT OF COMMITTEE AMENDMENTS

Amendment (1) was proposed by a firm engaged in selling through the mails to epileptic patients living throughout the United States a medication comprised principally of phenobarbital. Other provisions of the bill, to which the firm did not object, clarify and simplify the provisions of existing law regarding the labeling, sale, and dispensing

of habit-forming and other dangerous drugs that should be sold only on prescription. These provisions are adequate to enable the Food and Drug Administration to compel such firms through appropriate court action, if necessary, to operate in a manner consistent with the public interest. The committee is aware of the obvious dangers to the public interest in the sale of barbiturates, including phenobarbital, without immediate and close medical supervision. The Food and Drug Administration has a responsibility in connection with the elimination of such dangers. This bill greatly strengthens the Administration's hand in discharging that responsibility.

The other two amendments were proposed by the combined drug trade in a statement signed by the National Association of Retail Druggists, the American Pharmaceutical Manufacturers' Association, the American Drug Manufacturers Association, and the Proprietary Association.

Amendment (2) was recommended because the associations felt the language it strikes out was of uncertain meaning and added nothing of importance to the bill. In any event, should a person place a statement on the label of a drug entirely safe for self-medication representing or implying that dispensing it without a prescription is prohibited by Federal law, that drug would be misbranded under the provision of law, section 502 (a), which forbids false or misleading labeling statements. Striking the language objected to does not relieve any manufacturer, regardless of the way in which he does business, from compliance with the requirement of section 502 (f) that all drugs not limited to prescription sale must bear adequate warnings and adequate directions for use telling the purchasing public what the drug is to be used for and how it is to be taken to accomplish the beneficial effects it is intended to have.

Amendment (3) was proposed to emphasize the fact that the responsibility for preparing adequate directions for use and appropriate warnings against misuse in the labeling of drugs that may be sold without a prescription is upon the manufacturer and not the retail druggist. It does nothing more than free the retail druggist of responsibility for supplementing the labeling of some manufacturers' drugs to give the public adequate directions for use and warnings against misuse. The druggist could rely in good faith upon the manufacturers' labeling for compliance with these requirements of the existing law. The amendment offers the druggist no protection against violations which arise if he sells a dangerous drug covered by paragraph (1) of the bill without meeting the prescription requirements.

Amendment (4) is a technical renumbering amendment.

EFFECTIVE DATE

Section 3 of the amended bill provides that its provisions shall take effect 6 months after the date of its enactment. This postponement of the effective date is considered necessary to permit manufacturers to meet the new labeling requirements.

SECTIONAL ANALYSIS

Section 1 of the bill amends the Federal Food, Drug, and Cosmetic Act by substituting for subsection (b) of section 503, relating to the labeling and dispensing of prescription drugs, a new subsection defining drugs that may be dispensed only on prescription and specifying the conditions under which such drugs may be dispensed.

Prescription drugs

Under paragraph (1) of the new subsection (b) prescription drugs are defined as drugs intended for use by man which fall within any one of three different categories. In limiting prescription drugs to those intended for use by man this new subsection

differs from the present law, which refers to prescription drugs to include not only those dispensed on prescription of physicians and dentists, but also those dispensed on prescription of a veterinarian. Under the committee bill, drugs intended for use under the supervision of a veterinarian will not require a prescription, although it will be possible under section 502 (f) to exempt such drugs from adequate directions for use if they are to be used by or under the supervision of a veterinarian. In the absence of any exempting regulations, these drugs will be subject to the labeling and dispensing requirements of the act applicable to over-the-counter drugs.

The three categories of prescription drugs defined as such in the bill are: (a) Habit-forming drugs to which section 502 (d) of the act relating to drugs containing any narcotic or hypnotic substance, including barbituric acid, or habit-forming chemical derivatives thereof, is applicable; (b) drugs which, because of their toxicity or other potentiality for harmful effect, or the methods of their use, or the collateral measures necessary to their use, are not safe for use except under the supervision of a practitioner licensed by law to administer such drugs; or (c) drugs which are limited by an effective application under section 505 of the act, relating to new drugs, to use under professional supervision.

Included in the first of these three categories are not only the habit-forming narcotics and chemical derivatives thereof, but also barbituric acid and its habit-forming derivatives, such as amytal, phenobarbital, pentobarbital, and the like. This category includes all of the drugs and derivatives thereof specified in section 502 (d) of the act and the regulations thereunder. Dispensing of these drugs must not only comply with the provisions of the bill, but also must conform to the requirements of that section, and the interstate label must bear the name and quantity or proportion of the habit-forming drug or derivatives and in juxtaposition therewith the statement: "Warning—May be habit forming."

The second category of prescription drugs, defined in subparagraph (B) of paragraph (1) of the new subsection (b), includes the so-called dangerous drugs. As noted elsewhere in this report, the phrase "not safe," as used in this subparagraph, is intended to have its ordinary meaning. Furthermore, in determining whether a drug is safe for use without medical supervision, there must be taken into consideration not only the drug's toxicity, but also other potentialities for harmful effect, the method by which it is used, and the collateral measures necessary to its safe use. The broad language of the definition contained in this subparagraph is intended to comprehend all drugs that in fact should be administered under medical supervision in order to insure their safe use. Such difficult border-line cases as may arise under this definition can be dealt with under the interpretative and rule-making power provided for in section 701 (a) of the act.

The third category of drugs defined as "prescription" drugs includes all new drugs restricted to prescription sale by effective new drug applications under section 505 of the act.

Written and oral prescriptions and refills.

Paragraph (1) of the new subsection (b) also provides that a "prescription" drug (any drug falling in any one of the three categories referred to above) shall be dispensed with (1) upon a written prescription of a practitioner licensed by law to administer such drug, or (2) upon an oral prescription of such a practitioner, communicated by him or under his express authority to the pharmacist, if such prescription is promptly reduced to writing and filed by the pharmacist, or (3) by refilling any such written or oral prescription if such refilling is authorized by or under

the express authority of the practitioner either in the original prescription or by oral order, which is reduced promptly to writing and filed by the pharmacist. The provisions with respect to oral prescriptions and refills do not apply, however, in the case of narcotics subject to the Internal Revenue Code (Harrison Narcotic Act), since subparagraph (5) of the new subsection (b) expressly safeguards the provisions of that act, and under those provisions and the regulations of the Bureau of Narcotics such drugs may be dispensed only on written prescription. Also, as pointed out elsewhere, with respect to other habit-forming drugs, oral prescriptions and refills are limited to situations in which the pharmacist obtains satisfactory evidence, on the basis of consultation with a licensed practitioner or otherwise, that the prescription or refill has been expressly authorized by such practitioner. A violation of the prescription requirements of paragraph (1) of the new subsection (b) is, under the provisions of this paragraph, deemed to be an act which results in the drug being misbranded while held for sale.

Labeling of prescription drugs

Paragraph (2) of the new subsection (b) provides that a drug dispensed on prescription shall be exempt from the provisions of the act relating to the misbranding of drugs except those which specify that a drug shall be deemed to be misbranded if its labeling is false or misleading in any particular (sec. 502 (a)), if it is an imitation of another drug or is offered for sale under the name of another drug (sec. 502 (i) (2) and (3)), if it is, or purports to be, or is represented as a drug composed wholly or partly of insulin or of penicillin or certain other antibiotics except under certain conditions (sec. 502 (k) and (l)). These provisions continue to apply to any drug subject to the act, whether sold over the counter or on prescription. Similarly, the packaging requirements set forth in section 502 (g) and (h) apply to all such drugs. Prescription drugs must, however, bear at the time of dispensing a label containing the name and address of the dispenser, the serial number and the date of the prescription or of its filling, the name of the practitioner, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, stated in the prescription. The exemption provided for by this paragraph does not apply to any drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail, or to a drug dispensed in violation of paragraph (1) of the subsection.

Exempt narcotics and similar drugs

Under paragraph (3) of the new subsection (b) the Administrator may by regulation remove habit-forming drugs, as defined in section 502 (d), and new drugs, from the prescription requirements contained in paragraph (1) of the subsection when these requirements are not necessary for the protection of the public health.

Prescription legend

Paragraph (4) of the new subsection requires that, in addition to the labeling requirements in the case of prescription drugs specified in paragraph (2) of the subsection, the interstate label on such drugs must bear the statement "Caution: Federal law prohibits dispensing without prescription." On the other hand, over-the-counter drugs are forbidden to bear a label containing this caution statement. A prescription drug, the label on which does not bear the specified caution statement, is deemed to be misbranded. So, too, is an over-the-counter drug, the label on which bears this or a substantially similar statement.

Narcotics and marijuana

Paragraph (5) of the new subsection provides that compliance with the requirements

of the bill does not relieve any person from any other requirement prescribed by or under authority of law with respect to drugs now or hereafter within the classifications defined in the Harrison Narcotic Act (sec. 3220 of the Internal Revenue Code, 26 U. S. C. 3220), or marijuana, as defined in section 3238 (b) of the Internal Revenue Code (26 U. S. C. 3238 (b)).

Good faith defense for retail druggists

Section 2 of the bill amends section 303 of the act, which specifies the penalties applicable to violations of the act. It adds to the several defenses available under subsection (c) of section 303 a new defense which has the effect of relieving from liability because of misbranding under section 502 (f) of the act any dispenser who makes delivery or proffers delivery of a drug in good faith if the labeling on such drug at the time of such delivery or proffered delivery contained the same directions for use and warning statements as were contained in the labeling at the time of receipt of the drug by such dispenser. This defense, however, is not applicable in the case of a drug which, in accordance with the practice of the trade, is to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, and is not applicable to a prescription drug.

Effective date

Section 3 contains an effective date provision. In order to enable the drug industry to adapt its operations to the requirements specified in the bill, and to give the Food and Drug Administration time in which to develop procedures necessary to implement administration of the bill, it is provided that the provisions of the bill will not go into effect until 6 months have elapsed after the date of its enactment.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in the existing law made by the bill are shown as follows: (Existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics, existing law in which no change is proposed is shown in roman).

"FEDERAL FOOD, DRUG AND COSMETIC ACT

"PENALTIES

"SEC. 303. (a) Any person who violates any of the provisions of section 301 shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not more than \$1,000, or both such imprisonment and fine; but if the violation is committed after a conviction of such person under this section has become final such person shall be subject to imprisonment for not more than 3 years, or a fine of not more than \$10,000, or both such imprisonment and fine.

"(b) Notwithstanding the provisions of subsection (a) of this section, in case of a violation of any of the provisions of section 301, with intent to defraud or mislead, the penalty shall be imprisonment for not more than 3 years, or a fine of not more than \$10,000, or both such imprisonment and fine.

"(c) No person shall be subject to the penalties of subsection (a) of this section, (1) for having received in interstate commerce any article and delivered it or proffered delivery of it, if such delivery or proffer was made in good faith, unless he refuses to furnish on request of an officer or employee duly designated by the Administrator the name and address of the person from whom he purchased or received such article and copies of all documents, if any there be, pertaining to the delivery of the article to him; or (2) for having violated section 301 (a) or (d), if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person resid-

ing in the United States from whom he received in good faith the article, to the effect, in case of an alleged violation of section 301 (a), that such article is not adulterated or misbranded, within the meaning of this act, designating this act, or to the effect, in case of an alleged violation of section 301 (d), that such article is not an article which may not, under the provisions of section 404 or 505, be introduced into interstate commerce; or (3) for having violated section 301 (a), where the violation exists because the article is adulterated by reason of containing a coal-tar color not from a batch certified in accordance with regulations promulgated by the Administrator under this act, if such person establishes a guaranty or undertaking signed by, and containing the name and address of, the manufacturer of the coal-tar color, to the effect that such color was from a batch certified in accordance with the applicable regulations promulgated by the Administrator under this act; or (4) for having violated section 301 (b), (c) or (k) by failure to comply with section 502 (f) in respect to an article received in interstate commerce to which neither section 503 (a) nor section 503 (b) (1) is applicable, if the delivery or proffered delivery was made in good faith and the labeling at the time thereof contained the same directions for use and warning statements as were contained in the labeling at the time of such receipt of such article.

"EXEMPTIONS IN CASE OF DRUGS AND DEVICES

"SEC. 503. (a) The Administrator is hereby directed to promulgate regulations exempting from any labeling or packing requirement of this act drugs and devices which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such drugs and devices are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

"[(b) A drug dispensed on a written prescription signed by a physician, dentist, or veterinarian (except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail), shall if—

"(1) such physician, dentist, or veterinarian is licensed by law to administer such drug, and

"(2) such drug bears a label containing the name and place of business of the dispenser, the serial number and date of such prescription, and the name of such physician, dentist, or veterinarian,

be exempt from the requirements of section 502 (b) and (e) and (in case such prescription is marked by the writer thereof as not refillable or its refilling is prohibited by law) of section 502 (d).]

"(b) (1) *A drug intended for use by man which—*

"(A) is a habit-forming drug to which section 502 (d) applies; or

"(B) because of its toxicity or other potentially for harmful effect, or the methods of its use, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer such drug; or

"(C) is limited by an effective application under section 505 to use under the professional supervision of a practitioner licensed by law to administer such drug,

shall be dispensed only (i) upon a written prescription of a practitioner licensed by law to administer such drug, or (ii) upon an oral prescription of such practitioner which is reduced promptly to writing by the pharmacist, or (iii) by refilling any such written or oral prescription if such refilling is authorized by the prescriber either in the original

prescription or by oral order which is reduced promptly to writing and filed by the pharmacist. The act of dispensing a drug contrary to the provisions of this paragraph shall be deemed to be an act which results in the drug being misbranded while held for sale.

"(2) Any drug dispensed by filling or refilling a written or oral prescription of a practitioner licensed by law to administer such drug shall be exempt from the requirements of section 502, except paragraphs (a), (i) (2) and (3), (k), and (l), and the packaging requirements of paragraphs (g) and (h), if the drug bears a label containing the name and address of the dispenser, the serial number and date of the prescription or of its filling, the name of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, contained in such prescription. This exemption shall not apply to any drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail, or to a drug dispensed in violation of paragraph (1) of this subsection.

"(3) The Administrator may by regulation remove drugs subject to section 502 (d) and section 505 from the requirements of paragraph (1) of this subsection when such requirements are not necessary for the protection of the public health.

"(4) A drug which is subject to paragraph (1) of this subsection shall be deemed to be misbranded if at any time prior to dispensing its label fails to bear the statement 'Caution: Federal law prohibits dispensing without prescription'. A drug to which paragraph (1) of this subsection does not apply shall be deemed to be misbranded if at any time prior to dispensing its label bears the caution statement quoted in the preceding sentence.

"(5) Nothing in this subsection shall be construed to relieve any person from any requirement prescribed by or under authority of law with respect to drugs now included or which may hereafter be included within the classifications stated in section 3220 of the Internal Revenue Code (26 U. S. C. 3220), or to marihuana as defined in section 3238 (b) of the Internal Revenue Code (26 U. S. C. 3238 (b))."

Mr. HUMPHREY subsequently said: Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LEHMAN, Mr. HUMPHREY, and Mr. IVES conferees on the part of the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by L. R. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1764) to authorize the Secretaries of the Army and Air Force to settle, pay, adjust, and compromise certain claims for damages and for salvage and towage and to execute releases, certifications, and reports with respect thereto, and for other purposes, and it was signed by the President pro tempore.

LEGISLATIVE PROGRAM

Mr. MCFARLAND. Mr. President, I originally thought it would take longer to pass the railroad retirement bill than it has taken, so that I have not given no-

tice of a program in advance, thinking that I might do so today.

It is our thought to consider next House bill 2094, Calendar No. 694, authorizing the making of grants for hospital facilities, and so forth, and, after that, Calendar No. 592, Senate bill 1976, to provide for home rule in the District of Columbia. I wanted to make the latter bill the unfinished business, but the distinguished Senator from Nevada [Mr. McCARRAN] has some remarks to make, and then I should like to have the Executive Calendar considered. Then, because of the work of committees, we should probably go over until tomorrow, after the disposal of the Executive Calendar.

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

Mr. MCFARLAND. I yield.

Mr. CAPEHART. I should like to ask the able majority leader a question. I expect to be absent a few days this week, Wednesday, Thursday, and Friday. Is there any chance that the Senate might take up Calendar No. 745, Senate bill 2104, to repeal section 104 of the Defense Production Act of 1950, as amended, or Calendar No. 795, Senate bill 2180, to provide for slaughter quotas and allocations of livestock?

Mr. MCFARLAND. Unless the House is going to act on the bills we have already sent to that body, there is not much advantage in taking up those bills.

Mr. CAPEHART. I thought that possibly we might take up this afternoon Calendar No. 795, Senate bill 2180, the slaughtering-quota bill.

Mr. MCFARLAND. I would have to give notice in order to do that. I see the Senator from Kansas [Mr. SCHOEPP] shakes his head.

The senior Senator from Minnesota [Mr. THYE] is very much interested in the fats-and-oils bill. He could not be present today. We shall have to work out a schedule for those bills later, if there is a chance to dispose of them during this session.

Mr. CAPEHART. In other words, the able majority leader thinks there is no use acting on them unless the House is going to do likewise.

Mr. MCFARLAND. It would not do any good.

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

Mr. MCFARLAND. I yield.

Mr. CASE. May I say that any proposal to bring up the slaughtering quota bill would bring up some legislative problems. It would only delay the program, particularly if the House is not going to act on it.

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

Mr. MCFARLAND. I yield.

Mr. DIRKSEN. Is it the purpose, after the able Senator from Nevada finishes his remarks, to consider the Executive Calendar?

Mr. MCFARLAND. I thought we would do so. Then if there is any Senator who does not want to have considered and disposed of the bill which I mentioned, we will let it go over until tomorrow, because I have not given no-

tice of it, and I think Senators are entitled to notice.

Mr. DIRKSEN. May I ask how long the Senator from Nevada expects to occupy the floor?

Mr. McCARRAN. Possibly from 30 to 40 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MCFARLAND. I yield.

Mr. JOHNSTON of South Carolina. I think the Senate referred to the home-rule bill a while ago. There are several bills in conference in connection with which I happen to be one of the conferees.

Mr. MCFARLAND. The conference report on the tax bill will be ready tomorrow, I hope. I trust that we shall be able to take up an appropriation bill by Wednesday, anyway. I do not believe we shall reach the home-rule bill tomorrow. I wanted to give notice of the consideration of a few bills.

Mr. JOHNSTON of South Carolina. I am in conference this afternoon. I am interested in both bills which the Senator has mentioned.

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

Mr. MCFARLAND. I yield.

Mr. CASE. May we have a clear understanding of just what the Senator's proposal is? As I understand, the next step would be to make Calendar No. 694, House bill 2094, the hospital bill, the pending business, but to lay it aside for the consideration of the Executive Calendar. It would not be necessary to lay it aside. The Senate could merely go into executive session, and after that take up H. R. 2094, which would then be the unfinished business.

Mr. MCFARLAND. Yes.

Mr. CASE. To be laid aside if the conference report on the tax bill shall be brought before the Senate.

Mr. MCFARLAND. Yes.

Mr. CASE. And then be further laid aside if an appropriation bill is brought before the Senate. Then, on completion of that business, the Senate would proceed to the consideration of Senate bill 1976, the District of Columbia home-rule bill, would it?

Mr. MCFARLAND. That is correct.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield?

Mr. MCFARLAND. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to ask the Senator from Arizona to ask unanimous consent that the Senate immediately approve the nominations of Mr. Cook, of Ohio, and Mr. Harl, of Colorado, to be members of the Board of Directors of the Federal Deposit Insurance Corporation.

Mr. MCFARLAND. All those nominations will be taken up when the Senate goes into executive session. There was objection to taking up part of the Executive Calendar, without taking it all up.

Mr. MOODY. Mr. President, will the Senator from Arizona yield?

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

Mr. MOODY. I should like to inquire whether the Senator has any word from the House of Representatives as to what action may be taken before the

Congress adjourns on the matter of re-writing the so-called Capehart amendment. The Senate acted on this matter more than a week ago. It acted in a spirit of urgency. So far as I know, no action has yet been taken on it in the House, and while I am not criticizing the other body, I should like to call to the attention of the majority leader the fact that there was agreement in the Senate by a large majority that this amendment is of vital necessity in the effort to prevent inflation in the months to come. I hope something may be done to get action. Can the Senator give me any information on that point?

Mr. McFARLAND. I cannot give the Senator any information regarding the matter.

Mr. DIRKSEN. Mr. President, the House Committee on Banking and Currency has approved the bill by a vote of 15 to 7, and the chairman of the committee has petitioned the Committee on Rules for a rule.

Mr. McFARLAND. That has been the situation for several days.

Mr. MOODY. I am well aware of that.

Mr. SCHOEPPEL. Mr. President, with reference to the proposed legislation regarding fats and oils and the slaughtering quotas, I heartily agree with the Senator from Arizona and commend him for his statement, because Senators who are absent today and who probably will be absent tomorrow are vitally interested in certain phases of those bills. I thoroughly agree that they should not be considered until notice is given.

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

Mr. McFARLAND. I yield to the Senator from South Dakota.

Mr. CASE. In view of the reference which has been made to a possible meeting of the Committee on Rules of the House, or at least the fact that the so-called Capehart amendment is pending in the other body and awaiting a rule, while recognizing that I have no authority to speak for anyone in the House, and do not have official information, I was informally told, in connection with an entirely different matter, that there was a prospect that there would be no further meetings of the Committee on Rules of the House before adjournment. If there are to be no further meetings of the Committee on Rules of the House, obviously no rule will be provided for the bill amending the Capehart amendment.

Mr. McFARLAND. Mr. President, I had preferred not to make any announcement in regard to what the House might or might not do. I felt that that was a matter for them to decide.

Mr. CASE. I realize that, and my information is certainly in the realm of hearsay, but the statement was made to me in connection with a collateral matter.

Mr. MOODY. Mr. President, I have heard the same rumor the Senator from South Dakota has just recounted. I am hoping it is not true, and that action will be taken on the subject. The Senate acted on it as an urgent matter. Changing this provision of the law was urged

vigorously by those whose responsibility it is to hold the line against inflation.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield to the Senator from Indiana.

Mr. CAPEHART. I wish to say to the able Senator from Michigan that I join with him in urging that the House take action, but I also call his attention to the fact that I am certain he fully understands that in the Committee on Banking and Currency and in the Rules Committee of the House and in the House generally, the members of his party have a great majority of the votes, and they can do anything in the House they desire at any time they want to do it.

GRANTS FOR HOSPITAL FACILITIES IN THE DISTRICT OF COLUMBIA

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 2094, Calendar No. 694.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 2094) to amend the act of August 7, 1946, so as to authorize the making of grants for hospital facilities, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is now the unfinished business.

A REALISTIC POLICY WITH RESPECT TO GOLD

Mr. McCARRAN. Mr. President, in 1948, 1949, and 1951 I introduced bills designed to restore to American citizens the right to possess, buy, or sell gold at whatever price was current in the markets, without restriction by the Federal Government. On September 28, 1951, the International Monetary Fund announced that it would cease to press for uniform regulations between countries governing the internal purchase and sale of gold. Thus the matter of permitting the operation of an unrestricted market for gold in the United States was placed definitely at the doorstep of the Treasury Department.

Much important financial history has passed between early 1948 and the present time. Many precedents have been shattered, and many traditions have been broken. Fortunately the tradition of gold as the ultimate settler of international accounts remains valid.

In 1948, when my bill was first introduced, this country had just emerged from a major war. We anticipated a period of peace. It was in 1948 that commodity prices at wholesale and prices paid by consumers reached a peak from which they declined for almost 2 years. Sensitive prices of basic raw materials reached a peak at the end of 1947. It was not until the middle of 1950 and the start of an undeclared world war that prices began to advance. All the time that prices were declining the

money supply of the United States continued to expand in response to the Treasury policy of monetizing the public debt, accomplished by the purchasing by the Federal Reserve banks of all securities tendered by the public at a price established by the Treasury and Federal Reserve System acting jointly.

Some monetary economists have the effrontery to advocate an immediate return to gold redemption at \$35 per ounce which, if done, would enable a small group of individuals to withdraw gold and resell it at higher prices and thus restrict the credit and money supply in such a way as to retard the United States Government in borrowing and paying for the defense of this country.

Since 1948, when I first introduced my bill to permit an unrestricted market for gold, there has been persistent pressure for a higher price for newly mined gold on the part of the principal producing countries outside the United States. In one way or another these countries have granted relief to their miners.

In May 1950 the International Monetary Fund rejected proposals by the South African Government that the official price of gold should be raised and that gold producers should be allowed to sell half of their output in any available market at premium prices. In March 1951 the fund announced that the system of purchases and sales of gold for industrial uses was not satisfactory and directed its staff to study the situation. At that time the South African sales of semiprocessed gold were about 40 percent of current production. The Belgian Congo and the French colonies sell their entire output of gold on the internal markets. Canadian producers have received a subsidy from their Government. The United States operator was and is now restricted to the open-market sale of gold in its natural state, chiefly placer gold, in quantities so small that it could not be controlled.

The United States producer of gold is the only one in the world who has not had the benefit of open-market prices for gold sold for industrial uses. Users of gold today are being subsidized by the gold-mine operators on the basis of prices fixed in 1933 and unchanged since 1934. No other country has treated its gold miners in this fashion. In the United States, there is no record of prices for other commodities being fixed on the basis of 1934 costs and selling prices. Certainly the gold miner has been discriminated against. At the same time, the increased production of gold in the United States, largely as a byproduct of other minerals, has substantially aided the war effort by reducing the cost of the base metals for which the mining operation was undertaken. The comparatively small increased production of gold in 1950 compared to 1949 certainly was not due to any encouragement from our Government. Why has the Treasury been so niggardly in its consideration of domestic miners?

Inflationary pressures existing in most countries were reflected in a gradually rising price for gold bars in various mar-

kets of the world. Prices of gold bars in Switzerland rose from the equivalent of \$44 per fine ounce in early 1948 to more than \$50 in 1949. Quotations for Portugal, Italy, and France showed approximately the same magnitude of rise. Gold prices in Bombay, Hong Kong, and Macao were then, and still are, considerably higher. But during the final quarter of 1949 the European price dropped precipitately, and was stabilized at about \$38 per fine ounce in mid-1950, just before the beginning of the war in Korea reversed the trend of gold prices.

Throughout 1950 and 1951 prices of gold rose from \$37 per fine ounce in Switzerland in May 1950 to about \$42 per fine ounce in early 1951. Quotations for early October 1951 fluctuated between \$39 and \$40 per fine ounce, still substantially above the United States price of \$35.

The fall in the price of gold occurred at the same time as the general revaluation of currencies which became effective at the end of September 1949. Currencies of some 30 countries were involved, the majority of which were devalued about 30 percent.

The devaluations of September 1949 were the equivalent of an increase in the price of gold of 44 percent in the sterling area, the principal producing center for gold. Working costs per ton of ore milled increased considerably, due to increased wages and higher materials and equipment costs.

The United States made no attempt to adjust the price of gold to these changes in foreign prices and apparently the Treasury does not wish to ascertain whether the new relationship is a natural one. This could be determined readily through the operation of an unrestricted market for gold.

When my bill was first introduced in 1948 the United States had a huge export surplus. In 1951 we have a large import surplus. Instead of gold coming into this country it is moving out in large quantities.

Most of us have observed that we have to carry more money in our pockets than we did 10 years ago or 20 years ago. Prices are higher and we have to keep more working capital or liquid assets within reach. Aggregates of business balance sheets show that businesses now have to keep much larger amounts of cash and working capital on hand than they did one or two decades ago. Nations have had the same experience; they need larger balances of internationally acceptable assets in order to settle the national accounts.

Nearly a decade after the International Monetary Fund was organized, we recognize that there are only two internationally acceptable currencies: Gold and the United States dollar, so long as it is convertible into gold. As international trade increases, as specialization increases, and as population grows, with a rising standard of living, each country requires more working capital, just as each individual and each business must have more working capital than in the past.

The world inventory of monetary gold that was sufficient at some time in the

past is not sufficient today. Encouragement must be given to the gold mining industry to produce more gold, the only acceptable international currency. This would be one of the greatest contributions to international trade and would go far toward eliminating so-called dollar shortages and other phrases coined to describe an unbalance of payments. More gold will be produced when its price is competitive in the open market, with steel or petroleum, or shoes.

The United States is acting as banker for the world to the extent that our banks owe \$7,000,000,000 to foreigners in contrast to \$1,000,000,000 of claims on foreigners. This distribution subjects the gold supply of the United States to severe strains and runs which should be avoided in the interests of a sound domestic currency.

Much harm can be done to the currency and credit system by irresponsible runs on the gold supply. These runs are sufficiently dangerous during periods of peace as to be very unsettling in their effects upon exchanges and trade.

The fact that the ratio of gold to currency and bank deposits, or to currency, bank deposits and the public debt, is as large or larger now than at the beginning of World War I, cannot conceal the fact of the huge dollar amount of expansion of money or money substitutes that are not covered by gold. Demand deposits and currency not covered by gold were \$11,300,000,000 at the end of 1916 and seldom exceeded \$20,000,000,000 to 1940. The total was \$95,000,000,000 at the end of 1950. Total deposits and currency not covered by gold increased from \$21,600,000,000 in 1916 to \$154,200,000,000 at the end of 1950, while total deposits, currency, and net public and private debt not covered by gold increased from \$103,700,000,000 to \$615,400,000,000. These figures, potential claims upon gold, are astronomical, and no ratio comparisons can disguise their stupendous total compared with our monetary gold stock of less than \$22,000,000,000. Also it should be borne in mind that the ratios of gold coverage so often cited are about one-half as great as the coverage at the beginning of World War II.

At the end of May 1951 the United Nations Economic Commission for Europe released a report which argued for the upward revaluation of European currencies in terms of the United States dollar. This was a reversal of the action mentioned above which resulted in a general reduction of the same group of currencies on September 18, 1949, of about 30.5 percent. The United States Secretary of the Treasury expressed opposition to the proposed change.

The suggestion of the Commission implies that either (1) European currencies have improved in value since September 18, 1949, or (2) that the United States dollar has declined substantially in value, or perhaps a combination of both. The steady export of gold from the United States and the increase in the monetary reserves of European countries would support the belief that both influences have been important.

The suggestion of the European experts for an upward revaluation of cur-

rencies in terms of the United States dollar implies that the United States price for the purchase of gold—\$35 per fine ounce—is too low. Instead of a general upward revision by most European countries, the same result could be obtained by an increase in the price of gold on the part of the United States.

The United States could take the time to determine the correct relationship between the currencies by permitting an unrestricted market for gold to be operated in the United States. This could soon demonstrate which currencies were overvalued and which were undervalued.

The United States Treasury has persistently opposed change in the monetary field unless and until forced to take action by the pressure of public opinion. It held on to the wartime pattern of interest rates until inflation all but overwhelmed us. It opposed curbs on the lending power of banks until we were almost inundated under a tidal wave of money. It has held to the 1934 price of gold long after this has been abandoned by almost every country in the world. Maynard Keynes and Harry White who designed the structure of the International Monetary Fund are now dead. The International Monetary Fund admits its inability to control sales of gold at the unrealistic price of \$35 an ounce. Yet the Treasury finds no merit in an open market for gold.

Must the Treasury of the United States always lag a decade behind public opinion in the country and in the world? It is time that we had action and leadership for currency stability, instead of constant pressure for monetary expansion.

One of the outstanding commentators, and, to my mind, the dean of commentators, and editors in America, Mr. Fulton Lewis, in his Washington Report under date of March 20, 1951, set forth in his characteristic and forceful fashion the subject matter I have disclosed here today. Among other things, Mr. Lewis stated:

Gold has gone to war. Since Korea, world buying and selling in gold has risen to feverish pitch, and, as usual the United States is holding the bag.

More gold left the United States during 1950 than at any time since 1945, official Treasury Department figures reveal. The reason is simple.

Then that able commentator gives a complete history of the whole transaction.

Mr. President, I ask unanimous consent that the article by Mr. Fulton Lewis, published under date of March 20, 1951, be printed in the body of the RECORD as a part of my remarks.

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

[From the Washington Times-Herald of March 20, 1951]

WASHINGTON REPORT
(By Fulton Lewis, Jr.)

Gold has gone to war. Since Korea, world buying and selling in gold has risen to a feverish pitch, and as usual the United States is holding the bag.

More gold left the United States during 1950 than at any time since 1945, official

Treasury Department figures reveal. The reason is simple.

International traders in gold can buy the precious metal from the United States Government at \$35 per ounce, ship it abroad for a nominal sum and sell it on the open market for \$57 per ounce. Sold in foreign black markets, it brings an even better price.

During 1950 the Government lost \$1,727,-300,000 in gold exports. The rate of outgo for 1951 is higher.

War scares always jazz up the gold trading market. Rich and poor alike lose faith in paper currency, especially in countries where governments are none too stable. The scramble is to convert currency into gold and bury it in the back yard.

In one instance, recently, a gold smuggler had outfitted his automobile with accessories made of pure gold to disguise movement of his hoard across the Mexican border.

Hoarding gold in the United States is forbidden. In many other countries, however, paper money can be exchanged for gold, and this is where foreign governments benefit from the low United States gold price.

Great Britain bought \$1,020,000,000 worth of gold from the United States last year at \$35 an ounce; Mexico purchased \$118,200,000 worth; Canada \$100,000,000.

Resold by these nations to private buyers and other governments at \$57 an ounce, United States gold brought these nations additional paper money for purchasing United States goods.

In France, where the franc has lost its buying power at an even faster rate than the dollar lost it here, buying gold is a major business. At the start of World War I the franc was worth five to one United States dollar; now it is worth 350 to \$1.

Smart Frenchmen who invested as much as a million francs in gold prior to or during the war would today have increased their investment 63 percent on the increase in gold value per ounce alone, to say nothing of having avoided the huge deflation in the value of the franc.

The real brisk business in gold buying and selling, however, is in Tangier, Morocco. Here a few smart traders came up with the idea of issuing gold certificates, which is forbidden in the United States.

The certificates are issued by banks based on private gold holdings in the vaults and strong boxes. A bank customer in Tangier or Zurich, Switzerland, including Americans as well as other foreigners, can call for the gold certificates as soon as they deposit the gold in the vault. Bought at \$35 an ounce, the gold entitles holders to certificates on a \$57-an-ounce basis.

The gold certificates are transferable, negotiable and can be issued in the name of the bearer or purchaser. Thus persons can acquire gold without tax officials learning the real identity of the owner. So far no foreign government has declared the gold certificates illegal.

United States Embassy officials and other Americans abroad are not overlooking the gold buying spree. Paid by United States Treasury checks, United States employees have pooled their dollars to buy United States gold at \$35 an ounce, have it shipped to Switzerland or France and resold at \$57 an ounce.

They worked the scheme behind the cover of a foreign trader. By dealing in gold, francs or other foreign currencies can be secured cheaper than when purchased with United States paper or silver money.

Gold talks loudest in the black market, and a trader with metal or gold certificates can collect huge premiums in foreign currency for buying up goods abroad. On a big scale the transactions can harm international money policies.

A congressional committee has staff investigators studying gold transactions both by individual foreign traders and by our own

Government. So far, despite the billion-dollar loss in gold during 1950, Secretary of the Treasury John Snyder has not been heard from.

Nor has there been any crackdown on individual gold peddlers in this country.

Occasionally the Customs Bureau nabs a private individual trying to leave the country laden with gold. These occurrences are proof that a gold black market flourishes inside the United States despite the fact that personal possession of gold is illegal.

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

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Nevada yield to the Senator from South Dakota.

Mr. McCARRAN. I yield.

Mr. CASE. Let me say that the address on this subject by the distinguished Senator from Nevada is another example to me of his statesmanship, for it is my own conviction that if any one single thing could be said to be the cause of the world's economic troubles today, aside from war, it is the unrealistic position the Treasury maintains in regard to the price of gold. It is a position which we pay for with dollars that have to be raised by taxes.

I wonder whether the Senator from Nevada will agree with me that if we had a realistic position with respect to gold, it would lessen the demands on the Treasury for giving dollars to other countries in a vain attempt to balance their budgets.

Mr. McCARRAN. Mr. President, in addition to what I have said, which confirms what the able Senator from South Dakota has just said, I join him wholeheartedly in his expression on this subject.

Mr. CASE. I thank the Senator from Nevada for his remarks, and I thank him for the able address he has delivered to the Senate this afternoon.

Mr. McCARRAN. I thank the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Benton	Hendrickson	Monroney
Brewster	Hennings	Moody
Bricker	Hickenlooper	Morse
Butler, Md.	Hill	Murray
Butler, Nebr.	Hoey	Neely
Capehart	Humphrey	O'Connor
Carlson	Hunt	O'Mahoney
Case	Ives	Pastore
Chavez	Johnston, S. C.	Robertson
Clements	Kerr	Schoeppel
Connally	Kilgore	Smathers
Cordon	Knowland	Smith, Maine
Dirksen	Langer	Smith, N. J.
Douglas	Lehman	Smith, N. C.
Dworshak	Magnuson	Sparkman
Eastland	Maybank	Stennis
Eaton	McCarran	Underwood
Ellender	McCarthy	Watkins
Fulbright	McFarland	Wiley
George	McKellar	Williams
Green	McMahon	Young
Hayden	Millikin	

The PRESIDING OFFICER. A quorum is present.

HOUSING PREFERENCES TO VETERANS OF THE KOREAN CONFLICT

Mr. MAYBANK. Mr. President, with reference to the bill (S. 2244) to amend

certain housing legislation to grant preferences to veterans of the Korean conflict, I ask unanimous consent to have added to the list of its sponsors the names of all of the members of the Senate Committee on Banking and Currency, namely, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Delaware [Mr. FREAR], the Senator from Illinois [Mr. DOUGLAS], the Senator from Connecticut [Mr. BENTON], the Senator from Michigan [Mr. MOODY], the Senator from Indiana [Mr. CAPEHART], the Senator from Ohio [Mr. BRICKER], the Senator from New York [Mr. IVES], the Senator from Kansas [Mr. SCHOEPEL], and the Senator from Illinois [Mr. DIRKSEN].

I also ask unanimous consent that I may, from the Committee on Banking and Currency, report favorably, without amendment, the bill (S. 2244) to amend certain housing legislation to grant preferences to veterans of the Korean conflict, and to submit a report (No. 957) thereon.

The PRESIDING OFFICER. Is there objection?

Mr. McFARLAND. Mr. President, I have consulted with my friends on the other side of the aisle. First, I want to compliment the Senator from South Carolina for reporting the bill. It is important that GI's have this privilege, and if the Senator wants to have his bill considered now, and if it would only take a few moments to discuss it, I am sure there will be no objection.

Mr. MAYBANK. Mr. President, I am most grateful to the distinguished majority leader. I submitted the request for the reason that all that this bill would do, as the distinguished Senators who are members of the Committee on Banking and Currency realize, would be to place Korean veterans, in respect to housing, on the same basis with World War II veterans.

The PRESIDING OFFICER. Without objection, the first request will be granted. Is there objection to the request for unanimous consent to report the bill, without amendment, and submit a report thereon?

Mr. CASE. Mr. President, reserving the right to object, do I correctly understand the Senator to say that this bill is unanimously supported by all members of the committee?

Mr. MAYBANK. The Senator is correct. Everyone of the Members, from both sides of the aisle, consented to act as cosponsors of the bill. That includes the Senator from Kansas [Mr. SCHOEPEL], the Senator from Ohio [Mr. BRICKER], and the Senator from Illinois [Mr. DIRKSEN], who are present at this time. It also includes the Senator from Indiana [Mr. CAPEHART], who is absent.

Mr. CASE. Mr. President, in view of that circumstance, I certainly have no objection. I should like to know whether this bill or a companion bill has been passed by the House.

Mr. MAYBANK. I may say to my distinguished friend that it has not been passed by the House. One of the reasons for my wishing to have it considered at

this time is that Representative SPENCE, chairman of the House Committee on Banking and Currency, has advised me that both sides of the aisle in the House would like to have the bill passed and sent to the House, so they might act on it before the House adjourns.

Mr. CASE. I withdraw the reservation.

Mr. McCARRAN. Mr. President, reserving the right to object, I would like to know whether, immediately after we pass this bill, which has not been placed on the calendar as yet, we may take up another bill which has been on the calendar for months, and which has been studied for months by the Judiciary Committee. It is a bill which is designed to provide that the widow of a judge shall have the right to a living, a right to sustenance after her husband, the judge, may have passed on. It is one of the most important bills ever presented to the Senate. The committee has studied it for months, and we would like to have it passed at this session of the Congress, in order that the judges of America, who sit in judgment on the property and personal rights of individuals, may sit at ease, knowing that after they have passed away, their widows may be taken care of by the Government to which the judges gave so much of their lives and of their time.

In view of the fact that the majority leader is so kind as to agree that there may be considered a bill which has not even come to the calendar and has not been printed on the calendar, and which I favor, will he not now agree to take up the bill mentioned by me?

Mr. McFARLAND. The bill of which the distinguished Senator is speaking has been objected to by a number of Senators. We would have to give notice and have quorum calls. There should be given at least a day's notice.

Mr. McCARRAN. Will the Senator give a day's notice at this time?

Mr. McFARLAND. The policy committee has not cleared that bill. The bills we are taking up are bills which the policy committee has cleared. I do not want to assume the full responsibility of the order in which they are taken up.

Mr. McCARRAN. I do not want to take exception to the remarks of the distinguished majority leader, but surely we are not going to rest on the judgment of the policy committee.

Mr. McFARLAND. It is my duty to take up such matters with the policy committee before I give consent. I think there is sufficient work to last us a couple of days, anyway.

Mr. McCARRAN. The bill which I am speaking of will make the work shorter.

Mr. O'CONNOR. Is it not true that the request made by the Senator from Nevada was concurred in unanimously by representatives of the American Bar Association who have expressed themselves wholeheartedly in favor of the measure?

Mr. McCARRAN. That is true.

Mr. McFARLAND. I am not speaking against the bill, but I know there are a number of Senators on both sides of the aisle who feel that the widows of judges should be in the same position as are the widows of any other officials

working for the Government. There is considerable opposition to the bill, and I cannot take it up and have it disposed of in this manner.

Mr. McCARRAN. I am pleading with the majority leader for something which is really meritorious.

Mr. McFARLAND. Some Members feel that persons who are working for \$5,000 a year should have their widows taken care of in the same manner. Some Senators on the other side of the aisle have told me they were going to fight it, and I have been told the same thing by Members on this side of the aisle.

The PRESIDING OFFICER. Without objection, the report on Senate bill 2244 is received.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate bill 2244 to amend certain housing legislation to grant preferences to veterans of the Korean conflict.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2244) to amend certain housing legislation to grant preferences to veterans of the Korean conflict.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. CASE. Reserving the right to object, is it limited to housing?

Mr. MAYBANK. The Senator is correct.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (14) of section 2 of the United States Housing Act of 1937 (50 Stat. 388, as amended; 42 U. S. C. 1402) is amended to read as follows:

"(14) the term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President."

Sec. 2. The act of October 14, 1940, as amended (54 Stat. 1125, as amended; 42 U. S. C. 1521), is hereby amended (i) by striking out in paragraph (c) of section 505 and in paragraph (c) of section 602 the phrase "of World War II" wherever such phrase occurs; and (ii) by striking out in paragraph (b) of section 601 the phrase "during World War II", and substituting therefor the words "at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President."

Sec. 3. Public Law 65, Eighty-first Congress (63 Stat. 68), is hereby amended by adding, after the phrase "July 26, 1947", in section 2 thereof, the phrase "or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President."

SEC. 4. The National Housing Act, as amended, is amended by striking out the phrase "of World War II" wherever it occurs in paragraph (b) of section 213, and by adding the following proviso before the period at the end of said paragraph: " : *Provided*, That for purposes of this section the word 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President."

EXECUTIVE SESSION

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. HUMPHREY in the chair) laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Armed Services.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

George W. Falta, of Alaska, to be United States district judge for the division No. 1, district of Alaska;

Myles J. Lane, of New York, to be United States attorney for the southern district of New York, vice Irving H. Saypol, resigned;

Edmund Port, of New York, to be United States attorney for the northern district of New York, vice Irving J. Higbee, resigned; and

Francis Xavier Chappedos, of Alaska, to be United States marshal for division No. 4, district of Alaska, vice Frank Barr, resigned.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports, the clerk will state the first nomination on the Executive Calendar.

SMALL DEFENSE PLANTS ADMINISTRATION

The legislative clerk read the nomination of Telford Taylor, of New York, to be Administrator of the Small Defense Plants Administration.

Mr. DIRKSEN. Mr. President, I find it a little disagreeable to oppose the nomination of General Taylor. I first met General Taylor at Nuremberg, Germany, when he was with real distinction presiding over the war crimes trials. His name has been submitted to the Senate as the new Administrator of the Small Defense Plants Administration. In the committee at the time the subject was under consideration, I made the suggestion that when the section was written into the Defense Production Act to make funds and credits available to stimulate contracts with reference to the smaller plants of the country, those who offered the bill and brought it in as a separate measure in the first instance wrote certain qualifications into it which

are found in section 714, paragraph 83. It is there provided that the management of the Administration shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, who shall be a person of outstanding qualifications, known to be familiar and sympathetic with small-business needs and problems.

That is certainly explicit language, and those who offered the proposed legislation indicated that they wanted a man to preside over the destinies of the Small Defense Plants Administration who was outstanding in that field, who was familiar with small-business needs and problems, and who was sympathetic to them.

Mr. President, General Taylor appeared before the committee. There was a very gracious hearing and a very kindly discussion. I rely entirely upon his own testimony. He said that when he graduated from college he spent 1 year as an instructor in history and political science. Thereafter he came to Washington and became engaged in governmental affairs of a sort. For one period he was identified in a legal capacity with the Department of the Interior. For a number of years he was one of the solicitor's staff in the Agricultural Adjustment Administration. For a time he was general counsel of the Federal Communications Commission, and at long last he found his way into uniform, beginning as a major and ultimately becoming a brigadier general.

I must say that as a lawyer he commends himself and he has indicated both aggressiveness and ability. But by his own testimony he has indicated that he has not the slightest familiarity with business, either large or small. He did not have any time, as a matter of fact, because he spent 1 year instructing college classes, and thereafter joined the governmental forces and remained there until he returned from Germany in 1949. He retired to New York City and established an independent law practice. He testified before the committee that his practice consisted mainly of work in the communications field, in seeking to assist educational institutions in securing high frequencies in the television field.

I stated to members of the committee that if they undertook to approve this nomination it was, in my judgment, a clearly illegal act. I know of no way of interpreting the legislative language of the act except to come to the inevitable conclusion that what is desired is an administrator who is qualified and who has familiarity with small-business needs and problems. This is the law. It is a law and not a simple Senate resolution. The bill passed the Senate and went to the House, and the House finally concurred in it. For the life of me I do not understand how we can repudiate the provisions of the law and deal unfairly with the House of Representatives. If the President was familiar with and was properly informed about the qualifications prescribed by the law, he clearly went beyond their scope in ever sending the nomination to the Senate.

The only reason urged why this nomination should be confirmed is that the position will last for only 8 months and then will have to be filled by reappointment and reconfirmation. The salary is \$17,500 a year. It has been contended that six or seven or more men have been approached with respect to accepting the responsibility of the position, but because of the short tenure, they have refused to do so.

Mr. President, that does not excuse this body for violating the very language upon which it solemnly passed, and upon which the House of Representatives passed, before it was engrossed upon the statute books of the Nation. I admonish my colleagues in the Senate that in my considered judgment they depart from the letter and the spirit of the law if they confirm the nomination of a man who, by his own testimony before the committee which had jurisdiction of the nomination, indicated that he had no business experience, either in the field of small business or in the field of large business.

Mr. President, I felt in duty bound and in conscience bound to say something about this nomination. I shall not press for a record vote, but for myself I desire to be on record, because I am not going to be a party to a repudiation of the clear intent and purpose of a law which had the sanction of the Senate and the sanction of the House, and was signed by the President of the United States.

In the first instance, the President should have examined into General Taylor's qualifications. He never should have sent his name to the Senate.

I reaffirm what I said at the outset, that it is rather disagreeable to me to take the position I am assuming because General Taylor is a fine gentleman, and he has accomplished much in his particular field. He developed a great military reputation for himself. But notwithstanding all those matters, and all the encomiums which might be heaped upon him, a very precise and definite qualification has been written into the statute, and it would be singular indeed if this body should take the leadership in setting aside its own action, because we still have the House of Representatives to deal with.

Every item in the substantive law must have had some appeal for those who voted for it in the first instance in the other body, and while we have a right, and have the exclusive right, under the Constitution, to advise and consent to nominations, yet, in all conscience, I think it would be a singular procedure to confirm this nomination.

Mr. President, I therefore rest the case upon what I have said, that I think that if this nomination is confirmed it will be definitely illegal, in my judgment, because of the specific qualifications which the Senate demanded in an administrator for an endeavor that will involve \$100,000,000 in credit, and probably \$50,000,000 in cash.

It is no excuse to say "We can get no one else." Then it is up to the Chief Executive to look further, and to be more diligent in the search to find someone who will meet the qualifications, and

who will take the position, even though it will last for only 8 months.

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

Mr. DIRKSEN. I yield to the Senator from North Dakota.

Mr. LANGER. I wonder why the Senator does not ask for a yea-and-nay vote, feeling as he does.

Mr. DIRKSEN. In the first place, if I must be candid about it, I know there are a number of Senators absent on both sides of the aisle, and I certainly did not wish to prejudice any Senator on that score. However, I hope the nomination will go back to the President, and that he will make an extended search to find someone who can qualify under the provisions laid down in the law.

Mr. SPARKMAN. Mr. President, first let me say that I did not recommend Gen. Telford Taylor to the President for the position to which he has been appointed. As a matter of fact, I had no particular recommendation except that the best man possible be found. I made it known that, for my part, I wanted to see a man selected who did have in mind and in heart the welfare of the small businesses of America.

The law in which the qualifications are set forth was enacted on July 31 last. We have now come to October 15. The small businesses of the country were greatly pleased when the provision referred to by the Senator from Illinois became law, because they saw at long last hope of getting some relief and fair recognition and equitable treatment with reference to obtaining critical and scarce materials, obtaining Government contracts, and having the chance to participate properly in our mobilization program.

Mr. President, I happen to know that an earnest effort was made to find a man who had large manufacturing experience, to find a man who would be willing to leave his business and come to Washington, and I know that not one but several were approached with that in mind. It is not so strange that in these particular times a man who has a successful, going business, would turn down an opportunity to come to Washington to work for the Government, and leave his business perhaps to conduct itself and face hazards at a time when business is particularly good.

Finally, after a long time, the name of General Taylor was sent to the Senate. I have never met him until a day or two before his name was sent to the Senate. In fact, it was the date when he came from New York to talk to the President when I first met him.

The Senator from Illinois is exactly correct when he says that General Taylor made a good impression upon our committee. I am sure the Senator will agree with me that the committee as a whole felt that if a suitable man, experienced in manufacturing, could be found, it would be better. But I submit that under the circumstances the President has done just about the best he could, within the time available, to get a man who could organize this agency in behalf of small business, and start it operating.

After all, time is running. As the Senator from Illinois correctly stated, the act as it is written is due to expire on June 30 of next year. The time is short, and everyone approached with the idea of accepting this position must have in mind the fact that he will have only a short time in which to prove the worthwhileness of this agency, if it is to be extended beyond June 30, 1952, and every day we delay in confirming this nomination, the shorter will become the time in which he can prove that.

Mr. LANGER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from North Dakota.

Mr. LANGER. What is the population of Alabama?

Mr. SPARKMAN. It is a little more than 3,000,000.

Mr. LANGER. I take it there are thousands of businessmen in Alabama familiar with small business.

Mr. SPARKMAN. The Senator is correct. As I understand, somewhere in the neighborhood of 95 percent of the business in Alabama is small business.

Mr. LANGER. Could not the distinguished Senator recommend to the President someone from Alabama who could qualify under the statute?

Mr. SPARKMAN. Yes. As a matter of fact, I started my remarks by saying that I did not recommend Mr. Taylor. There were about three men in the State of Alabama who manifested an interest in this matter, and I said to them very frankly that I was submitting their names to the White House, with their records, and each one knew I was submitting all of them for the consideration of the White House.

Mr. DIRKSEN. Mr. President, will the Senator from Alabama yield?

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

Mr. DIRKSEN. The Senator from Alabama has certainly made a fair statement, and for the sake of the RECORD I wonder if the Senator will respond to two questions. The first is, the Senator will agree, will he not, that the law says that the Administrator shall have familiarity with small business? It does not say that he "should" have it or "might" have it, it says he "shall" have it. I believe the Senator will agree to that.

Secondly, I think he will agree that after the testimony and the biographical sketch submitted by General Taylor to the Committee on Banking and Currency, it was a fair and reasonable assumption that it was not business experience the general had had.

Mr. SPARKMAN. Yes. I agree with the able Senator in both statements. In fact, I think it might be well to read just what the statute says:

The management of the Administration shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small-business needs and problems.

It would be better if we had a man who had actually been engaged in the manufacturing business, but I submit that the law does not require it. I certainly

believe that I am familiar with and sympathetic toward the problems of small business. I have had no manufacturing experience, but I believe I have tangled with enough of these problems as chairman of the Small Business Committee so that I know what the problems of small business are. I am sympathetic with them. I will concede that in the course of the testimony General Taylor very frankly admitted that he had slight connection with small-business problems. However, the distinguished Senator from Illinois will recall that I questioned him as to his understanding of the act itself, and what he understood the main problems of small business to be. I think he gave a good answer. I asked him what his purpose would be in administering the act, and I think he certainly demonstrated his sympathy. Under the circumstances, I believe that the nomination of General Taylor should be confirmed.

In my opinion there can be little doubt that General Taylor possesses the executive attributes which would assure the successful carrying out of this undertaking. The steady advance of his career in Government testifies to his ability to assume and discharge heavy responsibilities. As general counsel of the Federal Communications Commission, as Special Assistant to the Attorney General, and as the chief prosecutor of Nazi war criminals at Nuremberg following the return of Justice Jackson to this country, General Taylor exhibited a degree of broad administrative competence which I do not believe can be questioned. His years in the Department of Justice and his familiarity with the methods of German cartelists have given him a background which he can draw upon to combat one of the most pressing of all small-business problems—the growing threat of monopoly.

I think it should be borne in mind that the primary qualification of the head of a Government agency is administrative ability, which, in essence, is simply being able to exercise sound judgment and to pursue with vigor the policies and programs which, in this instance, have been so specifically set forth by the Congress in the legislation establishing the Small Defense Plants Administration.

As chairman of the Select Committee on Small Business, I have come to realize that there is nothing mysterious about the problems of small business in an economy dominated by a defense-mobilization program. They are easy to grasp. Small manufacturers need more Government contracts, both prime and subcontracts, than they have been getting. Small manufacturers need a claimant agency to make certain that their share of the available supply of scarce materials is a fair one. Many small manufacturers engaged in defense or essential civilian production require easier access to lines of credit. These are the chief problems of small business today.

Just as in the last war, Congress has established a legislative mechanism for helping to solve these small-business problems. It has, in Public Law 96, defined the problems and stated specifically what avenues of approach shall be taken to solve them. The man selected to dis-

charge these responsibilities must work within this legislative framework. He will also have as guideposts the accomplishments and, yes, even the mistakes of the predecessor agency in the field, the Smaller War Plants Corporation, which served small business so advantageously during the last war.

In casting my committee vote in favor of the approval of General Taylor for this post, I did so with the conviction that a man had been found, after a careful search lasting 2 months, who has the intelligence, the force of character, and the highly desirable previous experience in top positions in the executive branch to manage and direct an agency devoted to the welfare of American small business.

I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a biographical sketch of General Taylor.

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

[From *Who's Who in America*, vol. 25, 1948-49, p. 2447]

Taylor, Telford, lawyer; born Schenectady, N. Y., February 24, 1908; son of John Bellamy and Marcia Estabrook (Jones) Taylor; bachelor of arts, Williams College, Williamstown, Mass., 1928, master of arts, 1932; bachelor of laws, Harvard, 1932; married Mary Eleanor Walker, July 2, 1937; children: Joan Penderell, Ellen Estabrook. Instructor, history and political science, Williams College, 1928-29; law clerk to United States circuit judge, New York, 1932-33; assistant solicitor, United States Department of the Interior, Washington, D. C., 1933-34; senior attorney, Agricultural Adjustment Administration, 1934-35; associate counsel, United States Senate Committee on Interstate Commerce, 1935-39; special assistant to Attorney General of United States, 1939-40; general counsel, Federal Communications Commission, 1940-42. Commander, major, Military Intelligence Service, United States Army, October 1942; lieutenant colonel, General Staff Corps, March 1943; colonel, General Staff Corps (assigned as military intelligence officer, European Theater Operations, April 1943-May 1945), September 1944; member, staff of chief of counsel and representative of United States for prosecution of war criminals, June 1945-October 1946; brigadier general, April 1946; United States chief of counsel for war crimes, Office of Military Government (United States) since October 1946. Awarded Distinguished Service Medal, April 1945. Member, Theta Delta Chi. Democrat. Author several law review and encyclopedia articles. Home: 218 Jones Bridge Road, Chevy Chase, Md. Office: Chief of Counsel, APO 124A, care postmaster, New York.

Mr. LEHMAN. Mr. President, I rise in very wholehearted support of the nomination of General Taylor. I have known him for a long time, and he has had wide experience in government, in public life, and in the legal profession. Because he has been so active in the legal profession he has come into contact with many of the problems which face businessmen, both small-business men and the operators of large business enterprises. He was counsel to the Federal Communications Commission, at which time he, of course, came into contact with many of the problems of small business. He was counsel during the investigation which the then Senate Committee on Interstate Commerce carried on

respecting the railroads. He became familiar with the operations of the great railroad systems and of the smaller railroad systems.

He was chief prosecutor at the Nuremberg trials, and had under him a very large organization, which he administered with great ability and success.

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

Mr. LEHMAN. I would rather complete my statement, and then I shall be glad to yield.

Since then General Taylor has been a successful lawyer. His law practice has reached into the domain of both large business and small business.

We talk about business experience and manufacturing experience, but I wonder whether my colleagues in the Senate realize how many of the leaders of great industrial corporations, including the United States Steel Corp., were not previously practical manufacturers, merchants, or financiers. They came into their high positions by reason of the fact that they were successful and capable lawyers.

I think, too, that I should point out that a very large proportion of the men who sit in this body have had little or no manufacturing or business experience; and yet they deal every day with the broadest, the most important problems related to finance, to manufacturing, to fiscal policies, and to merchandising, and they do it successfully, even though they lack the definite, direct contact which the manufacturer might have with problems of trade.

Mr. President, I consider Telford Taylor a man of the highest character. He is courageous; he is resourceful; and he is a man of absolute integrity. I was one of those who recommended the appointment of Telford Taylor to the President, and I am glad and proud that I did so. I did so with complete conviction that Mr. Taylor would serve his country and the cause of the small-business man with sympathy, understanding, and enthusiasm, as well as with efficiency. He has not sought this position. This is one of the instances in which the position has sought the man. He has been reluctant to accept appointment, because service at the head of this organization means transplanting his family and the surrender of a law practice which he has built up and which is successful and profitable. Yet he has been willing, under persuasion—and I was one of those who persuaded him to accept this appointment—to sacrifice his personal interests in order to serve the small-business men and women throughout the land, as well as his country.

I do not believe that I am boastful when I say that I have had reasonable success as a businessman and that I have had reasonable success as an executive and administrator. Because of the experience I have had in such activities, which brought me in contact with thousands of men, and which required me to evaluate their ability, character, tact, firmness, and honesty, I am willing to say without qualification that I know no man who would serve the cause he is undertaking or his Nation with greater

success or greater distinction than Gen. Telford Taylor. I very much hope that his nomination will be confirmed by an overwhelming vote.

Mr. LANGER. Mr. President, I am not acquainted with the distinguished Gen. Telford Taylor, but I do know that Congress passed a law. If the Senate is going to cast aside the very recommendation and qualification specified in the law, what is the use of our passing any laws at all?

Here is a man who has had absolutely no experience with small business. I have in my hand what is written about him in Who's Who in America. I will read it to the Senate:

Taylor, Telford, lawyer. Born, Schenectady, N. Y., February 24, 1908; son of John Bellamy and Marcia Estabrook (Jones) Taylor; bachelor of arts, Williams College, Williamstown, Mass., 1928; master of arts, 1932; bachelor of laws, Harvard, 1932; married Mary Eleanor Walker, July 2, 1937; children: Joan Penderell, Ellen Estabrook. Instructor, history and political science, Williams College, 1928-29.

Then he became a law clerk to United States circuit judge, New York, 1932-33; Assistant Solicitor, United States Department of Interior, Washington, D. C., 1933-34; senior attorney, Agricultural Adjustment Administration, 1934-35.

I do not know whether he is so incompetent that he is fired every year. Apparently he was fired every year from his various department jobs. I cannot tell about that. I am taking the word of my distinguished friend from New York, in whom I have great confidence, when he says he is a very fine man. Therefore, I take it he is worthy of promotion.

Then he became associate counsel, United States Senate Committee on Commerce, 1935-39; special assistant to the Attorney General, 1939-40. Then he became general counsel to the Federal Communications Commission, 1940-42.

He was commissioned a major in the Military Intelligence Service, United States Army, October 1942; lieutenant colonel, General Staff Corps, March 1943; colonel, General Staff Corps (assigned as military intelligence officer, European Theater operations, April 1943-May 1945), September 1944; member of staff of Chief of Counsel and representative of United States for prosecution of war criminals, June 1945 to October 1946; brigadier general, April 1946; United States Chief of Counsel for War Crimes, Office of Military Government—United States—since October 1946. Awarded Distinguished Service Medal, April 1945. Member of Theta Delta Chi. Democrat. Author of several law review and encyclopedia articles. Home: 218 Jones Bridge Road, Chevy Chase, Md.; Office, Chief of Counsel, APO 124-A, care postmaster, New York.

I am sorry that the distinguished Senator from Minnesota [Mr. HUMPHREY], who occupied the chair a moment ago, is not present. He will bear me out when I say that Gen. Telford Taylor, as I understand, is very much interested in railroads. Is that true?

Mr. LEHMAN. No. I said he was counsel of the investigation of railroads carried on by the Committee on Inter-

state Commerce. He never had any railroad experience.

Mr. LANGER. Yes.

Mr. LEHMAN. I am very grateful to the distinguished Senator from North Dakota for having read the statement from Who's Who. He has read a record of which any man could be very proud. It is a record which very few people of Gen. Telford Taylor's age could equal. Merely because he has not operated a store or a bank or a factory does not mean that he has not come in contact and has not become familiar with the problems of business. What business experience did Woodrow Wilson, Grover Cleveland, or Calvin Coolidge have before they became President?

Mr. LANGER. It is not a question of whether Woodrow Wilson, Grover Cleveland, or Calvin Coolidge made good Presidents or whether they did not make good Presidents. The point is that the Senate passed a statute which specified that the post be filled by someone who has familiarity with the problems of small business. My distinguished colleague from Alabama says that he recommended three first-class men from Alabama. Certainly out of the large population of Alabama one man could have been found who would be qualified under the statute.

We are interested in the statute. We want to know whether the Senate will carry out its own statute which provides that the man to be appointed to this post must have certain qualifications. The man to be appointed must have those qualifications if we are to carry out the provisions of the law.

Supposing the statute said that the man must be a lawyer, and the President nominated a man who was not a lawyer. Do any Senators believe that the Senate would confirm such a man?

I have no personal feeling about it. So far as I am concerned, he is probably a fine gentleman, but I shall vote against confirming his nomination, and I shall demand that the terms of the statute be carried out.

Mr. CASE. Mr. President, I believe the Senator from North Dakota has put his finger on a point which I should like to stress. It is the point which the able Senator from Illinois [Mr. DIRKSEN] had previously brought out. In other words, the statute says:

The management of the Administration shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small-business needs and problems.

That Mr. Taylor is a man of outstanding qualifications in a general way I believe would be granted by all who met him in Nuremberg or became acquainted with his work in other respects. However, on the statement of the Senator from Illinois as to whether or not Mr. Taylor is familiar and sympathetic with small-business needs and problems, as the statute reads, even Mr. Taylor has admitted that he has not been connected with business in any way, let alone with small business.

With all due respect to what the able Senator from New York [Mr. LEHMAN] has said about the general qualifications of Mr. Taylor, what an estimable gentleman he is, and what positions he may have filled in a legal way, the statute says that the man appointed to this position should be familiar with and sympathetic to small-business needs and problems. Mr. Taylor has admitted that he has had no connection with business, let alone with small business. The argument of the Senator from New York, brilliantly as it may have been presented, misses the point.

Mr. DIRKSEN. Mr. President, so as to keep the RECORD straight, my good friend from New York indicated that General Taylor had engaged in a lucrative law practice, if I remember his words correctly. The fact of the matter is that when General Taylor got out of college he became identified with government, and he was in government until 1949. He did not return to New York until 1949. That is just about 2 years ago. He returned to New York in 1949 for the purpose of setting up an independent law practice. It could be lucrative. I would not know. However, I doubt very much, from legal standards with which I am familiar, that it would constitute long experience in the practice of law. So whatever identity he had with business, he obtained through governmental eyes; and that is not what the act prescribes. The act calls for someone who has some familiarity with small business; and it does not say "should"; it says "shall."

Feeble as my talents are in the labyrinthine field of the English language, I think I know what the word "shall" means; and it is a mandate upon the President and it is a mandate upon the Senate.

If there is in this body someone who wishes to violate the spirit and the letter of the act, that is quite all right; but I wish to make the case on the ground that it would be illegal for the Senate to confirm the nomination and would be in contravention of the clear purpose, intent, and design of the statute.

The PRESIDING OFFICER (Mr. MOODY in the chair). The question is, Will the Senate advise and consent to this nomination?

Mr. SCHOEPPEL. Mr. President, I rise to discuss the nomination now under consideration.

At the outset I wish to admit that I have some misgivings as to whether Mr. Taylor fits the qualifications and the blueprint which have been established in regard to the position for which he has been nominated.

I did not know this distinguished gentleman whose nomination was sent to the Senate by the President, who has the sole right and responsibility of filling this position, pursuant to the law. The nomination was referred to the Banking and Currency Committee.

Of course, I am aware that much time has elapsed since the measure creating this office became law and up to the time when we first had an opportunity to act upon the nomination of General Taylor.

Probably I am going to be a little more charitable than was my distinguished colleague, the Senator from Illinois. Mr. Taylor admitted rather freely that he did not have experience with business, either large or small. However, in response to direct questioning he indicated his sympathy with the small-business man, who we hope is going to be specifically aided by means of the law which is now on the statute books.

I recognize that the law says "sympathetic." Probably Mr. Taylor by some stretch of the imagination can qualify under that provision.

There is one phase of the matter which gives me a little hope. As I said at the outset, I am not happy about this nomination, insofar as concerns fitting the blueprint which Congress has established. Mr. Taylor is an army man, whose experience has been in the military side of life. He has made some exceedingly rapid advancements, all of which I am sure have been justly deserved. However, I wish to point out one thing which I think is very significant and about which the small-business people all over the United States are seriously concerned: Because of the defense picture, the military are in the saddle, and rightfully so, since they are charged with the defense of the Nation. As a result, particularly in view of the accelerated defense program, everything is subordinated to the requirements of the military; and the military, in their procurement policies and in many other ramifications which they are called upon to pursue, have been taking the position—and again rightfully so, I must say—that primarily they must look out for the defense of the country. Small-business people by the thousands have appeared before various Members of the Senate at meetings of the respective committees, and have stated that they have been seriously disturbed in regard to what their future life may be, not only because of the critical material shortages, but also because of some of the procurement policies which have been announced by the military, and which mean either life or death to thousands upon thousands of small businesses throughout the length and breadth of the land, unless—and this is why I speak briefly this afternoon in reference to this nomination—General Taylor, who has been a military man, who has advanced rather rapidly in the military picture, has the ability, the judgment, the foresight, and, yes, let us say, the courage, to go to the military and say to them, in respect to their procurement policies, "I head a responsible agency of the Government which has been created by a great majority of the Senate and the House of Representatives; and I want you men, who are responsible, so far as possible, to see to it that you do not choke off small business and do not take an unsympathetic attitude toward the part that small business throughout the United States plays in the economic life of my Nation and yours."

It is upon that point that I am hopeful, let me say, that General Taylor, because of his military experience and background, will have a little more sym-

pathetic understanding in regard to whipping the military into line.

I do not desire to be understood as being critical of the military, but I wish to say—and this afternoon on the floor of the Senate and in the Senate committees there are Members who know this very well—that businessmen have come before the committees, pleading for their life blood. It seems to me that to some extent their difficulties have arisen because of a hard-and-fast policy of favoring the large industrial companies. If Mr. Taylor can with some understanding and with the courage which I think he has the possibility of exercising, insist that small businesses be taken care of, wherever those small businesses may be located, that might be of some assistance to that segment of our economy.

I was quite well aware of the fact that General Taylor had no business experience, either in big business or in small business. In response to questions by some of the Senators, he did say that in his law practice he did not find big business breaking in his door in an attempt to avail itself of his services. Therefore, from that response I understand that he began rather modestly in that respect. However, he limited his business experience and his business connections to television and radio activities as they relate to the advertising field. Perhaps that gives us a general view of his background.

As I said at the beginning of my remarks, Mr. President, I am not exactly embarrassed by the nomination, but I question whether the nominee meets the qualifications which have been prescribed by statute. Yet, because of the delay and the uncertainty which will ensue if we do not confirm this nomination, I am willing to have the Senate confirm the nomination of someone who in this position will at least have a sympathetic understanding of the problem and will work to that end.

On that score, and on that score alone, Mr. President, reluctantly I am willing to support the nomination, in the hope that General Taylor will do whatever he thinks is the right and the courageous thing to do in protecting the small-business segment of our economy, which is wondering what tomorrow and, yes, what next year will bring forth in connection with the accelerated defense program.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

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

The yeas and nays were not ordered.

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

Mr. MURRAY. Mr. President, will the Senator from South Dakota withhold temporarily his suggestion of the absence of a quorum?

Mr. CASE. Yes; I withhold it temporarily, Mr. President.

Mr. MURRAY. Mr. President, I merely wish to make a few remarks on the pending nomination.

Having been the original chairman of the Special Committee on Small Business, I became very familiar with the problems of small business during

the recent war and, prior to that, during the depression.

It seems to me that the man whose nomination is now before the Senate, who has been named to head the small business agency, is highly qualified for that position. It does not seem to me to be necessary to have at the head of that agency a man who has been engaged in business all his life. Very frequently we find that officers of some of the large corporations are lawyers who are not particularly experienced in business or in handling the problems of small business.

I remember, at the time when we set up the Smaller War Plants Corporation how great was the need for an organization such as the Small Defense Plants Administration to assist small business in getting into war production.

It was as a result of the activities of the original Special Committee on Small Business that we were able to mobilize into the war-production program thousands and thousands of small-business concerns. After we began that movement, we had no difficulty in inducing the procurement officers to cooperate with the committee in its activities. I remember very well how well the Navy Department assisted us in that movement at that time.

It seems to me that Telford Taylor who has been nominated for this office is highly qualified. He has had considerable experience in setting up new agencies, staffing them and organizing the program to be carried out. Therefore I am anxious to support his nomination, and I think the Senate would be making a mistake if it did not confirm it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is, Will the Senate advise and consent to the nomination of Telford Taylor to be Administrator of the Small Defense Plants Administration?

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Florida [Mr. HOLLAND], the Senator from Colorado [Mr. JOHNSON], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee

[Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

I announce further that on this vote the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Utah would vote "nay."

I announce further that if present and voting, the Senator from Florida [Mr. HOLLAND] would vote "yea."

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. NIXON], the Senator from Ohio [Mr. TAFT], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent by leave of the Senate to attend the funeral of a relative.

The Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

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

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Tennessee would vote "yea."

The result was announced—yeas 41, nays 20, as follows:

YEAS—41

Benton	Humphrey	Neely
Capewhart	Hunt	O'Connor
Chavez	Ives	O'Mahoney
Clements	Johnston, S. C.	Pastore
Connally	Kilgore	Robertson
Douglas	Lehman	Schoeppel
Ellender	Magnuson	Smathers
Fulbright	Maybank	Smith, Maine
George	McFarland	Smith, N. C.
Green	McKellar	Sparkman
Hayden	McMahon	Stennis
Hennings	Monroney	Underwood
Hill	Moody	Young
Hoey	Murray	

NAYS—20

Brewster	Dirksen	McCarthy
Bricker	Dworshak	Millikin
Butler, Md.	Eastland	Smith, N. J.
Butler, Nebr.	Ecton	Watkins
Carlson	Hickenlooper	Wiley
Case	Knowland	Williams
Cordon	Langer	

NOT VOTING—35

Aiken	Byrd	Flanders
Anderson	Cain	Frear
Bennett	Duff	Gillette
Bridges	Ferguson	Hendrickson

Holland	Long	Russell
Jenner	Malone	Saltonstall
Johnson, Colo.	Martin	Taft
Johnson, Tex.	McCarran	Thye
Kefauver	McClellan	Tobey
Kem	Morse	Welker
Kerr	Mundt	Wherry
Lodge	Nixon	

So the nomination of Telford Taylor to be Administrator of the Small Defense Plants Administration was confirmed.

The PRESIDING OFFICER. The clerk will state the remaining nominations on the Executive Calendar.

FEDERAL DEPOSIT INSURANCE CORPORATION

The Chief Clerk read the nomination of Henry Earl Cook to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Maple T. Harl to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

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

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

That completes the Executive Calendar.

PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS—MOTION TO RECONSIDER

Mr. McFARLAND. Mr. President, as in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

Mr. CAPEHART. Mr. President, will the Senator withhold the motion for a moment?

Mr. McFARLAND. Certainly.

Mr. CAPEHART. Mr. President, I wish to make a motion to reconsider the vote by which House bill 1181, to amend section 207 of the Legislative Reorganization Act of 1946 so as to authorize payment of claims arising from the correction of military or naval records, was passed on Thursday. It may well be that tomorrow I can withdraw the motion, but I make the motion at this time to reconsider the vote by which House bill 1181 was passed.

Mr. McFARLAND. Mr. President, the Senate is still in executive session.

Mr. CAPEHART. What I am doing is making the motion and giving notice.

Mr. McFARLAND. If the Senator will enter his motion as in legislative session, there will be no objection to entering the motion, I am sure.

Mr. CAPEHART. Mr. President, I ask unanimous consent, as in legislative session, to make a motion to reconsider the vote by which House bill 1181 was passed.

Mr. McFARLAND. Does the Senator mean he wishes to enter a motion?

Mr. CAPEHART. I wish to enter the motion.

The PRESIDING OFFICER. Has the bill gone to the House?

Mr. CAPEHART. I do not know whether it has or not. I know that I

am within my rights in making the motion, or entering the motion.

Mr. McFARLAND. We can return to legislative session if there is to be any controversy. I have no objection to doing that. I am not trying to keep the Senator from entering his motion.

The PRESIDING OFFICER. The Senator's motion can be entered.

Mr. McMAHON. Mr. President, does that require unanimous consent?

Mr. McFARLAND. The Senate is now in executive session. I am willing that the Senate resume legislative session.

Mr. CAPEHART. I think we can get the matter straightened out tomorrow. Mr. McMAHON. I should like to know what the bill is about.

Mr. HUNT. Mr. President, I handled the bill on the floor. I shall be glad to explain it if the Chair wishes me to do so at this time.

The PRESIDING OFFICER. The Senator may explain the bill.

Mr. HUNT. This bill—

Mr. McFARLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Is the Senate now in legislative session?

The PRESIDING OFFICER. It is.

Mr. CAPEHART. Mr. President, I move that the Senate reconsider the action by which it passed H. R. 1181.

The PRESIDING OFFICER. The bill having gone to the House the rule requires that such a motion be accompanied by a motion to have the bill returned to the Senate.

Mr. CAPEHART. I make such a motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana. [Putting the question.]

Mr. McFARLAND. Mr. President, all that the Senator from Indiana is doing is entering the motion. There is unfinished business before the Senate.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the entry of the motion will not affect the status of the unfinished business.

Mr. McFARLAND. The Presiding Officer was about to put the motion at this time.

The PRESIDING OFFICER. The motion is to request the House to return the bill to the Senate.

Mr. HUNT. Does a Senator have a right to object to such a procedure?

The PRESIDING OFFICER. He may vote against the motion.

Mr. HUNT. Is the motion open to debate?

The PRESIDING OFFICER. The motion is not debatable.

Mr. CAPEHART. I believe the matter can be very easily straightened out tomorrow. Two amendments were eliminated from the bill when it was passed, in the absence of the junior Senator from

Indiana [Mr. JENNER]. He is not present today, but will return to the Senate tomorrow. I assure the Senator from Wyoming that there will be no difficulty about it. It is merely a matter of courtesy, and I should like to have permission to enter my motion to reconsider the action by which the bill passed the Senate.

Mr. HUNT. I have no objection.

Mr. CAPEHART. I am just as anxious as the Senator from Wyoming to dispose of the matter. There will be no speeches on it so far as my colleague and I are concerned.

Mr. HUNT. I believe the Senator from Indiana is laboring under a misapprehension, because the amendments were stricken with the permission of the junior Senator from Indiana [Mr. JENNER]. The junior Senator from Indiana was contacted, and it was agreeable to him to have the amendments stricken.

Mr. CAPEHART. Perhaps he did not quite understand what happened. I assure the Senate that the matter will be handled promptly tomorrow and that the bill will not be delayed for more than 24 hours.

Mr. HUNT. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUNT. How long after a bill passes the Senate can a motion to reconsider be valid?

The PRESIDING OFFICER. Two days in which the Senate is in actual session.

Mr. HUNT. I believe the bill was passed on Thursday or Friday.

The PRESIDING OFFICER. The motion can be made either today or tomorrow.

Mr. CAPEHART. If the motion can be made tomorrow, I withdraw my motion, provided that I may enter it today.

The PRESIDING OFFICER. The rule requires that a motion to withdraw the bill from the House be made when a motion to reconsider is entered. However, the rule can be suspended by unanimous consent.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the motion be considered as entered, but that it need not necessarily be made until tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUNT. Mr. President, I shall not object, but I should like to say to the Senate that this action will waste time. The junior Senator from Indiana gave us his permission to withdraw the two amendments. The action was taken by the distinguished chairman of the Judiciary Committee, the Senator from Nevada [Mr. McCARRAN]. I assure the senior Senator from Indiana that he is laboring under a misapprehension. I see no reason why the bill should be returned from the House and why we should spend some time on it tomorrow. However, I shall not object.

RECESS

Mr. McFARLAND. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, October 16, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 15 (legislative day of October 1), 1951:

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general:

Walter W. Wensinger
Edwin A. Pollock

The following-named officer of the Marine Corps for temporary appointment to the grade of brigadier general, subject to qualification therefor as provided by law:

Verne J. McCaul

CONFIRMATIONS

Executive nominations confirmed by the Senate October 15 (legislative day of October 1), 1951:

SMALL DEFENSE PLANTS ADMINISTRATION

Telford Taylor, of New York, to be Administrator, Small Defense Plants Administration.

FEDERAL DEPOSIT INSURANCE CORPORATION

MEMBERS, BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, FOR TERMS OF 6 YEARS FROM SEPTEMBER 6, 1951

Henry Earl Cook, of Ohio.
Maple T. Harl, of Colorado.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 15, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art the inspiration of everything that gives meaning, worth and strength to our lives, grant that in these moments of prayer we may develop new and larger capacities of insight, endurance and understanding to live the joyous and victorious life of harmony with Thy divine spirit.

Inspire us with freedom from fear and help us to gain the mastery over all the dark moods of doubt and defeatism which would dwarf and enslave us and eclipse our faith.

May each day be radiant with a sense of Thy guiding presence and sustaining power as we seek to minister unto needy humanity with all its physical sufferings and moral agony, its heartaches and nameless longings. We pray that we may give ourselves more wholeheartedly and devotedly to the glorious task of building a finer social order and may it not simply be the old social order, patched up and plastered over, but a truly new one wherein dwelleth the righteousness, the good will, and the brotherly spirit of the Prince of Peace. Hear us in His name. Amen.

The Journal of the proceedings of Thursday, October 11, 1951, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

- H. R. 732. An act for the relief of Konstantios N. Bellos;
- H. R. 782. An act conferring United States citizenship posthumously upon Siegfried Oberdorfer;
- H. R. 794. An act for the relief of Arthur E. Hackett;
- H. R. 824. An act for the relief of Luisa Monti;
- H. R. 1087. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," to empower the courts to remit or mitigate forfeitures under the Indian liquor laws;
- H. R. 1100. An act for the relief of Eugenio Bellini;
- H. R. 1119. An act for the relief of Mario DiFilippo;
- H. R. 1252. An act for the relief of Mr. and Mrs. Miroslav Kudrat;
- H. R. 1413. An act for the relief of Franz Geyling;
- H. R. 1596. An act for the relief of N. H. Kelley, Bernice Kelley, Clyde Farquhar, and Gladys Farquhar;
- H. R. 1696. An act for the relief of Jack Warner and family;
- H. R. 1764. An act to authorize the Secretaries of the Army and Air Force to settle, pay, adjust, and compromise certain claims for damages and for salvage and towage and to execute releases, certifications, and reports with respect thereto, and for other purposes;
- H. R. 1908. An act for the relief of Helena Jange Chinn;
- H. R. 2210. An act for the relief of Hye Pah Kung;
- H. R. 2322. An act to authorize the improvement of East Pass Channel from the Gulf of Mexico into Choctawhatchee Bay, Fla.;
- H. R. 2684. An act to provide for the sale, transfer, or quitclaim of title to certain lands in Florida;
- H. R. 3221. An act for the relief of Joji Ikeda, a minor;
- H. R. 3424. An act for the relief of Yumi Horiuchi;
- H. R. 3430. An act for the relief of the estate of Nora B. Kennedy, deceased, and Mrs. Ann R. Norton;
- H. R. 4154. An act for the relief of the estate of Jake Jones, deceased;
- H. R. 4205. An act to provide retirement benefits for the Chief of the Dental Division of the Bureau of Medicine and Surgery, and for other purposes;
- H. R. 4270. An act for the relief of the estate of Jennie Gayle, deceased;
- H. R. 4271. An act for the relief of Mr. and Mrs. Richard G. Adams and legal guardian of Dorothy Margaret Adams;
- H. R. 4693. An act to amend section 77, subsection (c) (3), of the Bankruptcy Act, as amended; and
- H. R. 4931. An act for the relief of Lewyt Corp.
- The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:
- H. R. 971. An act for the relief of Louis R. Chadbourne;
- H. R. 1181. An act to amend section 207 of the Legislative Reorganization Act of 1946 so as to authorize payment of claims arising from the correction of military or naval records;

- H. R. 1215. An act to authorize certain land and other property transactions, and for other purposes;
- H. R. 1216. An act to authorize the President to convey and assign all equipment contained in or appertaining to the United States Army Provisional Philippine Scout Hospital at Fort McKinley, Philippines, to the Republic of the Philippines and to assist by grants-in-aid to the Republic of the Philippines in providing medical care and treatment for certain Philippine Scouts hospitalized therein;
- H. R. 1236. An act for the relief of Rhoda Akiko Nishiyama;
- H. R. 3376. An act for the relief of Margaret K. N. Miller; and
- H. R. 5131. An act granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning a bridge across the Delaware River to provide a connection between the Pennsylvania Turnpike System and the New Jersey Turnpike, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

- S. 43. An act for the relief of Joseph Flury Paluy;
- S. 64. An act for the relief of Helen Dick;
- S. 183. An act for the relief of Elfriede Ehrhardt Otto;
- S. 366. An act for the relief of Stanislas d'Erceville;
- S. 440. An act for the relief of Evangelos and Michael Dumas;
- S. 471. An act for the relief of Ai Mei Yu and Ai Mei Chen;
- S. 527. An act for the relief of Youichi Nobori;
- S. 605. An act for the relief of Constance Chin Hung;
- S. 639. An act for the relief of Motoi Kano;
- S. 640. An act for the relief of Isamu Furuta;
- S. 664. An act to amend section 4 of the act of May 5, 1870, as amended and codified, entitled "An act to provide for the creation of corporations in the District of Columbia by general law," and for other purposes;
- S. 690. An act to permit certain lands heretofore conveyed to the city of Canton, S. Dak., for park, recreation, airport, or other public purposes, to be leased by it so long as the income therefrom is used for such purposes;
- S. 740. An act for the relief of Albert Walton;
- S. 811. An act for the relief of Mitsuko Sakata Lord;
- S. 821. An act for the relief of Wong Woo, also known as William Curtis;
- S. 828. An act for the relief of Berta Gomes Leite;
- S. 839. An act for the relief of Alice Ibrahim, Hannan Ibrahim, Ellen Issa Zakaria, Ruth Naomi Schut, and Roselleen Schut;
- S. 895. An act for the relief of Dr. Yau Shun Leung;
- S. 904. An act for the relief of Roy Y. Shiomi;
- S. 914. An act for the relief of Masako Miyazaki;
- S. 931. An act for the relief of Bernard Kenji Tachibana;
- S. 971. An act for the relief of Ralph Albrecht Hsiao.
- S. 985. An act for the relief of Agnes Anderson;
- S. 1052. An act for the relief of Maria Rhee;
- S. 1120. An act for the relief of Misao Konishi;
- S. 1212. An act to amend section 2113 of title 18 of the United States Code;
- S. 1236. An act for the relief of Kim Song Nore;
- S. 1256. An act for the relief of Barbara Ann Koppius;
- S. 1280. An act for the relief of the minor child, Peng-siu Mei;
- S. 1311. An act granting the consent of Congress to a compact entered into by the States of Montana, North Dakota, and Wyoming relating to the waters of the Yellowstone River;
- S. 1323. An act for the relief of Francisca Quinones;
- S. 1339. An act for the relief of Doctor Chai Chang Choi;
- S. 1401. An act for the relief of Lore A. M. Hennessy;
- S. 1448. An act for the relief of Robert William Lauber;
- S. 1462. An act for the relief of Joseph Boris Tchertkoff;
- S. 1482. An act for the relief of the town of Mount Desert, Maine;
- S. 1604. An act for the relief of Truman W. McCullough;
- S. 1622. An act to amend section 10 of the Flood Control Act of 1946;
- S. 1668. An act for the relief of Pansy E. Pendergrass;
- S. 1682. An act for the relief of Daniel J. Crowley;
- S. 1770. An act to amend the Administrative Procedure Act, and eliminate certain exemptions therefrom;
- S. 1819. An act for the relief of Wolfgang Vogel;
- S. 1909. An act for the relief of Henry Bongart and Evelyn Bongart;
- S. 1911. An act for the relief of Michael David Liu, a minor;
- S. 1934. An act for the relief of Ascanio Collodel;
- S. 1938. An act granting the consent of Congress to a supplemental contract or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Joint Toll Bridge Commission, and for other purposes;
- S. 1949. An act for the relief of Hattie Truax Graham, formerly Hattie Truax;
- S. 2042. An act to extend certain privileges to representatives of member states on the Council of the Organization of American States;
- S. 2095. An act for the relief of Joe Kosaka;
- S. 2233. An act to amend the Atomic Energy Act of 1946, as amended; and
- S. Con. Res. 36. Concurrent Resolution authorizing the appointment of 14 Members of Congress to participate in a public discussion of problems of common interest with representatives of the Consultative Assembly of the Council of Europe.
- The message also announced that the Senate agrees to the amendments of the House to a bill and a concurrent resolution of the Senate of the following titles:
- S. 537. An act to further amend the Communications Act of 1934; and
- S. Con. Res. 39. Concurrent resolution favoring the suspension of deportation of certain aliens.
- The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1335) entitled "An act to readjust size and weight limitations on fourth-class (parcel post) mail"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MONRONEY, Mr. SMATHERS, and Mr. BUTLER of Maryland to be the conferees on the part of the Senate.
- The message also announced that the Senate had ordered that the Senator

from Massachusetts [Mr. SALTONSTALL] be appointed conferee on the bill (H. R. 5215) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes"; vice the Senator from Nebraska [Mr. WHERRY], excused.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4740) entitled "An act making appropriations for the Departments of State, Justice, Commerce, and the judiciary, for the fiscal year ending June 30, 1952, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 79, 103, 104½ and 107 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5054) entitled "An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 50 to the above-entitled bill.

THE FLAG OF THE CONFEDERACY

Mr. CANNON. 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 Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, on a standard in my room across the corridor is an American flag. And on the walls is a picture of Robert E. Lee. It has been there for more than a quarter of a century. And just under it is a Confederate flag.

The first flag I ever owned as a boy was a Confederate flag. It was fashioned and stitched painfully, lovingly by a very wonderful woman who entrusted it to me along with admonitions which have remained with me through life.

My family, like many another pioneer family, fought for the American flag when it had only 13 stars. And under the Stars and Bars, along with legions of other conscientious men, they marched with Lee and rode with Jackson and died at Shiloh.

The American flag is today the symbol of the greatest and most enlightened Nation on earth. The Confederate flag is but a treasured memory, a relic of a day long past, of a cause which no longer stirs the hearts of men.

But it is a sacred relic and it is to be regretted that newspapers are referring to it as an emblem of political controversy.

In the language of Father Ryan, the poet of the lost cause, let us leave it to its honored place in history:

Furl that banner, softly, slowly,
Treat it gently—it is holy,
Touch it not—unfold it never,
Let it droop there, furled forever.

FLANNEL-MOUTHEED SPEECH

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, I want to take violent exception to the flannel-mouthed speech which was made by a certain diplomat of a European nation now touring the country. He said that the motion-picture industry is responsible for ruining the standing of America in the eyes of the people of Europe because they picture us as a nation of Hopalong Cassidys. I think Hopalong Cassidy is a pretty good symbol of Americanism. I would rather see Hopalong Cassidy be the symbol and inspiration of our work in Europe than to see us fall under the influence of what is now capitalizing on our help today. Hopalong Cassidy is away ahead of Joe Stalin, Molotov, and Andrei Gromyko. I think it is time that these bold experts that come from over across for more hand-outs and talk this way were silenced and thrown out of the country for hurting American institutions. Such foreign diplomats add insult to injury when they come in here asking alms and then bite the hands that feed them.

SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House for 30 minutes on Wednesday next, following the legislative program and any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

Mr. TACKETT asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program and any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

[Mrs. BOLTON addressed the House. Her remarks appear in the Appendix.]

CARS FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article in yesterday's Sunday Star entitled "Spies of the Spirit—Heartbreak

Ridge," written by the beloved Chaplain of the Senate, Rev. Frederick Harris.

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

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am including as part of my remarks an article describing the heartbreaks of Heartbreak Ridge in Korea, and the gallantry and discouragement of the men. It describes all those men have given to the world.

May I point out, Mr. Speaker, that there has gone down to the White House a bill—the so-called amputee car bill—to take care of paraplegics and the blind as well as the amputees. We do not have very much more time. How much I hope that bill will be signed. It was "heartbreak hill" for those boys, who, terribly disabled, had to come, and they did, to the Capitol to secure that legislation. It went through pretty promptly on the House side but on the other side it was terribly slow. It is hard to understand why the veterans' bills are passed late in the session—every other legislation comes first—the badly maimed come last. Eight billions passed for military aid. Billions upon billions for tanks and other matériel of war for distribution. And this bill is only a few millions for rehabilitation and construction purposes for those disabled in our services—yes, men who are our responsibility.

If we adjourn soon, it is important that the bill come back to the House for an overriding of the veto, if there should be a veto. However, I do not believe the President will veto that bill. It is a great rehabilitation measure. Why, oh why, Mr. Speaker did this legislation finally pass so late? The men at Heartbreak Ridge were not late. They went into action at once, ill-equipped though they were—some to live only a few hours—some to be injured almost immediately. A short time for men in battle to die or be mutilated—too long for so many who were carried to a supposedly grateful country and Congress to try to make them better.

The article is as follows:

SPIRES OF THE SPIRIT—HEARTBREAK RIDGE

(By Frederick Brown Harris, pastor, Foundry Methodist Church; Chaplain, U. S. Senate)

Heartbreak Ridge is a range of hills now being lifted into sharp visibility for all the world. It focuses the heartbreak of all men of good will on this terrestrial ball. It is a new height in the geography of valor. It is a fresh landmark of a courage which is fear that has said its prayers.

Historians have listed the decisive battles on which, across the centuries, has hung the fate of nations. Such is the struggle now raging on the strategic soil of Korea. That ancient land, long centuries before the grandeur that was Rome and the glory that was Greece, was called the Land of the Morning Calm. It was here that, in June of the mid-twentieth-century year, the aggressor launched his perfidious blow. In this murderous attack a supreme hour struck for the free world and, also, for the physical and mental slaves behind the iron bars shutting out the light of truth. In the instant decision of the United States which made it possible for the United Nations to

unloose the fateful lightning of its terrible swift sword, the final failure of tyranny was sealed. A supine surrender in Korea would have given the green light to atheistic materialism in its attempt to achieve world dominion.

Freedom's sons, as unprepared for such an onslaught as were the farmers at Bunker Hill, hurled their quickly mobilized might against the pagan hordes. Their valor was freedom's pledge to the startled and fear-haunted world that they shall not pass. The cost of the struggling months since then, immortalized by exploits of intrepid daring matching any page of history, is vividly symbolized by the poignant designation, Heartbreak Ridge. The Heartbreak Battle of Korea will live forever bracketed with Thermopylae and with Tours, turning point in the northern sweep of Islam. If there comes from the reeling, smarting, numerically overwhelming foe an agreement for a cease-fire, it will be because before Heartbreak Ridge and up its slopes, under conditions which stagger the imagination to conceive—

These died in war that we in peace might live.

These gave their best so we our best could give.

These two words, Heartbreak Ridge, repeated these days untold thousands of times by the press and radio reports from Korea, stab us with the consciousness that while here at home—God forgive—many have engaged in a selfish orgy of money-grabbing, while corruption has defiled public life, some of the finest chapters of American gallantry have been written in blood and tears, in peril and pain. As back and forth has surged the bloody struggle, these young Americans with their comrades of other nations and the dauntless patriots of South Korea have written a new epic in humanity's progression to its promised land.

But Heartbreak Ridge is not just a series of hills on one battered peninsula under eastern skies. Heartbreak Ridge runs across the yearning hopes of all men who hate coercion and love freedom. The awful truth, that is enough to break the heart of men and angels, is that a monstrous power has arisen, bent on halting man's march to a beckoning earth of peace and plenty. The present holocaust and any further blood-letting and devastation truly can be designated, as Winston Churchill in his massive memoirs tags World War II, "the unnecessary war." That is the heartbreak of it, it is all so wickedly unnecessary.

The rainbow of hope arching Heartbreak Ridge is that "There is no irresistible tide that is carrying man to destruction. The evil forces at work are man-made and they can be man-changed." Heartbreak Ridge runs across a world filled with all the ingredients for a new earth. Science now points the way to lift the levels of living in all the planet to undreamed heights. The astronomical sums now being poured out for war could be channeled into projects which quickly would remove the glaring weaknesses and inequalities which the fallacious assumptions of communism exploit. If senseless war could but give way to what is now at least glimpsed by America's point 4, then greater economic well-being would result throughout the world—today's trickle would become a torrent. Even from the Heartbreak Ridge of contemporary despair it is an antidote for pessimism to hear a voice like that of the president of Harvard, speaking to thousands of scientists before him, and through them to a listening world. As a recognized thinker and scientist, he declares his conviction that the dreaded new world war is by no means inevitable; that it will be avoided; that the areas of cooperation among peoples across all lines steadily will increase, and that, furthermore, before the century closes man will draw from the sun

all energy and power that he needs for his expanding life, hitching his wagon of progress to that blazing star; and that fresh water, distilled from the oceans, will make it possible for every barren wilderness to blossom as the rose.

This is a conquest in which there is no taint of imperialism. It is the radiant vision of those who fight at Heartbreak Ridge, for they desire nothing for themselves that they do not want for all the earth. They fight as truly for the future of Russia and of China as for their own. They fight that heartbreak may change to daybreak everywhere, as the shadowed world rolls out of darkness into light, for:

"We men of earth have here the stuff
Of Paradise—we have enough!
We need no other stones to build
The stairs into the Unfulfilled—
No other ivory for the doors—
No other marble for the floors—
No other cedar for the beam
And dome of man's immortal dream."

The fulfillment of this fair dream will be the final victory of the global Heartbreak Ridge.

THE TAX BILL

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

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

There was no objection.

Mr. EBERHARTER. Mr. Speaker, probably next month millions of Americans will start paying more taxes to the Federal Government from their personal income. Nearly everybody agrees that this is necessary in order to fulfill our obligation to protect our freedoms and sovereignty and maintain a stable economy.

I must express my own disappointment at the provisions of the tax measure which will be presented to the House and Senate tomorrow for final congressional action.

In the first place, it raises only about one-half of what is needed at this time, thereby violating the pay-as-you-go concept;

Secondly, it places a disproportionate burden on the lower income groups, thus violating the principle of taxation based upon ability to pay;

Thirdly, it fails to close some glaring loopholes and, in fact, experience will show that it has opened additional ones; Furthermore, it indirectly attacks our social security system in permitting States to make public the names of recipients of relief. This is a radical departure, without hearings and proper consideration, from the system which has successfully worked for twelve years.

However, each Member of both Houses must resolve his own conscience, in view of all circumstances, whether it is better to accept this unsatisfactory measure or take a chance on having no tax increase at all.

PARCEL-POST REGULATIONS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1335) to readjust size and weight limitations on fourth-class (parcel post) mail, with an amendment of the House thereto, insist on the House amendment and

agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MURRAY of Tennessee, BURNSIDE, and REES of Kansas.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER. The Chair lays before the House a communication from the Clerk of the House.

The Clerk read as follows:

OCTOBER 15, 1951.

The honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the office of the Clerk at 11:44, on October 13, 1951, said to contain a veto on H. R. 2459.

Respectfully yours,

RALPH R. ROBERTS,

Clerk of the House of Representatives.

OLLIE O. EVANS, JR.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 258)

The SPEAKER laid before the House, the following veto message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H. R. 2459, a bill for the relief of Ollie O. Evans, Jr.

This bill states "That sections 15 to 20, inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended (5 U. S. C. 765-769), are hereby waived in favor of Ollie O. Evans, Jr., for compensation for disability allegedly caused by his employment as a member of the Civilian Conservation Corps in Jones County, Miss., in 1936."

Mr. Evans' claim "is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Department of Labor (Bureau of Employees' Compensation) not later than 6 months after the date of enactment of this act."

There is evidence in the accompanying committee reports that the intent of H. R. 2459 is merely to remove the existing statutory time bar to Mr. Evans' claim. A serious ambiguity which brings this intent into question is presented, however, by the language of the enactment, which authorizes consideration of the claim under the remaining provisions of the act (the Federal Employees Compensation Act), when such mandate is considered in the light of the facts and law bearing on Mr. Evans' claim.

Mr. Evans has never filed a claim for compensation with the Bureau of Employees' Compensation of the Department of Labor under the Compensation Act. It is indicated in the accompanying committee report that Mr. Evans incurred a bronchial infection as a result of an attack of pneumonia while

serving as a member of the Civilian Conservation Corps at a camp near Laurel, Miss., in 1936.

Mr. Evans' claim for compensation, if any, in connection with his Civilian Conservation Corps service, would arise not under the Federal Employees' Compensation Act, but under the act of June 28, 1937 (50 Stat. 321), which extended to members of the corps the limited compensation benefits which were made available to employees of the Federal Civil Works Administration under the act of February 15, 1934 (48 Stat. 351). Under the provisions of the latter two statutes, compensation benefits to members of the Civilian Conservation Corps are authorized only where disability results from "traumatic injury," which is refined as "injury by accident causing damage or harm to the physical structure of the body and shall not include a disease in any form except as it shall naturally result from the injury." Inasmuch as the available facts indicate the origin of Mr. Evans' disability to be the disease of pneumonia rather than traumatic injury, relief would in all probability not be available to him on the basis heretofore established by the Congress for members of the Civilian Conservation Corps, even if the statute of limitations were waived as to the act of June 28, 1937 (supra).

The enrolled enactment refers, however, to the "remaining provisions" of Federal Employees' Compensation Act, which includes provisions authorizing compensation for civilian employees of the Government for the results of disease which is employment-connected. Such reference raises the possibility that the Congress intended not only to waive the provisions of that act relating to the time for filing claims but also to create a substantive right under that act to receive compensation for disease. Special treatment of a single claimant by applying to him the provisions of the Federal Employees' Compensation Act in a manner not otherwise available to such claimant, or to other former members of the Civilian Conservation Corps who are similarly situated, would, in my opinion, constitute unfair and discriminatory legislation.

For the reasons stated, I am unable to approve this bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, October 13, 1951.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

By unanimous consent, the bill and message were referred to the Committee on the Judiciary, and ordered to be printed.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

PARTICIPATION IN OLYMPIC GAMES BY MILITARY PERSONNEL

The Clerk called the first bill (H. R. 1184) to authorize the training for, attendance at, and participation in, Olympic games by military personnel, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

AGRICULTURAL PROGRAM IN THE VIRGIN ISLANDS

The Clerk called the bill (H. R. 4027) to provide for an agricultural program in the Virgin Islands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to establish and maintain in the Virgin Islands of the United States an agricultural research and extension service program. In carrying out the program authorized by this act the Secretary shall utilize the agencies, facilities, and employees of the Department of Agriculture, and may cooperate with the government of the Virgin Islands, and other public and private organizations and individuals in the Virgin Islands and elsewhere.

SEC. 2. The Secretary of the Interior is hereby authorized to transfer to the United States Department of Agriculture such part of the functions, property, personnel, records, and unexpended balances of appropriations of the agricultural experiment stations in the Virgin Islands as may be agreed upon between the Secretary of the Interior and the Secretary of Agriculture.

SEC. 3. There is authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act. The moneys appropriated in pursuance of this act shall also be available for the purchase and rental of land and the construction or acquisition of buildings, for the equipment and maintenance of such buildings, purchase and rental of passenger-carrying automobiles, employment of persons in the District of Columbia and elsewhere, and for printing and disseminating the results of research, and such other expenditures as may be necessary to carry out the purposes of this act. Sums appropriated in pursuance of this act shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture, and may be allocated to such agencies of the Department as are concerned with the administration of the program of the Virgin Islands.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COORDINATED LOCAL, STATE, AND FEDERAL PROGRAM IN THE CITY OF BOSTON

The Clerk called the next business, H. R. 254, to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Mass., and general vicinity thereof, for the purpose of preserving the historic properties, objects, and buildings in that area.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

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

NATIONAL SCHOOL LUNCH ACT

The Clerk called the bill (H. R. 1732) to amend the National School Lunch Act with respect to the apportionment of funds to Hawaii and Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the second sentence of section 4 of the National School Lunch Act approved June 4, 1946 (Public Law No. 396, 79th Cong., 60 Stat. 230), is amended to read as follows: "The Secretary shall apportion among the States during each fiscal year not less than 75 percent of the aforesaid funds made available for such year for supplying agricultural commodities and other foods under the provisions of this act, except that the total of such apportionments of funds for use in Puerto Rico and the Virgin Islands shall not exceed 3 percent of the funds appropriated for agricultural commodities and other foods for the school-lunch program."

(b) The last sentence of section 5 of such act is amended to read as follows: "The total of such funds apportioned for nonfood assistance for use in Puerto Rico and the Virgin Islands shall not exceed 3 percent of the funds appropriated for nonfood assistance in accordance with the provisions of this act."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert: "That (a) the second sentence of section 4 of the National School Lunch Act (42 U. S. C., sec. 1753) is amended to read as follows: "The Secretary shall apportion among the States during each fiscal year not less than 75 percent of the aforesaid funds made available for such year for supplying agricultural commodities and other foods under the provisions of this act. The total of such apportionments of funds for use in Puerto Rico and the Virgin Islands shall not exceed 3 percent of the funds appropriated for agricultural commodities and other foods for the school-lunch program; except that in the case of the first apportionments of funds from any annual or supplemental appropriation (and only in such case), the apportionment for Puerto Rico, and the apportionment for the Virgin Islands, shall be not less than that amount which will result in an allotment per child of school age equal to the allotment per child of school age in the State (other than Puerto Rico and the Virgin Islands) having the lowest per capita income among the States participating in such first apportionments."

"(b) The last sentence of section 5 of such act (42 U. S. C., sec. 1754) is amended to read as follows: 'Apportionments of funds for use in Puerto Rico and the Virgin Islands for nonfood assistance shall be determined subject to the provisions of the third sentence of section 4.'

"(c) The amendments made by this act shall be effective only with respect to sums appropriated after the date on which this act is enacted."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the National School Lunch Act with respect to the apportionment of funds to Hawaii, Alaska, Puerto Rico, and the Virgin Islands."

A motion to reconsider was laid on the table.

CHAIN OF ROCKS CANAL, MADISON COUNTY, ILL.

The Clerk called the bill (H. R. 1949) to retrocede to the State of Illinois jurisdiction over 154.2 acres of land used in connection with the Chain of Rocks Canal, Madison County, Ill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States hereby retrocedes to the State of Illinois jurisdiction over the following-described land:

All that parcel of land, comprising approximately one hundred fifty-four and two-tenths acres, acquired by the United States for use in connection with the Granite City Engineer Depot over which jurisdiction was ceded to the United States by the act of the General Assembly of Illinois approved June 30, 1923 (Laws of Illinois, 1923, page 628), as amended by the act of the General Assembly of Illinois approved July 17, 1941 (Laws of Illinois, 1941, page 1302), and over which jurisdiction was accepted by communication dated April 16, 1943, addressed to the Governor of the State of Illinois, signed by the Secretary of War, and received in the office of the Governor on April 19, 1943, and which parcel of land, now used in connection with the Chain of Rocks Canal, is as shown on map designated as GC-1 and dated May 15, 1947, on file in the Office of the Chief of Engineers, Department of the Army.

Sec. 2. The retrocession of jurisdiction provided for in section 1 of this act shall take effect upon acceptance thereof by the State of Illinois.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF WILDLIFE REFUGE LANDS IN MINNESOTA

The Clerk called the bill (S. 467) to authorize the exchange of wildlife refuge lands within the State of Minnesota.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, to convey any lands and improvements, or interests therein, of the United States within the Talcot National Wildlife Refuge or the Beltrami Wildlife Management Area to the State of Minnesota in exchange for other lands and improvements, or interests therein, of equal value, which he deems chiefly valuable for migratory bird management purposes.

Sec. 2. Any lands acquired by the Secretary of the Interior pursuant to this act, if located within or adjacent to an existing wildlife refuge or reservation, shall immediately become a part of such refuge or reservation and shall be administered under the laws and regulations applicable thereto; and if not so located, may be administered as migratory waterfowl management areas, refuges, reservations, or breeding grounds in accordance with the provisions of the act of March 10, 1934, as amended (60 Stat. 1080), and acts supplementary thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIGRATORY BIRD HUNTING STAMP ACT

The Clerk called the bill (S. 509) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718d), as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 4 of the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718d), as amended is further amended by deleting the number "90" and inserting in lieu thereof the number "85" and subsection (b) of said section 4 is amended by inserting the words "in enforcing and" immediately after the words "The remainder shall be available for expenses" as they appear therein.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That is the last bill eligible on the Consent Calendar.

CALL OF THE HOUSE

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

The SPEAKER. Evidently no quorum is present.

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

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

[Roll No. 201]

Adair	Furcolo	Murphy
Albert	Gore	Murray, Wis.
Allen, Calif.	Gross	O'Neill
Allen, La.	Hand	Patman
Anfuso	Hays, Ark.	Patten
Angell	Hébert	Phillips
Baring	Heller	Potter
Bates, Ky.	Herlong	Powell
Battle	Hess	Quinn
Beall	Hoffman, Mich.	Reams
Bender	Hollfield	Redden
Bentsen	Howell	Regan
Blackney	Irving	Ribicoff
Boggs, La.	Jackson, Calif.	Richards
Bonner	James	Roosevelt
Bow	Johnson	Sabath
Bramblett	Judd	Scott, Hardie
Brown, Ohio	Kean	Scott,
Buckley	Kearney	Hugh D., Jr.
Busbey	Kearns	Shafer
Butler	Kelley, Pa.	Shelley
Byrnes, Wis.	Kelly, N. Y.	Sikes
Carlyle	Kennedy	Stanley
Case	Keogh	Taber
Celler	Kersten, Wis.	Taylor
Chatham	Kilburn	Teague
Chudoff	Klein	Thompson,
Cole, N. Y.	Lantaff	Mich.
Combs	Larcade	Thompson, Tex.
Cooley	Latham	Thornberry
Crawford	Lesinski	Vail
Dague	Lucas	Velde
Deane	McConnell	Vorys
Delaney	McKinnon	Walter
Dempsey	Mack, Ill.	Watts
Denton	Madden	Werdel
D'Ewart	Mason	Whitaker
Dollinger	Meador	Wildnall
Dondero	Miller, Calif.	Wilson, Tex.
Dorn	Miller, N. Y.	Wolcott
Eaton	Morgan	Wood, Ga.
Fine	Morrison	
Ford	Morton	

The SPEAKER. On this roll call 303 Members have answered to their names, a quorum.

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

RELIEF AND REHABILITATION OF FLOOD VICTIMS IN THE MIDWEST

Mr. NORRELL. 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. NORRELL. Mr. Speaker, on Thursday, October 4, the House passed House Joint Resolution 341 making \$115,000,000 available for relief and rehabilitation in the flood area of the Midwest. Added to funds already appropriated or otherwise available this will make a total of over \$250,000,000 that can be used for relief and rehabilitation of flood victims in this area—the most generous provisions that Congress has ever made for flood relief and rehabilitation in the Nation's history.

The Appropriations Committee did everything in its power to assist the victims of this great disaster, and as I have said before, it leaned over backwards to be certain that sufficient funds were placed at the disposal of the regularly established agencies of the Government for the relief and assistance of victims of this flood. The special subcommittee held full and extensive hearings on this flood disaster, hearing all witnesses that requested to be heard, and giving them all of the time they needed to testify. These hearings were so complete that just before they were closed, the chief witness, Colonel Howse of the Office of Defense Mobilization stated, and I quote:

I have never been accorded more courtesy or a fairer or a more impartial hearing in all of my experience.

Despite all of this I was astonished to read an article which appeared in the Kansas City Times on Saturday, October 6, 1951, in which Colonel Howse sharply criticizes the House and the House Appropriations Subcommittee, claiming that the bill does absolutely nothing for the "largest number of persons stricken by the flood—the little people who have been left with nothing but despair."

For reasons best known to himself, Colonel Howse is now attempting to advocate in public what he did not advocate before our subcommittee. When he appeared before us in support of his program he professed no concern whatsoever relative to the humanitarian aspects of the disaster. Although the President in his message to the Congress stated that there are two reasons why the Nation must act to restore the stricken regions to economic health—the first being humanitarian and the second restoration of productivity—Colonel Howse stated that the humanitarian principle was not present in his program so far as he was concerned—pages 111 and 112 of the hearings.

Colonel Howse now professes to be greatly disturbed over the misery of the little fellow with the modest income, although the indemnification proposal he presented to the subcommittee included no relief for the flood victim who lost all of his household belongings and personal possessions in the flood. When he testified on this subject, he said, and I quote from page 35 of the hearings:

It is not intended to reimburse the home owner for household goods, furniture, or personal possession * * *. If I can restate the principle of the indemnification pro-

gram, it very simply is to rehabilitate productive plant. It is not in any sense of the word to compensate for the general losses that occurred during the flood.

Elsewhere in the article Colonel Howse is quoted as saying:

I sincerely hope that it is not too late to develop a plan under which Federal funds, supplemented by matching funds on some scale by the State and county, can be disbursed by existing State and county agencies to individuals in distress.

How Colonel Howse hopes to accomplish this objective is not clear because he indicated definitely to the subcommittee that the State and local governments could not participate in the indemnification program. The following statement to this subject appears on page 55 of the hearings:

Now, the States have certain constitutional limitations as to the manner in which they can or cannot use funds. I believe it is rather clearly established now that neither of the principal States concerned, Kansas or Missouri, could participate in the indemnification program to individuals.

Another statement in this article, which is attributed to Colonel Howse, is concerned with the justifications presented to our subcommittee that Colonel Howse is quoted as saying weighed 50 pounds. Now I do not know whether the data submitted to us weighed 50 pounds or not because the Appropriations Committee is not in the habit of weighing the justifications it receives to determine their value. The committee is much more interested in the extent to which the justifications explain and support the budget requests than it is in how much they weigh.

As a matter of fact a very small part of the justifications was devoted to an explanation of the budget request of \$400,000,000, the greater part of it consisting of lengthy and bulky exhibits such as public laws that were already in the hands of the subcommittee, and minutes of meetings consisting of scores of pages that should have been briefed for the subcommittee if they were to have been submitted as part of the justifications.

Probably Colonel Howse, no matter how conscientious he may have been in this matter, did not familiarize himself with the preparation of justifications that are submitted to the Appropriations Committee in the usual course of business by the several agencies and departments of the Government. The following answer appears on page 236 of the hearings in response to a question about the delay in holding hearings which had been made an issue the early part of September in spite of the fact that the justifications were not received by the subcommittee until Monday, September 19, less than 48 hours before the hearings were started:

I will say to you very candidly, I honestly do not see how this committee could have been more cooperative than they have been. I am satisfied that a great deal of the delay in getting started can reasonably be charged to us because of our inexperience in this kind of disaster.

Time and time again during the hearings Colonel Howse was unable to give

the subcommittee adequate supporting information relative to the several parts of his program and the following excerpt from the hearings is typical of his answer.

Page 50 of the hearings:

Mr. NORRELL. All right. Now, what is the basic legal authority for the program proposed by House Document No. 228? I would like to get the law under which you propose to operate.

Mr. HOWSE. Well, I do not believe I know what House Document No. 228 is.

House Document No. 228 is the message from the President of the United States relative to the Midwest flood disaster including the budget request for the \$400,000,000 and was the basis of the whole proceedings before the committee.

Page 68 of the hearings:

Mr. NORRELL. How do you propose to administer this program so as not to serve as an inducement for indiscriminate investments in property subject to recurring floods?

Mr. HOWSE. Well—

Mr. NORRELL. You can't do it, can you?

Mr. HOWSE. I think so, but I can't tell you now.

Page 69 of the hearings:

Mr. WHITTEN. And I believe that you stated earlier that this request for an appropriation of \$400,000,000 represents your best judgment. Now do I understand correctly that you don't know how much the States have spent up until now on this problem?

Mr. HOWSE. Well, I don't know exactly.

Page 85 of the hearings:

Mr. WHITTEN. What is it that you are asking of this committee on flood-control insurance?

Mr. HOWSE. I think we are asking \$50,000,000.

Mr. WHITTEN. Where is your program?

Mr. HOWSE. There is no program presented.

Mr. WHITTEN. In other words, you are asking us to turn over to you \$50,000,000 to work out a program to suit yourself. We have no authority to do it—but forgetting that for the moment—you are asking us to give you \$50,000,000 and telling us, "We will work something out."

Mr. HOWSE. Yes.

It is obvious to me that Colonel Howse's actions indicate quite clearly that he is more interested in getting an appropriation of \$400,000,000 dollars with no strings attached than he is in providing needed assistance to victims in the flood area through existing agencies of Government which, because of their past experience in disasters of this kind, are well qualified to administer a satisfactory program of relief and rehabilitation.

Evidently Colonel Howse's handling of the problem is far from satisfactory to some of the citizens of the State of Missouri who are directly concerned with this situation. I have a statement from the chairman of the Missouri Flood Rehabilitation Advisory Committee criticizing Colonel Howse's tactics which I should like to place in the RECORD at this point:

As officers of the Missouri Flood Rehabilitation Advisory Committee we are at a loss to understand the wholly unwarranted criticism leveled at Missouri by A. E. Howse, of the Office of Defense Mobilization during

the executive hearings before the House Appropriations Subcommittee in Washington.

Everything within the means and legal limitations of the State was done to help alleviate the suffering and damage following the greatest flood disaster in this State on July 13.

This State flood rehabilitation committee was appointed by Governor Smith as requested by Mr. Howse. We held meetings and Mr. Howse appeared before us. We met jointly with the Kansas committee representatives as arranged by Howse. We have repeatedly, right from the very beginning, asked Mr. Howse to tell us what he thought Missouri should do. We felt he could best tell us, since he was dispatched to the scene and was supposed to have the greatest knowledge of the over-all disaster area and problem.

We had the full and active support of Governor Smith in all of our activities.

Despite our pleas for information and help as to what the State of Missouri should do within its limitations Mr. Howse failed to make any suggestions. He apparently was more concerned in getting support from Missouri for a \$400,000,000 congressional appropriation which he and he alone, would control and spend.

The early meetings of the Missouri committee were devoted entirely to accumulating facts and information concerning the flood damage as requested by Mr. Howse. Despite the fact copies of committee reports were in Howse's offices, both in Kansas City and Washington, his staff in Kansas City wanted to send a large C-47 airplane to Jefferson City to pick up the report already in their office.

Contrary to what Mr. Howse told the Appropriations Subcommittee meeting in executive session, Col. Albert Hillix, president of the Kansas City police board, reports that the police there have had only praise from commercial and industrial leaders throughout Kansas City for the fine police work during the flood. Mr. Howse's misunderstanding of a program intended to aid those caught in the flood is to be regretted. On various occasions he chose to display his determination to achieve absolute and undisputed control of moneys requested of Congress.

It is further regretted Mr. Howse, because of his rule or ruin thinking and tactics, felt called upon to make wholly unwarranted and unfounded charges against Missouri and Kansas.

The National Guard in Missouri was called out immediately upon being officially requested by the mayor of Kansas City following action by the city council of that city in declaring a state of emergency.

Mr. Howse made it plain to all concerned in Missouri that he, and he alone, would present Missouri's case to the House committee in secret session. Despite this fact Governor Smith sent this committee's vice-chairman, Agriculture Commissioner Robert T. Thornburg, to Washington to make sure the committee understood Missouri's problems and position.

We in Missouri were not concerned as to what Federal agency was going to administer the flood rehabilitation program. But that appeared to be Mr. Howse's principal concern.

Information was presented to Mr. Howse clearly demonstrating Missouri had done all within its legal limitations to help out in the flooded areas. Every effort was made to cooperate fully with Mr. Howse. Thus his statements to the closed session of the House subcommittee are all the more amazing and difficult to understand unless he is seeking to cover up for his failure to impress the congressional group sufficiently to warrant Federal aid for this flood-stricken midwestern area.

We in Missouri sincerely hope Congress will not permit Mr. Howse's selfish interest to detract from the real need for flood rehabilitation aid in this four-State area.

BUFORD G. HAMILTON,
Director, Division of Health of Missouri;
Chairman, Missouri Flood Rehabilitation Advisory Committee.

ARMED FORCES RESERVE ACT OF 1951

Mr. BROOKS. Mr. Speaker, I move to suspend the rules, and pass the bill (H. R. 5426) relating to the Reserve components of the Armed Forces of the United States, as amended.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

That this act may be cited as the "Armed Forces Reserve Act of 1951."

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PART I—GENERAL PROVISIONS

SEC. 101. When used in this act—

(a) "Duty" means military service of any nature under orders or authorization issued by competent authority.

(b) "Active duty" means full-time duty in the active military service of the United States, other than active duty for training.

(c) "Active duty for training" means full-time duty in the active military service of the United States for training purposes.

(d) "Inactive-duty training" means any of the training, instruction, duty, appropriate duties, or equivalent training, instruction, duty, appropriate duties, or hazardous duty, performed with or without compensation by members of the Reserve components of the Armed Forces of the United States as may be prescribed by the appropriate Secretary pursuant to section 501 of the Career Compensation Act of 1949, as amended, or any other provision of law, and in addition thereto includes the performance of special additional duties, as may be authorized by competent authority, by such members on a voluntary basis in connection with the prescribed training or maintenance activities of the unit to which the members are assigned. Work or study performed by such members of the reserve components in connection with correspondence courses of the

Armed Forces of the United States shall be deemed inactive-duty training for which compensation is not authorized under the provisions of section 501 of the Career Compensation Act of 1949, as amended. Any inactive-duty training performed by members of the National Guard of the United States or of the Air National Guard of the United States, while in their status as members of the National Guard or Air National Guard of the several States, Territories, and the District of Columbia pursuant to section 92 of the National Defense Act, as amended, or pursuant to any other provision of law, shall be deemed to be inactive-duty training in the service of the United States as members of one of the Reserve components specified in section 202 of this act.

(e) "Armed Forces of the United States" means the Army, Navy, Air Force, Marine Corps, and Coast Guard, including all components thereof.

(f) "Member of a Reserve component" means a person appointed or enlisted as a Reserve of an Armed Force of the United States or a person transferred pursuant to law to any of the Reserve components specified in section 202 of this act: *Provided*, That no person shall be a member of the National Guard of the United States or the Air National Guard of the United States unless he first be duly enlisted or appointed in the National Guard or the Air National Guard of the appropriate State, Territory, or the District of Columbia, pursuant to law.

(g) "Officer" unless otherwise specified, means a commissioned or warrant officer, permanent or temporary.

(h) "Appropriate Secretary" means—

(1) the Secretary of the Army with respect to the Army;

(2) the Secretary of the Navy with respect to the Navy and Marine Corps and, when the Coast Guard is operating as a service in the Navy, the Coast Guard;

(3) the Secretary of the Air Force with respect to the Air Force; or

(4) the Secretary of the Treasury with respect to the Coast Guard, when the Coast Guard is operating as a service in the Treasury Department.

(i) "Competent authority" means any authority designated by the appropriate Secretary.

(j) "Partial mobilization" means that action taken by the Congress or the President pursuant to any provision of law, to effect the entry into the active military service of the United States of such units and members thereof, or of such members not assigned to units organized for the purpose of serving as such, of any Reserve component of the Armed Forces of the United States as are required to effect a limited expansion of the active Armed Forces of the United States.

PART II—RESERVE COMPONENTS GENERALLY

CHAPTER I—MISSION AND GENERAL ORGANIZATION

SEC. 201. (a) The Congress hereby declares that the Reserve components of the Armed Forces of the United States are maintained for the purpose of providing trained units and qualified individuals to be available for active duty in the Armed Forces of the United States in time of war or national emergency, and at such other times as the national security may require, to meet the requirements of the Armed Forces of the United States in excess of those of the Regular components thereof, during and after the period needed for procurement and training of additional trained units and qualified individuals to achieve the planned mobilization.

(b) The Congress further declares, in accordance with our traditional military policy as expressed in the National Defense Act of 1916, as amended, that it is essential that the strength and organization of the National Guard, and the Air National Guard, as an integral part of the first-line defenses of this

Nation, be at all times maintained and assured. It is the intent of the Congress that whenever Congress shall determine that units and organizations are needed for the national security in excess of those of the Regular components of the ground forces and the air forces, the National Guard of the United States, and the Air National Guard of the United States, or such part thereof as may be necessary, together with such units of the other reserve components as are necessary for a balanced force, shall be ordered into the active military service of the United States and continued therein so long as such necessity exists.

SEC. 202. The Reserve components are—

(a) The National Guard of the United States;

(b) The Army Reserve;

(c) The Naval Reserve;

(d) The Marine Corps Reserve;

(e) The Air National Guard of the United States;

(f) The Air Force Reserve; and

(g) The Coast Guard Reserve.

SEC. 203. The Congress shall prescribe the maximum numerical strength of each of the Reserve components of the Armed Forces of the United States: *Provided*, That in the absence thereof such maximum numerical strength shall be prescribed by the President.

SEC. 204. There shall be within each Armed Force of the United States a Ready Reserve, a Standby Reserve, and a Retired Reserve.

SEC. 205. The Ready Reserve consists of those units or members of the Reserve components, or both, available for prompt entry into the active military service of the United States in any expansion of the active Armed Forces of the United States in time of war, or in time of national emergency declared by the Congress or proclaimed by the President, or when otherwise authorized by law.

SEC. 206. The Standby Reserve consists of those units or members of the Reserve components, or both, available for involuntary employment in the expansion of the active Armed Forces of the United States only in time of war or national emergency declared by the Congress, or when otherwise authorized by law.

SEC. 207. (a) The Retired Reserve consists of those members of the Reserve components whose names are placed on Reserve retired lists established pursuant to subsection (b) of this section.

(b) In accordance with regulations prescribed by the appropriate Secretary Reserve retired lists shall be established upon which will be placed the names of those members of the Reserve components who make application therefor, if otherwise qualified. Such Reserve retired lists shall be in addition to the Army of the United States Retired List, the Air Force of the United States Retired List, and the United States Naval Reserve Retired List authorized pursuant to section 301 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948, as amended.

(c) Members of the Retired Reserve may, if qualified, be ordered to active duty involuntarily, but only in time of war or national emergency declared by the Congress or when otherwise authorized by law.

SEC. 208. (a) A member of the Reserve components required to serve therein pursuant to subsection (d) of section 4 or other section of the Universal Military Training and Service Act, as amended, or by any other provision of law, shall be placed in the Ready Reserve of his Armed Force without his consent for the remainder of his required term of service unless (1) he has served on active duty in the Armed Forces of the United States for not less than 4 years, or (2) he has served for not less than 12 months on active duty in the Armed Forces of the United States pursuant to section 21 of the

Universal Military Training and Service Act, as amended, and, in addition thereto, has served on active duty in the Armed Forces of the United States for not less than 12 months between December 7, 1941, and September 2, 1945, inclusive: *Provided*, That no person may be assigned or transferred to the National Guard of the United States or Air National Guard of the United States unless he first enlists or is appointed, as the case may be, in the National Guard or Air National Guard of the appropriate State, Territory, or District of Columbia. Except in time of war, or in time of national emergency hereafter declared by the Congress or proclaimed by the President, any such member who has completed 36 months of satisfactory participation in an accredited training program in the Ready Reserve, as prescribed by the appropriate Secretary, shall upon his request be transferred to the Standby Reserve for the remainder of his required term of service: *Provided*, That no such member of the National Guard of the United States or Air National Guard of the United States may be so transferred without the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned.

(b) A person transferred to a Reserve component of an Armed Force of the United States pursuant to the Universal Military Training and Service Act, as amended, shall, if qualified and accepted, be permitted to enlist or accept an appointment in such Armed Force of the United States as he may elect (except that consent of the appropriate Secretaries shall be required for enlistment or appointment as a Reserve of another Armed Force of the United States) and to participate in such programs as are authorized for such Armed Force of the United States, including but not limited to—

- (1) active duty;
- (2) service as a cadet or midshipman of the United States Military Academy, United States Naval Academy, or United States Coast Guard Academy;
- (3) participation in an officer candidate program, including a Reserve Officer Training Corps program, under an agreement to accept a commission if tendered; and
- (4) service as a midshipman in the Naval Reserve at the United States Merchant Marine Academy or at a maritime academy of a State approved by the Secretary of the Navy, under an agreement to accept a commission in an Armed Force of the United States, if tendered.

(c) Upon any enlistment or appointment in the Armed Force of the United States pursuant to subsection (b) of this section, the member shall be required to perform the remaining period of his required term of service in the Armed Force of the United States in which such enlistment or appointment is made, or in any other Armed Force of the United States in which subsequently enlisted or appointed.

(d) All periods of participation in the programs enumerated in subsection (b) of this section shall be credited against periods of service required pursuant to the Universal Military Training and Service Act, as amended, but no period of time shall be credited more than once.

(e) Nothing in this section shall be construed to reduce, limit, or modify any period of service which any person may undertake to perform pursuant to any enlistment or appointment or agreement, including an agreement entered into prior to, or at the time of, entering a program enumerated in subsection (b) of this section.

SEC. 209. (a) Any member of the Reserve components may, at any time upon his request, be placed in the Ready Reserve if otherwise qualified.

(b) Units and members of the National Guard of the United States and Air National

Guard of the United States shall be in the Ready Reserve of the Army and the Air Force, respectively.

(c) Members of units organized for the purpose of serving as such which are designated as units of the Ready Reserve shall be in the Ready Reserve.

(d) Any member of the Reserve components in an active status on the effective date of this act may be placed in the Ready Reserve. Any such member (1) who has served or serves on active duty in the Armed Forces of the United States for not less than 4 years; or (2) who has served or serves as a member of one or more Reserve components subsequent to September 2, 1945, for not less than 8 years; or (3) who has served for not less than 12 months on active duty in the Armed Forces of the United States between December 7, 1941, and September 2, 1945, inclusive, and in addition thereto has served or serves on active duty in the Armed Forces of the United States for not less than 12 months subsequent to June 25, 1950; shall, when not on active duty, be placed in the Standby Reserve upon his application: *Provided*, That no member of the National Guard of the United States or Air National Guard of the United States shall be so placed without the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned.

(e) Members of the Reserve components placed in the Ready Reserve may be transferred to the Standby or Retired Reserve by competent authority in accordance with such regulations (including conditions and limitations) as the appropriate Secretary may prescribe: *Provided*, That no member of the National Guard of the United States or Air National Guard of the United States shall be so transferred without the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned.

SEC. 210. All members of the Reserve components who are not in the Ready or Retired Reserve shall be in the Standby Reserve.

SEC. 211. (a) Within the Standby Reserve, an inactive status list shall be maintained. When deemed by competent authority to be in the best interests of the service concerned, members of the Standby Reserve who are unable to participate in prescribed training may, if qualified, be transferred to the inactive status list, in accordance with regulations prescribed by the appropriate Secretary. Such regulations shall provide for the return of such members to an active status under such conditions as the appropriate Secretary shall prescribe.

(b) Members of the Reserve components on an inactive status list shall not be eligible for pay, promotion, or award of retirement point credits under Title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948, as amended.

SEC. 212. (a) Each member of the Reserve components shall be in an active, inactive, or retired status.

(b) Members of a Standby Reserve, except those on an inactive status list, and all members of a Ready Reserve, shall be in an active status.

(c) Members of a Standby Reserve on an inactive status list shall be in an inactive status.

(d) Members of the Retired Reserve shall be in a retired status.

SEC. 213. (a) Every person who is a member of a Reserve component on the effective date of this act shall be deemed, without further action, to retain his active, inactive, or retired status in his Reserve component. Any such member in an honorary Reserve status or an honorary Retired Reserve status when this act takes effect shall be placed in the Retired Reserve of the appropriate Armed Force of the United States.

(b) Any person who is on the honorary retired list of the Naval Reserve or the Marine

Corps Reserve when this act takes effect shall be placed in the Retired Reserve of the appropriate Armed Force of the United States.

SEC. 214. Except in the case of the National Guard of the United States and the Air National Guard of the United States, each Reserve component shall be divided into training categories according to the types and degrees of training including the number and duration of drills or equivalent duties to be completed in stated periods of time, as the appropriate Secretary prescribes. The designation of such training categories shall be the same for each Armed Force of the United States and the same within the Ready Reserve and the Standby Reserve.

SEC. 215. Except as provided in sections 5 and 81 of the National Defense Act, as amended, or any other provision of law, the organization, operation, administration, training, maintenance, and supply of each Reserve component shall be integrated with the organization, operation, administration, training, maintenance, and supply of the Regular component of the Armed Force of the United States of which it is a component.

SEC. 216. (a) Within such numbers as may be prescribed by the appropriate Secretary, enlisted members of the Reserve components may, with their consent, be selected for training as officer candidates, and members so selected shall be designated as officer candidates for the period of such training: *Provided*, That when not in the active military service of the United States, no member of the National Guard of the United States or Air National Guard of the United States shall be so selected, or designated, without the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned.

(b) Subject to any limitations imposed on the authorized numerical strength of each Reserve component, the allowance of officers and enlisted personnel in the various ranks, grades, and ratings shall be the number determined by the appropriate Secretary to be necessary to provide for planned mobilization requirements. In order to insure an adequate, continuing strength of Reserve personnel, the appropriate Secretary shall review his determinations not less than once annually and revise them as he deems necessary. No member of a Reserve component shall be involuntarily reduced in his permanent rank, grade, or rating as a result of such a determination.

SEC. 217. (a) The appropriate Secretary shall establish an adequate and equitable system for the promotion of members of the Reserve components in an active status. Such promotion system shall, insofar as practicable, be similar to that provided for members of the Regular component of the appropriate Armed Force of the United States. Promotion policies for officers of the Reserve components shall be based upon the mobilization requirements of the appropriate Armed Force of the United States in order to provide qualified officers in each grade, at ages suitable to their assignments and in numbers commensurate with mobilization needs. In order that vigorous Reserve forces may be maintained, necessary leadership encouraged, and a steady flow of promotion provided, such promotion systems shall provide for forced attrition to the extent necessary.

(b) The relative precedence of Reserve officers and Regular officers shall be determined in accordance with their respective dates of rank and grade.

(c) That where, heretofore or hereafter, the position on the lineal list of officers of a regular component of the Armed Forces of the United States has been adjusted by giving constructive service for time spent in technical or professional education or training, the same adjustment shall be made for Reserve officers holding similar assignments or having an equivalent classification or

designation. The appropriate Secretary shall take all necessary action to carry out the provisions of this subsection and this subsection shall be effective immediately upon enactment of this Act.

CHAPTER 2—APPOINTMENTS AND ENLISTMENTS

SEC. 218. (a) Subject to the limitation that no person, other than a person who has had prior service in the Armed Forces of the United States or the National Security Training Corps, shall be appointed or enlisted as a Reserve in the Armed Forces of the United States who is not a citizen of the United States, its Territories or possessions, or who has not made a declaration of intent to become a citizen thereof, the appropriate Secretary shall, except as otherwise provided by law, prescribe physical, mental, moral, professional, and age qualifications for appointment or enlistment of Reserve members of the Armed Forces of the United States. No person shall be appointed as a Reserve officer in any of the Armed Forces of the United States who is under the age of 18 years.

(b) Women may be appointed or enlisted as Reserves in the Armed Forces of the United States for service in the Army Reserve, the Naval Reserve, the Marine Corps Reserve, and the Air Force Reserve, as appropriate, in the same grades, ranks, and ratings, as are authorized for women in the Regular component of the appropriate Armed Force of the United States. Women may be appointed or enlisted in the Coast Guard Reserve as provided in section 762, title 14, United States Code. Any female former officer or enlisted woman of an Armed Force of the United States may, if otherwise qualified, be appointed or enlisted as a Reserve in that Armed Force of the United States in the highest rank, grade, or rating satisfactorily held by her on active duty.

(c) Except in the case of Adjutants General and Assistant Adjutants General of the several States, Territories, and the District of Columbia, a person who has not held an appointment as a commissioned officer in any of the Armed Forces of the United States, or any component thereof, may not be appointed as a commissioned officer in a grade higher than major or lieutenant commander in any of the Armed Forces of the United States except upon the recommendation of a board of officers convened by the appropriate Secretary.

SEC. 219. The President, by and with the advice and consent of the Senate, shall make all appointments of Reserves in general or flag officer grades.

SEC. 220. The President shall make all appointments of Reserves in commissioned grades below general or flag officer grades.

SEC. 221. The appropriate Secretary shall make all appointments of Reserves in warrant officer grades.

SEC. 222. All Reserve commissioned officers shall serve during the pleasure of the President.

SEC. 223. To become an officer of a reserve component an individual shall be appointed as a Reserve commissioned officer or Reserve warrant officer of an Armed Force of the United States in a grade corresponding to one of the grades of the Regular components of that Armed Force of the United States and subscribe to the oath prescribed by section 1757 of the Revised Statutes, as amended (5 U. S. C. 16): *Provided*, That no person shall become a member of the National Guard of the United States or Air National Guard of the United States in a commissioned officer or warrant officer grade, hereunder, unless he first be appointed to and federally recognized in the same commissioned or warrant officer grade in the National Guard or Air National Guard in the appropriate State, Territory, or the District of Columbia.

SEC. 224. Reserve warrant officers shall serve during the pleasure of the appropriate Secretary.

SEC. 225. After the effective date of this Act, all appointments of Reserve officers shall be for an indefinite term. All officers now holding appointments in the National Guard of the United States, or the Officers' Reserve Corps, or the Naval Reserve, or the Marine Corps Reserve, or the Air National Guard of the United States, or the Air Force Reserve, or the Coast Guard Reserve shall be considered to hold such appointments as Reserve officers, as the case may be, in the Army, Navy, Marine Corps, Air Force, or Coast Guard, as appropriate. Each such officer shall hold his appointment for an indefinite term in lieu of the term of his current appointment unless he shall, within 6 months after written notification by competent authority which shall be given within 6 months from the effective date of this Act, expressly decline to have his current appointment continued for an indefinite term, in which case the term of his current appointment shall not be affected by this section. All persons now enlisted in the National Guard of the United States, or the Enlisted Reserve Corps, or the Naval Reserve, or the Marine Corps Reserve, or the Air National Guard of the United States, or the Air Force Reserve, or the Coast Guard Reserve shall be considered to be enlisted as Reserves in the Army, Navy, Marine Corps, Air Force, or Coast Guard, as appropriate, without change in the periods of their current enlistments.

SEC. 226. When not on active duty all members of the Reserve components, except members of the Retired Reserve, shall be given physical examination at least once every 4 years, or more often as the appropriate Secretary deems necessary, and shall be required to submit reports of physical condition annually.

SEC. 227. Except as otherwise provided by law, the appropriate Secretary may provide for the honorable discharge, or transfer to an inactive or retired status, of members of the Reserve components who are found not physically qualified for active duty; *Provided*, That no member of the National Guard of the United States or Air National Guard of the United States may be so transferred without the consent of the governor or other appropriate authority of the State, Territory, or District of Columbia concerned. In determining physical qualifications for active duty, due consideration shall be given to the character of the duty to which the member may be assigned in the event he should be ordered to active duty pursuant to law. No member of a Reserve component shall be retained on an inactive status list for a period in excess of 12 months by reason of a physical disqualification.

SEC. 228. (a) Except as otherwise provided by law and subject to the provisions of subsection (b) of this section, enlisted members of the Reserve components shall be enlisted for such periods as the appropriate Secretary prescribes.

(b) Unless sooner terminated by the appropriate Secretary, all enlistments as Reserves in the Armed Forces of the United States, in force at the beginning of a war or national emergency hereafter declared by the Congress or at the beginning of a national emergency hereafter proclaimed by the President or entered into during the existence of war or such national emergency, which otherwise would expire, shall continue in force until 6 months after the termination of the war or national emergency, whichever is later.

(c) In time of war or national emergency hereafter declared by the Congress, or in time of national emergency hereafter proclaimed by the President, the period of service of any member of a Reserve component who has been transferred thereto pursuant to law, unless sooner terminated by the appropriate Secretary, shall, if such period of service otherwise would expire, be extended

until 6 months after the termination of the war or national emergency, whichever is later.

SEC. 229. To become an enlisted member of a Reserve component an individual shall be enlisted as a Reserve of an Armed Force of the United States and subscribe to the oath prescribed by section 8 of the Act of May 5, 1950, as amended, or be transferred to a Reserve component pursuant to law: *Provided*, That no person shall become an enlisted member of the National Guard of the United States or Air National Guard of the United States, hereunder, unless he first be duly enlisted in the National Guard or Air National Guard of the appropriate State, Territory, or the District of Columbia and is a member of a federally recognized unit or organization thereof in the same grade.

SEC. 230. Except as otherwise provided by this act, no person shall be a member of more than one Reserve component at the same time.

SEC. 231. (a) When an enlisted member of a Reserve component is designated as an officer candidate for temporary service in such category, his enlistment or period of service therein is extended by such period as he may remain in such officer candidate status beyond the normal expiration date thereof.

(b) No person while designated an officer candidate pursuant to this act shall participate in any Reserve Officer Training Corps program of the Armed Forces of the United States.

SEC. 232. Any Reserve officer whose age exceeds the maximum age prescribed for his grade and classification may be separated, or retained in or transferred to an active, inactive, or, upon his application, a retired status, as the appropriate Secretary may prescribe: *Provided*, That no officer of the National Guard of the United States or Air National Guard of the United States shall be so retained or transferred without the consent of the Governor or other appropriate authority of the State, Territory, or the District of Columbia concerned.

SEC. 233. Persons who are otherwise qualified but who have physical defects, which as determined by the appropriate Secretary will not interfere with the performance of general or special duties to which they may be assigned, may be appointed or enlisted as Reserves in any of the Armed Forces of the United States.

CHAPTER 3—DUTY AND RELEASE FROM DUTY

SEC. 234. (a) In time of war or national emergency hereafter declared by the Congress or when otherwise authorized by law, any unit and the members thereof, or any member not assigned to a unit organized for the purpose of serving as such, of any Reserve component may, by competent authority, be ordered to active duty involuntarily for the duration of the war or national emergency and for 6 months thereafter, but members in an inactive or retired status shall not be ordered to active duty without their consent unless the appropriate Secretary determines that no qualified members of the Ready Reserve or members of the Standby Reserve in an active status in the required category are readily available.

(b) In time of national emergency hereafter proclaimed by the President or when otherwise authorized by law, any unit and the members thereof, or any member not assigned to a unit organized for the purpose of serving as such, of the Ready Reserve of any Reserve component may, by competent authority, be ordered to and required to perform active duty involuntarily for a period not to exceed 24 consecutive months: *Provided*, That Congress shall determine the number of members of the Reserve components necessary for the national security to be ordered to active duty, pursuant to this subsection prior to the exercise of the authority contained in this subsection.

(c) At any time, any unit and the members thereof, or any member not assigned to a unit organized for the purpose of serving as such, in an active status in any Reserve component may, by competent authority, be ordered to and required to perform active duty or active duty for training, without his consent, for not to exceed 15 days annually: *Provided*, That units and members of the National Guard of the United States or the Air National Guard of the United States shall not be ordered to or required to serve on active duty in the service of the United States pursuant to this subsection without the consent of the Governor of the State or Territory concerned, or the Commanding General of the District of Columbia National Guard.

(d) A member of a Reserve component may, by competent authority, be ordered to active duty or active duty for training at any time with his consent: *Provided*, That no member of the National Guard of the United States or Air National Guard of the United States shall be so ordered without the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned.

(e) A member of a Reserve component ordered into the active military service of the United States will be allowed a reasonable period of time between the date he is alerted for active duty and the date on which he is required to enter upon active duty. Such period shall be at least 30 days unless military conditions as determined by the appropriate Secretary do not permit.

(f) In any expansion of the active Armed Forces of the United States which requires the ordering into the active military service involuntarily of individual officers of the Reserve components who are not members of units organized for the purpose of serving as such, it shall be the policy to utilize to the greatest practicable extent the services of qualified and available officers of the Reserve components in all grades in accordance with the requirements of branch, grade, and specialty.

(g) Insofar as practicable, in any expansion of the active Armed Forces of the United States which requires that units and members of the Reserve components be ordered into the active military service of the United States, members of units organized and trained for the purpose of serving as a unit shall be ordered involuntarily into active duty only with their units. This shall not be interpreted as prohibiting the reassignment of personnel of such units after being ordered into the active military service of the United States.

SEC. 235. Members of the Reserve components may with their consent, and in the case of the members of the National Guard of the United States and Air National Guard of the United States with the consent of the governor or other appropriate authority of the State, Territory, or District of Columbia concerned, be ordered to or retained on active duty to perform duties in connection with organizing, administering, recruiting, instructing, or training the Reserve components. Hereafter, members ordered into the active military service of the United States under the provisions of this section shall be so ordered in the grade and status held by them in the Reserve of their Armed Force, and shall, while so serving, continue to be eligible for promotion in the Reserve of their Armed Force, if otherwise qualified. For the purpose of insuring that members of the Reserve components ordered to or retained on duty under this section receive periodic refresher training in the various categories for which individually qualified, the appropriate Secretary may order those members to duty with any of the Armed Forces of the United States or the components thereof, or otherwise as he sees fit.

SEC. 236. (a) In order that members of the Reserve components may remain on or be ordered to active duty voluntarily for terms of service of definite duration, the appropriate Secretary may, except in time of war hereafter declared by the Congress, enter into standard written agreements with members of the Reserve components for periods of active duty not to exceed 5 years. Upon expiration of an agreement for active duty, a new agreement may be effected pursuant to this section. Each agreement shall provide that the member shall not be released from active duty involuntarily during the period of the agreement.

(1) by reason of a reduction in numerical strength of the military personnel of the Armed Force of the United States concerned unless his release is in accordance with the recommendation of a board of officers appointed by competent authority to determine the members to be released from active duty under regulations prescribed by the appropriate Secretary; or

(2) for reasons other than that prescribed in paragraph (1) above without an opportunity to be heard by a board of officers prior to such release, unless such release from active duty is pursuant to sentence of courts-martial, unexplained absence without leave of 3 months duration, final conviction and sentence to confinement in a Federal or State penitentiary or correctional institution.

(b) Any member involuntarily released from active duty prior to the expiration of the period of service under his agreement (except when such release is pursuant to sentence of courts-martial, or unexplained absence without leave of 3 months duration, or final conviction and sentence to confinement in a Federal or State penitentiary or correctional institution, or when such release is due to a physical disability resulting from the member's intentional misconduct or willful neglect, or when the member is eligible for retirement pay or severance pay under any other provision of law, or when he is placed on a temporary disability retired list, or when he is released for the purpose of accepting a Regular commission) shall be entitled to receive an amount equal to 1 month's pay and allowances multiplied by the number of years (including any pro rata part thereof) remaining as the unexpired period of his agreement for active duty, such amount to be in addition to any pay and allowances which he may otherwise be entitled to receive. Computation of amounts payable by reason of termination of each such agreement shall be based on the basic pay, special pay, and allowances to which the member concerned is entitled at the time of his release from active duty. Fractions of a month less than 15 days shall be disregarded and 15 days or more shall be counted as 1 month.

(c) A member of a Reserve component who enters into a written agreement under this section shall be obligated to serve for the full period of active duty specified in the written agreement.

(d) No person shall be offered a written agreement under this section unless the period of active duty specified in the agreement exceeds by at least 12 months any period of obligated or involuntary active duty to which he is otherwise liable.

(e) Agreements entered into pursuant to this section shall be as uniform as practicable, and shall be subject to such standards and policies as the Secretary of Defense (and the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy) may prescribe.

(f) This section shall be effective upon enactment of this Act.

SEC. 237. In time of war or national emergency hereafter declared by the Congress or

in time of national emergency proclaimed by the President after the effective date of this Act, a member of a Reserve component whose period of active duty expires under an agreement entered into pursuant to section 236 of this Act may be retained on active duty involuntarily in accordance with law.

SEC. 238. Notwithstanding any other provision of law, members of the Reserve components now or hereafter serving on active duty may, under such regulations as may be prescribed by the appropriate Secretary, be detailed or assigned to any duty authorized by law for officers and enlisted members of a Regular component of the Armed Forces of the United States.

SEC. 239. When units or members of the Reserve components are ordered to active duty during a period of partial mobilization, the appropriate Secretary shall continue to maintain mobilization forces by planning and budgeting to insure the continued organization and training of the Reserve components not mobilized, and, consistent with the approved joint mobilization plans, to utilize to the fullest extent practicable the Federal facilities vacated by mobilized units.

SEC. 240. (a) Except as otherwise provided by this Act, the appropriate Secretary may release any member of the Reserve components from active duty or active duty for training at any time.

(b) In time of war or national emergency hereafter declared by the Congress, or in time of national emergency hereafter proclaimed by the President, a member of a Reserve component who is serving on active duty, shall not be released from active duty, except on the approved recommendation of a board of officers convened by competent authority if he requests such action: *Provided*, That the provisions of this section shall not be applicable to any Armed Force during a period of demobilization or reduction in strength of any such Armed Force.

CHAPTER 4—PAY, ALLOWANCES, AND BENEFITS

SEC. 241. Subject to the provisions of this Act, members of the Reserve components may be ordered to active duty, active duty for training, or other duty with pay and allowances as provided by law, or, with their consent, without pay. Duty without pay shall be counted for all purposes the same as like duty with pay.

SEC. 242. Members of the Reserve components retained or continued on active duty or active duty for training pursuant to law after the expiration of their term of service are entitled to pay and allowances while on such duty except to the extent that forfeiture thereof is adjudged by an approved sentence of a court martial or nonjudicial punishment by a commanding officer, or unless otherwise in a nonpay status pursuant to law.

SEC. 243. When employed on active duty or on active duty for training with pay and when engaged in authorized travel to and from such duty, enlisted members of the Reserve components designated as officer candidates shall have the pay and allowances of their enlisted grade, but not less than the pay and allowances of pay grade E-2 under the Career Compensation Act of 1949, as amended.

SEC. 244. (a) An officer of a Reserve component or of the Army of the United States without component or the Air Force of the United States without component shall be entitled to an initial sum not to exceed \$200 as reimbursement for the purchase of required uniforms and equipment, either—

(1) upon first reporting for active duty for a period in excess of 90 days; or

(2) upon completion, as a member of a Reserve component, of not less than 14 days active duty or active duty for training; or

(3) after the performance of 14 periods of not less than 2 hours' duration each, of inactive-duty training as a member of the

Ready Reserve of a Reserve component: *Provided*, That only duty requiring the wearing of the uniform shall be counted for the purpose of this section: *Provided further*, That any initial uniform reimbursement or allowance heretofore or hereafter received as an officer under the provisions of any other law shall be a bar to the entitlement for any initial sum authorized under the provisions of this section: *And provided further*, That any individual who has served on active duty as an officer of a Regular component of the Armed Forces of the United States may not be qualified for entitlement under this section by duty performed within 2 years after separation from such Regular component.

(b) An officer of a Reserve component shall be entitled to an additional sum of not to exceed \$50 for reimbursement for the purchase of required uniforms and equipment, upon completion of each period after the date of enactment of this Act of 4 years of satisfactory Federal service as prescribed in title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948, as amended, performed in an active status in a Reserve component and which shall include at least 28 days of active duty or active duty for training: *Provided*, That any period of active duty or active duty for training for a period in excess of 90 days shall be excluded in determining the period of 4 years required for eligibility under this subsection: *Provided further*, That a person who receives or has heretofore received a uniform reimbursement or allowance as an officer shall not be entitled to the reimbursement provided in this subsection until the expiration of not less than 4 years from the date of entitlement to the last reimbursement or allowance: *And provided further*, That, until 4 years after the date of enactment hereof, an officer may elect to receive the uniform reimbursement not to exceed \$50 to which he may be entitled under existing regulations issued pursuant to section 302 of the Naval Reserve Act of 1938, as amended, or section 11 of the act of August 4, 1942, as amended.

(c) An officer of a Reserve component or of the Army of the United States without component or of the Air Force of the United States without component entering on active duty or active duty for training on or after June 25, 1950, shall be entitled, for each time of such entry or reentry on active duty or active duty for training of more than 90 days' duration to a further sum not to exceed \$100 as reimbursement for additional uniforms and equipment required on such duty: *Provided*, That the reimbursement provided by this subsection shall not be payable to any officer who, under any provision of law, has received an initial uniform reimbursement or allowance in excess of \$200 during his current tour of active duty or within a period of 2 years prior to entering on his current tour of active duty: *Provided further*, That the reimbursement provided in this subsection shall not be payable to any officer entering on active duty or active duty for training within 2 years after completing a previous period of active duty or active duty for training of more than 90 days' duration.

(d) The receipt of a uniform and equipment reimbursement as an officer of one of the Reserve components shall be a bar to entitlement to a uniform reimbursement upon transfer to or appointment in another, except where a different uniform is required: *Provided*, That reimbursement for uniforms and equipment upon transfer to or appointment in another Reserve component within the limits and under the conditions prescribed by subsections (a) and (c) of this section may be made in accordance with regulations approved by the Secretary of Defense or the Secretary of the Treasury in the case of the Coast Guard when the Coast Guard is operating as a service in the Treasury Department.

SEC. 245. Section 501 of the Career Compensation Act of 1949, as amended, is further amended, by substituting a comma for the colon immediately preceding the proviso in subsection (a) thereof, and inserting the following: "and additionally, in the discretion of the Secretary concerned, enlisted members of the above services shall be entitled to rations in kind, or a portion thereof, when the instruction or duty period or periods concerned total eight or more hours in any one calendar day."

SEC. 246. (a) All provisions of law applicable to the Organized Reserve Corps or the Air Force Reserve, and to the members thereof and their dependents and beneficiaries, not inconsistent with the provisions of this Act, shall be applicable to the Army Reserve and to the Air Force Reserve referred to in this act, respectively, and to the members thereof and their dependents and beneficiaries. All provisions of law applicable to the Officers Reserve Corps and to the members thereof or to officers of the Air Force Reserve, and their dependents and beneficiaries, not inconsistent with the provisions of this Act, shall be applicable to officers of the Army Reserve and the Air Force Reserve referred to in this Act, respectively, and their dependents and beneficiaries. All provisions of law applicable to the Enlisted Reserve Corps and to the members thereof or to enlisted members of the Air Force Reserve, and their dependents and beneficiaries, not inconsistent with the provisions of this Act, shall be applicable to enlisted members of the Army Reserve and the Air Force Reserve referred to in this Act, respectively, and their dependents and beneficiaries.

(b) All provisions of law applicable to the Naval Reserve, Marine Corps Reserve, or the Coast Guard Reserve (other than temporary members of the Coast Guard Reserve), and to the members thereof and their dependents and beneficiaries, not inconsistent with the provisions of this act, shall be applicable to the Naval Reserve, Marine Corps Reserve, and of the Coast Guard Reserve (other than temporary members of the Coast Guard Reserve) referred to in this Act, respectively, and to the members thereof and their dependents and beneficiaries. All provisions of law applicable to officers of the Naval Reserve, Marine Corps Reserve, or of the Coast Guard Reserve (other than temporary officers of the Coast Guard Reserve), and their dependents and beneficiaries, not inconsistent with the provisions of this act, shall be applicable to officers of the Naval Reserve, Marine Corps Reserve, and of the Coast Guard Reserve (other than temporary officers of the Coast Guard Reserve) referred to in this Act, respectively, and their dependents and beneficiaries.

(c) All laws applicable to commissioned, warrant, or enlisted members of the National Guard of the United States and the Air National Guard of the United States, and to their beneficiaries and dependents, not inconsistent with the provisions of this Act, shall be applicable to commissioned, warrant, and enlisted members, respectively, of the National Guard of the United States and the Air National Guard of the United States referred to in this Act, and to their beneficiaries and dependents.

CHAPTER 5—CIVIL EMPLOYMENT

SEC. 247. When not on active duty, members of the Reserve components shall not be

held or considered to be officers or employees of the United States, or persons holding any office of profit or trust or discharging any official function under or in connection with any department or agency of the United States, solely by reason of their appointments, oaths, commissions, or status as such, or any duties or functions performed or pay and allowances received as such.

SEC. 248. Members of the Reserve components, subject to the approval of the appropriate Secretary, may accept civil employment with and compensation therefor from any foreign government or any concern which is controlled in whole or in part by a foreign government.

CHAPTER 6—SEPARATION

SEC. 249. Subject to the provisions of this act, the discharge of commissioned officers of the Reserve components shall be effected at the pleasure of the President, and the discharge of other members of the Reserve components shall be in accordance with regulations promulgated by the appropriate Secretary.

SEC. 250. (a) An officer of the Reserve components who has completed 3 years of commissioned service shall not be involuntarily discharged or separated except pursuant to the approved recommendation of a board of officers convened by competent authority or the approved sentence of a court martial: *Provided*, That this subsection shall not apply to separation effected under subsection (b) of this section or section 232 of this act.

(b) The President or the appropriate Secretary may drop from the rolls any member of the Reserve components who has been absent without authority from his place of duty for a period of 3 months or more, or who, having been found guilty by the civil authorities of any offense, is finally sentenced to confinement in a Federal or State penitentiary or correctional institution.

(c) A member of a Reserve component discharged or separated for cause other than as specified in subsection (b) of this section shall be given a discharge under honorable conditions unless—

(1) a discharge under conditions other than honorable is effected pursuant to the approved sentence of a court martial or the approved findings of a board of officers convened by competent authority, or

(2) the member consents to a discharge under conditions other than honorable with waiver of court martial or board proceedings.

CHAPTER 7—ADMINISTRATION

SEC. 251. There shall be no discrimination between and among members of the Regular and Reserve components in the administration of laws applicable to both Regulars and Reserves.

SEC. 252. The Secretary of the Treasury with the concurrence of the Secretary of the Navy, and, subject to such standards, policies, and procedures as may be prescribed by the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall make and publish such regulations as he determines necessary to carry out the provisions of this Act. Insofar as practicable, the regulations for all the Reserve components shall be uniform.

SEC. 253. Each of the Armed Forces of the United States shall have officer members of its Reserve components on active duty, at the seat of the Government and at such headquarters as are charged with responsibility for Reserve affairs, in addition to those authorized pursuant to the provisions of sections 5 and 81 of the National Defense Act, as amended, or any other provision of law, within such numbers and in such grades and duty assignments as the appropriate Secretary shall prescribe, to assist and participate in the preparation and administration of all policies and regulations affecting their Reserve component. While so serving such offi-

cers shall be considered as additional numbers of the staff with which serving.

Sec. 254. The appropriate Secretary shall detail such members of the Regular and Reserve components as may be necessary for effectively developing, training, instructing, and administering the Reserve components.

Sec. 255. (a) All boards convened for the appointment, promotion, demotion, involuntary release from active duty, discharge, or retirement of members of the Reserve components shall include appropriate numbers of members of the reserve components.

(b) The members of all boards convened for selection for promotion or for the discharge or demotion of members of the Reserve components shall be senior to the members under consideration.

Sec. 256. (a) The appropriate Secretary shall, for the support of the Reserve components, make available to each Reserve component such supplies, equipment, and facilities of the Armed Forces of the United States as he considers necessary.

(b) The appropriate Secretary or his authorized representative may issue supplies and equipment of the appropriate armed force of the United States to the Reserve components without charging the cost or value thereof, or any expenses in connection therewith, against or in any way affecting the appropriation provided for the Reserve components: *Provided*, That the appropriate Secretary finds it to be in the best interests of the United States to issue such equipment and supplies: *And provided further*, That any such equipment and supplies so furnished may, pursuant to this section, be repossessed or redistributed as the appropriate Secretary may prescribe. This subsection shall not apply to supplies and equipment issued to the National Guard and Air National Guard of the several States, Territories, and the District of Columbia, under sections 67 and 84, National Defense Act, as amended, but applies to supplies and equipment issued in addition thereto.

(c) Nothing in this section shall be construed to repeal, limit, or modify in any manner the provisions of sections 67 and 84, National Defense Act, as amended.

(d) It is the sense of the Congress that the National Defense Facilities Act of 1950 be implemented immediately upon the enactment of this Act.

Sec. 257. (a) The Secretary of Defense shall designate an Assistant Secretary of Defense who shall, in addition to other duties, have the principal responsibility for all Reserve affairs of the Department of Defense. The Secretary of each military department and, when the Coast Guard is not operating as a service in the Navy, the Secretary of the Treasury, or, as such Secretary may prescribe for his department, the Under Secretary or an Assistant Secretary of such department, shall, in addition to other duties, have the principal responsibility for supervision of all activities of the reserve components under the jurisdiction of that department.

(b) The Secretary of each military department and, when the Coast Guard is not operating as a service in the Navy, the Secretary of the Treasury shall designate a general or flag officer of each Armed Force of the United States therein who shall be directly responsible for Reserve affairs to the Chief of Staff of the Army, the Chief of Naval Operations, the Commandant of the Marine Corps, the Chief of Staff of the Air Force, and the Commandant of the Coast Guard, as appropriate.

Sec. 258. (a) There is hereby established in the Office of the Secretary of Defense a Reserve Forces Policy Board consisting of—

(1) a civilian chairman appointed by the Secretary of Defense;

(2) the Secretary, the Under Secretary, or an Assistant Secretary of each military department designated pursuant to section 257 (a) of this Act;

(3) one Regular officer from each military department designated by the appropriate Secretary;

(4) four Reserve officers appointed by the Secretary of Defense upon recommendation of the Secretary of the Army, two of whom shall be members of the National Guard of the United States and two of whom shall be members of the Army Reserve;

(5) four Reserve officers appointed by the Secretary of Defense upon recommendation of the Secretary of the Navy, two of whom shall be members of the Naval Reserve and two of whom shall be members of the Marine Corps Reserve;

(6) four Reserve officers appointed by the Secretary of Defense upon recommendation of the Secretary of the Air Force, two of whom shall be members of the Air National Guard of the United States and two of whom shall be members of the Air Force Reserve; and

(7) a Reserve officer of general or flag officer grade appointed by the chairman of the Board with the approval of the Secretary of Defense, who shall act as military adviser to the chairman and shall serve as executive officer of the Board without vote.

(b) When the Coast Guard is not operating as a service in the Navy, the Secretary of the Treasury may designate a Regular or Reserve officer of the Coast Guard to serve with the Reserve Forces Policy Board but he shall not be a voting member.

(c) The Reserve Forces Policy Board, acting through the Assistant Secretary of Defense designated pursuant to section 257 (a) of this Act, shall be the principal policy adviser to the Secretary of Defense on matters pertaining to the reserve components.

(d) Nothing in this section shall be construed to limit or modify in any manner the functions of the committees on reserve policies established pursuant to section 5 of the National Defense Act, as amended, or by this act: *Provided*, That nothing herein shall prevent a member of those committees from serving as a member of the Reserve Forces Policy Board.

(e) The semiannual report of the Secretary of Defense as required by the National Security Act of 1947, as amended, shall contain a chapter which shall be a report of the Reserve Forces Policy Board on the status of the reserve programs of the Department of Defense.

Sec. 259. Each Armed Force of the United States shall maintain adequate and current personnel records of each member of its reserve components, indicating the physical condition, dependency status, military qualifications, availability, and such other data as the appropriate Secretary may prescribe.

Sec. 260. (a) Prior to February 1, 1952, the Secretary of Defense is directed to submit to the Congress adequate and equitable legislative recommendations, as uniform as practicable for all the Armed Forces of the United States recognizing the inherent difference between the Armed Forces, for the promotion of Reserves, which shall conform as nearly as practicable to the system for the promotion of Regular members of that Armed Force, including recommendations concerning precedence (date of rank), forced attrition, distribution in grades, and constructive credit.

(b) Prior to February 1, 1952, the Secretary of Defense is directed to submit to the Congress adequate and equitable legislative recommendations, for the equalization of benefits between and among Regulars and Reserves of the Armed Forces of the United States.

Sec. 261. The Secretary of Defense is directed to require the complete and up-to-date dissemination of information of interest to the reserve components to all members of the reserve components and to the public in general.

PART III—RESERVE COMPONENTS OF THE ARMY

Sec. 301. The Organized Reserve Corps is renamed and shall be known as the Army Reserve.

Sec. 302. The National Guard of the United States and the Army Reserve are reserve components of the Army. All officers and enlisted members of the National Guard of the United States and all officers and enlisted members of the Army Reserve are Reserve officers and Reserve enlisted members, respectively, of the Army.

Sec. 303. The Army Reserve includes all Reserve officers and Reserve enlisted members of the Army other than those who are members of the National Guard of the United States.

Sec. 304. Except as otherwise specifically provided, all laws now or hereafter applicable to male officers and former officers of the Army Reserve, to enlisted men and former enlisted men of the Army Reserve, and to their dependents and beneficiaries shall in like cases be applicable respectively to female Reserve officers and female former Reserve officers of the Army Reserve, to Reserve enlisted women and former Reserve enlisted women of the Army Reserve, and to their dependents and beneficiaries except as may be necessary to adapt said provisions to the female persons in the Army Reserve. The husbands of women members of the Army Reserve shall not be considered dependents unless they are in fact dependent on their wives for over half of their support, and the children of such members shall not be considered dependents unless they are in fact dependent on their mother for over half of their support.

PART IV—RESERVE COMPONENTS OF THE NAVY, MARINE CORPS, AND COAST GUARD

Sec. 401. The Naval Reserve is the reserve component of the Navy.

Sec. 402. The Marine Corps Reserve is the reserve component of the Marine Corps.

Sec. 403. The Coast Guard Reserve is the reserve component of the Coast Guard.

Sec. 404. The Naval Reserve shall be organized, administered, trained, and supplied under the direction of the Chief of Naval Operations. The bureaus and offices of the Navy shall hold the same relation and responsibility to the Naval Reserve as they do to the Regular Establishment.

Sec. 405. The Marine Corps Reserve shall be organized, administered, trained, and supplied under the direction of the Commandant of the Marine Corps. The departments and offices of the Marine Corps shall hold the same relation and responsibility to the Marine Corps Reserve as they do to the Regular Establishment.

Sec. 406. The Coast Guard Reserve shall be organized, administered, trained, and supplied under the direction of the Commandant of the Coast Guard. The departments and offices of the Coast Guard shall hold the same relation and responsibility to the Coast Guard Reserve as they do to the Regular Establishment.

Sec. 407. For the purpose of considering, recommending, and reporting to the appropriate Secretary on reserve policy matters, there shall be convened at least annually, at the seat of government, a Naval Reserve Policy Board, a Marine Corps Reserve Policy Board, and a Coast Guard Reserve Policy Board. At least half of the members of each such Reserve policy board shall be officers of the appropriate reserve component.

Sec. 408. The act of March 17, 1949 (ch. 23; 63 Stat. 14), is amended by striking out the first proviso thereof.

Sec. 409. The Secretary of the Navy shall prescribe a suitable flag to be known as the Naval Reserve flag. This flag may be flown by seagoing merchant vessels—

(a) Documented under the laws of the United States, which have been designated by the Secretary of the Navy under such regulations as he may prescribe as suitable for

service as naval auxiliaries in time of war, and

(b) The master or commanding officer and not less than 50 percent of the other licensed officers of which are members of the Navy or Naval Reserve.

Sec. 410. The Secretary of the Navy shall prescribe a suitable pennant to be known as the Naval Reserve yacht pennant. This pennant may be flown by yachts and similar-type vessels—

(a) Documented under the laws of the United States, which have been designated by the Secretary of the Navy under such regulations as he may prescribe as suitable for service as naval auxiliaries in time of war, and

(b) The captain or owner of which is a member of the Navy or Naval Reserve.

Sec. 411. In time of national emergency declared by the President or by the Congress and in time of war, the President is authorized to appoint qualified persons (including persons who hold no Regular or Reserve status) as temporary officers in the Naval Reserve and the Marine Corps Reserve in any of the several commissioned officer grades, and persons so appointed may be ordered to active duty for such periods of time as the President may prescribe. The appointment of such a temporary officer, if not sooner vacated, shall continue during the national emergency or war in which the appointment was made and for 6 months thereafter. All such temporary appointments may be vacated at any time by the President. Temporary officers so appointed may, upon application, and, if selected, be commissioned as a Regular or Reserve officer of the Armed Forces of the United States in which he served as provided by law.

Sec. 412. Temporary members now or hereafter enrolled in the Coast Guard Reserve are excluded from the provisions of this Act.

Sec. 413. Section 310 of the Naval Reserve Act of 1938 is amended to read as follows:

"(a) Members of the Naval Reserve and the Marine Corps Reserve who have performed a total of not less than 30 years' active Federal service; or who have had not less than 20 years' active Federal service, the last 10 years of which shall have been performed during the 11 years immediately preceding their transfer to a retired Reserve; may be placed in a retired Reserve upon their request.

"(b) Except while on active duty, personnel transferred to a Retired Reserve as provided by this section shall be entitled to pay at the rate of 50 per centum of their active-duty rate of pay.

"(c) If a performance of duty for which commended occurred not later than December 31, 1946, officers specially commended for a performance of duty in actual combat with the enemy by the head of the executive department under whose jurisdiction such duty was performed shall be advanced to the next higher grade when placed in a Retired Reserve. However, officers heretofore holding rank or grade on the honorary retired lists of the Naval Reserve or Marine Corps Reserve or hereafter holding rank or grade in a Retired Reserve pursuant to this section above captain in the Naval Reserve or above colonel in the Marine Corps Reserve solely by virtue of such commendation, if hereafter recalled to active duty, may, in the discretion of the Secretary of the Navy, be recalled either in the rank or grade to which they would otherwise be entitled had they not been accorded higher rank or grade by virtue of such commendation, or in the rank or grade held by them in a Retired Reserve.

"(d) The provisions of this section shall not be applicable to any person who is not a member of the Naval Reserve or Marine Corps Reserve on the effective date of the Armed Forces Reserve Act of 1951.

"(e) The provisions of this section shall terminate 20 years from the effective date of

the Armed Forces Reserve Act of 1951, but such termination shall not affect any accrued rights to retired pay.

"(f) Nothing contained in this section shall be construed as prohibiting any person eligible for retirement under the provisions of this section from retiring under the provisions of any other law under which he may be eligible."

Sec. 414. Except as otherwise specifically provided, all laws now or hereafter applicable to male officers and former officers of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve; to enlisted men and former enlisted men of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve; and to their dependents and beneficiaries shall in like cases be applicable respectively to female Reserve officers and female former Reserve officers of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve, as appropriate, to Reserve enlisted women and former Reserve enlisted women of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve, as appropriate, and to their dependents and beneficiaries except as may be necessary to adapt said provisions to the female persons. The husbands of women members of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve shall not be considered dependents unless they are in fact dependent on their wives for over half of their support, and the children of such members shall not be considered dependents unless they are in fact dependent on their mother for over half of their support.

PART V—THE NAVAL MILITIA

Sec. 501. The Naval Militia consists of the Naval Militia of the States, Territories, and the District of Columbia.

Sec. 502. The Secretary of the Navy may appoint any officer or enlisted member of the Naval Militia to the rank, grade, or rating for which qualified in the Naval Reserve or Marine Corps Reserve.

Sec. 503. When ordered to active duty in the service of the United States, members of the Naval Reserve or Marine Corps Reserve who are members of the Naval Militia of any State, Territory, or the District of Columbia shall stand relieved from all service or duty in the Naval Militia from the active duty date of the orders and for so long as they remain on active duty.

Sec. 504. Such vessels, material, armament, equipment, and other facilities of the Navy and Marine Corps as are or may be made available to the Naval Reserve and the Marine Corps Reserve may also be made available in accordance with regulations prescribed by the Secretary of the Navy for issue or loan to the several States, Territories, or the District of Columbia for the use of the Naval Militia if—

(a) at least 95 per centum of the personnel of the portion or unit of the Naval Militia to which such facilities would be made available are members of the Naval Reserve or Marine Corps Reserve, and

(b) the organization, administration, and training of the Naval Militia conform to standards prescribed by the Secretary of the Navy.

PART VI—RESERVE COMPONENTS OF THE AIR FORCE

Sec. 601. The Air National Guard of the United States and the Air Force Reserve are Reserve components of the Air Force. All officers and enlisted members of the Air National Guard of the United States and all officers and enlisted members of the Air Force Reserve are Reserve officers and Reserve enlisted members, respectively, of the Air Force.

Sec. 602. The Air Force Reserve includes all Reserve officers and Reserve enlisted members of the Air Force other than those who are members of the Air National Guard of the United States.

Sec. 603. Except as otherwise specifically provided, all laws now or hereafter applicable to male officers and former officers of the Air Force Reserve, to enlisted men and former enlisted men of the Air Force Reserve, and to their dependents and beneficiaries shall in like cases be applicable respectively to female Reserve officers and female former Reserve officers of the Air Force Reserve, to Reserve enlisted women and former Reserve enlisted women of the Air Force Reserve, and to their dependents and beneficiaries except as may be necessary to adapt said provisions to the female persons in the Air Force Reserve. The husbands of women members of the Air Force Reserve shall not be considered dependent unless they are in fact dependent on their wives for over half of their support, and the children of such members shall not be considered dependents unless they are in fact dependent on their mother for over half of their support.

PART VII—THE NATIONAL GUARD OF THE UNITED STATES AND THE AIR NATIONAL GUARD OF THE UNITED STATES

Sec. 701. The National Guard of the United States and the Air National Guard of the United States are reserve components of the Army and the Air Force, respectively, and references in this act, in the absence of express provision otherwise, are to be construed accordingly. Whenever joint reference is made to the National Guard of the United States and the Air National Guard of the United States on any matter of common concern together with reference to the Army and Air Force or other component thereof, the reference in the case of the National Guard of the United States shall be construed to be to the Army and in the case of the Air National Guard of the United States to be to the Air Force.

Sec. 702. (a) The National Guard of the United States shall consist of all federally recognized units, organizations, and members of the National Guard of the several States, Territories, and the District of Columbia, who, in addition to their status as such, are Reserves of the Army in the same commissioned, warrant, or enlisted grade as they hold in the National Guard of the several States, Territories, or the District of Columbia.

(b) The Air National Guard of the United States shall consist of all federally recognized units, organizations, and members of the Air National Guard of the several States, Territories, and the District of Columbia, who in addition to their status as such, are Reserves of the Air Force in the same commissioned, warrant, or enlisted grade as they hold in the Air National Guard of the several States, Territories, or the District of Columbia.

Sec. 703. (a) To be federally recognized, a member of the National Guard or Air National Guard of any State, Territory, or the District of Columbia must be a member of a federally recognized unit or other federally recognized subdivision of the National Guard or Air National Guard, respectively, and possess the qualifications prescribed by the appropriate Secretary for the grade, branch, position, and type of unit or other subdivision involved, and, in the case of officers, successfully pass the examination prescribed by section 75, National Defense Act, as amended.

(b) Upon being federally recognized, those officers who do not hold appointments as Reserve officers of the appropriate Armed Force of the United States shall be appointed as Reserve officers of the appropriate Armed Force of the United States in the same grade in which they hold appointments in the National Guard or Air National Guard of a State, Territory, or the District of Columbia, for service as a member of the National Guard of the United States or Air National Guard of the United States, as appropriate: *Provided*, That the acceptance of an appoint-

ment in the same grade and branch as a Reserve officer of the Armed Force of the United States concerned, by an officer of the National Guard or Air National Guard of a State, Territory, or the District of Columbia, shall not operate to vacate his State, Territory, or District of Columbia National Guard or Air National Guard office.

SEC. 704. The appropriate Secretary may by regulation authorize the temporary extension of Federal recognition to any officer of the National Guard or Air National Guard who shall have successfully passed the examination prescribed in section 75 of the National Defense Act, as amended, pending final determination of his eligibility for, and his appointment as, a Reserve officer of the Army or Air Force in the grade concerned. If and when so appointed the appointment shall be dated as of, shall be considered to have been accepted on, and shall be deemed to have been effective from, the date of such recognition. However, a temporary extension of Federal recognition shall be granted only when the officer takes oath that during such recognition he will perform all Federal duties and obligations required of him the same as though he were appointed as a Reserve officer of the Army or Air Force in the same grade. Such temporary recognition may be withdrawn at any time and if not sooner withdrawn or replaced by permanent recognition upon appointment as a Reserve officer in the same grade, it shall automatically terminate 6 months after its effective date: *Provided*, That temporary extension of Federal recognition may, as provided in this section, be granted to Reserve officers pending final determination of their eligibility for such Federal recognition.

SEC. 705. (a) Whenever a member of the Army Reserve or of the Air Force Reserve becomes a federally recognized officer of the National Guard or Air National Guard of any State, Territory, or the District of Columbia, in the same grade in which he is appointed as a Reserve officer of the appropriate Armed Force of the United States, he becomes a member of the National Guard of the United States or of the Air National Guard of the United States and ceases to be a member of the Army Reserve or of the Air Force Reserve.

(b) Whenever a member of the Army Reserve or of the Air Force Reserve is duly enlisted in the National Guard or Air National Guard of any State, Territory, or the District of Columbia, and is a member of a federally recognized unit or organization thereof, in the same grade in which he is a Reserve of the appropriate Armed Force of the United States, he becomes a member of the National Guard of the United States or of the Air National Guard of the United States and ceases to be a member of the Army Reserve or of the Air Force Reserve.

SEC. 706. Under such regulations as the appropriate Secretary may prescribe, and with the consent of the Governor or other appropriate authority of the State, Territory, or District of Columbia concerned, a member of the National Guard of the United States or of the Air National Guard of the United States may be transferred in grade at any time to the Army Reserve or the Air Force Reserve, and such transfer shall terminate his federally recognized National Guard or Air National Guard status. Upon the transfer of any person whose service has been honorable, from the National Guard of the United States or from the Air National Guard of the United States to the Army Reserve or to the Air Force Reserve, he shall be eligible for promotion to the highest permanent grade previously held in the Army or any component thereof or in the Air Force or any component thereof.

SEC. 707. Unless discharged from his appointment or enlistment as a Reserve officer or Reserve enlisted member, respectively, whenever a member of the National Guard

of the United States or of the Air National Guard of the United States ceases to hold a status as a federally recognized member of the National Guard or of the Air National Guard of any State, Territory, or the District of Columbia, he becomes a member of the Army Reserve or of the Air Force Reserve and ceases to be a member of the National Guard of the United States or of the Air National Guard of the United States.

SEC. 708. Notwithstanding any other provisions of this act, warrant officers and enlisted members of the National Guard of the United States and of the Air National Guard of the United States may, without affecting such status, hold appointments as Reserve commissioned officers of the Army or of the Air Force in the grade of second lieutenant or first lieutenant without vacating their warrant or enlisted grades and ratings in the National Guard or Air National Guard of the appropriate State, Territory, or the District of Columbia.

SEC. 709. Except when ordered thereto in accordance with law, members of the National Guard of the United States and of the Air National Guard of the United States shall not be on active duty in the service of the United States. When not on active duty in the service of the United States they shall be administered, armed, uniformed, equipped, and trained in their status as members of the National Guard and Air National Guard of the several States, Territories, and the District of Columbia.

SEC. 710. When ordered to active duty in the service of the United States, members of the National Guard of the United States and of the Air National Guard of the United States shall stand relieved from duty in the National Guard and Air National Guard of their respective States, Territories, and the District of Columbia from the active-duty date of the orders and for so long as they remain on active duty in the service of the United States. During such active duty in the service of the United States they shall be subject to the laws and regulations applicable to members of the Army and Air Force.

SEC. 711. Upon ordering any portion of the National Guard of the United States or of the Air National Guard of the United States into the active military service of the United States, the President may relieve the State, Territory, or District of Columbia concerned of such accountability and liability under such terms and conditions as he may prescribe for any United States property theretofore issued to it for the use of such portion of the National Guard of the United States or of the Air National Guard of the United States.

SEC. 712. (a) During the initial mobilization, insofar as practicable, the organization of units of the National Guard of the United States and of the Air National Guard of the United States existing at the date of an order to active Federal service shall be maintained intact.

(b) Upon being relieved from active duty, insofar as practicable, units, organizations, and individuals shall be returned to the National Guard and Air National Guard in their respective States, Territories, and the District of Columbia, together with sufficient arms and equipment as determined by the appropriate Secretary to accomplish their peacetime mission.

SEC. 713. (a) When officers and enlisted members of the National Guard of the United States or of the Air National Guard of the United States are ordered into Federal service they shall be ordered to active duty in their status as Reserve officers and Reserve enlisted members of the Army or Air Force.

(b) When the National Guard of the United States or the Air National Guard of the United States is ordered into the active military service of the United States officers of the National Guard and of the Air National Guard who do not hold appointments as Reserve officers of the Army or Air Force

may be so appointed by the President in the same grade and branch held by them in the National Guard or Air National Guard.

SEC. 714. For the purposes of all laws now or hereafter enacted providing benefits for members of the National Guard of the United States and of the Air National Guard of the United States and their dependents and beneficiaries—

(a) All military training, duties, and service performed by members of the National Guard of the United States or members of the Air National Guard of the United States while in their status as members of the National Guard or Air National Guard of the several States, Territories, and the District of Columbia, for which they are entitled by law to receive pay from the United States, shall be considered military training, duties, and service in the service of the United States performed by them as Reserve members of the Army or Air Force.

(b) The full-time training or other full-time duty performed by members of the National Guard of the United States or members of the Air National Guard of the United States while in their status as members of the National Guard or Air National Guard of the several States, Territories, and the District of Columbia pursuant to sections 94, 97, 99, and 113 of the National Defense Act, as amended, for which they are entitled to receive pay from the United States or without pay as provided in section 241 of this act shall be considered active duty for training in the service of the United States as Reserve members of the Army or Air Force: *Provided*, That from the date of enactment of this act such duty for a period of 30 days or more shall be considered active service as members of the Armed Forces for the purposes of the Armed Forces Leave Act of 1946 (60 Stat. 963) as amended (37 U. S. C. 31a et seq.).

(c) The inactive-duty training performed by members of the National Guard of the United States or members of the Air National Guard of the United States while in their status as members of the National Guard or Air National Guard of the several States, Territories, and the District of Columbia under regulations prescribed by the appropriate Secretary pursuant to section 92 of the National Defense Act, as amended, or other express provision shall be considered inactive-duty training in the service of the United States as Reserve members of the Army or Air Force.

PART VIII—APPROPRIATIONS, REPEALS, AMENDMENTS, AND MISCELLANEOUS PROVISIONS

SEC. 801. There is authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

SEC. 802. Except as otherwise specifically provided, this shall become effective on the first day of the sixth month following the month of enactment.

SEC. 803. The following acts and parts of acts are repealed:

The Naval Reserve Act of 1938, as amended, except for the first proviso of section 1, section 3, and section 5 of title I, all provisions of title II, and sections 304 and 310 of title III. Notwithstanding the repeal of section 4 of title I of the Naval Reserve Act of 1938, as amended, the Fleet Reserve established by said act shall be composed of persons transferred thereto in accordance with title II of said act, as amended, including citizens of the Philippine Islands who were in the naval service on July 4, 1946, or who having been discharged from the naval service on or prior to that date, reenlisted therein subsequent to July 4, 1946, but before the expiration of 3 months following discharge. The un-repealed provisions of the Naval Reserve Act of 1938, as amended, shall continue to apply to the Marine Corps as well as the Navy.

The act of March 17, 1941 (ch. 19, 55 Stat. 43, as amended; 34 U. S. C. 855c-2).

Section 1 of the act of December 18, 1942 (56 Stat. 1066; 34 U. S. C. 853c-5).

The act of January 20, 1942 (ch. 12, 56 Stat. 10; 34 U. S. C. 853a-1).

Title 14, United States Code, sections 751, 752, 753, and 759.

Sections 37, 37a, 38, 55a, 55b, 70, 73, and 111 of the National Defense Act, as amended.

The second paragraph of section 58 of the National Defense Act, as amended (32 U. S. C. 4a).

Paragraph (b) of section 71 of the National Defense Act, as amended (32 U. S. C. 4b).

The last paragraph of section 75 of the National Defense Act, as amended (32 U. S. C. 113).

The second sentence of section 77 of the National Defense Act, as amended (32 U. S. C. 114).

That portion of section 109 of the National Defense Act, as amended, which precedes the final proviso of the section (32 U. S. C. 143).

Section 11 of the act of August 4, 1942 (56 Stat. 733, as amended; 34 U. S. C. 850).

Sections 2, 3, and 4 of the act of December 4, 1942 (56 Stat. 1039-1040; 10 U. S. C. 904b, c, and d).

Section 117 of the Army-Navy Nurses Act of 1947 (61 Stat. 47, as amended; 10 U. S. C. 377).

Sections 109 and 310 of the Women's Armed Services Integration Act of 1948 (62 Stat. 362 and 374; 10 U. S. C. 378, 5 U. S. C. 6271).

SEC. 804. The third and fourth paragraphs under the subheading "Ordnance Stores and Equipment for Reserve Officers' Training Corps" of the act of May 12, 1917 (40 Stat. 72), as amended (10 U. S. C. 371 and 371b), are further amended by striking out the words "Officers' Reserve Corps or Enlisted Reserve Corps" wherever they appear therein and by inserting in lieu thereof the words "reserve components of the Armed Forces" and by inserting in the third paragraph after the word "ordered" where it first appears the words "to active duty for training, or active duty, or".

SEC. 805. The Army-Navy Nurses Act of 1947, as amended (10 U. S. C. 374-377), is further amended as follows:

(a) Section 115 is amended to read: "Except as otherwise specifically provided, all laws and regulations now or hereafter applicable to commissioned officers and former commissioned officers of the Army Reserve and to their dependents and beneficiaries, shall, in like cases, be applicable respectively to commissioned officers and former commissioned officers of the Army Nurse Corps Section and the Women's Medical Specialist Corps Section of the Army Reserve and to their dependents and beneficiaries."

(b) Section 116 is amended to read: "Appointments of Reserve officers for service in the Army Nurse Corps Section and the Women's Medical Specialist Corps Section of the Army Reserve may be made in such grades and under such regulations as may be prescribed by the Secretary of the Army from female citizens of the United States who have attained the age of 21 years and who possess such physical and other qualifications as may be prescribed by the Secretary of the Army: *Provided*, That female officers appointed pursuant to the act of June 22, 1944, and honorably separated from the service thereafter may, if otherwise qualified, be appointed as Reserve officers in the highest grade satisfactorily held by them in active service."

SEC. 806. The National Defense Act, as amended, is further amended as follows:

(a) Section 69, as amended (32 U. S. C. 124), is further amended by striking out the words "and in the National Guard of the United States."

(b) Section 72, as amended (32 U. S. C. 125), is further amended by striking out the words "and the National Guard of the United States."

(c) Section 76, as amended (32 U. S. C. 115), is further amended by striking out the words "and he shall be discharged from the National Guard of the United States" in the second sentence thereof and the words "and his appointment in the National Guard of the United States may be terminated" in the third sentence thereof.

(d) Section 78, as amended (32 U. S. C. 132, 133, 134), is further amended by striking out the words "and in the National Guard of the United States" in paragraph 1 thereof, and by striking out the words "or the National Guard of the United States" in paragraph 2 thereof.

(e) Section 81, as amended (32 U. S. C. 172 and 175), is further amended by striking out the words "The Chief of the National Guard Bureau shall be appointed by the President, by and with the advice and consent of the Senate, by selection from lists of officers of the National Guard of the United States recommended as suitable for such appointment by their respective governors, and who have had 10 or more years commissioned service in the active National Guard, at least 5 of which have been in the line, and who have attained at least the grade of colonel. The Chief of the National Guard Bureau shall hold office for 4 years unless sooner removed for cause, and shall be eligible to succeed himself, and when 64 years of age shall cease to hold such office. Upon accepting his office, the Chief of the National Guard Bureau shall be appointed a major general in the National Guard of the United States, and commissioned in the Army of the United States, and while so serving he shall have the rank, pay, and allowances of a major general, provided by law, but shall not be entitled to retirement or retired pay." and inserting in lieu thereof the following: "The Chief of the National Guard Bureau shall be appointed by the President, by and with the advice and consent of the Senate, by selection from lists of officers of the National Guard of the United States or Air National Guard of the United States recommended as suitable for such appointment by their respective governors, and who have had 10 or more years commissioned service in the active National Guard or Air National Guard or any combination thereof, and who have attained at least the grade of colonel. The Chief of the National Guard Bureau shall hold office for 4 years unless sooner removed for cause, and shall be eligible to succeed himself, and when 64 years of age shall cease to hold such office. Upon accepting his office, the Chief of the National Guard Bureau shall be appointed as a Reserve Officer of the appropriate Armed Force in the grade of major general and shall be a member of the National Guard of the United States or Air National Guard of the United States, as appropriate," in paragraph 1 thereof, and by striking out the words "hold appointments in" and inserting in lieu thereof the following words: "are members of" in paragraph 2 thereof, and by inserting after the word "States" where it first appears in paragraph 3 thereof, the words "or the Air National Guard of the United States," and after the word "section" in the last sentence of said paragraph insert the words "and section 5, National Defense Act, as amended," and in the same sentence after the word "States" by inserting the words "or Air National Guard of the United States", and by striking the period at the end of the sentence and adding the words "or Air National Guard."

(f) The seventh paragraph of section 127a of the National Defense Act, as amended (10 U. S. C. 513), is further amended by deleting the period at the end thereof and substituting a colon and adding the following: "Provided further, That persons may be appointed as Reserve officers of the Army or the Air Force in time of war."

(g) Section 55, as amended (10 U. S. C. 421, 423, 424, 425), is further amended by deleting all of the section except the last sentence thereof; and the last sentence of section 55, as amended, is further amended by deleting the comma first appearing therein and the words "whether" and "or the Enlisted Reserve Corps", and by inserting after the words "Regular Army" the words "or in the Regular Air Force."

SEC. 807. (a) Subsection (b) of section 2 of the Army Organization Act of 1950 is amended by inserting after the words "in any of the components of the Army," the words "all persons appointed or enlisted as Reserves of the Army, including persons transferred to such status under any provision of law;"

(b) Section 301 of the Army Organization Act of 1950 is amended—

(1) by striking out the words "Organized Reserve Corps" and inserting in lieu thereof the words "Army Reserve"; and

(2) by inserting after the words "above-named components;" the words "all persons appointed or enlisted as Reserves of the Army, including persons transferred to such status under any provision of law;"

SEC. 808. Section 5 of the Naval Reserve Act of 1938, as amended (34 U. S. C. 853c), is further amended by striking out the words "Naval Reserve, including those on the honorary retired list created by section 309, title III, of this act or who may have been retired," and by inserting in lieu thereof the words "Fleet Reserve and Fleet Marine Corps Reserve."

SEC. 809. All provisions of law which refer to appointment or enlistment in or transfer to any of the Reserve components shall be deemed to refer to appointment or enlistment as a Reserve or transfer to such status in the appropriate Armed Force of the United States. All provisions of law which refer to persons enlisted or appointed in or transferred to any of the Reserve components shall be deemed to refer to persons appointed or enlisted as Reserves or transferred to such status in the appropriate Armed Force of the United States.

SEC. 810. Any right accrued or any proceeding commenced before this act takes effect is not affected by the provisions of this act, but all procedure thereafter taken shall conform to the provisions of this act.

SEC. 811. (a) Nothing in this act shall be construed to repeal, limit, or modify, in any manner, the authority to order persons or units to active military service or training pursuant to the Universal Military Training and Service Act, as amended.

(b) Except as otherwise specifically provided herein, nothing in this act shall be construed as changing existing laws pertaining to the Chief of the National Guard Bureau.

SEC. 812. Except as otherwise provided in this act, no back pay or allowances shall be held to have accrued under the provisions of this act for any period prior to the effective date thereof.

SEC. 813. Section 4 (d) (3) of the Universal Military Training and Service Act, as amended, is further amended by striking out the words "appointed in the Armed Forces" where first appearing therein and by inserting in lieu thereof the words "appointed, under any provision of law, in the Armed Forces, including the reserve components thereof,"

The SPEAKER. Is a second demanded?

Mr. SHORT. Mr. Speaker, I demand a second.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. BROOKS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is a bill, which is urgently needed by the Congress and by the country. Mr. Speaker, we present to the House this morning a bill which seeks to organize the Reserve components of the Armed Services, the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard. No one knows better than I, and no one feels more keenly than I feel about the abuses that have grown up in the Reserve system. No one feels more strongly than I feel about the shameful manner in which the Reserves in many instances have been called back to active duty in the Korean war. The record is replete with criticisms of and abuses in the manner by which these Reserves were called back into the service. The Department of Defense came down, and was very candid with the subcommittee, and told the subcommittee that it knew that the program had not been handled as it should have been handled, and it wanted a bill looking into the future, which would correct the abuses, iron out the injustices, and provide that such things as we have witnessed in the past 12 months should not reoccur in the United States of America.

Mr. Speaker, this bill is not of recent origin. At least 2 years ago, the Reserve components realized that some bill should be written to properly organize our Reserve forces, and make them workable, and give them the proper importance in our defense establishment. Accordingly, the Civilian Components Policy Board was set up a year and a half ago. It functioned in the Pentagon building. Our good friend, Mel Maas, who lies sick today in the hospital and cannot be here on this occasion, worked untiringly that a proper bill might be brought to the committees of the Congress, and to the floor of the House. In due course, the Department of Defense presented us with a bill which bore the stamp of approval of the Civilian Components Policy Board. In the course of hearings, which lasted almost 2 months, our committee called in all of the organized interested groups from the Reserves and from the patriotic groups. We asked them to sit down with us in the committee room, and go over the bill, which we propose to you here in Congress today, line by line and paragraph by paragraph, and tell us whether or not it was the kind of bill they wanted to live under in the future. They came before the committee. They suggested amendments. Your committee wrote 90 major amendments into the bill. Therefore, the bill has been rewritten by the Committee on Armed Services of the House. When we come here today, we give you a bill for the first time in the history of this country to organize the Reserve components, which bears the endorsement of every one of these groups. Just within almost the moment, Mr. Speaker, I received a wire from the American Legion National Convention in Miami. It is as follows:

MIAMI, FLA., October 15, 1951.

HON. OVERTON BROOKS,
New House Office Building;

The American Legion strongly urges passage of H. R. 5426, which we believe would

go a long way toward correcting the abuses that have existed in the conduct of Reserve affairs. In addition, we believe the bill provides a sound basis for an efficient reserve program which is so essential to our national security.

MILES D. KENNEDY,
Director, National Legislative Commission, the American Legion.

Within the last 10 minutes I received a letter from the National Guard Association endorsing the bill and wholeheartedly urging its passage. That letter is as follows:

NATIONAL GUARD ASSOCIATION
OF THE UNITED STATES,
Washington, D. C., October 15, 1951.
HON. OVERTON BROOKS,
Member of Congress,
Washington, D. C.

DEAR MR. BROOKS: I am authorized to advise that the National Guard Association of the United States supports and endorses H. R. 5426, a bill relating to the Reserve components of the Armed Forces of the United States, and known by the short title: "Armed Forces Reserve Act of 1951."

It would please this organization and the National Guard to have H. R. 5426 enacted during the first session of the Eighty-second Congress.

Respectfully yours,
ALLAN G. CRIST,
Acting Executive Assistant.

Then I have a strong letter from the Reserve Officers Association, which is signed by E. A. Evans, executive director, and Melvin J. Maas, chairman of the legislative committee, which reads as follows:

RESERVE OFFICERS ASSOCIATION
OF THE UNITED STATES,
Washington, D. C., October 11, 1951.
HON. OVERTON BROOKS,
House of Representatives,
Washington, D. C.

DEAR MR. BROOKS: H. R. 5426 (Armed Forces Reserve Act of 1951) has been reported out unanimously by the House Armed Services Committee.

This bill, as presently written, has the complete support of this association. It will go far in preventing future injustices and inequities against the reservists, and it is therefore most urgent that it receive consideration during this session of Congress. Its passage now would greatly facilitate its prompt consideration by the Senate after the first of the year.

Your help in seeking prompt and favorable action on this bill—so badly needed by the Reserves of this Nation—would be sincerely appreciated.

Yours very sincerely,
E. A. EVANS,
Executive Director.
MELVIN J. MAAS,
Chairman, Legislative Committee.

I also have a letter from the AMVETS to the same purport, just as strong urging the immediate passage of this bill. That letter is as follows:

AMVETS,
Washington, D. C., October 12, 1951.
The Honorable OVERTON BROOKS,
House of Representatives,
Washington, D. C.

DEAR MR. BROOKS: AMVETS urge speedy consideration and enactment at this time by the House of Representatives of the Armed Forces Reserve Act of 1951, proposed by H. R. 5426.

We are happy to know that the bill has been given an open rule for Monday, October 15, 1951.

Recently, the Congress authorized over \$56,000,000,000 to provide planes, ships, tanks,

guns, and other matériel and to pay other costs of the Defense Department. Reality of the human element should not be overlooked.

Planes, ships, and guns are the fists and striking force of the defense fighter, it is true, and muscles and sinews result from volunteers and selective service. But it must be recognized that the fighter's backbone is made up of the vertebrae of the combined Reserve components of the Armed Forces. We need a whole fighter.

The concept of a unified and uniform Reserve program dates from the concept of unification of the Armed Forces. Extensive hearings have been held by the House Armed Services Committee. They made preliminary studies, later considered different bills and finally reported H. R. 5426. In the committee report (No. 1066), the purposes of the proposed legislation are stated to be: to implement the Universal Military Training and Selective Service Act, to utilize Reserve components more effectively, to maintain a strong Reserve force, and to place all Reserve components on an equal basis.

AMVETS recommend immediate passage of H. R. 5426 by the House of Representatives.

Very respectfully yours,
CHARLES H. SLAYMAN, Jr.,
National Legislative Director,
AMVETS.

So when I come before you today I emphasize that every organization that has to operate under this bill desires its immediate passage. It is vital to the Reserves of the United States.

You ask, What does this bill contain, that it has the unanimous approval of all the patriotic and Reserve groups in the United States, as well as the Department of Defense? I will tell you briefly what it contains. It contains a general reorganization of your Reserve components. In the first place, we set up in the future a requirement that the head of the Reserve components in the Defense Department shall consist of an Assistant Secretary of Defense. Then we set up the requirement that in each of the branches of the service, Army, Navy, Air, and Coast Guard, the head of the Reserve department shall be an Assistant Secretary in each of those Departments. Then, when you come down to the actual operation, we require under this bill that an officer of at least flag rank, or general rank, whose major duties shall be Reserve work, shall be in charge of the Reserve program.

Then, under that organization we hope to follow and obtain a workable Reserve program with proper emphasis on importance of the Reserve program of the future.

We provide in this bill, Mr. Speaker, for three classifications of Reserves. We provide that there shall be the Ready Reserves, the Standby Reserves, and the Retired Reserves. The Ready Reserve is the Reserve who, for a certain period of time, is eligible to be called out during a limited emergency, such as you have in Korea. We provide incentives so that that Reserve may go to work and, by participating in the Reserve program, may graduate from the Ready Reserve classification and go within 3 years to the Standby Reserve classification. When he goes into that classification we provide that that reservist shall never be called out except in time of all-out war or an emergency which the Congress itself has proclaimed is equivalent to

all-out war. So in the future, Mr. Speaker, I would say that the reservists will be in the Ready Reserves for 3 years, if he works hard, subject to being called out when there is a limited crisis; but after that he is, to all intents and purposes, short of all-out war, he will go out of the Reserve program. During that 3-year period, when he will hold himself available, his employer knows that he is subject to call. When he is out of that he can go ahead, get married, rear the family, build the home, borrow money, go into business, and he will have the assurance that he will not be subject to call with every passing emergency that may come along.

Further than that, that employer will know that when he employs a reservist in the future, if he is in the Standby Reserves, he will not be subject to being called out, and to all intents and purposes he will be a permanent employee of the employer.

The bill is extremely important, because it provides so many things that the reservist needs and he needs immediately; for instance, take the matter of uniform allowances: We provide in this bill that the reservist upon doing certain reserve training shall be entitled to \$200 for uniform allowance, and later if he is called into active duty he will be given another \$100 for uniform allowance; so these reservists will be fairly treated then they are called into active duty. We have another provision which provides that after they have served for 4 years they shall be entitled to an additional \$50 for uniforms, which is badly needed.

We provide also one thing which the reservists want and want immediately, and that is a contract provision; they are all demanding it. They think it is one of the way by which our present troubles can be ironed out. Under this contract provision, Mr. Speaker, the Secretary of the proper branch of the service may offer to the reservist and make contract with him to go into the service for as long as 5 years and he will receive the pay of the rank for which he is called into service. If for any reason that contract is abrogated before the end of the 5-year period we provide liquidated damages, and he will receive 1 month's pay for every year that the contract is shortened. That means a great deal to these people. For instance, the Secretary of Air could go down to the University of North Carolina and say: "We need a professor here for a particular type of aeronautical work, and if we could get that man for 2 years we could give him a contract." The University of North Carolina can say: "We can afford to let that man have a leave of absence for 2 years. He may go into the Air Force if we know we shall have him back at the end of 2 years." So they both sign a written contract and then at the end of 2 years he comes back to his original post of duty. We think that as a result of that contract provision the services of many of these men can be secured, that the men will be more willing to come into active duty if they know their service will be for a limited time. We feel there will be no friction,

but perfect accord, cooperation, and agreement between the reservists and the service in the handling of these contracts.

The reservists are very anxious that this provision be written into law at the earliest possible moment.

There is one more matter I think I should touch upon and that is a matter by which the regular reservists may be called into service. We provide that the President of the United States can proclaim an emergency which he thinks is severe enough to call into service the Ready Reserve. After he does that, the matter comes to Congress. Congress considers the proclamation and decides how many men are to be called into service. So you have the executive department proclaiming that the emergency exists, but the legislative department saying how many men shall be called into active service.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished friend from Massachusetts.

Mr. NICHOLSON. How long do these Reserves have to stay in after they are called? As long as the emergency lasts?

Mr. BROOKS. I will ask the gentleman from Pennsylvania [Mr. VAN ZANDT] to answer that question.

Mr. VAN ZANDT. For the information of the gentleman from Louisiana, and to answer the inquiry of the gentleman from Massachusetts, under existing law the inactive volunteer reservists must serve 17 months and the Active or Organized Reserves 24 months. Under the provisions of this bill when they are called into service in such an emergency as all-out war they serve for the duration plus 6 months.

Mr. BROOKS. I thank the gentleman from Pennsylvania and I think that answers the question of the gentleman from Massachusetts.

Mr. Speaker, I want to say one more thing: This act takes effect 6 months after its passage except for certain provisions like the contract provision that they want right away. It is something very important to them, and it is urgent that we get it through as soon as possible. I may be unusually hopeful, but I think if we can get this bill through today and send it over to the Senate—we have kept in touch through liaison with the Senate—there is a possibility of getting this thing through before we recess. It is important that it become law as quickly as possible.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

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

Mrs. ROGERS of Massachusetts. I was going to address a meeting of the American Legion today. I called them up and told them that the gentleman's bill was coming up for consideration. They said, "Stay where you are." They want this legislation.

Mr. BROOKS. I thank the gentleman. There is no organization that has worked harder or in more perfect cooperation with the committee than has the American Legion and it is certainly entitled to our thanks.

Mr. SHORT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill as most measures, is compromise legislation. We all know you have to give and take in order to enact any bill into law.

This bill, after not only many weeks and months of intensive and exhaustive hearings in this Congress but similar to other measures that have been considered for many years, was not produced hastily. It was carefully considered by a subcommittee and unanimously reported by that committee. However, I doubt if there is one individual member of our committee who would not change perhaps in some minor aspects the provisions of this bill. There are certain aspects of it which I do not like.

First, I think it is just a little premature in one respect. That is, it is predicated upon the assumption that we now have universal military training. We do not. It is stated that the purpose of the legislation is, first, to implement the Universal Military Training and Service Act. Well, what we really did last spring when we extended the Draft Act and voted the President the authority to call out any National Guard unit or reserve component at his own discretion, whether Congress was in session or not, was to unite with the extension of the draft the UMT which merely gave the President the power to set up a commission to make a study and report within 4 months before October 29 this year. I understand that commission has finished with its studies and has written a report. It has not yet been made public. It will be made public this week or before the 29th of this month. Then before the UMT becomes law the Congress of the United States, the Armed Services Committees of both the House and Senate, will have forty-five legislative days in which to study their recommendations. We can accept them in toto, we can modify them in any manner we may see fit, or we may reject them altogether. So I do not like legislation based upon something which really does not exist at this time. UMT is not law, although the American people have been fed up on a lot of false propoganda in an effort to convince the public that it is. Congress must first take positive and affirmative action on the commission's report before it becomes law.

Mr. WIER. Mr. Speaker, will the gentleman yield?

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

Mr. WIER. I am glad the gentleman brought up that point and in connection with the point on the basis of letters that I have received and all of us have received from our constituents now in the service under the Inactive and Active Reserves, I have heard it repeatedly said that they shall never join the Reserves again.

Is this a voluntary bill or is it constructed on the basis that we are going to have compulsory Reserves?

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

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

Mr. BROOKS. May I say to the gentleman that the bill is so drafted and framed it will operate perfectly, whether there is a UMT or not. We have to be fair with our Reserves, whether we have the UMT or not.

Mr. SHORT. I quite agree with the gentleman from Louisiana.

Mr. WIER. If I could, I would like to get the answer to my question: Is this compulsory or is it voluntary Reserves?

Mr. SHORT. It is both.

Mr. Speaker, another thing I do not like about this measure is that no one can predict what the cost will be. General Edwards, in his letter of transmittal to the Speaker of the House, our beloved Speaker, SAM RAYBURN, said on page 62 of the report:

Cost and budget data: It is not possible to estimate the fiscal effect of this proposed bill.

Now the third thing I do not like about it is it gives the President tremendous powers, perhaps not excessive powers, but the bill clearly states at the bottom of page 25, line 15:

(b) In time of national emergency hereafter proclaimed by the President or when otherwise authorized by law, any unit and the members thereof, or any member not assigned to a unit organized for the purpose of serving as such, of the Ready Reserve of any Reserve component may, by competent authority, be ordered to and required to perform active duty involuntarily for a period not to exceed 24 consecutive months—

Mr. Speaker, these are broad and frightening powers, but I want to be perfectly fair. Our committee was wise in writing out this provision, giving us sort of a negative veto, or putting the brake on the Executive—

Provided, That Congress shall determine the number of members of the Reserve components necessary for the national security to be ordered to active duty, pursuant to this subsection prior to the exercise of the authority contained in this subsection.

So, Congress does have power to control the number of men that shall be called, just as we have the power over appropriations, of course.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

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

Mr. HALLECK. Would that action to be taken by the Congress be required to be taken in advance of the Presidential order, or subsequent to it?

Mr. SHORT. In advance of the Presidential order, I am glad to say, which makes it, I think, a good safeguard.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

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

Mr. VAN ZANDT. To be more specific, we should say that the Congress shall authorize the President to call so many Reserves, and he can only call that number.

Mr. SHORT. The gentleman from Pennsylvania is correct. In closing, I want to say this to the Members of the House: In the past there has been some friction between the Regulars and our Reserves, and perhaps there is still some little ill feeling or hostility existing, but

I think most of that feeling has been abolished or eliminated. This is the first time, as has been pointed out, that the National Defense Establishment or our Regular forces have agreed with our National Guard, the Air National Guard, the Reserve components, their veterans organizations, the American Legion, the Veterans of Foreign Wars, and the AMVETS; all of them have agreed on this legislation and consider it necessary in order to do away with many injustices and inequities that were suffered since the outbreak of the conflict in Korea. Of course this bill will not correct past mistakes, but let us hope it will prevent their reoccurrence.

Now, Mr. Speaker, I want to yield to one of the hard-working members of our committee, a man who made a remarkable record in both World Wars, who has always been tremendously interested in the Reserves, who is an able reservist himself, and who knows perhaps as much about this problem as any man in or out of Congress, the gentleman from Pennsylvania [Mr. VAN ZANDT], 10 minutes.

Mr. VAN ZANDT. Mr. Speaker, it is only natural that I support H. R. 5426, the Armed Forces Reserve bill, which I regard as the Reserve bill of rights.

In discussing the bill, there are several points which I would like to bring to the attention of the House, because in my opinion all of us should be fully informed of the necessity for this legislation.

To begin with, it should be definitely understood that when this bill becomes law, its provisions will do nothing to atone for, or correct, past abuses under the present Reserve program. As a matter of fact, this proposed law will not become effective until 6 months after its enactment. Therefore, by that time all the Reserves who have been victims of shameful treatment by the Department of Defense will be separated from service unless they volunteer to remain on active duty. This bill is therefore a bill of rights for the Reserve of the future.

Another very important point is the fact that in previous laws affecting Reserves, Congress has always given wide latitude to military authorities in administering the law, with the result that the discretion used was not always in the best interest of Reserve personnel. I could cite many specific instances where a branch of the armed services adopted a policy, gave it wide publicity, and then rescinded it within a period of a few weeks, disregarding the interest and welfare of the Reserves concerned.

For example, about this time last year, the Department of the Army announced a point system for the purpose of making possible the rotation of personnel for domestic and overseas service. It is freely said that the point program was announced solely for the purpose of quieting a lot of criticism on the eve of a political campaign. It is interesting to recall that after the troops in the field had been informed of the point program, and the political campaign was over, it was quietly laid aside and nothing further was ever heard of it. Therefore, you have a striking example of the use

of discretionary authority when Congress refrains from spelling out its intentions, as to what should and should not be done with the Reserves of this Nation.

In this bill, I am pleased to report that Congress has spelled out every provision in detail, and in so doing, we are restricting the Department of Defense to an absolute minimum in the use of its discretionary powers. We are making it mandatory that the Reserves of this country in the future be treated in strict accordance with the provisions as they are spelled out in this legislation.

To guarantee that the will of Congress is carried out to the letter, this bill provides that a Reserve Forces Policy Board be established for the purpose of being the principal policy adviser to the Secretary of Defense on matters pertaining to the Reserve components.

This Board shall be composed of a civilian chairman, together with the Secretary, and an under or assistant secretary representing each military department. From the Regular Establishment, one officer will represent each military department. However, from the Reserve standpoint, two Reserve officers will represent the National Guard, and two Reserve officers from each of the following: Army Reserve, Navy Reserve, Marine Corps Reserve, Air Force Reserve, and the Air National Guard of the United States.

In addition, a nonvoting Reserve officer of general- or flag-officer rank will act as executive officer of the Board. The Coast Guard Reserve will be represented by a Reserve officer who will not have a vote, since the recommendations of the Board and the decisions of the Secretary of Defense thereon are in no way binding on the Treasury Department, which has jurisdiction over the Coast Guard in peacetime.

You will note from this composition of the Reserve Forces Policy Board that the Reserve officers have the controlling vote, which means that any policy recommended by the Board will be truly in the best interests of Reserve personnel. Another factor about the Reserve Forces Policy Board is that the Reserve members on that Board cannot be arbitrarily removed if they assert their right to disagree to any recommendations submitted by the Department of Defense. In other words, they can report direct to Congress if, in their opinion, the will of Congress is being ignored. Therefore, Congress, as the representative of the American people, retains its control over Reserve affairs.

Probably one of the most important benefits to be derived by the country as a whole from the enactment of this bill is the economy that will result from such a forward-looking Reserve program. We all know that the 1952 budget calls for an over-all amount of nearly \$72,000,000,000 and of that sum about \$57,000,000,000 is for military expenditures. It is predicted that next year's budget will be greater and that the military portion of it will be increased accordingly.

With the military taking such a large percentage of the budget, and with economists telling us that we have reached

the limit in military expenditures, the strictest economy possible must be practiced. In other words, we must stretch the military dollar as far as possible.

I think it is universally agreed that for years to come, we are going to be faced with the absolute necessity of retaining a strong military force, and we all know that requires billions of dollars annually. Then, too, we have hope that world conditions will improve to the extent that we will be able to shrink the Regular military establishments and depend upon the Reserves as a reservoir of trained manpower.

Let me explain the economy that will result from this bill. At the present time it costs \$10,000 a year to maintain one member of our Armed Forces on active duty; while on the other hand when the full intent of this program is in effect, the average cost of maintaining a Reserve on inactive duty will be \$434 annually. Therefore if world conditions permit shrinkage of the Regular establishments, their personnel will be discharged or will become members of Reserve units on inactive duty. The result will be that instead of costing the taxpayers \$10,000 annually to maintain a member of the Regular establishment his place will be filled by a Reserve on inactive duty subject to immediate call whose annual average cost to the taxpayer will be \$434.

I think you will agree that this legislation will actually reduce defense expenditures and permit a greater spread of the defense dollar. As a matter of fact, if world conditions permit, this legislation will effect a savings to the American taxpayers that could amount to billions of dollars annually.

In conclusion, as a Reserve myself for 34 years and at the present time commanding a Reserve brigade, I want to repeat again this measure is a bill of rights for Reserves in the future. It does nothing to correct the abuses and the shameful treatment accorded Reserve personnel by the Department of Defense. I am going to vote for this bill, but I do not want my support of this legislation interpreted as an act of forgiveness on my part. I intend with all the vigor I possess, to fight against a repetition of the deplorable treatment that Reserve personnel has received the past several months and for which no redress is now possible because the victims of such outrageous conduct were completely ignored as their protests fell on deaf ears. Frankly, those in the Department of Defense charged with the administration of Reserve policies since the beginning of the Korean war should hang their heads in shame.

Mr. MILLER of Maryland. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. MILLER of Maryland. I understood the gentleman from Pennsylvania to say that this Advisory Board on the high echelon would have Reserve officers on it who would not be subject to transfer, if their views happened to clash with the high command.

Mr. VAN ZANDT. That is absolutely correct.

Mr. MILLER of Maryland. Can the gentleman tell us how they would be appointed? Are they appointed for a term?

Mr. VAN ZANDT. They are appointed for a term and are on active duty only when the Board meets, with the exception of the general or flag officer who acts as executive officer and who will be on active duty. As I have said, the others will be on active duty only when the Board meets, and then on a per diem basis.

Mr. MILLER of Maryland. I thank the gentleman very much. This great committee deserves to be commended for bringing out a bill which is badly needed.

Mr. VAN ZANDT. I thank the gentleman.

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

Mr. VAN ZANDT. I yield.

Mr. KEATING. I agree with the remarks that the gentleman just made. I have been greatly disturbed at the administration of the Reserve program. Do I understand that if this bill is enacted, it will prevent in the future a repetition of the type of thing we have encountered with regard to the Reserves last year?

Mr. VAN ZANDT. It certainly will. As I said during the course of these remarks, we spell out everything in this bill. We leave practically nothing in the way of discretionary authority to the Department of Defense. We tell them what to do and through the Reserve Forces Policy Board the Congress will be kept informed as to whether or not the Department of Defense is treating the reservists of this country as we provide in this bill.

Mr. KEATING. This is legislation which is badly needed.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Speaker, I wish to compliment highly the chairman of the subcommittee, and to commend them for bringing to the floor of the House a bill that has the unanimous approval of the committee—a unanimous approval which came after weeks of careful and thorough study. There are many of us who have been disturbed about the Reserve program. This bill will, so far as the future is concerned, accomplish a legislative situation through which the mistakes of the past cannot be repeated. The Reserve program was not handled as Congress intended nor in the manner the reservists had a right to expect. It was the thought of almost every Member of Congress, that the Reserve components, particularly the Inactive Reserves, would not be called out except in the case of an all-out emergency.

This bill has the complete support of the Reserve Officers Association and the National Guard. It will go far in preventing future injustices and inequities against the Reserves. It is therefore most urgent that it receive prompt and favorable consideration in the House, in

order that it may pass on to final enactment at this session.

Mr. BROOKS. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Speaker it hardly seems necessary for me to add my voice to those who have already spoken concerning the injustices and inequities which have been visited upon our reservists because of the blundering, indiscriminate ordering to active duty of reservists following the aggression in Korea.

In the past year there has been much written and said in criticism of the military departments and their recall programs for reservists. I will not attempt at this time to reiterate those criticisms for the mistakes made are all too apparent.

There can be no doubt that the Armed Forces were negligent in keeping up to date on the status of individual reservists. Records have been entirely inadequate. Moreover, even more fundamental than the lack of efficient administration of the Reserve components has been the failure of the Nation's military leaders to provide for the contingency of a partial mobilization. This lack of a plan for partial mobilization has brought about the unfortunate situation whereby inactive and volunteer reservists have been called to active duty indiscriminately and before the members of the Organized Reserve.

Now, I am the first to recognize and admit that the military services have done an outstanding job in getting men and matériel to the combat zone, but I also recognize, and the entire Nation knows, that this has been done at the expense of heartaches, broken homes, closed businesses, and lost jobs on the part of reservists.

Mr. Speaker, we must recognize that what has been done cannot be readily undone. We must also recognize that it gains us little to belabor the Department of Defense for what has happened in the past. Now, we must look to the future. It is our duty as representatives of the people to insure that such inequities and injustices as have been perpetrated are never again visited on American citizens.

How can we best do this?

Mr. Speaker, today we are considering the Armed Forces Reserve Act of 1951. I was a member of the subcommittee which wrote this bill. I sat in daily attendance with representatives of every prominent Reserve and veterans' organization while this bill was studied, written, and rewritten, paragraph by paragraph and line by line. The subcommittee did not pass from one portion of the bill to another until we had substantial agreement between those gathered around the table. And it must be remembered that those representatives who collaborated in writing the bill represent the veterans and reservists who must live with this bill and serve thereunder. They are satisfied with the legislation. They endorse it wholeheartedly. They urge its speedy enactment.

The legislation does four things: It implements the Universal Military

Training and Service Act, it provides for the more effective utilization of the Reserve components, it assures the maintenance of a strong and vigorous Reserve force, and it places all of the Reserve components of the United States Armed Forces on an equal basis.

The best feature of this bill is that it insures each reservist a position in a category where he knows exactly what his status is to be. The draftee or universal military trainee who has completed his training or service knows he must spend a minimum of 3 years in the Ready Reserve. This category of the Reserve will be available for immediate employment in any expansion of the Armed Forces in times of national peril. If, during these 3 years, he participates in a training program satisfactorily, he may, at his request, be transferred to the Standby Reserve where he will not be available for call except after a declaration of war, or in time of national emergency declared by the Congress.

The bill has many, many other excellent features too numerous for me to mention in the time allotted me on this occasion. But I would like to mention a few.

For officers it provides across the board equal uniform allowances. It provides service contracts whereby a person may enter upon active duty voluntarily with a guaranty of how long he may stay on active duty, and, in this connection, provides liquidated damages in the event that the military department concerned terminates his contract at an earlier date. It provides common Federal appointments for National Guard officers and thus relieves an administrative burden heretofore placed upon them because of their National Guard status.

Every safeguard is provided for the administration of the Reserve components. A high-level Reserve Forces Policy Board within the Department of Defense is written into law. This Board will be the principal policy adviser to the Secretary of Defense on Reserve affairs. Further, there is designated a general or flag officer in each military department to be responsible for Reserve affairs within his armed force. And further, there shall be, under the provisions of the bill, an Assistant Secretary of each military department whose principal responsibility will be the affairs of the Reserve components within his department.

Mr. Speaker, our reservists have suffered in the past 16 months because of the haphazard administration in the military departments. This bill, which has been reported to the House unanimously by the Armed Services Committee, will not afford immediate relief for the present reservists, but it will insure a positive and coordinated Reserve program for the future security of this Nation. Heretofore, and especially under the present Reserve system, we had no definite and determinate plan with respect to reservists. This bill is designed to replace confusion and disorganization with a systematic, preconceived Reserve policy.

Mr. BROOKS. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. DEGRAFFENRIED], who has worked long and faithfully on the committee on this bill.

Mr. DEGRAFFENRIED. Mr. Speaker, I am for this bill. As has been previously said, it cannot remedy all of the defects in connection with the hardships in the Reserves at this time. In other words, we cannot unscramble what they have already done with one swoop, to take effect immediately; but it is a permanent program that will prevent this from ever happening again.

I wish this bill could take effect where it would stop calling in inactive reservists, in the manner they have been calling them in, immediately, but that cannot be done. We cannot do that because of the rotation plan in Korea. We must have replacements over there. The rotation plan has had such magnificent effect on the morale of the troops in Korea that we cannot allow anything to interfere with that rotation plan. Therefore, we must have time to set up this program. We cannot let it take effect immediately as far as recalling reservists because it will interfere with that rotation plan. But as a permanent setup, I believe it is a good bill and a bill that is worthy of the support of the Members of this House. Under the provisions of this bill after July 1, 1953, no member of the Standby or Inactive Reserves can be recalled without a declaration of national emergency by the Congress and even the members of the Ready Reserves can only be recalled in such numbers as may be fixed hereafter by the Congress after the declaration of a national emergency by the President.

Mr. BROOKS. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. CLEMENTE].

Mr. CLEMENTE. Mr. Speaker, I was a member of the special subcommittee of the Armed Services Committee, under the able leadership of a real friend of the Reserves, Mr. BROOKS, of Louisiana, which wrote H. R. 5426, now being considered by the House. This is a magnificent beginning and a firm basis from which future Reserve legislation can spring.

I do not wish to take the time of the Members in reiterating what has already been said. Rather, I would point to one provision of this bill because I feel it is one of the finest pieces of legislation affecting reservists which has been reported to the House since I have been a Member of Congress.

Mr. Speaker, I have had some experience with the Reserve components, having been a Reserve officer for the past 22 years. I was a member of a Reserve component before World War II and trained with a unit in order to increase my proficiency. During the war I served on active duty for over 5 years. Therefore, I feel that I am qualified to speak to the House at this time on what I think reservists want in legislation of this kind.

I would like to speak of section 236 of the bill. In order to stimulate the voluntary participation of reservists on

extended active duty, this provision provides for the Secretaries of the departments to offer standard written agreements to reservists covering periods of active duty up to 5 years. Probably the greatest deterrent to voluntary active duty for extended periods is the uncertainty of the individual as to a period for which he will be retained by the Armed Forces of which he is a member. The active-duty contracts provided by this section of the bill will alleviate this condition by providing severance pay equal to 1 month of pay for each year not served for those released prior to the expiration of the contractual period of active duty. Of course, in return for this protection, the reservist must obligate himself to remain on active duty for the contract period. However, this section of the bill provides that a board of officers will determine the members to be released from active duty in the case of a reduction in the numerical strength of the military personnel of the Armed Forces. So you see that each reservist who comes to active duty and serves under the contractual provisions of this section of the bill is protected in every way. Upon entrance on active duty, he has a definite term to serve. He can therefore make such plans as are necessary in civilian life for his absence while serving with the Armed Forces. Furthermore, if he must be released before the end of his contractual term, such release can only be effected upon the recommendation of a board of officers and, in addition thereto, the bill provides liquidated damages for a release before the end of the contractual term.

Prior to the outbreak of hostilities in Korea, a large portion of the standing Air Force establishment consisted of reservists who were voluntarily serving on extended active duty. The other Armed Forces had similar personnel on active duty. Whenever it became necessary to reduce the strengths of the Armed Forces, reservists were among the first to be released, with the resulting disruption of their plans and careers. Such persons were forced, unexpectedly and on short notice, to seek other employment and otherwise readjust their lives. It is to avoid the recurrence of such situations, as well as to meet the present needs for active duty personnel, that this bill provides for active duty contracts.

I believe that the use of these contracts will, in a large measure, alleviate the need to resort to involuntary orders to active duty and, in addition, will provide a measure of security to those reservists needed on active duty in peacetime to enable the Armed Forces to attain their authorized strengths.

Because the committee felt that this contract authority was of prime importance, it was made immediately available by the terms of the bill, although other provisions of the bill do not go into effect until 6 months after its enactment.

Mr. Speaker, as a Reserve officer and a member of the Committee on Armed Services, I am of the opinion that this provision of the bill is of prime importance and one which reservists have long awaited.

Limitations on time preclude me from going into many of the other provisions of this worth-while legislation, but I join with the other members of the Armed Services Committee and the representatives of the Reserve and veterans' organizations in urging its enactment today.

Mr. BROOKS. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Speaker, it was my pleasure to serve throughout the day and night meetings of the members of the subcommittee which has made a very conscientious and a very thorough study of this entire bill. I am for the bill. I have no hesitancy in recommending it favorably to every Member of this House.

Amongst the reasons why I recommend this bill to your favorable attention and recommend that you vote unanimously for it is that during the several weeks that the subcommittee of Armed Services Committee, of which I am a member, which was studying this bill had sit with us around the committee table, not only the official representatives of the Office of the Secretary of Defense but also a representative from each the Army, the Navy, the Air Force, the Marines, the Coast Guard, but also we had sit with us around that conference table the national representatives of each of the military Reserve organizations, to wit: the Army, the Navy, the Air Force, the Marines, the Coast Guard, and the National Guard. This bill, H. R. 5426, has been properly designated as the Magna Carta of the military Reserves.

Yes, my colleague, it comes to this floor with the already given cordial approval of the Department of Defense as well as the cordial approval of each of the national offices of the Reserves of the Army, the Air Force, the Marines, the Coast Guard, the Navy, and the National Guard.

As every individual of the human species has limitation and makes progress as a result of experiment and error, so your subcommittee in the preparation of this bill came face to face with some conditions affecting the present Reserves which were not satisfactory. But these were conditions in the past or existing in the present. This bill cannot correct the past errors and injustices so far as their past occurrence is concerned, but these same inequities, injustices, and errors of our military, dealing with the Reserve Forces, will not occur again. This is because H. R. 5426 spells out in word and text how the Reserve individually and in a group shall be treated. Never again will any individual Reserve or group of Reserve components be called into the Armed Forces in such a state of uncertainty as to how long he or they shall have to serve or under what conditions they may be recalled or promoted or discharged. Therefore, this bill spells out the establishment of a Ready Reserve, a Standby Reserve, and a Retired Reserve.

First, as to the Ready Reserve: It will consist of those units or members of the Reserve components, or both, ready for active service in the expansion of the active Armed Forces in time of war or

national emergency declared by the Congress or in time of national emergency proclaimed by the President, or when otherwise authorized by law. Order to active duty during a Presidentially declared emergency cannot be made, however, until the Congress shall determine the number of Reserves who may be called.

The Standby Reserve will consist of those units or members of the Reserve components, or both, available for involuntary active duty only when authorized by action of the Congress. Again, in a few years, after the program is well under way, there will be two principal classes of individuals in the Standby Reserve.

The Retired Reserve will consist of those members of the Reserve components who, having completed long and distinguished service in the Reserve components, voluntarily retain memberships as reservists. Members of the Retired Reserve and persons on the inactive-status list may, if qualified, be ordered to active duty involuntarily only in time of war or national emergency declared by Congress or when authorized by law, and then only when there are no qualified members in the same category in the Ready Reserve or the active portion of the Standby Reserve.

Since my distinguished subcommittee chairman, the gentleman from Louisiana [Mr. BROOKS], and my distinguished colleagues, the gentleman from Missouri [Mr. SHORT], and the gentleman from Pennsylvania [Mr. VAN ZANDT] have already gone into much detail in the premises, I will not now use all my time.

Mr. BROOKS. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, as a member of the subcommittee which conducted hearings, which lasted about 6 weeks, under the able leadership of the gentleman from Louisiana [Mr. BROOKS], I subscribe to this bill and consider it a measure that is not only highly necessary from the standpoint of correcting the conditions surrounding the Reserves since the Korean war, but likewise in that in the long run it will strengthen the security and military strength of this Nation. I am therefore supporting this measure.

Mr. SHORT. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Speaker, I submitted three amendments to the committee this morning to protect the rights of the Reservists and prevent their being given dishonorable discharges without ever being given a hearing. This bill, without these amendments, would be unthinkable. The committee accepted my amendments. This bill as amended is a great improvement for the Reserves and National Guard. It is, I believe, a workable bill. But, as I stated, there was one joker in it which gave the President of the United States or any of the three secretaries the right to give a Reserve or guard officer or enlisted man a dishonorable discharge without hearing or even without notice. I called the Presi-

dent of the Reserve Officers Association, and of the National Guard Association; they said they were against that dictatorial and un-American provision. The matter was brought to the attention of the committee and they very kindly included amendments which are in the bill now which will take care of this objection.

The reservists and National Guard men have certainly needed some protection from the unfair manner in which they have been treated. I do not think this bill is a good improvement; I think it is a bill that is going to remedy many of the past evils, but it certainly would not have remedied those past evils by setting up a star chamber proceeding in the American Army under which they could dishonorably discharge a reservist or guardsman without even a hearing or notice. I know that this body would not have passed this bill unless the safeguards which are included in the amendments which I have offered and which have been accepted.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, this bill satisfies a need that is long overdue. I trust it will pass the House overwhelmingly. The Armed Services Subcommittee, of which I am a member, held extensive hearings on this measure. It heard the representatives of every organization interested. After the hearings were completed the representatives of the Reserve organizations were permitted to sit in the committee room while the subcommittee redrafted the entire bill. The committee received from and adopted many valuable suggestions of the various Reserve organizations. As I understand it this bill in its present form has the endorsement of all Reserve organizations. It corrects many of the inequities heretofore in the Reserve program.

Unfortunately it will not help those who have suffered from past mistakes and faulty administration. It is a measure for the future only. Although I would like to have seen a better bill, I am both pleased and amazed it is as good as it is. As has been said, it is truly a "bill of rights" for the reservists of the future.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, I am not opposed to this legislation, since it is designed to prevent further misunderstandings relating to Reserve components in the future. The thing that is of real importance is to relieve and correct as far as can be done now, at this late date, a wrong that has been permitted against the thousands of Reserves who are in active service in all parts of the world. The committee, by this legislation, has not dealt with that problem at all. I realize that all kinds of excuses are given as to how and why these unfair conditions, and in many cases hardships, have been permitted to occur.

Mr. Speaker, this committee ought to submit legislation that will deal directly

with the release of all Reserves now serving in the Armed Forces. The legislation should be in line with a bill I submitted to this committee on July 11, 1951, being H. R. 4767. You have admitted the unfair situation that exists. Then why not proceed to correct it now? The House has already recognized the merits of my proposal by adopting an amendment to the Military Appropriation Act, H. R. 5054. This is an amendment by the gentleman from Pennsylvania [Mr. VAN ZANDT], who just addressed the House. The gentleman from Pennsylvania [Mr. VAN ZANDT] is an outstanding authority on military affairs. He has seen active service in two wars. He is past commander of the VFW of the United States. Incidentally, his amendment was approved by a big majority of this House.

I would like to submit the provisions of my bill as an amendment to the pending legislation. I realize that under the rule by which the bill is brought before us a Member will be ruled out of order if amendments are submitted from the floor.

My proposal is an amendment to section 21 of the Military Training and Service Act. It provides as follows:

(a) Until July 1, 1953, and subject to the limitations imposed by section 2 of this act, the President shall be authorized to order into the active military or naval service of the United States for a period of not to exceed 24 consecutive months, with or without their consent, any or all members and units of any or all Reserve components of the Armed Forces of the United States and retired personnel of the Regular Armed Forces.

(b) Unless he is sooner released under regulations prescribed by the Secretary of the military department concerned, any member of a Reserve component of the Armed Forces of the United States who is now or may hereafter be ordered to active duty pursuant to this section, shall upon completion of 12 or more months of active duty since June 25, 1950, if he makes application therefore to the Secretary of the branch of service in which he is serving, be released from active duty and shall not thereafter be ordered to active duty for periods in excess of 30 days without his consent except in time of war or national emergency hereafter declared by the Congress.

Mr. Speaker, my proposal is fair. It is equitable. If approved it will relieve many, many hardships now existing in hundreds of homes in this country. You will observe that, under my measure, the reservist may serve 2 years unless he requests a release. If so, then he can be released after 12 months' service. If a man does not want to be released he will remain in the service. Do not forget a good share of these reservists have already served many months overseas. And do not forget that amendment does not exempt these reservists, in time of war or national emergency hereafter declared by Congress.

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. SCHWABE].

Mr. SCHWABE. Mr. Speaker, I have a letter here from Col. Armon H. Bost, of Tulsa, Okla., dated October 13, 1951. Colonel Bost was the commanding officer of the Three Hundred and Sixth Logistical Command at Camp McCoy,

Wis., and he probably knows more than any other man about the disgraceful manner in which the inactive reservists are treated. His letter follows:

TULSA, OKLA., October 13, 1951.

HON. GEORGE SCHWABE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN SCHWABE: I have delayed writing several weeks concerning a very distressing situation involving the unit which I commanded at Camp McCoy, Wis., from the day of its induction, last year, until the day of my release on September 9, 1951. Since my return to Tulsa and my resumption of business I have steadfastly believed that the condition existing relative to the number of months' service required for officers of the unit would be clarified by the Department of Army. Instead the situation has gone from the ridiculous to the sublime with the result that the morale has completely broken from the standpoint of most officers, and the suspense and anxiety on the part of the families has been very severe. Officers are still being alerted for overseas—several from this unit—although they are clearly qualified with the intent UMT law and would be released from active duty at the end of 17 months' service. This 17 months' period will be completed February 15, 1952, but in spite of this, and with only 4 months of service remaining, Three Hundred and Sixth officers are still ordered to the various ports of embarkation awaiting shipment overseas. One officer of this unit was alerted this week for shipment overseas in February 1952.

I have had long and detailed experience with personnel handling in the Army (much of my experience in World War II was in that line) and I have continually felt that this situation would be cleared up long before now. At this late date it appears no nearer a solution than it was last July, when the first request for clarification was made.

As you know, the Three Hundred and Sixth was not a unit of long standing prior to its alerting for active duty; in fact it did not even exist prior to August 4, 1950. On that date it was activated and filled to capacity with volunteer and inactive officers and enlisted men. Every man was ordered involuntarily into the unit. A few days later I was told the unit was being alerted for active duty, and on August 17, 1950, the alert was confirmed officially. During this 13-day period no man was trained, assigned to a job, nor in any manner participated in matters normally covered by the Active Reserve. In spite of all this, we were classified as Active Reserve and the officers of the unit are now facing a 24-month tour of duty instead of the 17-month tour for which they are qualified if they were recalled as individuals. The Army recognized this, insofar as the enlisted men were concerned, and set up a policy authorizing the release of our men who were assigned to active units after July 25, 1950. It was placed into effect, and of the 159 enlisted men originally called to active duty with the Three Hundred and Sixth all but 25 have been released. The remainder will be released in November. In other words, the precedent has already been established with the Three Hundred and Sixth qualifying all personnel for release, but the policy has not been recognized in its entirety for the officers in the command.

I have worked closely with the Reserve Officers Association, and on September 28 was advised by Col. C. M. Boyer, of R. O. A., that all Army commanders were being instructed, on that day, to screen out officers involuntarily assigned to active units after July 25, 1951, and subsequently ordered to active duty. This word has apparently been muddled somewhere along the line, as officers of the Three Hundred and Sixth are still being ordered to ports of embarkation and others are still being alerted.

All officers concerned are residents of Tulsa or northeastern Oklahoma, and we are looking to you for strong and determined action in meeting with this situation and getting it cleared up. The original alert, 1 year ago, was sufficient shock and sacrifice for the families of the officers of the Three Hundred and Sixth without further aggravating the situation by the complete gross indifference and complete lack of consistency on the part of the Department of Army. Will you please give me a full report at your earliest opportunity, so that I may know what steps to take next for the officers of my previous command.

Sincerely yours,

ARMON H. BOST.

I quote with emphasis the following language from Colonel Bost's letter:

Officers are still being alerted for overseas—several from this unit—although they are clearly qualified within the intent UMT law and would be released from active duty at the end of 17 months' service. This 17 months' period will be completed February 15, 1952, but in spite of this, and with only 4 months of service remaining, Three Hundred and Sixth officers are still ordered to the various ports of embarkation awaiting shipment overseas. One officer of this unit was alerted this week for shipment overseas in February 1952.

Who can answer this?

Mr. VAN ZANDT. Will the gentleman yield?

Mr. SCHWABE. I yield.

Mr. VAN ZANDT. I would like to call the gentleman's attention to the following sleeper contained in Public Law 51, Eighty-second Congress, which reads as follows:

Unless he is sooner released under regulations prescribed by the Secretary of the Military Department concerned, any member of the Inactive or Volunteer Reserve who served on active duty for a period of 12 months or more in any branch of the Armed Forces between the period December 7, 1941, and September 2, 1945, inclusive, who is now or may hereafter be ordered to active duty pursuant to this section, shall, upon completion of 17 or more months of active duty since June 25, 1950, if he makes application therefor to the Secretary of the branch of service in which he is serving, be released from active duty and shall not thereafter be ordered to active duty for periods in excess of 30 days without his consent except in time of war or national emergency hereafter declared by the Congress: *Provided*, That the foregoing shall not apply to any member of the Inactive or Volunteer Reserve ordered to active duty whose rating or specialty is found by the Secretary of the Military Department concerned to be critical and whose release to inactive duty prior to the period for which he was ordered to active duty would impair the efficiency of the Military Department concerned.

Mr. SCHWABE. I sincerely trust that the other body will immediately act favorably on this bill, H. R. 5426, and that it will become a law before this session of Congress adjourns.

Mr. SHORT. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. BATES], a member of the subcommittee, who has worked very hard on this legislation.

Mr. BATES of Massachusetts. Mr. Speaker, in the time allotted to me I could not, of course, fully express my point of view on the 76 pages that comprise this bill.

This bill has been called the Magna Carta, the Bill of Rights, of the reservists. It is no panacea, because even under the provisions of this bill a civilian at heart will not remain necessarily a civilian in fact. In fact, no legislation can be devised which will give personal security when the military security of our country is threatened. This bill is, however, an affirmative step in the right direction. It presents an opportunity for fair treatment and equality between individuals and between the various services. It establishes a more effective Reserve organization; it spells out in detail the degree of responsibility that a young man has to his country so that he will have an opportunity to plan his life. It requires the Secretary of Defense to disseminate complete and up-to-date information of interest to the Reserves and to the public in general, which should relieve, in the future, much of the confusion that existed heretofore because of a lack of such information. It provides active-duty contracts up to 5 years, which should relieve much of the uncertainty of the individual as to the period for which he will be retained in the Armed Forces. If this bill is passed and administered wisely, it will give the Reserves more reassurance and know what is expected of them. It is hoped that in the near future this bill will permit us to reduce the size of our standing Armed Forces and the tremendous cost required to sustain them. I believe this bill should have the unanimous support of the House.

Mr. BAKEWELL. Mr. Speaker, it is news when man bites dog. It is bigger news when the hard-pressed American taxpayer gets a break. Therefore, I want to call the attention of the House membership to two big breaks which recently came to J. Overburdened Taxpayer by courtesy of the United States Navy.

History proves that we Americans at the end of any war naively believe that there will never be another war and proceed with unthinking abandon to dismantle the military machine which we have built up at such a high cost of treasure, suffering, and life.

After World War I, we scrapped our fleet. Not only obsolescent types, but new vessels on the ways. This saturnalia of destruction and disarmament hastened World War II. Instead of maintaining mastery of the seas—as we could have done—we turned it over to the British and the Japanese. By that act Pearl Harbor became inevitable.

There were those who after World War II contended that since Russia had no fleet we needed none. Fortunately, they did not have their way. The Navy developed a substitute that saved the day. Obviously, we could not afford the manpower needed to keep all of our fleet units in commission. Was the only alternative to sink them or to leave them to rust? Many thought so. But the Navy thought otherwise. The technique of mothballing was devised. Our largest and most costly ships were sealed in a protective, airtight covering and the interior compartments were pumped dry of moisture, which causes corroding rust. Now that the international situation has

deteriorated to such an extent that we must build up our defense potential, we find the Navy ready. In 30 days a ship can be taken out of mothballs. By the time she is once again put in commission, there is ready to man her a trained, experienced ship's company, most of whom have been ordered to active duty from the ranks of the Naval Reserve. Since the beginning of Korean hostilities 3 battleships, 3 cruisers, 8 large, 1 light, and 6 small carriers, 78 destroyers and destroyer escorts, and 19 submarines have been taken out of mothballs, manned with crews, and are now guarding the highways of ocean commerce and strategic areas from the Persian Gulf to Korea and from the Aleutians to Australia against Communist aggression.

If the ships now being taken out of mothballs had been scuttled after World War II, as was done after World War I, the cost of building them today would be more than twice what it was prior to and during World War II. So, Mr. Speaker, as a result of the Navy's foresight in believing that we would need our fleet in the future and its ingenuity in developing the mothballing process, credit the hard-pressed American taxpayer with one tax break.

The taxpayer got another break in the Naval Air Reserve. The Naval and Marine Air Reserves are the fleet's modern minutemen. We, as a nation, cannot afford a full-time military service adequate to our needs in the event of attack. In the modern world enemies do not give warning. They strike overnight. We learned that at Pearl Harbor. Since we are a nonmilitaristic Nation and since the luxury of a standing Regular military service adequate to our needs in the event of attack is something which we cannot afford, we must look to a trained and ready Reserve to protect us in that event.

Mr. Speaker, a reserve does not consist merely of a roster of names. Names alone mean nothing unless they have the technical skill and training to perform the duties which they will be called upon to discharge in the event of all-out war.

The Naval and Marine Air Reserve meets this twofold requirement. After the Korean emergency with only 24 hours' notice, 3,000 of the Naval and Marine Corps air reservists were called to active duty. Within 24 hours of receiving their orders 98 percent of those who were directed to active duty had reported aboard their stations and were ready. The other 2 percent were returning from vacations or business trips. There were 3,104 of these week-end warriors who answered the call. Of this number 728 were officers and 2,376 were enlisted personnel. Remember, Mr. Speaker, these were normal civilians earning their living just as your neighbor around the corner. Within their ranks were butchers, bakers, professional men, and salesmen. They left their jobs and families to answer the call in our national emergency. They proved themselves in the crucible of war in Korea. In June of 1951 every third air strike against the Communist enemy was flown by a Naval and Marine Corps air reservist. In that same month 46.22 percent of all combat

sorties flown against the enemy were flown by Naval and Marine Corps aircraft. In the month of June we had three aircraft carriers in action in Korean waters. Of the Air Groups serving aboard these carriers 50 percent of the *Princeton's* were reservists, 90 percent of the *Boxer's* were reservists, and 100 percent of the *Bon Homme Richard's* were reservists. The enemy learned about the week-end warriors to his sorrow. At the end of World War II the Naval and Marine Air Corps had 45,000 Reserve pilots and 200,000 Reserve aviation enlisted personnel on active duty. The Navy Department was determined not to allow this reservoir of trained manpower to be dissipated. They resolved that this valuable asset should be retained as an entity in the event of war and should continue their training. The answer was the Naval and Marine Corps Air Reserve training program.

At the present time there are in commission throughout the Nation from coast to coast and from border to border 28 Naval air training stations and 38 outlying facilities. The Navy did not ask their reserve air personnel to come to them. The mountain came to Mohammed. At these various localities throughout the country there are facilities where the week-end warriors can keep their hand in and retain their proficiency. There are outlying facilities located in cities where there is no regular Naval air station. On week ends personnel from the nearest Naval air stations bring aircraft to the outlying localities so that Naval and Marine Corps aviators from the immediate vicinities can come there and get their training.

Trained manpower is strength. Still available for call if needed are over 40,000 trained Naval and Marine air reservists and more than 11,000 trained support personnel. Translated into fighting strength this means 475 combat units ready, willing, and able to repel any enemy who might attack us.

The cost of maintaining a trained ready reserve Naval and Marine Corps combat squadron is approximately one-sixth of what the cost would be if all of them were on active duty.

Seven-tenths of the earth's surface is water. Wherever there is deep water, a carrier can sail. Wherever a carrier can sail, a naval or marine aviator can attack the enemy. Through control of the seaways of the earth we can compensate for our numerical inferiority on manpower. The most important element in maintaining this potential is the Naval Air Reserve training program.

The Naval Air Reserve is not a static organization. They do not rely solely upon World War II veterans. Consistently they are procuring new hands, new talent, new aviators. The Naval Air Cadet training program turns out a new supply of pilots every year. When these pilots receive their wings of gold and have completed 18 months of basic and advanced flight training and have served with the fleet, they return to their home base and become enrolled in a local Naval Air Reserve training unit. When these young Naval aviators depart from active duty, the Navy League, the civilian arm

of the Navy, concerns itself with finding them employment in localities where there is a Naval air station and where they can retain their proficiency.

Mr. Speaker, today we are considering H. R. 5426, the new bill reported out of the Committee on Armed Services for the reserve components of the armed forces. I submit, Mr. Speaker, that the Naval and Marine Corps Air Reserve training program provides a model after which all reserve components can pattern themselves. Truly, Mr. Speaker, in the Naval and Marine Corps Air Reserve we have a tremendous asset at bargain cost.

So in conclusion, Mr. Speaker, I say that our Nation and the American taxpayer is twice beholden to the United States Navy and the Marine Corps for two defense bargains in the mothball fleet and in the Naval and Marine Corps Air Reserve.

The SPEAKER. All time has expired. The question is, Will the House suspend the rules and pass the bill, H. R. 5426, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

House Resolution 457 was laid on the table.

AMENDING PUBLIC LAWS NOS. 815 AND 874 WITH RESPECT TO SCHOOLS IN CRITICAL DEFENSE HOUSING AREAS

Mr. BARDEN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5411) to amend Public Laws Nos. 815 and 874 of the Eighty-first Congress with respect to schools in critical defense housing areas, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 3 of the act of September 30, 1950 (Public Law 874, 81st Cong.), is amended by striking out subsection (e) and redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) The subsection of such section hereinafter redesignated as subsection (e) is amended to read as follows:

"ADJUSTMENT FOR CERTAIN DECREASES IN FEDERAL ACTIVITIES

"(e) Whenever the Commissioner determines that—

"(1) a local educational agency has made preparations to provide during a fiscal year free public education to a certain number of children to whom subsection (a) or (b) applies; and

"(2) such preparations were in his judgment reasonable in the light of the information available to such agency at the time such preparations were made; and

"(3) such number has been substantially reduced by reason of a decrease in or cessation of Federal activities or by reason of a failure of any of such activities to occur, the amount (if any) to which such agency is otherwise entitled under this section for such year shall be increased to the amount to which, in the judgment of the Commissioner, such agency would have been entitled but for such decrease in or cessation of Federal activities or the failure of such activities to occur, minus any reduction in current expenditures for such year which the Commissioner determines that such agency has effected, or reasonably should

have effected, by reason of such decrease in or cessation of Federal activities or the failure of such activities to occur."

Sec. 2. (a) The parenthetical matter contained in clause (B) of section 4 (a) of such act is amended to read as follows: "(not counting as available for such purpose either payments under section 2 or 10 of this act, or funds from local sources required to meet current expenditures necessary to provide free public education to other children)."

(b) Section 4 (a) of such act is further amended by adding at the end thereof the following new sentence: "The determinations whether an increase has occurred for purposes of clause (1) hereof and whether such increase meets the 10 percent requirement contained in such clause (or the 15 percent requirements under subsection (d)), for any fiscal year, shall be made on the basis of estimates by the Commissioner made prior to the close of such year, except that the foregoing provisions of this sentence shall not affect the entitlement of an agency to payments under this section to which it would be entitled but for such provisions."

Sec. 3. Clause (A) of subsection (c) of section 4 of such act is amended by inserting "in the case of subsection (b) of this section," immediately after "(A)."

Sec. 4. Section 4 of such act is further amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"ADJUSTMENT FOR CERTAIN DECREASES IN FEDERAL ACTIVITIES

"(e) Whenever the Commissioner determines that—

"(1) a local educational agency has made preparations to provide during a fiscal year free public education for a certain number of children to whom subsection (a) applies;

"(2) such preparations were in his judgment reasonable in the light of the information available to such agency at the time such preparations were made; and

"(3) such number has been substantially reduced by reason of a decrease in or cessation of Federal activities or by reason of a failure of any of such activities to occur, the amount (if any) to which such agency is otherwise entitled under this section for such year shall be increased to the amount to which, in the judgment of the Commissioner, such agency would have been entitled but for such decrease in or cessation of Federal activities or the failure of such activities to occur, minus any reduction in current expenditures for such year which the Commissioner determines that such agency has effected, or reasonably should have effected, by reason of such decrease in or cessation of Federal activities or the failure of such activities to occur."

Sec. 5. (a) Subsection (a) of section 5 of such act is amended by striking out "section 2, 3, or 4" and inserting in lieu thereof "section 2, 3, 4, or 10."

(b) Subsection (b) of section 5 of such act is amended to read as follows:

"CERTIFICATION AND PAYMENT

"(b) The Commissioner shall from time to time (but not less often than twice each fiscal year) certify to the Secretary of the Treasury for payment to each local educational agency, either in advance or by way of reimbursement, the amount which the Commissioner estimates such agency is entitled to receive under this act for the period for which such payment is to be made. The amount so certified for any period shall be reduced or increased, as the case may be, by any sum by which he finds that the amount paid to the agency under this act for any prior period (whether or not in the same fiscal year) was greater or less than the

amount which should have been paid to it for such prior period. Upon receipt of such certification, the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, pay to the local educational agency in accordance with such certification."

(c) Subsection (d) of section 8 of such act is repealed.

Sec. 6. Section 6 of such act is amended by striking out the second sentence and inserting the following in lieu thereof: "In any case in which the Commissioner makes such arrangements for the provision of free public education in facilities situated on Federal property, he may also make temporary arrangements for providing free public education in such facilities for children residing in any area adjacent to such property with a parent employed on such property, but only if the Commissioner determines that the provision of such education is appropriate to carry out the purposes of this act and the need therefor is of temporary duration, and only if it is his judgment, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children. To the maximum extent practicable, education provided under this section shall be comparable to free public education provided for children in comparable communities in the State."

Sec. 7. The second sentence of section 9 (1) of such act is amended to read as follows: "Such term includes real property leased from the Secretary of the Army, Navy, or Air Force or from the Atomic Energy Commission under section 805 or 810 of the National Housing Act, as amended, for the purpose of title VIII of such act."

Sec. 8. Such act is further amended by adding at the end thereof the following new section:

"CRITICAL DEFENSE HOUSING AREAS

"Sec. 10. (a) If the Commissioner determines for the fiscal year beginning July 1, 1951, or the fiscal year beginning July 1, 1952, that—

"(1) the amount (if any) payable under the other provisions of this act with respect to free public education to a local educational agency the school district of which includes part or all of a critical defense housing area, together with the funds available for such purpose from other Federal, State, and local sources, is less than the current expenditures required to provide suitable free public education in such school district; and

"(2) provision of such education in such school district is required in connection with national defense activities in the area; and

"(3) such local educational agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose,

he may provide the additional financial assistance necessary to enable such agency to make the current expenditures required for suitable free public education in such district for such year, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest, but such additional assistance may not exceed the portion of such current expenditures which the Commissioner estimates to be attributable to the national defense activities in the area and not to be recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this act or any other law. All determinations by the Commissioner under this section shall be made only after consultation with the State educational agency and the local educational agency.

"(b) There are hereby authorized to be appropriated such sums as may be necessary

to carry out the provisions of this section, including the administration thereof.

"(c) For purposes of this section—

"(1) the determination of the current expenditures necessary to provide suitable free public education shall be made by the Commissioner after considering the current expenditures per child in providing free public education in those school districts in the same State which, in the judgment of the Commissioner, are most nearly comparable to the school district of the local educational agency for which the determination is being made;

"(2) the term 'critical defense housing area' means (A) any area determined to be such pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong.), and (B) any area which the President declares would be determined to be such if the term 'community services' (as used in such section 101) included free public education and the term 'community facilities' (as used in such sec. 101) included facilities required for free public education;

"(3) the term 'national defense activities' shall have the same meaning as when used in title III of the Defense Housing and Community Facilities and Services Act of 1951."

Sec. 9. (a) The act of September 23, 1950 (Public Law 815, 81st Cong.), is amended by adding at the end thereof the following new title:

"TITLE III—CRITICAL DEFENSE HOUSING AREAS

"ADDITIONAL PAYMENTS AUTHORIZED

"Sec. 301. (a) If the Commissioner determines, for the fiscal year beginning July 1, 1951, or the fiscal year beginning July 1, 1952, that—

"(1) the amount (if any) otherwise payable under this act to the appropriate local educational agency, the school district of which includes part or all of a critical defense housing area, together with the funds available for such purpose from other Federal, State, and local sources, is less than the amount necessary to provide the minimum facilities required for free public education in such school district for the year for which the determination is made or for the succeeding fiscal year; and

"(2) provision of such facilities is required in connection with national defense activities in the area; and

"(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose,

he may provide the additional financial assistance necessary to enable such agency to provide the minimum facilities required for free public education in such school district, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider in the public interest, but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to the national defense activities in the area and not to be recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this act or any other law. If the Commissioner determines that even with such additional assistance such local educational agency is demonstrably unable to provide such minimum facilities, he may make arrangements for constructing or otherwise providing the minimum facilities required for free public education in such school district, but only to the extent required in connection with the national defense activities in the area.

"(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including the administration thereof; except

that after June 30, 1953, no agreement may be made to extend assistance under this section and no construction of facilities by the United States may be begun or arrangements for the provision of facilities made.

"(c) For purposes of this section—

"(1) the term 'critical defense housing area' means (A) any area determined to be such pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, Eighty-second Congress), and (B) any area which the President declares would be determined to be such if the term 'community services' (as used in such section 101) included free public education and the term 'community facilities' (as used in such section 101) included facilities required for free public education;

"(2) the term 'national defense activities' shall have the same meaning as when used in title III of the Defense Housing and Community Facilities and Services Act of 1951.

"(d) In carrying out his functions under the last sentence of subsection (a) the Commissioner shall have all the authority given the Housing and Home Finance Administrator (and be subject to the restrictions imposed on him thereby) by sections 305, 306, 307, 309, and 310 of the Defense Housing and Community Facilities and Services Act of 1951. No facilities provided under such sentence, and no facilities provided under section 204, shall be made available for operation by a local educational agency except upon assurance by such agency that the school facilities of such agency will be available to children for whose education contributions are provided under this title or title II on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district. Any facility provided under such sentence or under section 204 which is not made available for operation by a local educational agency, and which is situated in a community in which the laws of a State are generally applicable, shall, to the maximum extent practicable, be made available to the children for whose education it shall have been provided in accordance with the laws of such State. All determinations by the Commissioner under this section shall be made only after consultation with the State educational agency and the local educational agency.

"(e) No payment may be made to any local educational agency under subsection (a) except upon application therefor filed in accordance with regulations of the Commissioner and meeting the requirements of section 205 (b) (1).

"(f) In the case of any local educational agency to which payments are made under this section, or to which facilities provided under this section are made available with reasonable assurance, as determined by the Commissioner, that such agency will have the right to use such facilities for the remainder of the estimated usable life of such facilities, that portion of the maximum amount which such agency would otherwise be entitled to receive under section 202 of this act which has not been expended or obligated under section 205 as of the time such payments are made or facilities made available, shall be reduced by the amount of such payment, or by the cost to the United States of such facilities, as the case may be."

(b) Section 209 (a) of such act is amended by inserting "or title III" after this title."

(c) Section 209 (b) of such act is amended by inserting "or title III" after this title."

(d) The second sentence of section 210 (1) of such act is amended to read as follows: "Such term includes real property leased from the Secretary of the Army, Navy, or Air Force or from the Atomic Energy Commission

under section 805 or 810 of the National Housing Act, as amended, for the purpose of title VIII of such act."

Sec. 10. The amendments made by sections 1 through 7 of this act shall be effective as of July 1, 1951.

The SPEAKER. Is a second demanded?

Mr. SMITH of Kansas. Mr. Speaker, I demand a second.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. BARDEN. Mr. Speaker, this bill, H. R. 5411, is a bill consisting of amendments to Public Laws Nos. 874 and 815 passed by the last Congress.

The first group of amendments in the bill consist principally of administrative corrections; in other words, they are situations where the Administrator has found that the language and formula provided in the original act was not workable and in some instances resulted in a hardship on the Government because it was made necessary for the Government to attempt to recover funds that were not recoverable.

At this time I want to say this about the Administrator, Dr. Lindman, who has administered these two acts, that during my entire term in Congress I have never known of a finer Administrator or one who sought more diligently to find the real intent and meaning of language placed in the bills by the committee to the extent that when questions arose, and there was some question in his mind, he would come to the committee and ask the committee to discuss them and give him their interpretation.

I say that because I think it is due Dr. Lindman in the first place, and, in the second place, it certainly is unusual for me to get up and praise the operations of an administrator downtown, because I have had my troubles with many of them, especially those who spend so much of their time trying to expound congressional language instead of looking for its real meaning. But I think Dr. Lindman has done a marvelous job on these laws.

I might add, further, that not one single complaint from the entire United States has been registered against his administration of the act, and there were some 1,400 different school operations, about 1,100 under Public Law 874 and 258, I think, under Public Law 815.

The committee attempted to work out solutions to the problems that confronted him, and we think we did a pretty good job. The principal and important part of this bill, H. R. 5411, is the amendment that brings Public Law 815 into line with the Housing bill which we passed some time ago. Many of you will recall that there was some discussion on the floor at that time because of the fact that the Committee on Banking and currency had incorporated a school construction program in the housing bill. Well, at the present time we have enough departments fingering

in the school operations. We have just completed an investigation which shows there is about three and one-half billion dollars being spent in the field of education by the various agencies of this Government in every conceivable form and manner. We did not feel that it was wise to add one more to that.

At that time I made the commitment to the House that the Committee on Education and Labor would set about to work out a solution of that problem so that it would not be necessary to wait a year and establish the average daily attendance record of children before they could enter the public schools. So in this amendment we have made it possible to begin construction of the school buildings when they begin the construction of the housing project, and in that way the school building will be available when the children arrive. That was of considerable concern to the other body, and as I mentioned previously on the floor of the House, they called me before the conferees and I made the commitment to them that the Committee on Education and Labor would put forth its best efforts to gear the law to the housing bill.

I do not know of any specific provision in the bill that needs particular explanation. I will mention another amendment that was brought to the attention of the committee by the Air Force. They found, in some instances, that they had at camps on-base children and off-base children, and in some instances the parents were unable at a particular time to get quarters on the base, and therefore it made it necessary for them to enter the children in one school and then when they got quarters on the base, to be entered in another school. So it was necessary to write some discretionary provisions in the bill to take care of that kind of a situation and insure that in every State of the Union, in these establishments, there would be public schools, comparable to schools in comparable communities, available to the children to go to without working any hardship on the child by changing schools two or three times in the same term.

Mr. CAMP. Mr. Speaker, will the gentleman yield?

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

Mr. CAMP. May I ask the gentleman of there is any provision in this bill which changes Public Law 874 so that a school system which heretofore has been and which is now eligible for assistance because of the impact of Federal children will be prevented from that, or if there is any change in this amendment which makes the qualification of the school any different from what it was before?

Mr. BARDEN. The gentleman has asked a rather general question, but I can answer it this way. The gentleman has mentioned the problem in his district to me at several times. I have discussed his problem with the administrative people and I am satisfied that the provisions of this bill will not work any undue hardship on any school in the

gentleman's district. There is a provision in H. R. 5411 which changes the so-called lag payments. The Administrator found it was impractical to operate the set-up as it was previously and originally written into the law. We also found that it encouraged the State either to be lazy about providing funds or not provide them at all. So we changed the provision of the so-called lag payments to the States and that, in my opinion, makes the bill more workable and will not work a hardship on any district that was entitled to receive funds under the provisions of Public Law 874.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. In Oklahoma we have eight areas where there are Navy, Army, and Air Force installations. Three of them are permanent and five are considered peacetime bases. They will increase the enrollment in our schools by several hundred. Will this give any assistance to those communities?

Mr. BARDEN. That was the basis for the passage of Public Law 815 and Public Law 874, just situations such as that, which had created impacts on communities far beyond the ability of the taxable property in those communities to carry the load. Section 2 of Public Law 874 was in the nature of compensation for the existence of nontaxable property. The amendments we have here to Public Law 874 and Public Law 815 have a little bit changed the philosophy of that bill, for the simple reason we had to gear it to the emergency-housing program and take care of an existing emergency and need. So while it is not exactly on a compensatory basis with the housing feature, the principle involved is the same. It is to relieve tension and stress on the local public schools and to be sure that the public schools are available for all children regardless of where they may be stationed by the Government.

Mr. Speaker, I have about covered the principal amendments. There is another amendment which strikes subsection (d) from section 8 of Public Law 874. In the writing of this law, it was the unanimous request of all the armed services to get out of the school business. They insisted that they wanted their budget to be an honest budget that was an objective budget, that spoke the truth and carried appropriations only for military purposes not for education. They do not want to get into the school operation business. The Army, the Navy, the Air Corps, the Marine Corps, and then the Joint Defenses joined in the request. Public Law 874 in section 8 (d) prohibited the use of any funds by any agency other than the Atomic Energy Commission for any purpose expressed in the bill. It has developed that some situations could arise at bases, some of them with as much as one hundred or one hundred and twenty-five thousand acres, where there is a problem in getting the children to the

school bus, so we felt that was probably a little severe. Under any circumstances, it would take an additional specific appropriation for any agency other than the Office of Education to carry out any function as set out in the bill.

When Congress enacts a law like Public Law 874 making general provision for the discharge of certain Federal responsibilities and puts authority to administer the law in a single agency, in this case the Office of Education, the normal assumption is that appropriations for carrying out the law will be made to that agency and that appropriations will not be made to other Government agencies for the same things as are provided for in the general law—or if made will not be used. This principle of statutory interpretation is an obvious and a necessary one, since otherwise there would be endless duplication of functions and appropriations as between many Government agencies. The reason why we wrote this principle specifically into Public Law 874 when it was first enacted and why we now ask the House to repeal the specific prohibition and to leave the matter to general principles of statutory interpretation will be clear when we look at the history and the purposes of this legislation.

Public Law 874 was developed after extensive hearings and investigations out in the areas where the problems actually exist by two subcommittees of the House Committee on Education and Labor and a detailed consideration of the problem for approximately 9 months by the committee. Field investigations were conducted in 23 locations in 16 States and testimony was received from approximately 600 witnesses from 42 States. As a result of these studies and investigations, members of the two subcommittees and the full committee came to the unanimous conclusion that various activities of the several agencies of the Federal Government impose serious financial burdens on local educational agencies and that it should be the policy of the Federal Government to compensate local educational agencies for such burdens. This statement of policy was enacted into Public Law 874.

Prior to the passage of the act there had been no consistent Federal policy regarding the provision of financial assistance to those communities which were seriously overburdened by Federal activities. The investigation of our two subcommittees revealed that 12 different Federal agencies had been given authority by Congress to provide some type of Federal assistance to school districts affected by their activities. Those programs differed between agencies in the amount of assistance provided and the basis on which Federal assistance was given, in the administrative arrangements for administering the programs, and in the legislative provisions which authorized the programs. They found that the result of this situation was a duplication between programs in some instances and an exclusion of some schools urgently in need from any types of benefits whatever or from certain kinds of benefits. The committee

reached the conclusion that there should be a uniform Federal policy regarding this matter, and that the program should be administered by one Federal agency so that all school districts would receive uniform treatment under uniform procedures and so that duplication in costs and duplication in administrative arrangements would be avoided. Consolidation of these various programs into one uniform program was urgently requested and strongly supported by almost all the Federal representatives who testified before the committee both in the hearings held in Washington and in the field, including the representatives of the Departments of the Army, Navy, and Air Force. Public Law 874 not only established a single unified program of assistance to federally affected areas but it also gave the Commissioner of Education exclusive responsibility for administering the program.

Because consolidation of these functions—and appropriations for them—was so important to achieving the purposes of the act, and because the functions and appropriations had previously been so widely dispersed among Federal agencies, the Congress provided in subsection (c) of section 8 of Public Law 874 for transfer to the Office of Education of all appropriations already made for the then current fiscal year to other agencies for the same purposes, and in subsection (d), which this amendment would repeal, specifically forbade other agencies from using current or future appropriations for these purposes. The single exception was the Atomic Energy Commission which was so special in its requirements of secrecy and so forth as to justify exceptional treatment.

The prohibitory language used in subsection (d) has caused some difficulty, particularly as regards activities on military posts in isolated areas. It was never intended that the officers in charge of these posts would be prevented by subsection (d) from doing the numerous every day little things they have authority to do in aid of the welfare of persons living on the post, or from meeting emergencies that may from time to time arise. What was intended was that the general principle of nonduplication of activities and appropriations be observed.

It would be extremely difficult to rewrite subsection (d) so as to make all the various specific exceptions which would be required to prevent the subsection from hamstringing the normal functioning of a Federal installation. Rather than this, the proper way is to repeal the subsection and leave the matter to the generally accepted principles of statutory interpretation which safeguard against the waste of money and confusion which result from duplication of functions and appropriations among Government agencies.

I want to make it absolutely clear that the striking of subsection (d) of section 8 should not be regarded as an invitation to the Department of Defense or other Federal agencies to request funds to set up a dual system of providing educational services for children living on Federal property or stationed on or near isolated Federal projects. The striking

of this subsection in no way alters the basic policy embodied in the act that the program of assistance made necessary by Federal activities should be administered on a uniform basis by one Federal agency. I am sure the House concurs that this policy is sound, has worked well, and should be continued.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. COLMER. Of course, we are all interested in accomplishing the main objective of the bill here, but I am wondering since the objective of the original bill was to get these departments out of the school business, if there will not be an inclination here now on the part of the departments themselves to go back into the school business, and whether we will not find the various agencies and the military installations themselves coming in and setting up their own school facilities. Will the gentleman comment on that phase of the matter?

Mr. BARDEN. It takes money to do that. The only safeguard is the same safeguard that existed prior to the passage of Public Law 815, and Public Law 874, and that is the Committee on Appropriations. I cannot conceive of the Committee on Appropriations granting specific appropriations to duplicate a service which is already being rendered. In some instances, we have to rely on the safeguard of the Committee on Appropriations, as well as the integrity of the departments in justifying needs for money as well as its use.

Mr. COLMER. If I understand the gentleman, it is proposed that this provision striking this section out, would make it possible in those hardship cases, where existing facilities were not available, for them to come before the Committee on Appropriations and get money to operate in those particular cases?

Mr. BARDEN. There are not supposed to be any hardship cases and there will not be any hardship cases. They could not even trump up an excuse for an appropriation, for a specific appropriation, for the simple reason that Public Law 815 provides the building, and Public Law 874 provides the fund for the operation. Now I know of the tendency upon the part of some, because it has been brought to my attention in North Carolina—I have never learned how to map programs, which would fit some commanding generals. They take the attitude, or at least some of them, that there is no limit to their power, and there should not be any restriction upon their discretion. But I think we will have to work out some limit to it because it was the plan, and outline, and desire, and intention of the Committee on Education and Labor that those schools established in the various States should be established in accordance with State laws and the State constitution, and should become a part of the State educational plan, and should not be guided off on some tangent or attempt to set up an entirely new school system. I do know there is a tendency to do that. When it is done, then you simply harm your State educational system and accomplish no good.

Mr. COLMER. I do not want to impose upon my good friend's good nature too long, but if there are to be no hardship cases, then why repeal this section?

Mr. BARDEN. I will try to give the gentleman my reason in this way. It is most difficult for the Committee on Education and Labor to foresee all of the problems that might confront a commanding officer on his base. It might be possible to doctor it up, but in the removal of subsection (d), there is no license, authority, or even any condonement of any expenditure of a single dollar of funds except such as the general finds are legal, proper, and necessary on the base over which he has command. There is no intention of anything else. The removal of it simply makes it possible on these larger bases, if they want to assemble the children at the gate rather than having school busses from outside running all over the base. Then I think it would be rather unsafe for the Committee on Education and Labor to take charge of the situation inside the base that heretofore the Armed Services Committee has had supervision and control over.

Mr. COLMER. Then, finally the gentleman sees no case now where the repeal of section (d) would effect the normal and orderly administration of the basic law as it has heretofore been administered.

Mr. BARDEN. The answer is "No." But I do know that now some of the commanding officers are assembling the children at the base gate. I do not know how they do it. I do not know whether it is by construction of the law that exists or not.

We wrote into Public Law 815 the requirement that the schools should be constructed in line with the laws of the State in which they were located. In Public Law 874 we put language in there which we thought was clear and which I still think is clear, but I am not so sure that some other folks think it is clear. I read from section 6 of that law relating to on-base public schools:

The Commissioner shall make such arrangements (other than arrangements with respect to the acquisition of land, the erection of facilities, interest on debt service) for each school, as may be necessary to provide free public education for such children. To the maximum extent practicable, such education shall be comparable to the free public education provided for children in comparable communities in the States.

That is clear enough to my mind that if a general wants to operate a school on the base, if there are no taxable funds available, and the Commissioner makes the funds available, it is perfectly clear to my mind that the Congress intended that those schools on that base should be operated in line with the schools in the rest of the State, and comparable to the communities in the rest of the State and certainly was not intended to be an invitation to any commanding officer to become a crusader. If next year we have to make clearer language, we can do so. As a matter of fact, I think this law expires in 1953, and at that time we will have an opportunity to see just how they have operated.

The SPEAKER pro tempore (Mr. HARRISON of Virginia). The time of the gentleman from North Carolina has expired.

Mr. SMITH of Kansas. Mr. Speaker, I yield the gentleman 10 minutes.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. REES of Kansas. I want to commend the gentleman from North Carolina and his committee for laboring hard and working out a most difficult problem. I think he has done a good job.

Mr. BARDEN. I thank the gentleman.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Is there any provision in this bill to allow expenditure of these funds in States where the State laws allow the expenditure of State funds for transportation of non-public-school children?

Mr. BARDEN. No, sir. There is no provision in this law and never has been a provision in this law for the expenditure of Federal funds for that purpose. We simply turn the funds over to local school authorities to spend for providing public schools.

Mr. FOGARTY. This law does prohibit the expenditure of public funds in States where the State laws provide that State funds can be expended for that.

Mr. BARDEN. No, sir. There is no prohibition in here against spending for transportation or against transportation. The money is turned over to a local agency and that was the thing that we worked so hard to do, to keep any management, control, and direction of the schools out of Washington. We therefore provide for turning this money over to the local school agencies and the local school agencies expend it and function just as any other comparable school agency in the State would.

Mr. FOGARTY. Where the State law allows the expenditure of State funds for transportation of non-public-school children in those States, in those States would any of these Federal funds be used for that purpose?

Mr. BARDEN. I do not say it could be used for it; there certainly is no license for it or prohibition against it other than this, that these funds are given to the local school agency for the operation and maintenance of the public schools. What a local school agency might do I am unable to anticipate. They might do something in line with State law and it might be carried on all right; I do not know anything about that. We do not propose to take over the State or local agency. They can still do what they please with their own money. We do not have any provision in here that does anything other than provide these funds in the nature of aid to the local public school agency to be used for the public schools. That is all 874 does, except it provides for funds for on-base schools to the Commissioner when there is no local school agency and no local school board for its operation, or where State funds may not be spent on Federal property. These schools were intended to be the

same kind of public schools operated off base.

Mr. DONOVAN. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. DONOVAN. Let us be specific about this. It has been whispered, if not noised, around on the floor of this House for the last 2 weeks, that there was phraseology in this bill that precluded the use of Federal funds in any of these defense-housing areas for the purpose of transporting children whose parents wanted to send them to parochial schools. I specifically should like to ask the gentleman whether or not in his opinion Federal funds could be used in such an instance if such a case arose.

Mr. BARDEN. The gentleman means the Federal funds provided in this bill?

Mr. DONOVAN. That is right.

Mr. BARDEN. I can answer the gentleman just as specifically as my mind will permit. There is not one single dollar earmarked in this bill for any purpose other than for the public-school system. Now, that is as specific as I know how to state it.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. McCARTHY. If I understand it, then, in any State which under State law does not discriminate in regard to the transportation of children to non-public schools your committee will insist on discrimination?

Mr. BARDEN. Either the gentleman did not listen or I must have been very vague. In the first place we do not propose to discriminate against anyone nor do I consider the public schools a discriminatory set-up; and second, we have not a thing in the world to do with the State transportation system. And wrote no law that would interfere with it.

Mr. McCARTHY. You provide no money appropriated under this authority can be used to transport these children to non-public schools.

Mr. BARDEN. Provided what?

Mr. McCARTHY. Is that not the answer the gentleman just gave that not a dime appropriated under the authority of this act can be used for anything but public schools?

Mr. BARDEN. I said there was not a dime that would be appropriated as the result of this bill that was not intended for public schools and that was not directed by this bill to be spent on the public-school systems through the local school boards.

Mr. McCARTHY. So the transportation of the children to nonpublic schools is not included. Now, the bill says nothing about eliminating segregated schools in States which have such systems. What we have here is a pattern which insists upon discrimination where we do not have it and which underwrites it where we do have it.

Mr. BARDEN. The gentleman is just wrong in that respect. Of course he is entitled to his idea. The word "discrimination" simply has no place in this discussion.

If the gentleman knows any better way to handle public funds, the tax-

payers' money, than for this body to funnel it to local school authorities, upon whose shoulders rest the responsibility and upon whose backs rests the tax burden, then I would like for him to make some suggestions. The Committee on Education and Labor could not find any better solution.

Mr. McCARTHY. I have appeared before the gentleman's committee on Federal aid to education bills before. If this bill were considered under the open rules of the House and read for amendment I think I might be able to make some suggestions with reference to amendments. This extends the whole authority to critical defense housing areas.

Mr. BARDEN. Yes; the two bills together.

Mr. McCARTHY. When this bill passed before, the impact school district bill, these same provisions applied. So we have a quantitative difference today. We are now extending it into critical defense housing areas. Before the war is over no one knows how many areas in this country are going to be critical areas. We have here a quantitative factor which should be taken into account, the matter and the extent to which this kind of education aid may extend.

Mr. BARDEN. The idea in extending it to the critical-housing areas was not mine originally. It simply arose as the result of the several-billion-dollar bill we passed here some time ago. In some communities you are bringing in something like two or three thousand houses. In those houses you are going to have children. There would not be any tax source there to provide schools. We did not know any better solution than to gear this school-aid fund to the housing bill in such a way that when they start driving nails in the houses they could start driving nails in school buildings and have the school built and ready instead of having to wait until they could establish an average daily attendance. If this is ugly and wrong, I do not so construe it.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. SMITH of Kansas. Mr. Speaker, I yield the gentleman the balance of the time on this side.

Mr. McCARTHY. Just one more question. Has the Senate taken any action? Is there any great urgency in passing this bill under suspension of the rules today, or would it be possible to have it considered under a rule which would permit time to discuss these things?

Mr. BARDEN. It depends on how fast they move. I would say to the gentleman there would not be any great emergency in it if the housing did not move. If housing begins to move then there will be a great emergency. I do not know whether the gentleman has seen kids going to school in barns and broken-down sheds or not, but I have. If they are going to move with the housing program then the only thing we can do would be to move with the school-building program.

Mr. McCARTHY. I thank the gentleman.

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

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

Mr. JAVITS. Can we be as specific now about States which have segregated school systems as between white and Negro children? So far as this bill is concerned the money will be permitted to be used separately for white and Negro schools will it not?

Mr. BARDEN. I can be as specific about that as I can about anything on God's earth, and that is, I am firmly of this conviction that the question of segregation of schools in North Carolina or South Carolina is no more the business of the gentleman from New York than it would be of mine as to what New York does in that field, each State has its problems and is in a better position to solve them than either the gentleman from New York or myself. When we wrote this bill we tried to put language in there that we would not appear to assume that we had all the intelligence in the world; not that. We simply tried to get up a school system that would operate without friction in the State in which it was located, and become an integral part of that State, and not put on any of these crusading programs that some folks are so anxious to establish in this country. My idea is that each individual State is in the best position to solve its own racial problem.

Mr. JAVITS. This is Federal money, yet it can be used for the purposes of segregated public schools; is that not correct?

Mr. BARDEN. I hope it will be in those States where the State law provides for segregation in public schools, and I will say to the gentleman if I thought it was not going to be so, you would not see me standing here talking for the bill. I am definitely more concerned with the happy existence of the races of this country than the gentleman is, and I know 10 times as much about it.

Mr. JAVITS. I do not think the gentleman really means that when he thinks it over. Whether the gentleman agrees with me or not I cannot agree that the gentleman has any greater solicitude—as much if the gentleman wishes but no more—for the good relationship between all our people of diverse strains than I have.

Mr. BARDEN. I know I mean that; I know that. I have heard the gentleman harp on that too much on the floor with too little success. You stir up dissension and settle nothing.

Mr. JAVITS. And I think my position against segregation, on grounds of color, in the Army and in other public activities has been taken quite rightly under the Constitution.

Mr. BARDEN. Thank God for the Constitution. We can stand up here and jaw at each other if we want to. If we did not have a Constitution we might not have that privilege. Let us not be too eager to twist or expand it.

Mr. JAVITS. I certainly join in thankfulness for the right of full debate under our Constitution.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. This has reference, aside from the debate that has been going on here, to Public Law 815 and 874. You have in this what I think is a discrimination, in that you set a date June 30, 1939, where any school district, having a population in excess of 35,000, shall not be entitled to certain proceeds until they have increased the amount not 3 percent, but 5 and 10 percent. Has the committee made any study as to the possibility of that?

Mr. BARDEN. Yes, we have. We made a careful study, and we found that we simply had to cut off somewhere, just like we do when we fix other dates. You have to fix a date somewhere. I took the gentleman's suggestion and I appreciate his position. I think to some extent that situation will be taken care of, but if we were to amend it in accordance with the gentleman's bill that he introduced, there is a rough estimate, a rather crude estimate, that it might cost around \$15,000,000 without any appreciable amount of good to come from it.

Mr. ROGERS of Colorado. The bill the gentleman has reference to is my bill, H. R. 4139.

Mr. BARDEN. Yes, and I will say to the gentleman that he has been most diligent in trying to get this thing through, and if we can work it out without disturbing the structure of the bill, I will work with him, because he certainly deserves it, as hard as he has worked with the problem. I am quite sure if your folks knew as much as I do about your active interest in this matter they would be both grateful and appreciative.

Mr. McCORMACK. Mr. Speaker will the gentleman yield?

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

Mr. McCORMACK. Bringing the matter as clearly as possible to the Members of the House, in connection with the repeal of paragraph (d) of section 8 of Public Law 874, if the rules are suspended and the bill passed in accordance with the amendment, that brings it back to the law that existed prior to the passage of Public Law 874; is that correct?

Mr. BARDEN. Insofar as the funds provided under this bill are concerned.

Mr. McCORMACK. In other words, if funds are appropriated for the Defense Establishment, and they desire, they can transport children to both public schools and nonpublic schools from military establishments.

Mr. BARDEN. Well, I would say to the gentleman that it was not the intention of the committee members who concurred in this amendment to do that. It is not my intention to do it. I think the gentleman is well enough informed to know that this subject has been kicked around long enough and to know that that is a field that he has hesitated for 25 years to introduce any legislation on, and as bold and brilliant as the gentleman from Massachusetts is, why should I try to be bolder and more brilliant to try to solve it at this time?

Mr. McCORMACK. The gentleman from Massachusetts has not said anything about the brilliancy of the gentleman from Massachusetts, which he is not possessed of.

Mr. BARDEN. There are a lot of questions about that.

Mr. McCORMACK. I will say that the gentleman from North Carolina is brilliant, so I will make out the gentleman's case for him, but I will have to confess I am not. But, if paragraph (d) of section 8 of Public Law 874 is repealed, then it brings it back to the law that existed prior to the passage of Public Law 874 in relation to paragraph (d).

Mr. BARDEN. Prior to the passage of Public Law 874 the armed services got appropriations for schools. And paragraph "d" had no "relations."

Mr. McCORMACK. I am trying to help out. The gentleman can answer a simple question "Yes" or "No."

Mr. BARDEN. No, I do not think it carries it all the way back, because the gentleman is trying to say that we are duplicating appropriations. The basic law is that it would take specific appropriations. The removal of section "d" does not constitute an authorization for any appropriation whatever.

Mr. McCORMACK. But there is the authority in law for it. This will bring it back to the situation where if Congress in its wisdom desires to do so it can appropriate it.

Mr. BARDEN. Congress in its wisdom can always appropriate money for whatever purposes it wants to appropriate it for within the limits of the Constitution. But I will say this to the gentleman: If the gentleman is trying to inquire as to whether or not those who are offering this amendment intended that the law should be changed by any history or background or any precedent set for the utilization of public funds for transportation to private schools, then there certainly was no such idea either in my head or in the heads of those who concurred with me in this amendment.

Mr. McCORMACK. Without inquiring as to what the gentleman's intention is, the repeal of subsection (d) brings it back to the law as it existed prior to the enactment of Public Law 874? That is a simple question.

Mr. BARDEN. I do not know why the gentleman, if it is as simple as that, persists in indulging in simple questions, however, it is not quite that simple. What the gentleman is trying to get me to say is that by doing this we are approving the use of funds for private schools. I say to the gentleman that is exactly the opposite from what I intended or those who concurred with me in this amendment and the House should know this before it votes.

Mr. McCORMACK. The gentleman's suspicions go too far.

Mr. BARDEN. No; I am not suspicious. I fear the gentleman bespeaks his own mind. I am being very frank.

Mr. McCORMACK. The gentleman is in a very suspicious frame of mind in relation to the gentleman from Massachusetts on this. Someday I am going to take the floor and tell an interesting story about three members of the

NEA who are misrepresenting an agreement they made with the gentleman from Massachusetts [Mr. McCORMACK] and the late chairman of the Committee on Education and Labor, as the result of which Mr. KENNEDY introduced the bill he did introduce. It was as a result of an agreement with three prominent members of the NEA, and someday we are going to tell about it.

Mr. BARDEN. Wait a minute; I have the floor.

Mr. McCORMACK. So the gentleman is very suspicious.

Mr. BARDEN. You listen to me and get your mind off of "suspicions."

Mr. McCORMACK. Yes; I will listen to you.

Mr. BARDEN. The gentleman has never had to remind me of any agreement I made with him.

Mr. McCORMACK. No; I did not say the gentleman.

Mr. BARDEN. I do not have to be reminded. I remember my agreements and keep them. And every Member of this House knows that I am not only frank but direct and have been so with you.

Mr. McCORMACK. I did not say the gentleman, I said three members of the NEA.

Mr. BARDEN. Why all this "suspicious" business around here? Let us stick to the subject.

Mr. McCORMACK. The repeal of subsection (d) brings it back to the law that existed prior to the passage of Public Law 874; is that correct?

Mr. BARDEN. I regret that it is necessary to go back to the A B C's of legislation, but it has been my interpretation that when you repeal a paragraph it is repealed. There is no license granted by its being repealed. Do not misunderstand that. There is no license. The Congress can proceed if it sees fit.

Mr. McCORMACK. But there is authority for the appropriation of funds?

Mr. BARDEN. As I have said several times before we are not giving any authority for anything by repealing subsection (d).

Mr. JENSEN. Mr. Speaker, I am opposed to the passage of H. R. 5411 for the same reasons I opposed the request for \$25,000,000 of the taxpayers money to furnish water-purification plants, sewage-treatment plants, recreational facilities, and so forth, for cities where defense establishments are located. On September 28 last, officials of the Federal Security Agency appeared before our Appropriations Committee to justify the budget request for the above-mentioned purposes. I questioned Mr. Miles as follows:

ESTIMATED NUMBER OF CRITICAL AREAS

Mr. JENSEN. Mr. Miles, what would be your conservative estimate of the number of defense areas in which these facilities would be built?

Mr. MILES. My guess would be that within the next month we would have designated somewhere between 35 and 50 areas.

Mr. JENSEN. How about within the next 2 years?

Mr. MILES. Within the next 2 years would be more difficult to predict. I would guess that the number of critical areas might run as high as 700.

Mr. JENSEN. In those areas you purpose to furnish the needed community facilities for which we have a responsibility; that is, your agency, for water-purification plants, sewage-treatment plants, hospitals, health, facilities, day care, and recreational facilities. Is that right?

Mr. MILES. Yes.

ESTIMATED ULTIMATE COST OF COMMUNITY FACILITIES

Mr. JENSEN. A reasonable estimate on all of those things, knowing that many of these are in large towns and communities and in heavily populated centers, would be about \$10,000,000 for each area; would it not?

Mr. MILES. I believe, sir, in many instances the areas would require very little in the way of help.

Mr. JENSEN. You said they would require very little in the way of help?

Mr. MILES. In the way of Federal funds from this appropriation.

Mr. JENSEN. What would you say would be a conservative estimate then on the average amount of money that we should spend in these 200 areas?

Mr. MILES. That is very difficult to say, sir. I do not know. You could divide the \$60,000,000 that is available by 200.

Mr. JENSEN. The \$60,000,000 has no part to play in this question at all, because we know that is just a drop in the bucket.

If you spent even a million dollars in these places, and certainly you would average more than that, you would have \$200,000,000 right there. That would be the least you could possibly spend. That much buys almost nothing today when you start buying and building water-purification plants, sewage-treatment plants, hospitals, health facilities, day care, and recreational facilities. We know that you cannot do anything that would be of any consequence for any town or any defense area for a million dollars.

So there you have \$200,000,000. I am satisfied that it would cost at least \$5,000,000. There you have a billion dollars. You talk about \$60,000,000; let us not think about that at all. I would not care to even give that a thought. This is just the beginning.

In each one of these areas, I presume it is proposed to set up rent control?

RENT CONTROL IN CRITICAL AREAS

Mr. MILES. The list of critical areas for rent-control purposes may vary from the list of critical areas for the purposes of Public Law 139.

Mr. JENSEN. We usually impose rent control. That has been the custom anyway in defense areas. I notice in your statement you say: "To date, however, due to shortage of mortgage money and other factors, few new houses have been built as a result of private initiative in the 42 areas which were designated as critical and in which credit restrictions were relaxed to encourage housing construction."

Why do you suppose that was?

Mr. MILES. Well, sir, in many areas which have been designated as critical, there are not many contractors who are in the business of speculative building—building for later resale.

Let us take, for example, the area surrounding Camp Leonard Wood out in Missouri. There are very few, if any, contractors who are in the business in that area of building houses—

Mr. JENSEN. Now, Mr. Miles, I have been in the business, and whenever my partner, or my old friend whom I called a partner because I was in the lumber business and he was the contractor, heard of a job any place within a radius of a couple of hundred miles that he might get, or a contract was to be let, he was there, along with about 40 or 50 other contractors.

So, just because there are very few contractors in that area—Kansas City and Springfield are right in that area—does not

prove anything so far as the ability of people to build private houses or houses with private money.

We might as well lay the cards on the table. The fellows are not building because private money will not invest in home building where rent control is imposed. I have been right in the middle of that.

And you would not invest your money in building homes in areas where you knew that you were going to have a loss because you could not charge enough rent.

Mr. MILES. Not having any money, I would not know; but I think you are probably right.

UNDESIRABLE ASPECTS OF PROVIDING FACILITIES WITH FEDERAL FUNDS

Mr. JENSEN. Two of us, my friend. So, when we enter into things like this, where the Government starts building, we are going to furnish them with water-purification plants, furnish them sewers, sewage-treatment works, furnish them hospitals, health facilities, day care, and recreation. I wonder if we are not providing a little bit of heaven for the folks that stayed home.

So, as long as we do that, it is possible that some folks are not going to hate war at all. Too many of us—I will put it that way—are not going to hate war. As long as we make it so nice for those who stay at home it will be all right. And, on the face of it, they think they are prosperous, too. The day is coming when all of it has to be paid. So, let us not make it too easy a thing for we folks who stay at home. Let us make it a little bit tough for ourselves and then we will not want wars, and we will not be sending our boys all over the world to fight and die, yes, to fight and die while we live in more comfort because sweet Uncle Sam is going to take care of us.

He is going to make this a heavenly place because we are going to furnish everything for the folks that do not have to fight and die. So, let us make it tough for the folks that stay at home. Just as tough as we have to. Let them have a taste of war, too, while the boys are fighting in Korea and all over the world, if this thing keeps on.

Just what are the businessmen that are going to profit by these great Government installations in their respective localities contributing to this, contributing to help pay for all these nice things that we are going to furnish them and which brings business to them? Just what are they paying? What they are doing is making plenty of profit.

Mr. JENSEN. I agree, Mr. Miles, that you must believe that the local communities where these defense establishments will be located or are located would in most instances, not all but most, provide all these facilities for which you are requesting money here today. You are doing it legally, properly, because the Congress told you to do it. We passed the law and you are just carrying it out. So do not think I am bearing down on you particularly. You are just here because you have to be here.

Mr. MILES. That is right.

Mr. JENSEN. But I will venture that there is a great majority of these towns where these definite facilities are located where the people themselves would furnish all the necessary facilities, the water and everything else, the hospitals, and the rest of the things that you are asking for here, all the needed recreation centers and child-day centers that could presently be furnished if the Federal Government would keep out of their business.

The SPEAKER. The time of the gentleman from North Carolina has expired. All time has expired.

The question is, Will the House suspend the rules and pass the bill H. R. 5411, as amended?

Mr. McCARTHY. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. McCARTHY) there were—ayes 145, noes 18.

Mr. McCARTHY. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make a point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eleven Members are present, not a quorum.

The Doorkeeper will close the doors. The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 257, nays 55, not voting 116, as follows:

[Roll No. 202]

YEAS—257

Aandahl	Engle	McDonough
Abbitt	Evins	McGrath
Abernethy	Feighan	McGregor
Albert	Fenton	McKinnon
Allen, Ill.	Fernandez	McMillan
Andersen,	Fisher	McMullen
H. Carl	Fogarty	McVey
Anderson, Calif.	Forand	Mack, Wash.
Andrews	Forrester	Magee
Arends	Frazier	Mahon
Aspinall	Fugate	Mansfield
Auchincloss	Gamble	Martin, Iowa
Ayres	Garmatz	Martin, Mass.
Bailey	Gary	Morrow
Baker	Gathings	Miller, Md.
Barden	Gavin	Miller, Nebr.
Bates, Mass.	George	Mills
Battle	Golden	Mitchell
Beamer	Goodwin	Morris
Beckworth	Graham	Morton
Belcher	Granger	Multer
Bennett, Fla.	Grant	Mumma
Bennett, Mich.	Green	Murdock
Berry	Greenwood	Murray, Tenn.
Betts	Gregory	Nelson
Bishop	Gwinn	Nicholson
Boggs, Del.	Hagen	Norblad
Bolling	Hale	Norrell
Botton	Hall	Ostertag
Bosone	Leonard W.	Perkins
Bray	Halleck	Pickett
Brehm	Harden	Poage
Brooks	Hardy	Polk
Brown, Ga.	Harris	Poulson
Brownson	Harrison, Va.	Preston
Bryson	Harrison, Wyo.	Price
Buchanan	Harvey	Priest
Budge	Havener	Prouty
Buffett	Hays, Ark.	Rabaut
Burleson	Hedrick	Radwan
Burnside	Herter	Rains
Burton	Hill	Ramsay
Bush	Hinshaw	Rankin
Camp	Hoeven	Reece, Tenn.
Cannon	Hoffman, Ill.	Reed, Ill.
Carnahan	Holmes	Reed, N. Y.
Chelf	Hope	Rees, Kans.
Chenoweth	Horan	Rhodes
Chiperfield	Hull	Richards
Church	Hunter	Riehlman
Clemente	Ikard	Riley
Clevenger	Jackson, Wash.	Roberts
Cole, Kans.	James	Robeson
Colmer	Jarman	Rogers, Colo.
Cooper	Jenison	Rogers, Fla.
Cotton	Jenkins	Rogers, Tex.
Cox	Jonas	St. George
Crosser	Jones, Ala.	Sasser
Crumpacker	Jones,	Saylor
Cunningham	Hamilton C.	Schwabe
Curtis, Mo.	Jones,	Scrivner
Curtis, Nebr.	Woodrow W.	Scudder
Davis, Ga.	Karsten, Mo.	Secrest
Davis, Tenn.	Keating	Sheppard
Davis, Wis.	Kee	Short
DeGraffenried	Kerr	Simpson, Pa.
Denny	Kilday	Sittler
Devereux	King	Smith, Kans.
Dolliver	Kirwan	Smith, Miss.
Doughton	Lanham	Smith, Va.
Doyle	LeCompte	Smith, Wis.
Durham	Lesinski	Spence
Eaton	Lind	Springer
Eberharter	Lovre	Staggers
Elliott	Lyle	Steed
Ellsworth	McCormack	Stigler
Elston	McCulloch	Stockman

Sutton
Tackett
Talle
Thomas
Tollefson
Trimble
Vail
Van Pelt
Van Zandt
Vinson

Vorys
Weichel
Welch
Wharton
Wheeler
Whitaker
Whitten
Wickersham
Widnall
Wier

Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Ind.
Winstead
Wolverton
Wood, Idaho
Woodruff
Yorty

Mr. Hébert and Mr. Herlong for, with Mr. Keogh against.

Mr. Morrison and Mr. Rivers for, with Mr. Hollifield against.

Mr. Chatham and Mr. Lantaff for, with Mr. Murphy against.

Mr. Allen of Louisiana and Mr. Dondero for, with Mr. Klein against.

Mr. Boggs of Louisiana and Mr. Carlyle for, with Mr. Butler against.

Mr. Patman and Mr. Thompson of Texas for, with Mr. Pine against.

Mr. McConnell and Mr. Adair for, with Mr. Heller against.

Mr. Bow and Mr. Brown of Ohio for, with Mr. Anfusio against.

Mr. Velde and Mr. Bates of Kentucky for, with Mr. Roosevelt against.

Mr. Judd and Mr. Dague for, with Mr. Howell against.

Mr. Kearns and Mr. Byrnes of Wisconsin for, with Mr. Sabbath against.

Until further notice:

Mr. Baring with Mr. Angell.

Mr. Dempsey with Mr. Taylor.

Mr. Denton with Mr. Taber.

Mr. Delaney with Mr. Latham.

Mr. Quinn with Mr. Hardie Scott.

Mr. Walter with Mr. Hugh D. Scott, Jr.

Mr. Combs with Mr. Cole of New York.

Mr. Bentsen with Mr. Kilburn.

Mr. Irving with Mr. Hand.

Mr. Madden with Mr. Hess.

Mr. Mack of Illinois with Mr. Case.

Mr. Morgan with Mr. Blackney.

Mr. Gore with Mr. Bender.

Mr. Lucas with Mr. Hoffman of Michigan.

Mr. Stanley with Mr. Miller of New York.

Mr. BYRNE of New York and Mr. DAWSON changed their votes from "yea" to "nay."

Mr. PROUTY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

By unanimous consent, House Resolution 440 was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill S. 2170.

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

There was no objection.

CONSTRUCTIONS AT AIR FORCE INSTALLATIONS

Mr. VINSON. Mr. Speaker, I move to suspend the rule and pass the bill (H. R. 5425) to authorize construction at Air Force installations, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Air Force, under the direction of the Secretary of Defense, is hereby authorized to establish or develop installations and facilities by the construction, conversion, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

McGuire Air Force Base, Wrightstown, N. J.: Airfield pavements, fuel storage and dispensing facilities, hazards removal, communications facilities, operational facilities, aircraft maintenance facilities, training facilities, troop facilities, administrative and

NAYS—55

Addonizio
Andresen,
August H.
Bakewell
Barrett
Blatnik
Byrne, N. Y.
Canfield
Celler
Corbett
Coudert
Dawson
Dingell
Donohue
Donovan
Fallon
Flood
Fulton
Furcolo

Gordon
Granahan
Gross
Hall,
Edwin Arthur
Hart
Hays, Ohio
Heffernan
Heseltun
Hillings
Javits
Jensen
Kluczynski
Lane
McCarthy
McGuire
Machrowicz
Marshall
Morano

Moulder
O'Brien, Ill.
O'Brien, Mich.
O'Hara
O'Konski
O'Toole
Patterson
Philbin
Rodino
Rogers, Mass.
Rooney
Sadlak
Seely-Brown
Sheehan
Sieminski
Vursell
Withrow
Yates
Zablocki

NOT VOTING—116

Adair
Allen, Calif.
Allen, La.
Anfusio
Angell
Armstrong
Baring
Bates, Ky.
Beall
Bender
Bentsen
Blackney
Boggs, La.
Bonner
Bow
Boykin
Bramblett
Brown, Ohio
Buckley
Burdick
Busbey
Butler
Byrnes, Wis.
Carlyle
Case
Chatham
Chudoff
Cole, N. Y.
Combs
Cooley
Crawford
Dague
Deane
Delaney
Dempsey
Denton
D'Ewart
Dollinger
Dondero
Dorn

Fine
Ford
Gore
Hand
Hébert
Heller
Herlong
Hess
Hoffman, Mich.
Hollifield
Howell
Irving
Jackson, Calif.
Johnson
Jones, Mo.
Judd
Kean
Kearney
Kearns
Kelley, Pa.
Kelly, N. Y.
Kennedy
Keogh
Kersten, Wis.
Kilburn
Klein
Lantaff
Larcade
Latham
Lucas
McConnell
Mack, Ill.
Madden
Mason
Meader
Miller, Calif.
Miller, N. Y.
Morgan
Morrison
Murphy

Murray, Wis.
O'Neill
Passman
Patman
Patten
Phillips
Potter
Powell
Quinn
Reams
Redden
Regan
Ribicoff
Rivers
Roosevelt
Sabbath
Scott, Hardie
Scott,
Hugh D., Jr.
Shafer
Shelley
Sikes
Simpson, Ill.
Stanley
Taber
Taylor
Teague
Thompson,
Mich.
Thompson, Tex.
Thornberry
Velde
Walter
Watts
Werdel
Wilson, Tex.
Wolcott
Wood, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Shafer and Mr. Busbey for, with Mr. Shelley against.

Mr. Beall and Mr. Sikes for, with Mrs. Kelly, of New York, against.

Mr. Boykin and Mr. Bonner for, with Mr. Dollinger against.

Mr. Cooley and Mr. Dorn for, with Mr. O'Neill against.

Mr. Jones of Missouri and Mr. Passman for, with Mr. Buckley against.

Mr. Larcade and Mr. Redden for, with Mr. Kelley of Pennsylvania against.

Mr. Wood of Georgia and Mr. Regan for, with Mr. Powell against.

Mr. Wolcott and Mr. Johnson for, with Mr. Chudoff against.

Mr. Teague and Mr. Deane for, with Mr. Ribicoff against.

Mr. Patten and Mr. Thornberry for, with Mr. Miller of California against.

supporting facilities, utilities, land acquisition, medical facilities, storage facilities, and shops, \$50,972,000.

Sioux City Airport, Sioux City, Iowa: Airfield pavements, fuel storage and dispensing facilities, communications and navigational aids facilities, operational facilities, family housing, administrative and supporting facilities, utilities, and medical facilities, \$1,746,000.

Travis Air Force Base, Fairfield, Calif.: Airfield pavements, fuel storage and dispensing facilities, communication and airfield lighting facilities, operational facilities, aircraft maintenance facilities, training facilities, troop facilities, administrative and supporting facilities, utilities, land acquisition, medical facilities, storage facilities, and shops, \$18,801,000.

SEC. 2. There are hereby authorized to be appropriated such sums of money as may be necessary to accomplish the purposes of this act but not to exceed \$71,519,000.

SEC. 3. Any project authorized by this act may be prosecuted under direct appropriations or authority to enter into contracts in lieu of such appropriations.

The SPEAKER. Is a second demanded?

Mr. SHORT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered. There was no objection.

Mr. VINSON. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this bill makes in order the appropriation that was passed a few days ago for these various sites. In other words, we have appropriated the money and it was in the appropriation bill. This is the authorization.

It became necessary to make this change in the public works bill due to certain factors that developed in three designated areas. All we are doing now is to grant an authorization for three substitute air bases for which we have already appropriated money. I think the House thoroughly understands the situation.

Mr. Speaker, if there are no questions, I will reserve the balance of my time.

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

Mr. VINSON. I yield.

Mr. GROSS. Can the gentleman tell me why you changed from Offutt Field, Omaha, to Sioux City?

Mr. VINSON. The reason for that was upon examination of the use for which Omaha base was to be put, it was found by an engineering survey that there is what is known as a radar echo, and it being a field in which there would have to be instrument landings, it made it very dangerous.

Mr. GROSS. In other words, the terrain is not suitable, is that correct?

Mr. VINSON. That is right. But, I might modify that by saying that the terrain might have been suitable for certain types of aircraft, but it was not suitable for the purpose which it was intended to be used.

Mr. GROSS. But, it was suitable when the authorization bill came in, was it not?

Mr. VINSON. Well, they thought it was at that time, but they changed their opinion after an engineering survey.

Mr. GROSS. What changed the terrain in the short time between the time

when the authorization bill was brought in and passed, and the time that you have come here with this bill? Did they change the topography of the land out there in that time?

Mr. VINSON. No, it is not the character of the land—it is the use for which the base is to be put.

Mr. GROSS. The point I want to make is that here we are getting more of the mistakes of the Air Force.

Mr. VINSON. That may be true.

Mr. GROSS. Just as you got down at Grandview, Mo., and you will find that out.

Mr. VINSON. I might add that by this change we are reducing the total authorizations for the three bases by \$617,000. Of course, that is \$617,000 saved.

Mr. Speaker, I reserve the balance of my time.

Mr. SHORT. Mr. Speaker, the distinguished chairman of the committee has very succinctly stated the situation, but not for the RECORD; I think perhaps we should elaborate just a little more. This particular measure has to do with reprogramming of three Air Force sites. As the chairman stated, the money has already been authorized. It has really been appropriated. This is merely to authorize these changes in sites, and the result is a net reduction of \$617,000. The first change made was in transferring from the Friendship Airport between Washington, D. C., and Baltimore to McGuire Air Force Base at Wrightstown, N. J., which calls for an expenditure of \$50,972,000. That is more than the installation at Friendship would have cost, but construction will be a 25-year permanent or semipermanent type of construction instead of a 10-year temporary construction as was proposed at Friendship. It was also learned upon reexamination that to establish this aerial embarkation depot at Friendship would seriously interfere with commercial airplane service. In other words, it would endanger the lives not only of the men in our armed services, but also the civilians.

Another point which was brought out by the Secretary of the Air Force is that the facilities at McGuire are in close proximity to an Army base, and much saving will result in travel costs for men who are shipped overseas by air. The Army transferred 450 acres of Government-owned land to the Department of the Air Force at McGuire, which is suited to meet their present requirements. That is the first proposition. I might say that I think the Department of the Air Force was just a little embarrassed when they had to come back to our committee to ask for these changes. We wondered why they had miscalculated, or had not correctly surveyed, or had not gone into the matter thoroughly and properly. Certainly an item which involves the spending of \$50,000,000 should be most carefully considered. May I say, Mr. Speaker, that while it was embarrassing to them, it was refreshing at least to me to find out that here was one branch of our armed services, which does not claim infallibility and which has been modest enough to come before our committee and frankly admit that they had made a mistake.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

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

Mr. SCRIVNER. For the benefit of the House, it may be considered that the Military Subcommittee on Appropriations went into these three items and earmarked the money for the items as contained in this bill, and there will be no need for any further action upon the part of the Subcommittee on Appropriations or the House, in order to complete this transaction, earmarked as the Armed Forces Subcommittee has now earmarked the funds.

Mr. SHORT. I thank the gentleman from Kansas for that valuable contribution. I am glad to know that the members of his committee agree with the entire membership of the Committee on Armed Services concerning all three of these items.

I will take just a moment to mention the other two items.

The second item is an authorization for the expenditure of \$1,746,000 for the construction of air defense facilities, interceptor fighter planes, at Sioux City, Iowa, instead of Offutt Field, Omaha, Nebr. It was discovered on more minute and thorough examination that the base at Sioux City was better suited for this particular type of aircraft than Omaha. They certainly miscalculated when they figured that a 10,000-foot runway at Omaha would cost only \$3,600,000 additional, and later learned that the existing airways when extended to 10,000 feet would cost over \$7,000,000.

The last item concerns an Air Force base out in California. It was originally decided to construct this field at Fresno, Calif., but later the mayor of the city objected, and of course our Air Force tries to go to territory where they are welcome, in order to increase the morale of the troops and their efficiency, and will result in larger reenlistments. So they consider not only the operational and economical features, but the question of the good will of the public and building the morale of the enlisted men.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

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

Mr. BROOKS. I would like to add to the very able statement the gentleman is making the fact that while there is a change in specific locality in these three cases with reference to the Air Force, the general area is still retained, and the base would still be in the general area, in all three cases.

Mr. SHORT. I am very glad the gentleman has brought out that significant point. They are not distantly removed from the spot where they were originally intended to be established. They are in the general area. But on reexamination, and because of certain local factors, human and economic, because of certain geographical and meteorological factors, particularly as far as the terrain at some of the bases is concerned, I think the Air Force was wise in asking for these changes. They were frank and honest, and Secretary Finletter fully justified this piece of legislation.

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

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

Mr. GROSS. I am glad to see the committee and the Air Force admitting that mistakes have been made. I am not opposed to this bill. I am delighted to see \$617,000 saved, but I wish they would go a little further and rectify the error they are making at Grand View, Mo.

Mr. SHORT. Well, that matter was debated thoroughly on two different occasions and has already been disposed of. I imagine we will have to let that mistake go, if it were a mistake, and profit by it in the future. It would be a mistake not to pass this bill.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

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

Mr. HUNTER. The gentleman mentioned that the Air Force had changed its mind about Hammer Field because of the objection of the major; and the reason given was the matter of good will. The Air Force stated that it did not wish to go into an area where its personnel were not wanted. I believe that was not the point. The city commissioners objected unanimously on the ground that it would seriously inconvenience and perhaps completely interrupt, air lines in their commercial operations, which have been using Hammer Field for several years since the city of Fresno took it over as a municipal airport. Also, it would obstruct, to a great extent, the normal growth of the city, and would require the condemnation of very expensive residential land, valued in many instances at \$2,000 an acre, and more.

For these reasons the city commission objected.

Mr. SHORT. I am sure the gentleman who is familiar with that locality much more than I or any other member of the committee, is correct in giving us these two very good additional reasons for changing the establishment from Hammer Field to Fairfield. I do not want to criticize the local people in Fresno.

Mr. HUNTER. It was not that the people in the area were objecting to the presence of Air Force personnel; I believe the Air Force had the good will of the people of Fresno during World War II, and that attitude has not changed.

Mr. SHORT. It was an economic rather than a social reason; I am glad to be corrected. I was giving the reasons sent down by the Assistant Secretary for Air.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. HOEVEN. I am very pleased, of course, that the Air Force and the Committee on the Armed Services have brought in this bill which will provide in part at least for the reactivation of the Sioux City Air Base. After all, the Government has an investment there of \$13,500,000, and we have been urging for a long time that the Air Force make this base available. I am very happy, of course, to know that we are at least go-

ing to have an all-weather interceptor wing there. I think the House should know that Offutt Field is only 100 miles from the Sioux City Air Base, so the needed facilities are not going to be jeopardized in any way as far as the transfer is concerned.

Mr. SHORT. I know that Sioux City had a rather large air base in World War II; in fact, my brother was an officer in the Air Force and was stationed there for several weeks, and he enjoyed it very much. I am glad the gentleman is pleased with the action taken by our committee. This legislation is worthy and much needed.

Mr. Speaker, there are no further requests for time on this side.

Mr. VINSON. Mr. Speaker, there are no further requests for time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

CUSTOMS SIMPLIFICATION ACT OF 1951

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5505) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE AND EFFECTIVE DATE

SECTION 1. This act may be cited as the "Customs Simplification Act of 1951" and shall be effective, except as otherwise specifically provided for, on and after the thirtieth day following the date of its enactment.

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- Sec. 1. Short title and effective date.
- Sec. 2. Antidumping and countervailing duties.
- Sec. 3. Repeal of special marking requirements.
- Sec. 4. Repeal of certain obsolete reciprocal provisions.
- Sec. 5. American goods returned.
- Sec. 6. Free entry provisions for travelers.
- Sec. 7. Free entry for noncommercial exhibitions.
- Sec. 8. Temporary free entry for samples and other articles under bond.
- Sec. 9. Supplies and equipment for vessels and aircraft.
- Sec. 10. Draw-back on export of imports not ordered.
- Sec. 11. Administrative exemptions.
- Sec. 12. International traffic and rescue work.
- Sec. 13. Value.
- Sec. 14. Signing and delivery of manifests.
- Sec. 15. Certified invoices and informal entries.
- Sec. 16. Verification of documents.
- Sec. 17. Amendment of entries and duties on undervaluation.
- Sec. 18. Commingled merchandise.
- Sec. 19. Correction of errors and mistakes.
- Sec. 20. Conversion of currency.
- Sec. 21. Customs supervision.
- Sec. 22. Conversion of processing taxes to import taxes.
- Sec. 23. Saving clause.
- Sec. 24. Relation to GATT.

ANTIDUMPING AND COUNTERVAILING DUTIES

SEC. 2. (a) Section 201 (a) of the Antidumping Act, 1921 (U. S. C., 1946 ed., title 19, sec. 160 (a)), is amended by inserting "or retarded" after "is prevented."

(b) Section 202 (a) of the Antidumping Act, 1921 (U. S. C., 1946 ed., title 19, sec. 161 (a)), is amended by changing the period at the end thereof to a comma and adding "less an amount equal to any countervailing duty imposed on the merchandise by reason of a payment or bestowal of a bounty or grant."

(c) Section 303 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1303) is amended by inserting after "Corporation shall" in the first sentence the words "through multiple official rates of its exchange in terms of United States dollars, or otherwise," and by changing the period at the end of the first sentence to a comma and adding "less an amount equal to any special dumping duty imposed on the merchandise. Such countervailing duty shall be imposed only if the Secretary of the Treasury shall determine, after such investigation as he deems necessary, that an industry in the United States is being or is likely to be injured, or is prevented or retarded from being established, by reason of the importation into the United States of articles or merchandise of the class or kind in respect of which the bounty or grant is paid or bestowed. The exemption of any exported article or merchandise from a duty or tax imposed on like articles or merchandise when destined for consumption in the country of origin or exportation, or the refunding of such a duty or tax, shall not be deemed to constitute a payment or bestowal of a bounty or grant within the meaning of this section."

REPEAL OF SPECIAL MARKING REQUIREMENTS

SEC. 3. (a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

Paragraph 28 is amended by deleting from subparagraph (f) "the immediate container and".

Paragraph 354 is amended by deleting the second proviso.

Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

Paragraph 1553 is amended by deleting both provisos.

(b) Section 2934 of the Revised Statutes (U. S. C., 1946 ed., title 19, sec. 134) is repealed.

REPEAL OF CERTAIN OBSOLETE RECIPROCAL PROVISIONS

SEC. 4. (a) Paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 812) is amended by deleting the proviso relating to the importation of spirits in certain containers.

(b) Section 320 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1320) relating to reciprocal agreements covering advertising matter, is repealed.

AMERICAN GOODS RETURNED

SEC. 5. Paragraph 1615 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1201, par. 1615 (f)), is further amended by adding at the end thereof the following new sentences: "When because of the destruction of customs records or for other cause it is impracticable to establish whether draw-back was allowed, or to determine the amount of draw-back allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated draw-back and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the

Treasury is authorized to ascertain and specify the amounts of duty equal to draw-back or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty."

FREE ENTRY PROVISIONS FOR TRAVELERS

SEC. 6. Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1201, par. 1798), is further amended to read as follows:

"PAR. 1798. (a) Professional books, implements, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.

"(b) In the case of any person arriving in the United States who is not a returning resident thereof—

"(1) wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

"(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

"(3) not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

"(c) In the case of any person arriving in the United States who is a returning resident thereof—

"(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

"(2) articles (including not more than 1 wine gallon of alcoholic beverages and not more than 100 cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

"(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than 48 hours, and in either case has not claimed an exemption under this subdivision (A) within the 30 days immediately preceding his arrival; and

"(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than 12 days and has not claimed an exemption under this subdivision (B) within the 6 months immediately preceding his arrival.

"(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of

the foreign journey, he shall prescribe by special regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed 24 hours, and after the expiration of 90 days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitation so prescribed.

"(e) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed on or by reason of importation.

"(f) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within 3 years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within 1 year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

"(g) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations."

FREE ENTRY FOR NONCOMMERCIAL EXHIBITIONS

SEC. 7. (a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1201, par. 1809) is amended by inserting "within 5 years after the date of entry hereunder" after "used contrary to this provision" and by inserting "within such 5-year period" after "at any time."

(b) The conditions of any bond in force on the effective date of this act in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding provisions of any tariff act prior to the Tariff Act of 1930 shall be deemed to have been satisfied upon the effective date of this act or upon the expiration of 5 years from the date such articles were entered, whichever is later, except with respect to any violation which has occurred or which shall have occurred before such time.

TEMPORARY FREE ENTRY FOR SAMPLES AND OTHER ARTICLES UNDER BOND

SEC. 8. (a) (1) The part of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), preceding the numbered items is amended to read as follows: "The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within 6 months from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial 6 months, shall not exceed a total of 3 years."

(2) This amendment shall be effective with respect to articles imported before or after this section becomes effective but shall not be effective with respect to any article for which the 6-month period, or a lawful

extension thereof, has expired before the effective date of this amendment.

(b) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308 (5)), is further amended to read as follows:

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and horses, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by non-residents for the purpose of taking part in races or other specific contests";

SUPPLIES AND EQUIPMENT FOR VESSELS AND AIRCRAFT

SEC. 9. (a) Section 309 (a) and 309 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1309 (a), (b)), relating to articles for certain vessels and aircraft, are further amended to read as follows:

"(a) Exemption from duties and taxes: Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse or from continuous customs custody elsewhere than in a bonded warehouse, free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse from any brewery or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

"(1) for supplies (not including equipment) of (A) vessels of war or public aircraft of the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

"(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

"(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

"(b) Drawback: Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this chapter."

(b) Section 317 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1317), is amended to read as follows:

"(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of any vessel or aircraft described in subsection (a) (2) (A) and (B), or (a) (3) (A), of section 309 of this act, or for use as ground equipment for any aircraft described in subsection (a) (3) (A) of section 309 shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty

or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation."

DRAWBACK ON EXPORT OF IMPORTS NOT ORDERED

SEC. 10. (a) Section 313 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313 (c)), is further amended by inserting "or shaped without the consent of the consignee" after "sample or specifications" and by substituting "ninety days" for "thirty days."

(b) Section 313 (i) (2) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313 (i) (2)), is further amended by inserting ", or shipment without the consignee's consent," after "sample or specifications."

ADMINISTRATIVE EXEMPTIONS

SEC. 11. Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1321), is amended to read as follows:

"SEC. 321. Administrative exemptions.

"(a) Subject to such exceptions and under such regulations as the Secretary of the Treasury shall prescribe, collectors shall disregard any difference of less than \$5 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon.

"(b) Subject to such exceptions and under such regulations as the Secretary of the Treasury shall prescribe, articles (not including alcoholic beverages, manufactured tobacco, snuff, cigars, or cigarettes) shall be admitted free of duty and of any tax imposed on or by reason of importation in the following cases:

"(1) When the articles are on the person or in the accompanying baggage of an individual arriving in the United States who is not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this act and the aggregate value of such articles is not over \$10, if the articles are intended for the personal or household use of such individual and not for sale, or \$5 in any other case. This exemption shall not be allowed to any person more than once in one day.

"(2) When the articles are imported otherwise than on the person or in the accompanying baggage of an individual arriving in the United States and the aggregate value of all articles in the shipment is not over \$10, if the articles are intended for the personal or household use of the consignee and not for sale, or \$5 in any other case. The privilege of this subdivision shall not be granted to any c. o. d. shipment or in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision.

"(c) The purpose of this section is to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected. Therefore, the Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified heretofore in this section and to prescribe exceptions to any exemption provided for in this section whenever he finds that such diminutions or exceptions are consistent with the purpose above stated, or are for any reason necessary to protect the revenue or to prevent unlawful importations."

INTERNATIONAL TRAFFIC AND RESCUE WORK

SEC. 12. The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition,

title 19, sec. 1321) a new section reading as follows:

"SEC. 322. International traffic and rescue work.

"(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

"(b) The Secretary of the Treasury may provide by regulations or special instructions for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

"(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

"(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

"(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States."

VALUE

SEC. 13. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1402), is further amended to read as follows:

"SEC. 402. Value.

(a) Basis: Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this act shall be—

"(1) the export value;

"(2) if the export value cannot be ascertained satisfactorily, then the United States value;

"(3) if neither the export value nor the United States value can be ascertained satisfactorily, then the comparative value;

"(4) if neither the export value, the United States value, nor the comparative value can be ascertained satisfactorily, then the constructed value; or

"(5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such domestic article.

"(b) Export value: The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisalment, at which such or similar merchandise is freely sold or offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other charges and expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

"(c) United States value: The United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisalment, at which such or similar merchandise is freely sold or offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities

and in the ordinary course of trade, with allowances made for—

"(1) any commission paid or agreed to be paid on merchandise secured otherwise than by purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisalment;

"(2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in (1); and

"(3) the ordinary customs duties and Federal taxes estimated to be payable on such or similar merchandise by reason of its importation or for which vendors at wholesale in the United States are ordinarily liable.

"If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisalment, the United States value shall be ascertained or estimated, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is freely sold or offered for sale at the earliest date after such time of exportation but before the expiration of 90 days after the importation of the merchandise undergoing appraisalment.

"(d) Comparative value: The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be ascertained or estimated on the basis of the export or United States value of other merchandise from the same country which is comparable in construction and use with the merchandise undergoing appraisalment, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

"(e) Constructed value: The constructed value of imported merchandise shall be the sum of—

"(1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisalment which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"(2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisalment; and

"(3) the cost of all containers and coverings of whatever nature, and all other charges and expenses incidental to placing the merchandise undergoing appraisalment in condition, packed ready for shipment to the United States.

"(f) American selling price: The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other charges and expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

"(g) Taxes: The value of imported merchandise ascertained or estimated in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisalment has been exempted or has been or will be relieved by means of refund.

"(h) Definitions: As used in this section, the following terms shall have the meanings respectively indicated:

"(1) 'Freely sold or offered for sale'—sold or offered to all purchasers at wholesale without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

"(2) 'Ordinary course of trade'—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisalment, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisalment.

"(3) 'Purchasers at wholesale'—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

"(4) 'Such or similar merchandise'—the merchandise undergoing appraisalment shall be considered 'such' merchandise, and other merchandise shall be considered 'such' merchandise if—

"(A) it is identical in physical characteristics and was produced in the same country by the same person, or

"(B) when no value meeting the requirements of the definition of value under consideration can be ascertained or estimated under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered 'similar' to the merchandise undergoing appraisalment if it is not within the foregoing definition of 'such' merchandise but—

"(C) it was produced in the same country as the merchandise undergoing appraisalment, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value, or

"(D) when no value meeting the requirements of the definition of value under consideration can be ascertained or estimated under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

"(5) 'Usual wholesale quantities'—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the 'such or similar merchandise,' in respect of which value is being ascertained or estimated, is sold in the market under consideration."

(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 27 (c)), is amended by changing "subdivision (g)" to "subdivision (f)" and by changing "subdivision (e)" to "subdivision (c)."

(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, par. 28 (c)), is amended by changing "subdivision (g)" to "subdivision (f)" and by changing "subdivision (e)" to "subdivision (c)."

(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1336 (b)), is amended by changing "section 402 (g)" to "section 402 (f)."

SIGNING AND DELIVERY OF MANIFESTS

Sec. 14. Section 431 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1431) is amended by designating the matter now therein as subsection (a) and by adding a new subsection to read as follows:

"(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity."

CERTIFIED INVOICES AND INFORMAL ENTRIES

Sec. 15. (a) Section 482 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1482 (a)) is amended by substituting "required pursuant to section 484 (b) of this act to be certified" for "covering merchandise exceeding \$100 in value" in the first clause.

(b) Section 498 (a) (1) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1498 (a) (1)) is amended to read as follows:

"(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;"

(c) Section 498 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1498 (a)) is further amended by deleting the word "and" at the end of subdivision (10); by deleting the period at the end of subdivision (11) and substituting therefor "; and"; and by adding after subdivision (11) a new subdivision to read as follows:

"(12) Merchandise within the provisions of paragraph 1631 of this act."

VERIFICATION OF DOCUMENTS

Sec. 16. Section 486 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1486) is amended by changing the caption to read "Administration of oaths—Verifications of documents" and by adding at the end thereof the following new subsection:

"(d) The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required."

AMENDMENT OF ENTRIES AND DUTIES ON UNDERVALUATION

Sec. 17. (a) Section 487 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1487) is amended by deleting therefrom ", or at any time before the invoice of the merchandise has come under the observation of the appraiser for the purpose of appraisalment."

(b) Section 489 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1489) is amended to read as follows:

"Sec. 489. Undervaluation—unauthentic claim of antiquity

"(a) If the final appraised value of any article of imported merchandise subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the entered value, and if the consignee shall have failed to furnish the appraiser, before that officer has signed his report of value to the collector, all information required by customs officers which is relevant to the value of the

merchandise and available to him at the time of entry or within a reasonable time thereafter, and all such information that is so available to the person, if any, in whose behalf the entry was made, there shall be levied, collected, and paid, in addition to any other duties imposed by law on such merchandise, a special duty of 1 percent of the total final appraised value thereof for each 1 percent that such final appraised value exceeds the value declared in the entry. Such special duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisalment, and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would have been imposed if the final appraised value had not exceeded the entered value.

"(b) The liquidation in which such special duty is assessed shall be subject to the protest and review procedure provided for in sections 514 and 515 of this act, but such special duty shall not be remitted nor the payment thereof in any way avoided except upon an administrative decision under section 515 that the special duties were erroneously assessed or upon a finding by the United States Customs Court, after due assignment and determination pursuant to section 515, and under such rules as the Court may prescribe, that the entry of the merchandise at a less value than its final appraised value was without any culpable negligence or intention to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise.

"(c) The special duty imposed by subsection (a) shall not be construed to be penal. It shall not be refunded by reason of exportation of the merchandise, nor shall it be subject to the benefit of drawback. All special or additional duties, penalties, or forfeitures applicable to merchandise entered in connection with a certified invoice shall be applicable alike to merchandise entered in connection with a seller's or shipper's invoice or a statement in the form of an invoice.

"(d) Furniture described in paragraph 1811 of section 201 of this act shall enter the United States at ports which shall be designated by the Secretary of the Treasury for this purpose. If any article described in said paragraph 1811 and imported for sale is rejected as unauthentic in respect to the antiquity claimed as a basis for free entry, there shall be imposed, collected, and paid on such article, unless exported under customs supervision, a duty of 25 percent of the value of such article in addition to any other duty imposed by law upon such article."

(c) Section 501 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., Supp. II, title 19, sec. 1501), is further amended by changing the period at the end of the first sentence to a comma and by inserting thereafter "or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisalment, setting forth a substantial reason or reasons for requesting the notice.", and by deleting the third sentence of the section.

(d) Section 503 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1503) is amended by deleting "the entered value or" and "whichever is higher" from subsection (a), by deleting subsection (b), and by redesignating subsection (c) as subsection (b).

(e) The act of July 12, 1932 (ch. 473, 47 Stat. 657; U. S. C., 1946 ed., title 19, sec. 1503a), is repealed.

(f) Section 562 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1562), is further amended by changing the third sentence to read as follows: "The basis for the assessment of duties on such merchandise so withdrawn for consumption

shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value."

COMMINGLED MERCHANDISE

SEC. 18. Section 508 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1508) is amended to read as follows:

"Sec. 508. Commingling of goods.

"(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

"(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 20 days after the date of personal delivery or mailing by the collector of written notice to the consignee that the merchandise is commingled. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

"(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish to the collector, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled."

CORRECTION OF ERRORS AND MISTAKES

SEC. 19. Section 520 (c) (1) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1520 (c) (1)), is further amended to read as follows:

"(1) A clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within 1 year after the date of entry, appraisement, or transaction, or within 60 days after liquidation or exaction when the liquidation or exaction is made more than 10 months after the date of the entry, appraisement, or transaction; or"

CONVERSION OF CURRENCY

SEC. 20. (a) Section 25 of the Act of August 27, 1894, as amended and reenacted (U. S. C., 1946 ed., title 31, sec. 372 (a)), is repealed, and section 522 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 31, sec. 372) is amended to read as follows:

"Sec. 522. Conversion of currency.

"(a) The Secretary of the Treasury shall keep current a published list of the par values, expressed in United States dollars, of the several foreign currencies maintained pursuant to the articles of agreement of the International Monetary Fund, or pursuant to any other international agreement to which the United States is a party. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.

"(b) If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or, if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.

"(c) If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or rates so certified which reflect effectively the value of that foreign currency in commercial transactions.

"(d) When, apart from normal variation between buying and selling rates, there are one or more rates of exchange in addition to the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. When rules governing the conversion of such foreign currencies have been formulated pursuant to an international agreement to which the United States is a party, the Secretary of the Treasury shall issue regulations in conformity with such rules, and the conversion for customs purposes of amounts expressed in such currencies into amounts expressed in currency of the United States shall thereafter be in accordance with such regulations so long as they are in effect. If no regulations are in effect and applicable to the conversion of such a currency, one or more rates of exchange in addition to the par value may be certified in the manner set forth in subsection (b) and

the par value and any certified rates shall be applied in the manner prescribed in subsection (c)."

(b) Section 481 (a) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1481 (a)) is amended by deleting subparagraph (7) and by renumbering subparagraphs (8), (9), and (10) as (7), (8), and (9).

CUSTOMS SUPERVISION

SEC. 21. The Tariff Act of 1930, as amended, is further amended by adding following section 645 (U. S. C., 1946 ed., title 19, sec. 1645) a new section 646 reading as follows:

"Sec. 646. Customs supervision.

"Wherever in this act any action or thing is required to be done or maintained under the supervision of customs officials, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct."

CONVERSION OF PROCESSING TAXES TO IMPORT TAXES

SEC. 22. (a) As soon as each proper rate can be determined by the United States Tariff Commission, that Commission shall certify to the President the respective rate or rates of import tax for copra, palm nuts, and palm-nut kernels which the Commission estimates to be reasonably equivalent in respect of each such commodity to the relevant tax imposed on the date of the enactment of this act under section 2470 of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2470) on the first domestic processing of coconut oil and palm-kernel oil, respectively. The certified rates shall be proclaimed by the President, and on and after the thirtieth day after the date all the certified rates have been so proclaimed the amendments of law specified hereafter in this section shall be effective, with the proclaimed rates inserted in the redesignated and amended section 2491 (e) of the Internal Revenue Code in the respective blank spaces following the descriptions of the products for which the rate shall have been proclaimed.

(b) Section 2470 (b) of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2470 (b)) is amended by changing the period at the end thereof to a comma and adding "or (3) with respect to any commodity, or product of a commodity, upon which an import tax has been paid under chapter 22."

(c) (1) Section 2491 (c), (d), (e), (f) of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2491 (c), (d), (e), (f)) are amended to read as follows:

"(c) (1) Coconut oil, palm oil, and palm-kernel oil, fatty acids derived from any of the foregoing oils, and salts of any of the foregoing (whether or not such oils, fatty acids, or salts have been refined, sulfonated, sulfated, hydrogenated, or otherwise processed), 3 cents per pound.

"(2) There shall be imposed (in addition to the tax prescribed in paragraph (1)) on coconut oil a tax of 2 cents per pound, except that the additional tax imposed by this paragraph shall not apply when it is established, in accordance with regulations prescribed by the Secretary of the Treasury, that the imported product (A) is wholly the production of the Philippine Republic or of any possession of the United States, or (B) was produced wholly from materials the growth or production of the Philippine Republic or of any possession of the United States. The additional tax imposed by this paragraph shall not apply after July 3, 1974.

"(3) Whenever the President, after consultation with the President of the Philippine Republic, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippine Republic, are readily avail-

able for processing in the United States, he shall so proclaim, and after the date of such proclamation the provisions of paragraph (2) of this subsection and of paragraph (2) of subsection (e) shall be suspended until the expiration of 30 days after he proclaims that, after consultation with the President of the Philippine Republic, he has found that such adequate supplies are so readily available.

"(d) Any commodity, not provided for heretofore in this section, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the products specified above in this section, a tax at the rate or rates per pound equal to that proportion of the rate or rates prescribed in this section in respect of such product or products which the quantity by weight of the imported commodity, consisting of or derived from such product or products, bears to the total weight of the imported commodity; but there shall not be taxable under this subsection any commodity (other than an oil, fat, or grease, and other than products resulting from processing seeds without full commercial extraction of the oil content), by reason of the presence therein of an oil, fat, or grease which is a natural component of such commodity and has never had a separate existence as an oil, fat or grease;

"(e) (1) Hempseed, 1.24 cents per pound; perilla seed, 1.38 cents per pound; kapok seed, 2 cents per pound; rapeseed, 2 cents per pound; sesame seed, 1.18 cents per pound; and copra, per pound; palm nuts, per pound; and palm-nut kernels, per pound;

"(2) There shall be imposed (in addition to the tax prescribed in par. (1)) on copra a tax of per pound, except that the additional tax imposed by this paragraph shall not apply when it is established, in accordance with regulations prescribed by the Secretary of the Treasury, that the imported product (A) is wholly the production of the Philippine Republic or of any possession of the United States, or (B) was produced wholly from materials the growth or production of the Philippine Republic or of any possession of the United States. The additional tax imposed by this paragraph shall not apply after July 3, 1974.

"(f) The tax imposed under subsection (b) shall not apply to rapeseed oil imported to be used in the manufacture of rubber substitutes or lubricating oil, and the tax imposed under subsection (c) (1) shall not apply to palm oil imported to be used in the manufacture of iron or steel products, tin plate, or terneplate. The Secretary of the Treasury shall prescribe methods and regulations to carry out this subsection."

(2) Section 2491 of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2491) is further amended by adding a new subsection (h) reading as follows:

"(h) No drawback in respect of any tax imposed by this section shall be allowed under any provision of law on the exportation of any byproduct resulting from the production of coconut oil or palm-kernel oil in the United States."

(d) Section 2493 of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2493) is amended by changing the period at the end thereof to a semicolon and adding new paragraphs to read as follows:

"(4) for the purposes of the Philippine Trade Act of 1946 (U. S. C., 1946 ed., title 22, sec. 1251-1360), the term 'ordinary customs duty' shall not include any tax prescribed in section 2491 (c) or (d), or in section 2491 (e) with respect to copra, palm nuts, or palm-nut kernels, and the term 'internal tax' shall include such taxes;

"(5) the taxes imposed on oils and derivative products under section 2491 (c) and on copra, palm nuts, and palm-nut kernels under section 2491 (e) shall not be subject

to modification under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1351)."

(e) Section 2492 of the Internal Revenue Code (U. S. C., 1946 ed., title 26, sec. 2492) is amended by deleting the date "August 21, 1936," and by inserting in place thereof the words "the date of the proclamation provided for in section 22 (a) of the Customs Simplification Act of 1951."

SAVING CLAUSE

Sec. 23. Except as may be otherwise provided for in this act, the repeal of existing law or modifications thereof embraced in this act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal case prior to such repeal or modification, but all liabilities under such laws shall continue, except as otherwise specifically provided in this act, and may be enforced in the same manner as if such repeal or modification had not been made.

RELATION TO GENERAL AGREEMENT ON TARIFFS AND TRADE

Sec. 24. The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

The SPEAKER. Is a second demanded?

Mr. REED of New York. Mr. Speaker, I demand a second.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, H. R. 5505, the pending bill, is entitled "The Customs Simplification Act of 1951." It represents the collective best judgment of the Committee on Ways and Means on recommendations of the Treasury Department which were included in a draft of legislation which I introduced at the request of the Secretary of the Treasury on January 15, 1951.

I introduced H. R. 1535 in order to provide a basis for hearings on and consideration and discussion of problems of customs administration which had been studied by a number of the executive departments and agencies. There had been no legislative revision of customs procedural requirements since 1938, so the committee decided to limit the scope of its consideration to simplification of customs procedures and essential related matters, and not to take into account proposals for substantive modifications of the tariff laws or of the internal organization of the Bureau of Customs.

Hearings on simplification of customs administration began on August 6 and were completed September 19. At these hearings appeared representatives of the Treasury Department, Department of Commerce, Economic Cooperation Administration, and the Department of State. Secretary of Commerce Sawyer testified:

The delays, uncertainties, and irksome formalities existing under present law hamper the actual carrying through of desirable import transactions, and particularly discourage new and smaller business firms. It is my view that once the desirable level of duty

protection has been determined, as authorized by the Congress, all other barriers discriminations against imports at or within our borders should be minimized. H. R. 1535 is the product of expert and experienced persons both in business and in Government who were trying to reach just that result. I believe you will find that they succeeded very well and I strongly urge your favorable consideration of their efforts.

Reports were received from the Department of Agriculture and the Department of Defense in support of enactment of customs simplification. The Bureau of the Budget advised the Committee that enactment of customs simplification legislation would be in accord with the program of the President.

The need for customs simplification was acknowledged by all nongovernmental witnesses who appeared at the hearings, as well. These witnesses included spokesmen for domestic producers, importers, customs brokers, customs attorneys, and representatives of American labor and agriculture. In all, more than 50 witnesses were scheduled and the hearings run to more than 700 pages. Everybody who expressed an interest in customs simplification was given the opportunity to be heard.

The principal criticism of the original bill, H. R. 1535, was that it, in certain respects, would have modified somewhat the level of protection available to certain American industries. Still other industries expressed a fear that changing present methods of valuation might ultimately be adverse to their interests. After reviewing all the testimony, your committee decided to eliminate these controversial provisions and H. R. 5505, introduced by me as a committee bill, is a genuine simplification bill, which effects valuable and necessary changes in customs procedure.

It does not propose any changes in classifications or rates of duty. It will not impair the protection which our tariff laws afford to any American industry. The bill will effect improvements by facilitating economical and efficient administration of the customs laws, by untangling the procedural red tape which now hampers the honest importer, by eliminating inequities, and by eliminating obsolete and unnecessary provisions and making other provisions more simple and logical.

Most of the major provisions in this bill originated with recommendations of a private firm of management consultants, McKinsey & Co. This firm was employed to make a study in the fiscal year 1948, Congress having made funds available in the Treasury Department appropriation. The firm was given two main objectives: First, to determine how the cost of customs operations could be reduced compatible with the required service; and second, to ascertain whether the service rendered by customs could be improved. The Treasury Department studied McKinsey & Co.'s recommendations and came up with some further ideas of its own. The analysis at page 77 of the hearings shows that 21 specific recommendations of McKinsey & Co. were incorporated in H. R. 1535, and

another has been added by the committee to H. R. 5505, making 22 in all. This last is the provision eliminating notarization of customs documents and permitting them to be executed subject to penalties of perjury.

As I have already stated, the need for customs simplification was acknowledged by all witnesses who appeared before the committee. Their testimony on the provisions now contained in H. R. 5505 differed, in general, only in technical and drafting details. Revision of the administrative and procedural provisions of the customs laws is overdue, having been done only once since enactment of the Tariff Act of 1930. That was by the Customs Administrative Act of 1938, which was not nearly so extensive in scope or ambitious in purpose as the present bill.

The changes in valuation procedures which are proposed in section 13 of this bill would make more improvements than any other part. Wherever the amount of duty to be collected is dependent in any way on value, the customs service has to appraise imported goods and find out what they are worth. The existing law tells in great detail how this should be done. In general, the appraiser must attempt to find two values for every importation, and one of them calls on him to ascertain transactions in the country of origin between persons who may have nothing to do with the business of exporting merchandise to the United States. The difficulties created by such a system are obvious. In some cases even more is required of the appraiser. He must ascertain the cost of labor and materials to produce the imported article in the country of origin. The bill seeks to eliminate these foreign investigations so far as possible and authorize appraisers to assess values, unhampered by technicalities, from transactions in the import trade of the United States, which will necessarily be known to them or ascertainable without special investigation.

McKinsey & Co. pointed out the many difficulties that customs had in getting proper conversion rates so that values stated in foreign currencies could be converted into dollars. Section 20 of the bill will encourage the use of stable par values for conversion and will tell how the Bureau of Customs is to proceed when multiple-rate currencies and other unorthodox exchange practices have to be dealt with.

Another highly important section is section 17, which will eliminate the roundabout paper work and inequities connected with the present section 489 of the Tariff Act, which imposes a heavy special duty in case the importer states too low a value when he enters his merchandise in the customhouse, even though his mistake is entirely innocent.

Some of the provisions in the original bill paralleled some of the provisions of the General Agreement on Tariffs and Trade, which is now being applied in the United States on a provisional basis when not inconsistent with existing legislation. Your committee struck out provisions to eliminate the use of American selling price as a basis of valuation,

to eliminate an asserted discrimination in the Internal Revenue Code against imported distilled spirits, and to reduce certain taxes on imported oleomargarine, filled cheese, and adulterated butter to the level of like taxes on domestic products.

Your committee did not believe that these provisions effected simplification or would improve customs administration if included in the law. Those who believe in the American selling price method of valuation, that is, the appraisal of imported merchandise according to the selling price of competing merchandise of domestic origin, may rest assured that the bill leaves American selling price entirely as it was.

Other provisions in the earlier bill which paralleled certain provisions of the General Agreement on Tariffs and Trade were retained because these provisions would further the object of simplification and are justified on their merits. Some witnesses went so far in their dislike of the general agreement as to seem to say that your committee should eliminate any provision, no matter how meritorious, if it was recommended by the general agreement.

This would have required us to strike from the bill many of the most valuable provisions which qualified witnesses recommended for reasons entirely unconnected with the general agreement. No matter how much one may dislike the general agreement, it seems strange that anyone should argue that a provision is bad and should be eliminated for no better reason than that it appeared to be good to those who negotiated the agreement. On the other hand, to insure that no erroneous interpretation should be given to the committee's recommendation that this bill be enacted, a section was added expressly stating that enactment was not to be construed to indicate either the approval or disapproval by the Congress of the General Agreement on Tariffs and Trade.

Of the two amendments to H. R. 5505 one is clerical, and the other will make it clear that the Secretary of the Treasury is authorized and directed to apply countervailing duties against imports which obtain the benefit of bounties or grants conferred through the working of multiple-rate currency exchange systems. It is not intended to establish any conclusive presumption that a bounty or grant is conferred whenever a multiple-rate system exists, nor to prescribe any particular formula for ascertaining the amount of the bounty or grant.

This bill is a much needed and long overdue move to clear paths through the thickets of customs procedure, and to introduce businesslike methods in a field where hitherto they have been too often absent. There is nothing in this bill to endanger the interests of any American industry or any importer, and it is entirely procedural in nature. All we ask is that this House consider it fairly on its merits, and we are confident that if that is done no serious objection can be found to any part.

Mr. REED of New York. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I shall support H. R. 5505, known as the Customs Simplification Act of 1951.

In order to promote the efficiency of the Bureau of Customs and in order to reduce its cost of operation to the taxpayers and improve its services to the public, the Republican Eightieth Congress appropriated a special fund to enable the Bureau of Customs to retain the services of an outside management firm in order to make a study and present recommendations for achieving these desirable objectives. The firm of McKinsey & Co. of New York was retained to do this job, and the objectives of the survey were stated to this management firm as follows:

To study the operations of the Bureau of Customs and the Customs Service with a view to promoting the efficiency of operations to the end of performing the duties and responsibilities with which the Customs Service is charged by law and in a manner that will protect the revenues and afford the greatest degree of service to the public. The end objective is to accomplish these results with the greatest degree of economy and the least possible cost to the Government.

After completing its study McKinsey & Co. submitted a detailed report and analysis which contained many suggestions and specific recommendations for legislative changes to improve and simplify our customs procedure.

But, Mr. Speaker, instead of presenting a bill to the Ways and Means Committee consisting of only legislative proposals for improving our customs procedure for which the Congress specifically appropriated money paid for by the taxpayers, the Treasury Department, in concert with and under the guiding hand of the State Department, submitted to the committee a bill which was designed primarily to clear the way for the eventual full acceptance by this country of the General Agreement on Tariffs and Trade, known as GATT, negotiated by the State Department in 1947 under the reciprocal-trade program. Indeed, Mr. Speaker, the fact, as established by cross-examination of the State Department witness during the public hearings, is that if it had been enacted as originally presented to the committee, the so-called customs-simplification bill would have brought all our laws, with one lone exception, into conformity with the requirements of the provisions of GATT and also therefore with many of the provisions of the notorious ITO Charter.

Let me explain this important point more fully, Mr. Speaker, not only because it is pertinent to the consideration of this legislation, but also because it is a valuable lesson in the under-cover technique frequently resorted to by the executive departments in their dealings with the Congress.

Back in 1947 the State Department invited 19 foreign countries to take part in the negotiation of a multilateral trade agreement at Geneva, Switzerland. During the course of the negotiations several new countries were added and the result was that 23 countries participated in the final negotiations. Tariff reductions and concessions were conducted bilaterally on a product-by-product basis and the various bilateral agree-

ments were combined to form a single General Agreement on Tariffs and Trade, known as GATT. GATT has never, however, become fully operative because the agreement does not enter into full force until 30 days after instruments of acceptance have been deposited with the Secretary General of the United Nations by signatory governments that account for 85 percent of the total external trade of the territories of governments which signed the final act of the Geneva Conference.

Although President Truman proclaimed the Geneva agreement in effect provisionally as of January 1, 1948, he has been prevented from making full acceptance because certain of the general provisions of GATT are in direct conflict with provisions of our statutory laws enacted by the Congress.

A direct attempt to overcome these provisions was made by the State Department in the Eighty-first Congress when it submitted the ITO Charter to the Congress for approval. Since the objectives sought by the Geneva agreement closely parallel those sought in the Charter for an International Trade Organization, known as the ITO, most of the general provisions of the Geneva agreement are identical with or similar to, corresponding provisions of the ITO Charter. Thus, had the ITO Charter been approved by the Congress, either by a joint resolution or in the form of a treaty, our statutory laws which are in conflict with the provisions of GATT and the ITO would have been eliminated.

But the Eighty-first Congress refused to even bring the ITO Charter to the floor for consideration by the House, and it has consequently been withdrawn by the State Department.

So, Mr. Speaker, reviewing the situation in brief we find that GATT cannot be fully accepted by this country until some basic changes are made in certain of our statutory laws. And we find secondly that the ITO Charter containing these changes has already once been flatly rejected by the Congress. This then was the dilemma facing the State Department when out of the gloom came the smart idea to clothe approval of GATT in the appealing raiment of customs simplification. It was as simple as that because everyone favored customs simplification and the Republican Eightieth Congress had even appropriated funds for this very purpose. And so a bill was presented to the committee which if enacted would have abolished the American selling price, inserted the word "materially" in the Anti-Dumping Act of 1921, reduced the taxes on imported oleomargarine, filled cheese, and adulterated butter, reduced the duty on imported distilled spirits, and made other amendments to our laws in order to bring them into conformity with the provisions of GATT.

I submit, Mr. Speaker, that this attempt to use customs simplification as a vehicle for paving the way for acceptance of GATT was a shameful subterfuge and indeed a shocking misuse of the funds appropriated by the Congress. It is small wonder that the people of

this country, and many Members of this House, have long ago lost faith in the integrity of the executive departments.

The result of this attempt to secure congressional approval of GATT through the back door was that the Ways and Means Committee was deluged with requests from industry groups all over the country wishing to be heard in opposition to the bill as originally prepared. As a consequence long and expensive public hearings had to be held.

And yet it would have been a simple matter for the Treasury Department to have prepared a bill dealing only with customs simplification matters as intended by the Congress. If this had been done, legislation to improve our customs procedure would have been adopted long ago.

As the result of the efforts of Republican members of the Ways and Means Committee I am now able to report, however, that most of the provisions bringing our laws in compliance with GATT and the ITO Charter have been eliminated and in fact H. R. 5505 contains a section specifically stating that this bill is not to be construed as any indication of approval by the Congress of GATT.

Although H. R. 5505, as reported by the committee has thus been substantially improved, it still contains two sections which are more akin to approval of GATT than to customs simplification. These are sections 20 and 22.

Section 20 provides in general that the primary standard for determining the conversion rates for foreign currencies will be the International Monetary Fund rather than our own Federal Reserve bank. Among the witnesses who appeared before the committee in opposition to changing our present procedures and tying our conversion methods to the International Monetary Fund were the National Grange, the National Renderer's Association, and the National Labor Management Council of Foreign Trade. These witnesses pointed out that this highly technical provision is not a question of customs simplification; that its principal purpose is to remove a conflict in our laws with the provisions of GATT, and that under the present world conditions the International Monetary Fund will continue to have little success in determining realistic currency rates.

The other section of H. R. 5505 which should be deleted in order to improve the bill is section 22, the purpose of which again is primarily to make our laws conform to the provisions of GATT—article III—and to the ITO charter—article 18. This section of the bill provides in general for converting into import taxes the processing taxes imposed on coconut, palm, and palm-kernel oils under section 2470 of the Internal Revenue Code and for the imposition of equivalent import taxes on materials from which these oils are produced. The transfer of the administration and collection of these taxes from the Bureau of Internal Revenue to the Customs Bureau will obviously not result in any customs simplification, and this trans-

fer represents a surrender to the administration of these taxes to the State Department which under the present administration will, of course, continue to maneuver to have them removed.

If these two sections were eliminated I believe, Mr. Speaker, that H. R. 5505 would represent a most meritorious improvement in the administration of our customs laws. A detailed description of the other provisions of the bill are set forth in the committee report, and I do not believe that any Member of the House can take issue with them. For this reason I shall support this bill because I believe that sections 20 and 22 will be corrected by the other body.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may require to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, while all of H. R. 5505 is important and necessary to simplify customs procedures, there is one section which outweighs any of the others. This is section 13, which tells how customs appraisers are to find the value of imported merchandise. They have to do this whenever a schedule of the tariff act states a rate of duty as a percentage of value or as a percentage of value plus something else, or whenever there is a specific duty with rates differing according to different value brackets. There can be no doubt that the difficulties that customs has had in appraising merchandise have greatly hampered the service in liquidating duties and determining the amount of duty owed with any promptness, and have made it extremely difficult for importers to tell beforehand how much duty is going to be assessed on any particular shipment. As things now are, importers often have to sell their merchandise before they know what the duty will be, so that if the duty is higher than they expect they are unable to pass the difference on to the buyer. This makes importation a needlessly risky business.

The present law requires the customs appraiser to ascertain, if he can, both the foreign value, which is the price at which such or similar merchandise is freely offered to all purchasers for domestic consumption in the country of origin, in the usual wholesale quantities. He must also determine export value, which is the freely offered price to all purchasers for export to the United States. He may be prevented by various technical rules from ascertaining either or both of these values, but if he can ascertain both, he must apply the one which is higher. If he can ascertain one alone, he must apply that one. If he can ascertain neither, he must endeavor to ascertain the United States value, which is the freely offered price of such or similar imported merchandise in the markets of the United States. If he cannot ascertain this either, he must find the cost of production, which starts with the cost of labor and materials.

If the appraiser can get satisfactory information from the importer, of course, he does so and the appraisement can be completed promptly, but there are very many cases where he must request

a foreign-value investigation to ascertain the foreign value which, as the definition shows, is dependent on transactions in a foreign country between parties other than those who export merchandise to the United States. It is no easy job for him to ascertain cost of production either. It is extremely difficult to segregate the cost of producing a particular product even with the improved accounting methods used in this country. This is doubly the case when the cost is incurred abroad. The appraiser is further hampered by various technical rules such as, for example, one which prevents him from considering as freely offered any price which is not open to all the world, even though most businessmen even in this country offer lower prices to wholesalers. Furthermore, the courts have held that any limitation on resale or reuse prevents the price from being freely offered. The appraiser is also handicapped by uncertainty as to whether, if he must appraise according to foreign value, he should include internal taxes in the country of origin which do not apply to products which are exported. Since importers of British products were successful in having the courts exclude British purchasing tax from the foreign value, no one knows to what extent the internal taxes of other countries should also be excluded. Another difficulty the appraiser encounters is that although the statute says that offers must be made "in the usual wholesale quantities," the courts have required him to consider as usual the greatest number of individual transactions and not the transactions in which the largest quantity of merchandise moved.

The most sweeping change which the bill proposes would be eliminate "foreign value" entirely and make the export value the preferred method whenever it can be ascertained. This single measure will remove at one stroke the greatest single cause of litigation, expense, and delay in customs appraisal. The appraiser will be able to confine his consideration to transactions in the foreign trade of the United States which either come under his observation, or which he can easily ascertain. Some people seem to be afraid that this change would permit foreign exporters to reduce the duty applicable to their products by assigning lower prices for export to the United States. This was not the view of most of the qualified witnesses who appeared before the Ways and Means Committee, for even Mr. Anthony, representing the American Tariff League, conceded the desirability of getting rid of foreign value—page 422 of the hearings. It would seem that if eliminating foreign value would afford foreign exporters an opportunity to minimize their duties which the present law does not afford, the American Tariff League would have objected to it. The fact is, of course, that the change will make no difference. At present, any foreign shipper could easily prevent the customs appraisers from finding a foreign value by imposing immaterial restrictions on resale in the country of origin or by limiting the class of purchasers to whom he offered to sell.

Of course, foreign shippers usually want to realize the best possible prices, and to reduce their duties by reducing prices would be a self-stultifying procedure. In some cases they have a motive to fix special prices for export to the United States which are lower than their prices generally. Our antidumping law, which is an effective and well-drafted statute, covers this situation, and the only change made in it by the bill is to tighten it up. If there is need for further protection against dumping it should be obtained through a further tightening of the dumping law and not by making more complex and difficult the ordinary routine process of appraising merchandise which is not under suspicion of dumping.

The bill will make it easier to ascertain export value by eliminating the technical restrictions I have mentioned. If export value cannot be ascertained, it will make it easier to ascertain United States value by permitting customs appraisers to defer appraisal in the case of new merchandise to see what price it realizes in the United States. At present, a new or prototype shipment cannot be appraised according to United States value because there is no freely offered price available in the United States at the time the shipment was exported.

The bill adds a new method known as comparative value to be used if neither export value nor United States value can be ascertained. This is based on sales or offers of comparable merchandise. For example, appraisement of a filing cabinet having four drawers might under this section be based on sales of a cabinet with three drawers.

The method of value known as constructed value is the final residual method in the bill, and it is substantially the same as the one now known as cost of production, which was not considered to be a very accurate name, and by making other methods more freely available, this bill will cause this residual method to be very rarely used.

The committee added a provision defining American selling price and assuring that it would be used in all cases where it is now employed. Many of such objections to section 13 as the committee heard were predicated on a wish to retain American selling price, and the committee's amendment removes the reason for these objections.

Other objections were based on the fact that the General Agreement on Tariffs and Trade contained certain general standards for customs valuation which the signatory parties recognized as universally valid, such as, for example, that values should not be arbitrary or fictitious. The Treasury acknowledged in its analysis which it submitted with the bill that section 13, if enacted, would conform to the General Agreement. This was sufficient to condemn section 13 in the eyes of some witnesses. They wished the Ways and Means Committee, without any inquiry as to whether section 13 was meritorious in and of itself, to condemn it simply because it brought our law into conformity with the GATT standards. I do not think

this body should apply any such standard in deciding what our customs laws should contain. Apparently the idea was that if the State Department agreed at an international conference that value should not be arbitrary or fictitious, it was incumbent on Congress to insist that values shall be arbitrary and fictitious. Such persons overlooked entirely that section 13 was not based on the vague and general requirements of the GATT but on the four specific and detailed recommendations of McKinsey & Co. which were incorporated in volume 4 of its survey. Section 13 was also the result of a very careful analysis by appraisers and other technical personnel of the customs service to locate the causes of their difficulties and recommend ways of removing them.

Mr. Speaker, the rules should be suspended and the bill passed because these changes in method of valuation of goods for customs purposes would result in greater efficiency and economy and will relieve importers of risk and red tape prevailing under existing law.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may require to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, section 20 of H. R. 5505 enjoys the distinction of being the most misunderstood section of the bill and also the section which has been most unjustly criticized. For these reasons, I ask the House to indulge me for a few moments in attempting to clarify and explain it.

For more than 12 years now the customs service has been over its ears in difficulty with the problem of currency conversion. When the appraiser fixes a value of imported merchandise derived from sales or offers in a foreign currency, he must report the value in that currency. The collector of customs must convert the value to dollars before he can determine how much duty is owing. To aid collectors in doing this, a statute of 1894 required the Secretary of the Treasury to publish the gold content of foreign coins. As the gold content of American money was declared by law, the conversion was a mere arithmetical computation. However, it became apparent in the twenties that the nominal or alleged gold content of foreign money might have no relation to its value in the marts of trade. Accordingly, section 52 of the Tariff Act of 1930 requires that whenever the buying rate of the foreign money in New York varies by more than 5 percent from the rate determined on the gold content basis, the Federal Reserve Bank of New York shall certify to the Treasury Department what the buying rate is and the Treasury shall employ this certified rate for conversion purposes.

During and after World War II we had a new crop of unorthodox currency practices with which our law was little equipped to cope. Some currencies have many different rates for different purposes and some have none at all that can be ascertained. In some cases it took the customs service as long as 10 years to ascertain what buying rate was proper. The Supreme Court in 1945 in

Barr against United States decided that whenever a country had more than one conversion rate officially employed, the customs was required to use the rate which reflected most effectively the value of the currency in transactions dealing in merchandise such as the merchandise under consideration.

In 1948 the Ways and Means Committee reported and the House of Representatives passed a bill to aid the customs service by permitting the Secretary of the Treasury to fix upon a single conversion rate to be employed for all purposes. McKinsey & Co. recommended enactment of this bill. However, the other body did not pass it and it did not become law.

It is unnecessary for me to tell this House that the Secretary's quarterly list of the gold content of foreign coin, which he still publishes quarterly pursuant to law, is now useless for all customs purposes. At present, the Federal Reserve bank, accordingly, has to certify rates from day to day for almost all currencies, including those which are well stabilized and have an established par value. This is an unnecessary burden on the bank. Because of daily minute fluctuations, the New York buying rate, even when a currency maintains its par value, is almost never precisely at par. Thus, during fiscal 1951 the Australian pound, which had a par value of 224,000, fluctuated from 223.1739 to 223.0079. Customs had to publish these minute variations from day to day and customs officers had to ascertain what they were before they could liquidate entries of Australian merchandise. So it was with many other countries.

Section 20 of the bill seeks to release the Secretary of the Treasury from his useless quarterly act of publishing the gold content of foreign coins. Instead, the Secretary is to publish and to use the par values established pursuant to the articles of agreement of the International Monetary Fund, as the basic conversion method. This will enable the Secretary to publish fixed figures which will remain stable for long periods because it is the practice of most countries having fund pars to maintain these pars in commercial transactions. Except for minute fractional variations, the rate employed for conversion purposes with respect to these countries will be just as at present. But a country may elect to be a no-par country or not to belong to the fund at all. In that event, we are no worse off, because subsections (b) and (c) of section 20 reiterate and, indeed, strengthen the requirement of existing law that actual commercial buying rates shall then be employed. This includes multiple rates when a country makes use of them. The bill expressly states the rule as announced in the Barr decision. If any country has a fund par but fails to maintain it, under subsection (d) of section 20 the customs service will automatically switch to the certified basis.

From the point of view of simplifying customs administration, the chief advantage to be derived from section 20 of the bill is that it makes it unnecessary to ascertain, certify and publish daily

buying rates for countries which are well known to maintain stabilized currencies. The references in the bill to the International Monetary Fund are simply recognition of an existing fact, that it is through the fund and pursuant to the fund articles that par values are established and made known. The bill confers no power on the fund that it does not already possess. The only change is that the par values which are established and maintained pursuant to its articles are made use of directly instead of indirectly through the roundabout procedure of a certification by the bank. While if a par is not maintained, or if the country is not a member of the fund, or, being a member, has not established a par value, the buying rate is to be certified by the Federal Reserve Bank of New York just as at present.

Countries having exchange controls usually require their exporters to surrender to a government agency the dollar proceeds of their sales. They then—unless maintaining a fund par—decide in their own unfettered discretion how much local currency they will pay for the surrendered dollars. This in turn determines the buying rate on the New York market. Thus, the Supreme Court's decision in the Barr case has put it outside the power of the Treasury Department or any other agency of Government under existing law to have a single thing to say as to what the conversion rate shall be. But under this bill, if a country desires to have our customs employ a par value recognized and approved by the fund, this country has something to say about it. Consequently, the bill removes us from the position of having nothing to say about conversion rates to be applied in administering our own customs to a situation where, through the fund, we have something to say. It remains true that, just as at present, under the bill a foreign country which chooses not to maintain a fund par can determine unilaterally the conversion rate which our customs service will employ, just exactly as the case is at present. If a rate is employed commercially, for our customs to insist on substituting some other rate for conversion purposes would be to punish our importer for the monetary sins of the foreign country over which he has no control.

The only other argument the Committee on Ways and Means has heard against the substance of section 20 was that it had something to do with the GATT. However, the GATT really added nothing to the situation, but only recognized existing facts. Whether or not there were any GATT, par values established pursuant to the International Monetary Fund would, when actually maintained, be the basis of our currency conversion under existing law as much as under the bill.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, this is a very personal and a very important piece of legislation as far as certain classes of people are concerned. By that I mean it is very important to those who import

and export commodities in this country, and that in itself is a very big business. It involves millions upon millions of dollars, and employs hundreds upon hundreds of people, but the average person does not know very much about it, and is not very much concerned with it. This bill came before the Ways and Means Committee with a very real purpose. The idea was to simplify the rules and regulations that now control importations and exportations. These rules are archaic. They are old. They have been the same rules for many years. It was time for us to have some simplification.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I know the gentleman has been very assiduous in trying to protect the industries of this country from competition from abroad, and I have worked with him on some of those projects. I would like to ask if there is anything in this bill that will further weaken the position of industry in this country, especially handicraft, such as pottery and glassware.

Mr. JENKINS. I cannot answer the gentleman in one word. If I could I would say, "No, there is not," but when this legislation came before the Ways and Means Committee we who have been protectionists, in other words, we Republicans, were very suspicious, believing it would be what the gentleman had indicated; that it might go further and might encourage the importation of commodities to the disadvantage of our own industries. But, after long consideration and after the appearance of many lawyers and other competent men who represented companies who imported goods, we decided that this legislation should be passed, because its purpose was not to flood our markets with commodities from cheap labor countries.

There is a statement on page 2 of the report that is very succinct and will support what I have said and will be an answer to the question of the gentleman. This is what it says:

The bill does not propose any changes in classification or rates of duty.

The bill itself in the last paragraph contains the following language:

The enactment of this act shall not be construed to determine or indicate the approval or disapproval by Congress of the executive agreements known as the General Agreements on Tariffs and Trade.

Mr. HAYS of Ohio. I thought that took care of the situation, but I just wanted the gentleman to reassure me, knowing his long experience with tariffs.

Mr. JENKINS. I assure the gentleman that that is what we tried to do.

When this bill came before us it had in it a great many sections. I dare say that more than half of the volume of the bill was stricken out, because these lawyers who deal with this business had come in well armed and were able to show that under the language of those sections the bill would have been more than a simplification bill. It would have

been a tariff-reduction bill. And in fairness to the Democrats on the committee, it developed that they themselves had only one purpose in mind, and that was to simplify the entry of goods into this country.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Indiana.

Mr. BEAMER. Would the gentleman answer one question? You talk about the entry of certain goods into the country. I had hoped that if this bill did not come up under suspension of the rules I might offer an amendment at the end of the bill, to add a new section, No. 25:

No product originating in or shipped from the country of Czechoslovakia shall be allowed entry into the United States until correspondent William N. Oatis is restored to freedom by that country.

I had hoped to make some comment in regard to it.

I ask unanimous consent, Mr. Speaker, to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. BEAMER. Mr. Speaker, if H. R. 5505 had not come to the House under suspension of rules, I would have offered the following amendment to the customs simplification bill:

At the end of the bill add the following new section:

"Sec. 25. No product originating in or shipped from the country of Czechoslovakia shall be allowed entry into the United States until newspaper correspondent William N. Oatis is restored to freedom by that country."

In August the Congress passed House Concurrent Resolution 140 in behalf of William Oatis and still this American newsman remains in a rotting prison in that Communist-dominated country. It indeed was unfortunate that the President and the State Department did nothing in behalf of this American citizen until forced to do so by the Congress. I often asked the question, "Of whom is the State Department afraid?" and the impatient letters from the many red-blooded Americans throughout the country continue to ask the same question about the apparent attitude of President Truman.

History is full of recorded instances in which a firm attitude by the President secured immediate release of American nationals held in another country on some charge. Since the Executive department of our Government has not shown this same firmness and determination, I was hopeful that this amendment on H. R. 5505 would provide the due force of law that, in turn, would make effective the intent of Congress when it passed House Joint Concurrent Resolution 140 which I submitted.

Mr. Truman must answer whether or not he is indifferent to the fate of an American citizen or influenced by the legalistic confusions of Dean Acheson.

In either event, something more concrete must be done to free Oatis—not in the next 10 years, but immediately. Some of the intent of House Concurrent

Resolution 140 has been put into effect and it is estimated that Oatis' imprisonment is costing Czechoslovakia \$3,500,000 worth of business each month at the present time. This is a step in the right direction but more must be done and it must be done without delay.

Perhaps, as one editorial—Indianapolis Star, October 11, 1951—indicated, if President Truman can be convinced that he is losing votes by allowing Oatis to remain in jail, he might be persuaded to take positive action. That appears to be the President's sole guide to action.

Mr. JENKINS. Mr. Speaker, I will just take a minute to answer the gentleman. We went before the Rules Committee and that committee gave us a rule under which this bill could be considered. It was decided, however, that although this is a matter of importance that it was necessary to have it acted upon promptly, and therefore we asked that the bill be considered under the rule of suspension. I think the gentleman's amendment might have been germane if we had a rule permitting amendments, because it does deal with importations. As far as I am concerned, I would be in sympathy with the gentleman's amendment. I have been much interested in the great injustice that has been done to Mr. Oatis.

Mr. BEAMER. I thank the gentleman.

Mr. JENKINS. Further, I wish to say that early in the hearings my suspicions were pretty well formed that the State Department wanted to insert into this bill some language that would enable the State Department to control, through the machinations of what we call GATT, the General Agreements on Trade and Tariffs. The State Department sent one of its most able men, Mr. Brown, who appeared before the committee and went into the matter thoroughly. I think that he sensed the feeling of the committee both Republicans and Democrats and then he decided to abandon any attempt to make a tariff reduction out of a simplification bill. I hope that this bill will prove to be just what we intend that it should be—a simplification bill and not a tariff reduction bill.

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

Mr. JENKINS. I yield to my distinguished friend from Massachusetts.

Mr. HERTER. As I understand the question now before the House is to suspend the rules with an amendment designed to take care of a practice indulged in by some countries of revaluing their currency in connection with declarations, so as to change the schedules of payment that are made in connection with import duties. That is a practice that affects a number of different industries, and particularly the wool industry which, according to representatives from my district, need further protection. I am delighted to know that the amendment is in the bill.

Mr. JENKINS. Yes; I am glad to assure the gentleman that that has been done. That is what is known as the Simpson amendment. Several Members have asked me today whether or not the Simpson amendment would be included.

It has been included and it is a very worthy amendment. I think I can assure the Republicans who have stood with me and other protestants on the Ways and Means Committee for years that we can safely vote for this bill with the idea in mind that there has been no purpose on the part of anybody to tear down in this bill any protection that the American producers should have.

AN AFFRONT TO THE PRESS AND A DISSERVICE TO THE PEOPLE

Mr. KEATING. Mr. Speaker, Newspaper Week has just passed, and while on the one hand voices were raised praising the stature and high caliber of our free American press, an equal clamor of protest swept the country against a Presidential order affecting that freedom at its very source.

A law, no matter how well written or well intentioned, can be no better than its administration. The same holds true of Executive orders. The scope for widespread and dangerous abuse of the latest order authorizing censorship of legitimate news by civilian agencies of the Government is unlimited. It can easily be used as a cover-up for bureaucratic inefficiency and inside chicanery. The President at a press conference struck out at leaks of critical information of potential value to the enemy, but these so-called leaks had all been given out by press agents or officials of the Government departments, who presumably were in a position to know their importance.

The remedy for the existing situation, if the President felt some action was necessary, was not a resort to such drastic, sweeping grants of authority. The officials who offended should have been called in and reprimanded. Instead the President lashed out at the press in a defensive burst of temper.

The emphasis during the ticklish, half-war, half-emergency situation in which we find ourselves should be all on the other side: the people should be told everything that can possibly be released. The American people are mature and perfectly capable of conducting themselves in a sane, rational fashion when faced with the possibilities of atomic war. But to cry wolf and clamp down on any legitimate appraisal of our state of preparedness and of the need for civilian regulation of our lives is foolish in the extreme since people cannot be expected to cooperate unless they are shown valid reasons for their sacrifices.

This latest Executive order is an affront to the American press and a disservice to the American people. It was subjected to well-merited criticism by the Associated Press Managing Editors Association. Under leave to extend my remarks, I include the text of their unanimously adopted resolution on this subject:

AN INSTRUMENT OF NEWS SUPPRESSION

(Text of a resolution adopted unanimously by the Associated Press Managing Editors Association at San Francisco)

The Associated Press Managing Editors Association opposes as a dangerous instrument of news suppression the President's Executive order of September 25, 1951, extending the

cloak of military secrecy to the civilian establishments of the Government.

Free people have the right to the fullest information about conduct of their own government. They can safely consent to its abridgment only on the plainest demonstration of national peril. Even then, any curtailment of this right to which they do consent must be so plainly prescribed and so narrowly limited that safety from external aggression is not bought at the internal risk of secret government.

That this is a time of national peril none would dispute. It is, however, a peril that can be met as it was met in World War II, without the sacrifice of essential freedoms, information useful to the enemy can be withheld without depriving the American people of the information about their government that they must have to preserve intact the democratic process.

The September 25 executive order and memorandum relating to minimum standards for classifying and handling security information in the executive branch of the Government, whatever motive may have inspired it, is not drawn with sufficient precision to avoid risks of secrecy to which no free government ought to expose its people. Among deficiencies instantly apparent are these:

1. The order proposes to set up standards of security to guide the civilian agencies of government, but it fails to define closely the classification terms that it employs and it furnishes to untrained government personnel, to which it entrusts the largest responsibility, no clear guide by which they may govern their official acts.

2. Agencies, according to the President's statement, must show affirmatively that disclosure of the information would harm national security, but no authority to which this showing must be made in advance of classification, is prescribed.

3. The National Security Council is given broad review powers, but the machinery and method by which this review is to be accomplished is not prescribed and no means is set forth by which an immediate review of classification decisions can be obtained.

4. Citizens are enjoined to support the classifications decided upon. They do not participate directly, or through any representatives, in the making of the initial classifications. They have no authority to which they can appeal but the authority which made the classification in the first place. They have no means of discovering for themselves or through proper representative agencies what information is being withheld or if decisions to withhold information have been wisely made. At no stage in the operation of the classification system is there provision by which a hearing may be given to those who desire to have the interests of information weighed against the interests of security.

5. Heads of the civilian departments, agencies, and bureaus are given the broadest powers to delegate a classification authority that frequently has been abused by the military establishments even when administered by the most experienced and competent personnel.

6. The Government of the United States, during World War II, found it inadvisable to entrust any such power to civilian or military agencies, without the safeguard and the check of the Office of War Information and of the Office of Censorship, established to protect the people against concealment or news suppression.

Whatever respect now exists for the top secret, secret, confidential, and restricted classifications used by the Department of Defense and State will not long survive the indiscriminate use of these labels by civilian departments. Security as a result will be endangered rather than safeguarded.

This Executive order has been issued without any showing of necessity.

It has been promulgated without the careful public discussion and honest debate that ought to precede any departure from democratic methods.

It has been drawn without regard for the lessons of World War II when the Government achieved a workable compromise of the sometimes conflicting claims of complete information and absolute security.

This Executive order should be rescinded. If the need for some system of classification can be demonstrated, there should be a re-examination of the whole problem of achieving in the civilian departments a system of security consistent with the right of the people to be informed fully about their Government.

Mr. REED of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

REVENUE ACT OF 1951

Mr. DOUGHTON submitted a conference report and statement on the bill (H. R. 4473) to provide revenue and for other purposes.

SUSPENDING CERTAIN IMPORT DUTIES ON TUNGSTEN

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5248) to suspend certain import duties on tungsten, as amended.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc., That the duties imposed by subparagraphs (c), (g), and (h) of paragraph 302 of the Tariff Act of 1930, as amended, and the duties on articles containing more than 50 percent of tungsten or tungsten carbide imposed by subparagraph (b) of paragraph 316 of such act, shall not apply with respect to articles entered for consumption or withdrawn from warehouse for consumption during the period beginning with the day following the date of the enactment of this act and ending at whichever of the following times is the earlier: (1) the expiration of the 2-year period beginning with the day following the date of the enactment of this act, or (2) the termination of the national emergency proclaimed by the President on December 16, 1950: *Provided,* That when, for any one calendar month during such period, the average market price of tungsten (high-grade tungsten concentrate, f. o. b. mine) for that month has been below \$63 per short ton unit of tungsten trioxide, the Tariff Commission, within 15 days after the conclusion of such calendar month, shall so advise the President, and the President shall, by proclamation, not later than 20 days after he has been so advised by the Tariff Commission, revoke such suspension of the duties imposed under subparagraphs (c), (g), and (h) of paragraph 302 and subparagraph (b) of paragraph 316 of the Tariff Act of 1930, such revocation to be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption after the date of such proclamation.

In determining the average market price of tungsten for each calendar month, the Tariff Commission is hereby authorized to base its findings upon the average monthly price of tungsten (high-grade tungsten concentrate, f. o. b. mine) reported by the Engineering and Mining Journal's "Metal and Mineral Markets" (or where two or more

such average monthly prices are so reported, upon the average of such prices).

The SPEAKER. Is a second demand?

Mr. REED of New York. Mr. Speaker, I demand a second.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I introduced the bill, H. R. 5248, at the request of the Defense Production Administrator. In a letter dated July 27, 1951, Mr. Fleischmann, the DPA Administrator, sent up a draft of legislation which had been approved by the Director of Defense Mobilization and the Bureau of the Budget. He urged that such legislation be enacted by the Congress at the earliest possible date.

The bill would suspend for a period of 2 years the present duty of about \$3 a short-ton unit on tungsten ore imported from foreign countries. The committee amendment would insure domestic tungsten producers against possible injury by providing for reinstatement of the duty in the event the price of tungsten should fall below \$63 a short-ton unit. The \$63-per-short-ton-unit price is more than 100 percent higher than the price prevailing before the Korean invasion.

I looked into this matter very carefully before introducing the bill because the largest domestic producer of tungsten in the United States is located in Vance County, N. C. Although producers of tungsten seem to be of the opinion that suspension of the duties now in effect will not appreciably increase the flow of tungsten into the United States from foreign countries, they would be satisfied to have the legislation enacted with the provision for reinstatement of the duty in the event prices fall substantially below present levels. Such similar assurances were given to producers of copper and lead when the legislation temporarily suspending the duties on those metals was enacted by the Congress, this appeared to be a reasonable request.

Mr. Speaker, tungsten is admittedly in short supply. It is of great importance in the defense program. The Government has guaranteed to domestic producers a support price of \$63 per ton for a period of 5 years. The Government has also embarked on a program to encourage exploration for tungsten by underwriting 75 percent of the cost.

Although the Government is not required to pay the duty on tungsten imported for the military stockpile, the present duty of \$8 per ton makes it difficult for private importers to compete in the world market for the available supplies in foreign countries. Foreign producers who wish to maintain an American market will be given some added incentive to sell to American private enterprise since the removal of the

duty will increase the price which importers can afford to pay and still be in a position to sell at the domestic ceiling of \$65 per short-ton unit. By suspending the duties, American importers will be in a position to encourage expansion of foreign production through furnishing financial assistance by way of loans or advances made in connection with purchase contracts.

No one can assure that suspension of the duty will, in fact, ease our critical shortage of tungsten, but it was the view of the Committee on Ways and Means that we should not allow anything to remain in the existing law which might retard, even to the slightest degree, the supply of this vital metal.

Mr. Speaker, the bill should be passed without delay.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Arkansas.

Mr. MILLS. Is it not a fact that the gentleman from North Carolina received a letter from the largest tungsten producer in the United States saying that the bill with the amendment which the committee adopted would do no harm to the domestic tungsten producers?

Mr. DOUGHTON. That is correct. The domestic producers are not optimistic about the effects that will result from the enactment of this bill, but they are not opposed to it. As I mentioned, tungsten is in short supply and is very important in our national defense effort.

Mr. MILLS. It was certainly the opinion of the committee that the bill would do no harm to domestic producers and might result in some good.

Mr. DOUGHTON. It might result in some good, yes. There are no minority views filed and, so far as I know, there is no objection among the membership of our committee to the enactment of this legislation.

Mr. REED of New York. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, the purpose of H. R. 5248 is to suspend the import duties on tungsten ores or concentrates, tungsten metal, tungsten carbide, and other combinations of tungsten. The suspension will be effective during the period beginning with the day following the date of enactment of the bill and ending with the expiration of 2 years from such date of enactment, or the termination of the national emergency proclaimed by the President on December 16, 1950, whichever is earlier. The committee amendment also provides that the President shall revoke the suspension of duties when, for any one calendar month, the average market price of high-grade tungsten concentrate for that month has been below the \$63 per short-ton unit of tungsten trioxide, the price established for Government purchases under the program to encourage the expansion of tungsten production.

I am supporting this legislation because since Korea the demand for tungsten in the United States has increased rapidly while supplies of the metal from China, which is the largest producer, have been cut off. Present and estimated future supplies of tungsten from

both foreign and domestic sources fall short of meeting the requirements of military and essential civilian production and are not adequate to meet needed additions to our stockpile.

In fact, Mr. Speaker, our Nation's tungsten position is little short of desperate and the best that can be said for this legislation is that it may possibly offer foreign producers who wish to maintain an American market some incentive to sell to American private enterprise by increasing the price which importers can afford to pay and still be in a position to sell in the domestic ceiling.

The really significant aspect of this legislation is why our supply of tungsten is below the danger point and who is to blame for this deplorable situation. The answer to these questions has been supplied by the Preparedness Subcommittee of the Senate Committee on Armed Services which has submitted a report entitled "Twenty-seventh Report of the Preparedness Subcommittee of the Committee on Armed Services, United States Senate, under the authority of Senate Resolution 18, Eighty-second Congress."

This report tells a terrible story of bureaucratic bungling typical of the Truman administration. I quote from this report:

TUNGSTEN, 1951

I. INTRODUCTION

On occasion the operations of some of the Federal agencies bear an unfortunate resemblance to a children's game of blind man's buff—with all the players blindfolded.

Two or more bureaus with separate but related functions will grope for each other in the dark. They will stumble over obstacles, paw at thin air, or just stand still in bewilderment. Usually, they get farther and farther apart as their search for each other becomes more frantic.

Finally, somebody is tagged as "it," and the blindfolds are removed for a few precious minutes of daylight. It is then discovered that what the players have tagged is the public welfare. When the agencies are defense agencies, "it" turns out to be the Nation's security.

Such is the story of tungsten.

Here were two agencies—the Munitions Board and the Department of the Army. Each was the child of a parent organization, the Nation's Defense Establishment. Each had an important defense responsibility involving a vital metal—tungsten. Each had the clear obligation to work together for the national security.

Yet, though both were housed in the same building, these two agencies, so far as tungsten problems were concerned, acted as though they had never been introduced. They might as well have been separated by impenetrable barriers and thousands of miles instead of thin partitions and a few steps down a corridor.

The Army had an important program—the development of armor-piercing shells—which required large amounts of tungsten. The Munitions Board had the responsibility of stockpiling the metal lest America's supplies be suddenly cut off.

It would be difficult to picture a situation crying more loudly for the closest cooperation. The armor-piercing shell development, the so-called core program, was a foundation stone of the Nation's military plans. The stockpiling was absolutely essential since the major sources of tungsten were overseas, particularly in China, and could readily be cut off.

The two agencies had merely to get together, decide how much was needed, and ask Congress for the appropriations.

And yet, for nearly 3 years no one, absolutely no one, informed the Munitions Board of the amount of tungsten required for the Army's core program, and the Board made no effort to find out about it. The two agencies seem to have been playing blind man's buff.

Meanwhile, nobody was storing up tungsten.

When they finally got together, it was too late. China, the principal source, was just about ready to fall into the hands of the Communists.

VII. SUMMARY AND CONCLUSIONS

Our Nation's tungsten position is little short of desperate.

Almost overnight, we have been cut off from our major sources of this metal which is so essential in peace and so vital in war. Those sources are the rich reserves of the Far East which we have lost through the Communist conquest of China, the bloody conflict in Korea, and the ceaseless guerrilla fighting in southeast Asia.

At the same time, our tungsten coffers, which should have been filled to the high-water mark against just such a contingency, are down to the danger point. We face the lean years without the comforting fat we should have accumulated in the days of plenty.

The price we will pay for our sins of omission will be high—very high.

We can increase our production; we can dip into our stockpiles; we can buy from what is left of the free world. But the harsh, inescapable fact is that we can foresee nothing short of a miracle that will produce enough tungsten for the combined essential needs of ourselves and our allies.

This gloomy picture flows in large part from the inexcusable failure of two agencies—both part of the same organizational set-up, both housed in the same building—to work together effectively in determining the requirements for tungsten in its largest military use—the core program. We are referring to the Munitions Board and the Department of the Army.

The facts of the situation are clear and unmistakable.

The Army had a program to develop high-velocity, armor-piercing shells with tungsten cores. These were the projectiles which had proven themselves in the Battle of the Bulge and upon which were based a large share of the military's antitank tactics.

At the same time, the Munitions Board was charged with the responsibility of piling up stocks of strategic materials to see this country through an emergency period. That responsibility was stated directly by Congress when it passed the Stockpile Act of 1946.

Meanwhile, the supplies of tungsten were available almost for the asking. Prices were either declining or, in periods when they were rising, rising much less rapidly than other strategic materials. China, with reserves which could supply the needs of the entire world, was under the control of a friendly government.

Nothing was needed but agreement—agreement and activity.

Yet, incredible as it may seem, these two agencies did not get together on the question. The Army neglected to tell the Munitions Board about its core requirements and the Board neglected to take any step to find out about it. Each acted as though the other were a distant—and somewhat unpopular—cousin.

This "see nothing, do nothing, speak nothing" attitude has jeopardized one of this country's more important defense programs—the development of armor-piercing shells.

During most of the period under discussion, the Munitions Board operated on the basis of stockpile objectives which were set in 1944 and bore no relationship to tungsten cores for shells. Even so, it made no purchase commitments until August 1948, and that commitment was grudging.

The 1944 objective was not changed until late in 1948 when a larger, though still inadequate, goal was set. But actually, the picture was still far from encouraging. The Board's efforts to stockpile tungsten were slow and halting and at no time did acquisitions catch up to schedules.

It is true that stockpile objectives were raised again in July 1950, and still again in November of the same year. But stockpile objectives are a far cry from stockpiles of tungsten. By the time realistic goals had been set, demand had risen and supply had fallen and the world market had experienced a sharp price increase.

In addition to bureaucratic blindness on the stockpile objectives, there are other reasons for our currently bad tungsten position. One was the failure of the Munitions Board to reexamine specifications. As a result, precious tungsten was rejected because it did not meet the standards of normal times. It was not until 6 months after the start of the Korean war that the Board advised GSA to buy lower-grade metal which could be brought up to par by retreatment in the United States.

Another contributing factor was the failure of the Board to make up its mind upon the storing of semifinished products like ferrotungsten, metal powder, and carbide. For years, it had been advised by experts in the strongest possible terms to take this step. Yet, there was no attempt until October 1950, even to acquire the facts upon which an intelligent decision could be based.

While the Munitions Board dawdled idly over the tungsten stockpile, the Army played its own game of hide-and-seek with a potentially valuable proposal. It was the offer of a new process devised by Mr. K. C. Li, Wah Chang Corp., for the production of tungsten carbide.

Mr. Li, considered by many to be the outstanding expert in the tungsten field, stated that his process would save both tungsten and time in the manufacture of tungsten carbide. That was probably his great mistake. The Army may have been interested in saving tungsten, as we have no evidence to the contrary. But it certainly was not interested in saving time.

After 2½ years of study, the Army concluded that the samples submitted by Mr. Li were too small for conclusive results. It requested larger samples and, after an additional 6 months, came to the conclusion that the process was "economically undesirable."

The subcommittee is not fighting the battle for the tungsten carbide production process advanced by Mr. Li. But it does feel that on a subject matter of such great importance, it would have been possible to reach a conclusion in less than 3 years. It is doubtful whether we would have that much leeway on the battlefield.

The Li incident is typical of the slow, back and forth, up and down, in and out approach of the defense agencies to the challenge presented by the shortage of tungsten. It is difficult to discern anything resembling a program between the sluggish coils of bureaucratic red tape.

Taking into consideration all the circumstances, reasonable men would expect the United States Government to have a policy for stimulating both domestic and foreign production. However, reasonable men are frequently disappointed in their expectations. There is very little in the line of a well-rounded domestic program and less than that—in fact, nothing—in the line of a foreign program.

The domestic program is based primarily on the establishment of a high ceiling price of \$65 a short-ton unit and a 5-year Government guaranteed floor plan of \$63 a short-ton unit. Both the Office of Price Stabilization and the General Services Administration opposed the application of this price range to all mines but were unsuccessful in their efforts. Both ultimately had to capitulate to the views of the Defense Minerals Administration. The wisdom of their capitulation is open to question in view of the statement of Dr. Boyd, Administrator of the Defense Minerals Administration, in his letter of June 5 that the "\$65 price is considerably in excess of any floor price necessary to encourage the expanded production from projects we then had under consideration."

It is too early to pass final judgment on the effectiveness of the domestic program. But at a later date, the subcommittee will undertake a further survey to determine how the results compare with those achieved in World War II under more flexible policies.

Apparently, the Defense Minerals Administration has been too preoccupied with domestic problems to formulate a foreign program. Purchases from abroad are on a hit-or-miss basis and conducted by a number of companies in no position to stimulate production. Furthermore, foreign prices are so high it has been almost impossible for any new purchases to be made within the limits of our ceiling prices. Undoubtedly, foreign prices have been kept higher than necessary to stimulate production abroad by our own high ceiling and floor prices. As a consequence, the cost of our preparedness program will have been increased unnecessarily for years to come.

The subcommittee believes that the failure to inaugurate a comprehensive foreign buying program has needlessly threatened our preparedness program. It is our opinion that steps should be taken at once to make the United States Government the sole importer of tungsten. Only thus could we coordinate our foreign buying with a view to an expansion of production through agreements with other governments.

I have gone into this in great detail, not that I am going to oppose the bill, because we must have this tungsten, but the blood is on the hands of this Congress if we do not do it. We simply have to do it. But this indictment of the Federal agencies by another body and for which we are not responsible, indicates the laxness of the defense organization in time of war.

Mr. ENGLE. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from California.

Mr. ENGLE. I would very much appreciate it if the gentleman would explain to the House how this bill is going to increase the total amount of tungsten coming into this country, because I understand the stockpiling people here in this country now buy without reference to the import duty and in addition buy without reference to the ceiling price. In the light of those two facts, and I believe they are facts, how is relieving this import duty but still keeping importations under the ceiling price going to increase the amount of tungsten imported?

Mr. REED of New York. I think you will find that each member of the committee will tell you, if you were to inquire of each of them, that it is only a legislative leap in the dark. We do not know that it will increase the im-

portations, but the situation is so desperate that if there is any possibility that it will increase the supply of tungsten then we ought to take this action.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Arkansas.

Mr. MILLS. At the same time, the committee is convinced that the bill will not do harm to domestic producers.

Mr. REED of New York. That is what the domestic producers have told us, at least.

Mr. ENGLE. If the gentleman will yield further, may I observe that domestic producers as far as I know are not concerned particularly about the bill except that it is a precedent that may come into operation later.

I especially want to commend the committee on adopting the amendment it did and which, I understand, was offered by the gentleman from Arkansas [Mr. MILLS].

I thank the gentleman very much.

Mr. REED of New York. I thank the gentleman for his contribution.

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER], a member of the committee.

Mr. EBERHARTER. Mr. Speaker, the gentleman from New York [Mr. REED] devoted most of his talk to criticism of the actions of the administration in the past for not sufficiently stockpiling tungsten. I deplore the fact that we do not have a sufficient stockpile of tungsten. I think everybody interested in the welfare of our country deplores that fact. But, I do not think that now is the time to take up the time of the House criticizing something which altogether cannot be blamed upon the administration. I have before me, figures which show that the responsibility largely rests upon the Congress of the United States in that it failed to follow the recommendations of the President in appropriating sufficient money for this stockpile program.

Mr. Speaker, in 1947, the President recommended \$250,000,000 for stockpiling. The Congress of the United States only appropriated \$100,000,000. In other words, the Congress of the United States cut his recommendation \$150,000,000 in 1947. In 1948, it cut the President's recommendation \$50,000,000. In 1949, it cut his recommendation \$60,000,000. In 1950, it cut his recommendation \$39,000,000, and even in 1950 and 1951 they cut his recommendation \$36,400,000.

Mr. Speaker, I deplore the fact the same as every Member, as I said before, that we do not have sufficient tungsten. I just do not think we ought to blame everything on the administration, and those who were in charge of the stockpiling program. Some blame attaches to this Congress. I am happy to say, that because the stockpile program was not in good order, a few months ago a change was made in the responsibility for the program, and we are hoping for better results in the future. The simple fact is that we are in a very bad way. That is well known, and I am not divulging any secrets when I say that. We

must do everything possible to correct the situation. This measure is one, and I am happy that both sides are supporting it, which might correct the situation. There is no guaranty of it. Nobody who appeared, the administration or those interests who appeared in favor of the bill, guaranteed that it would have results, but it was said there is a possibility that there may be some good results from it. It behooves us, in my opinion, Mr. Speaker, at this time, to take any step which possibly might be of benefit in helping to preserve our country, our sovereignty, our freedom, and liberties so that we may go forward toward the establishment of a truly civilized world.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a table.

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

There was no objection.

The table referred to is as follows:

Stockpile budget authorizations, fiscal years 1947-51

[In millions]	
	New appropriations
Fiscal year 1947:	
Presidential recommendation.....	\$250.0
Enacted Aug. 8, 1946.....	100.0
Total.....	150.0
Fiscal year 1948:	
Presidential recommendation.....	150.0
Enacted July 30, 1947.....	100.0
Total.....	50.0
Fiscal year 1949:	
Presidential recommendation:	
Regular.....	285.0
Supplemental.....	40.0
Total.....	325.0
Enacted June 25, 1948.....	225.0
Enacted June 23, 1949.....	40.0
Total.....	265.0
Fiscal year 1950:	
Presidential recommendation.....	314.0
Enacted June 30, 1949.....	275.0
Total.....	39.0
Fiscal year 1951:	
Presidential recommendation:	
Regular.....	400.0
First supplemental.....	1,600.0
Second supplemental.....	1,834.9
Total.....	2,834.9
Enacted Sept. 6, 1950.....	365.0
Enacted Sept. 27, 1950.....	1,598.6
Enacted Jan. 6, 1951.....	1,834.9
Total.....	2,798.5
Total recommended 1947-1951.....	
	3,873.9
Enacted 1947-1951.....	3,538.5
Total.....	335.4

¹Includes \$26 for the reactivation of National Industrial Reserve.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, this measure, I think, it all right. But, I do not think it will do very much good, nor do I think it will do any harm at the present time. Let us get our facts straightened out on this metal and matter of stockpiling. In 1940, there was not a pound of tungsten produced in America. There was not a mine in operation in this country. The old stockpile subcommittee of the old Military Affairs Committee went to the President at that time and asked for a couple of million dollars, I believe, out of his emergency funds to open up the Yellow Pines Mine, which at that time the State geologists out there said was good grade ore. But any way we opened it up, then we started a very intense program to find out where we could find some tungsten in this country.

We developed and opened five or six mines. One of the largest producing mines is at the edge of the Roanoke River, between North Carolina and Virginia. Every mine in this country operated from 1946 to present date. We bought and put into the stockpile every pound of tungsten ore produced in this country. We also contracted for all of the tungsten we could contract for off shore.

Now, what is the situation? It simply was not delivered by China. Contrary to some of the things that have been stated, the Chairman of the Munitions Board reports to the subcommittee every 30 days, and the report has come to that committee continuously for some time in the past. When they were about to stop stockpiling tungsten, in 1946 and 1947 we went to them and asked them to continue stockpiling tungsten, and they did continue to stockpile and buy every pound of tungsten that was produced in this country, and it kept the mines open. Thank God we did that, because if we had not you would be in bad shape today, because Mr. Chiang Kai-shek simply did not deliver on his contract. Where did the other come from? A little came from Korea. We know what the situation has been there ever since the Japanese took it over. It has been in a state of confusion and nothing has been produced. A few pounds have been coming in here and there, but it has been small compared to what we need.

Now, when we criticize, let us criticize on the basis of some reason for it. I do not believe anybody could be held responsible today because the tungsten simply did not exist. It did not exist in the world. If anybody can prove to the contrary, very well, but I think I know what I am talking about.

This domestic program which we set up in this country is satisfactory to our producers. It is the only one, I believe with the possible exception of one other, that has been signed by the Defense Production Board since the passage of the Defense Production Act more than 14 months ago. It is ridiculous. Something has to be done if we expect to get domestic production in this coun-

try. Lead and zinc and manganese are in just about as bad shape as tungsten. Why all the talk about tungsten today? It has become one of the most important metals. It is high B. t. u. resistant, and that is important. All or many atomic-energy operations require high B. t. u.-resistant metal. Tungsten is one of them. So I believe that this measure today will probably stimulate some exploration to find some mines somewhere in the Western Hemisphere. I certainly hope it will. I think it is worth the price. We will only lose the import duty, which is around \$7.93. The importer is going to get the world price for whatever he can find today, which is \$84 per ton of tungsten trioxide. With reference to our domestic producers, when the world price of tungsten was \$84 a ton they went down and signed a contract for \$63 a ton. Now that is real patriotism. Whenever they get into a jam we should support them as we did in 1947 to keep the mines open and producing.

You western people should be concerned about this. I have no mines down in my section, but I have spent much of my time in this House in an effort to try to keep the strategic stockpile up to a position where we would be safe.

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

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. DURHAM. I do not like to stand here and criticize, but I like to do something about putting the stockpile in a position where it will be of some help when we need it. We did not get all the money requested, but the Congress has been very fair, always supported this program. Once or twice we have been cut; I do not remember the exact amounts. I suppose the gentleman is correct in his figures, but we have not been cut very much because this was one measure that was passed unanimously by the House in 1946 and passed by the Senate without a single vote against the bill, and it has worked very well. That is the act of 1946. We are going to feel the pinch next year; there is going to be very little metal in this country for domestic use, and we are going to really feel the pinch about 12 months from now. We are going to wish we had done something about it.

The gentleman from California and I made an investigation and met with the Chief Executive a few months ago to try to solve this problem and see if we could not do something about it. He set up the agency under Mr. Jess Larson, a very conscientious man, and a very good choice, and also Mr. Young, who knows as much about mining as any man in this country. If we support them they will really get the program going and keep people off of us here whenever they want a keg of nails or a few pounds of steel; if they do not have the power under the recent order setting up this agency we should give it to them by law.

The result of this program is that today we have built up a stockpile since

1946 that is worth probably \$6,000,000,000. If we want to sell it tomorrow we could easily sell it for \$6,000,000,000. It has cost us somewhere between \$2,500,000,000 and \$3,000,000,000, but we can sell tomorrow if we want to at \$5,000,000,000 or \$6,000,000,000. It has not been a bad investment. So before we become so critical let us do something constructive, because this is the very heart of our defense program. Material is not only scarce and hard to contract for here in America but you find about the same situation in any part of the world.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, usually when we consider reducing a duty we expect that the public that buys the goods concerned will be able to buy them cheaper; and, conversely, when we increase a duty we do it for the purpose usually of increasing the production of goods here at home; in other words, we give some protection to the domestic producer in the hope that he will be able, through the operation of the free-enterprise system, to produce more of the goods and help us take care of our needs. Here, however, we are today considering taking the duty off a material which we need vitally in this hour of war and we are taking it off right in the face of a certainty that as a result of taking it off we will not get any more tungsten from abroad.

You should know that as of today we have a department of our Government, quite properly in view of the dangerous situation in the world, buying tungsten wherever it can get it and paying whatever is required. That tungsten is brought in here and included in our stockpile which, unhappily, is too low. Taking this duty off, of course, will not affect that matter, because Mr. Larson, I believe, heads that branch of the Government. He is, I am informed, doing a good job in buying tungsten and paying whatever is necessary. I wonder, then, just why we are here, how it is that by removing the duty we will help the great potential source of tungsten so vital to the welfare of our country, how will we improve the domestic production? Can we improve it by removing this duty? For we must remember that out of our own soil must come the tungsten which we must have in the event of an all-out war when the potential sources from overseas are gone to us.

I see nothing in this bill that will bring into the country an additional pound of tungsten, unless, as is stated on page 4 of the report:

It is expected also with suspension of duties, American importers will be in position to encourage expansion of foreign production through furnishing technical assistance by way of loans or advances made in connection with purchase contracts.

I do not know just what that means. It means probably to advance money to some foreigner to improve production in his own mines, to which my answer is: Why not advance that additional money right here at home and encourage the production right here?

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Montana.

Mr. MANSFIELD. I am interested in what the gentleman has had to say just now because in Beaverhead County, Mont., they have uncovered what I think may well turn out to be the biggest tungsten deposit in this country. I wanted to ask the gentleman from North Carolina about that but unfortunately his time was so limited that I could not. Will the gentleman tell us what can be done to encourage these small mine operators down there who develop their properties to such an extent they can overcome the difficulty which I understand exists due to the fact that two outfits, the Wah Jung Co. and the Vanadium Corp. of America, have processes which allow them to refine tungsten to such a degree they can get the Government guaranty of \$63 a ton, whereas the smaller producer will get \$25 to \$30 a ton?

Mr. SIMPSON of Pennsylvania. I do not know the answer to that question, but I do know that right here within our own country we can solve a problem of that nature and if we know the ore is here, as we do, we can handle economic problems far easier than we can to send our money abroad and spend it abroad in an attempt to develop a source overseas.

Mr. ENGLE. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from California.

Mr. ENGLE. Previously I asked the gentleman from New York if he could state why a foreign producer would sell on the American domestic market when the stockpile is already buying without reference to ceiling price and without reference to duty? I cannot understand why any foreign producer would try to sell on the domestic market when he knows the stockpile people are buying all the tungsten they can get and are buying it without regard to ceiling price and without regard to duty.

Mr. SIMPSON of Pennsylvania. Of course, he is not going to sell it for domestic use. He is going to sell it for stockpiling and get whatever price the Government will pay, which is not limited to the \$63 a ton.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. REED of New York. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, reference is made in the report to the International Materials Conference. I do not know much about that, but I do know it is an international group which has authority to allocate strategic materials, including tungsten, among the different nations of the world. I do not know just what that conference will do to the tungsten which we have on hand or which we may get later on, but I do know that that conference does have the authority to take from the United States tungsten which we have on hand and allocate it to some other country, a

member of the International Materials Conference. We should know more about that. We have, it is stated in the report, assurance that the allotment to the United States, if you please, by this International Materials Conference will exceed any possible domestic production. Does that mean that this international group will permit us to import or just what does it mean? I want to know. I want my country to get, if at all possible, all of the tungsten it needs domestically and I believe we can do so if we will first of all encourage production here.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Speaker, I want to make this statement. All of us who believe in a protective tariff brought out in the hearings that it would take on an average about \$25 to \$30 to produce a ton of tungsten where it can be produced and we felt if we have this provision in the bill which provides that if in any month it falls below \$63 a ton or unit we have a price there that whenever the commodity can be bought for less than \$63 a ton, the duty would go up.

Mr. SIMPSON of Pennsylvania. Yes. That is a protection for the American producer at the price of \$63 per ton.

Mr. DOUGHTON. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, first I want to commend the committee for bringing this bill to the House. I think it is a proper bill. I think it is one that should be enacted.

But, I want to take this time to comment upon a similar matter. For the past 10 years I have had pending a bill to impose a duty upon the importation of tung oil, which is also a strategic war material and upon which this country has been dependent for many years on foreign sources. Several years ago I succeeded with the cooperation of the Committee on Agriculture, in convincing the Congress that some day we were going to be dependent upon Russia, our potential enemy, for this strategic material, and that we would be unable to get it. That is where we are today. Now tung oil trees grow in China. They grow along the coastal plain from Florida to Texas on the Gulf of Mexico in this country. That is the only place it will grow in this country.

The Congress gave a support price for this material because it believed that we were going to be dependent upon Russia. It has now developed that we are dependent upon Russia for the excess of our needs over the domestic production.

We all realize that in normal times in this country we cannot compete with coolie labor in China for the production of tung oil. Therefore, if this were an open rule, if the parliamentary procedure were different here, I would ask this House to impose a duty upon tung oil in this bill. I have endeavored to get such an amendment on another bill that preceded this one, without success. The amendment that I have asked for would

simply do for tung oil what this bill does for tungsten. It would provide that only in the event the domestic price of tung oil fell below the support price would the duty of 7 cents be imposed. In other words, both the Treasury and the United States and the national defense would be protected by the imposition of such a duty and by the adoption of such an amendment.

Mr. Speaker, I propose to follow this up. I have a bill pending now before the Committee on Ways and Means. I am sorry we could not get it in this bill under the proper procedure, but we should have it in the future.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. JENKINS. Can the gentleman tell me the qualification that makes tung oil especially valuable?

Mr. COLMER. Tung oil is the finest drying oil known. It is used extensively in waterproofing electrical equipment. The Navy alone uses all of the tung oil produced in this country. Therefore it is a strategic material.

If time permitted I would like to go back into the history of the thing just briefly how we started producing tung oil. We started growing tung-oil trees in this country in World War I when we were dependent upon China. We revived it in World War II. It will cease again before World War III if we do not give it some protection.

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to proceed out of order.

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

There was no objection.

Mr. STAGGERS. Mr. Speaker, I was shocked, as I know the other Members were, when they read on the news ticker today that a gas explosion in the Bunker Mine of the Trotter Coal Co., near Morgantown, W. Va., had killed, at last report, 10 miners. I know that we all pray that later reports will not add to the death list.

The dead are residents of my district and I send to their bereaved families my deepest and most personal condolences. I know that my colleagues join with me in paying their respects to these people who are suffering so greatly today.

Those who go down in our mines to bring out the coal for our homes and our industries are courageous and patriotic Americans. They labor hard in our earth so that we may have warmth and the power to keep our transportation and industries running.

We have made great strides in providing better and safer working conditions for those who form so vital a part of our labor. But disasters such as we have had today in Morgantown bring forcefully to our attention again the need for continual reexamination of our mine-safety laws and the other acts which contribute to the well-being and safety of our miners. It is too late to do

anything after the disaster has occurred. Congress should give immediate attention to legislation now pending in committee to amend and strengthen our present laws.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H. R. 5248?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

IMPORTATION OF TUNA FISH

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5693) to amend the Tariff Act of 1930, so as to impose certain duties upon the importation of tuna fish, and for other purposes, with amendments as reported by the committee.

The Clerk read as follows:

Be it enacted, etc., That (a) paragraph 717 of the Tariff Act of 1930, as amended, is amended by adding at the end thereof the following new subparagraph:

"(d) Tuna fish, fresh or frozen, whether or not packed in ice, and whether or not whole, 3 cents per pound."

(b) Paragraph 1756 of the Tariff Act of 1930, as amended, is amended by striking out "Sea herring, smelts, and tuna fish" and by inserting in lieu thereof "Sea herring and smelts."

(c) The amendments made by this section shall apply only to tuna fish entered, or withdrawn from warehouse, for consumption, on or after the thirtieth day after the date of the enactment of this act, and prior to April 1, 1953.

Sec. 2. The United States Tariff Commission is directed to undertake an investigation of the competitive position of the domestic tuna industry, including the effect of imports of fresh or frozen tuna fish on the livelihood of American fishermen, and to report the results of its investigation to the Congress on or before January 1, 1953. Such investigation shall be made after due notice and opportunity for hearings to interested parties. The report of the Commission shall indicate the facts relative to the production, trade, and consumption of tuna fish in the United States, shall take into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers, and shall indicate the effect upon the competitive position of the domestic tuna industry of the rate of duty imposed by this act, so as to assist the Congress in determining what change, if any, shall be made in such rate of duty.

Sec. 3. The Secretary of the Interior shall make a comprehensive study of the long-range position of the domestic tuna industry and recommend such measures as may be appropriate to promote necessary adjustments so that the industry may achieve and maintain a sound position in the domestic economy. In making his study the Secretary of the Interior shall consult with other interested officers and agencies of the Government and may seek information and advice from any other source he deems appropriate. A report of his study and recommendations shall be submitted to the Congress on or before January 1, 1953.

The SPEAKER. Is a second demanded?

Mr. HOLMES. I demand a second, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

Mr. DOUGHTON. Mr. Speaker, the critical situation of the domestic tuna-fishing industry was first called to my attention by the gentleman from Arkansas [Mr. MILLS], the gentlemen from California [Mr. KING and Mr. MCKINNON], and the gentleman from Washington [Mr. HOLMES]. Since eight bills had then been introduced to impose a tariff on fresh or frozen tuna, and since several members of the committee were engaged in the conference on the tax bill, I decided to establish a subcommittee to look into the problem. This subcommittee, with the able and distinguished gentleman from Georgia [Mr. CAMP] as chairman, conducted hearings to receive the report that had been requested from the Tariff Commission, the Fish and Wildlife Service of the Interior Department, and the Department of State.

After reviewing all the bills that had been introduced and the testimony at the hearings, the subcommittee unanimously recommended to the Committee on Ways and Means that legislation be enacted to provide a temporary duty on fresh or frozen tuna fish of 3 cents per pound pending the completion of exhaustive studies of the domestic tuna industry by the Tariff Commission and the Department of the Interior.

As set forth in the committee report on the pending bill, the Department of State appreciates "the unique nature of the situation, the compelling prima facie case of injury shown in this case, the temporary character of the duty and the basic studies which are to be undertaken," and accordingly the Department concludes that the proposals contained in H. R. 5693 are not unreasonable.

Since prompt action is necessary if the needed relief is to be effective, this bill should be passed without delay.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. CAMP] to explain the provisions of the bill in greater detail.

Mr. CAMP. Mr. Speaker, the situation confronting the domestic tuna fish industry was very thoroughly canvassed by our subcommittee. At the outset I wish to thank every member of it for the fine work that was done.

Our investigation shows that the consumption of tuna fish in this country has grown very rapidly, as has the amount of tuna which domestic fishermen have been able to catch. But since the end of the last war, since 1945 to be exact, the importation of this fish has grown from 15,000,000 pounds until this year it will reach more than 80,000,000 pounds. Tuna fish is on the free list. There are no trade agreements, or other treaties which interfere with our imposition of some tariff or some import duty on it. We found that last year, our own fisheries produced some 400,000,000 pounds but because of the growing importations, one by one these fishing vessels have tied up at the docks until now of the 235 ships that are engaged in this trade, all but 3 or 4 are tied up. The price of fresh or frozen tuna has dropped from 31 cents per pound in 1939 to below 15 cents at the present time. At the present price, which has been forced

down by these importations, our domestic tuna fishing fleet cannot go out to sea. So they are tied up in their home ports.

The result will be, unless we have fish brought into this country from foreign countries, the supply will be endangered, and also if this protection is not granted or something is not done, we may find our tuna fishing industry destroyed.

These vessels of the tuna fishing fleet cost anywhere from \$100,000 to upward of a million dollars each. They are built especially for tuna fishing, and cannot be used in other types of fishing.

Mr. GROSS. Can the gentleman say whether this drop in the price was in the retail price?

Mr. CAMP. I will get to that point.

Tuna fish is not consumed as a fresh fish. All the tuna fish imported into this country, or produced by our domestic fisheries, is used in canning. The product is all canned. We have an import duty of 45 percent ad valorem on canned tuna fish in oil. That was lowered to 22½ percent under a treaty we made with Mexico, but the Mexican Treaty expired on January 1 of this year so it has restored this 45 percent ad valorem rate. There is a 12½ percent ad valorem rate on tuna fish canned in any other way than in oil. There is no other way that we know of that it has ever been canned except in brine. Since the Mexican Treaty expired, the importations of tuna fish in oil has very greatly dropped. The importations of this tuna fish in brine has rapidly increased about 400 percent in 6 months. We had a Tariff Commission representative with us in this study. We had the Department of the Interior representatives from the Fish and Wildlife Division, who by the way are making an intensive study in the tuna fishing industry. They have ships now in the North Atlantic area, where they have found sufficient schools of tuna to lead them to believe that an industry may be built there. We had also with us representatives of the Department of State. There were six bills, none of which provided a rate of tariff less than 5 cents per pound. After we had studied the proposition, we thought that some rate which would insure enough importations to keep the canneries going and at the same time, if possible, protect our domestic fishing fleet, should be established, and we arrived at the figure of 3 cents a pound. This bill provides that this rate shall be imposed 30 days after the passage of the bill, and expire on April 1, 1953. In the meantime we are directing the Tariff Commission and the Department of the Interior to make a complete study of this situation and to report back to the Congress on January 1, 1953. By having this rate imposed they can get some idea of how much it does protect the domestic industry including the canners. They can tell us whether it is too much or whether it is too little. It gives them a better basis for study by having the imposition of this tariff than they would otherwise have.

Mr. Speaker, there are others who are interested in this subject and who are acquainted with it.

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

Mr. CAMP. I yield to the gentleman from Iowa.

Mr. GROSS. You say that the price of tuna fish has dropped from 39 to 15 cents a can?

Mr. CAMP. No, sir. I said from 31 cents a pound in 1939 to 15 cents a pound at the present time. It takes about 2.3 pounds of this raw or frozen tuna fish to make a pound of canned tuna.

Mr. GROSS. What I am getting at, is the consumer of this country getting the benefit of this terrific drop in price?

Mr. CAMP. Well, this is the price to the canners. That is one of the studies which we shall have to make.

Mr. McKINNON. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from California.

Mr. McKINNON. During the last 5 years, while the cost of living of all food products has increased by 19 percent, the price of canned tuna has declined by 16 percent.

Mr. GROSS. At retail?

Mr. McKINNON. At retail; yes, sir. It is one food product that is going down in price with all other food products going up in price.

Mr. CAMP. Most of the canners of tuna fish are along the Pacific coast. There are some 45 canners in the country. Most of them are in California. Some are in Washington and Oregon. There is one in South Carolina, and a new one being built at the present time in Mississippi.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Washington.

Mr. HOLMES. Is it not a fact that when the committee set this specific duty of 3 cents a pound on fresh and frozen tuna it was endeavoring to the best of its knowledge to hold the balance between the fishermen and the fishing fleets of our country and a chance of doing any business and at the same time not jeopardizing it by increasing the price of canned tuna?

Mr. CAMP. Exactly so. That is exactly the situation. With the advice of these experts who were with us we thought this was as high as we could go without perhaps causing an increase in the price of canned tuna to the people. But we felt that this might protect the domestic fleets. In fact, representatives of the fishermen said that they think they can go back to sea if we give them this protection.

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

Mr. CAMP. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is saying that this will not increase the price to the consumer?

Mr. CAMP. We do not think it will, but, of course, as I told you, that is a study that has to be made. I thank the gentleman for his contribution in asking me that question.

There are many complications in a matter of this kind. We are getting 45 percent of these fish from Japan.

Twenty-six or twenty-seven percent is coming from Peru. I think Costa Rica is next in importance, and we are getting some from Canada. But if we expect to insure a domestic supply, which you see is threefold, we must do something to get that fleet back to work.

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

Mr. HOLMES. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Speaker, I am very sorry to see a bill of this importance to certain segments of the fishing industry passed under a suspension of the rules, because it is admitted that it requires a lot of further study, and it has to do with an infant industry that has been growing and increasing through the years and is developing very rapidly. Unfortunately, there is a sectional question that enters into it. I know how we all dislike sectional things, and that is one reason I think this bill should not be passed under a suspension of the rules, but should be given further study.

The whole industry is relatively young; and, as has been said before, principally in California and on the west coast. What is not generally known and what is apparently not fully appreciated by the committee that I am sure is giving this matter very serious study, is that there is an important branch of this infant industry springing up on the eastern seaboard. There are several important producers of canned tuna along the North Atlantic and central Atlantic coast. Two or more of them happen to be located in my own district, so I have some personal knowledge of their problems. There is no tuna catching industry on the east coast.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. HALE. Tuna fishing is a great sport off the coast of Maine, and many tuna are caught.

Mr. MILLER of Maryland. I know, but they are not caught commercially as I gather not only from a hurried study of this bill, but from my work as a member of the Fish and Wildlife Subcommittee. As I understand, and I am very glad to be corrected if my understanding is wrong, while tuna is an important item in sport fishing, there is no continuous supply of tuna moving into eastern ports brought in by American-owned ships and American bottoms on the Atlantic seaboard. The result is that these packers are dependent on tuna from South America, and they have had a very successful and rapidly developing industry which is particularly important to many of our packers along the coast, because it fills in the gap when local supplies of fish, oysters, and crabs are not available. This bill would inevitably tend to increase the cost of sea food when we are trying to bring it down. As has been stated, probably the real trouble with that industry is the fact that the salt brine packed tuna is admitted too easily. I think that has had more to do with hurting the tuna market and reducing demand because the inferior product

tends to discourage people from buying tuna and also has upset the market far more than the bringing in of fresh tuna.

It may be that something should be done for fishermen on the west coast, but I submit that we also have to think about the processors and the many working people who earn their livelihood out of the sea food packing plants on the east coast.

Mr. McKINNON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. McKINNON. I agree with the gentleman that we should think about all segments of the industry, but I would point out to the gentleman that if the tuna canning industry did not have the 45 percent ad valorem duty they would be driven out of business by the Japanese, Peruvians, and other importers of canned tuna; they would put the industry completely out of business. They had almost done that in 1950 when we increased the tariff from 22 percent to 45 percent. The effect of that was an immediate decrease of foreign shipments which had been taking the domestic market away from the fishermen. What is fair for the cannery is fair also for the fishermen themselves and what we are asking is not a tariff increase to 45 percent ad valorem but only to a little over 18 percent ad valorem.

Mr. MILLER of Maryland. I agree that protection is needed for processed tuna. My trouble is that some of our people have not had their day in court as to the effect of a duty on fresh tuna and that is why I do not like to see this bill passed at this time.

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. HOLMES. Mr. Chairman, I yield the gentleman one additional minute.

Mr. MILLER of Maryland. Mr. Speaker, I would like to read from a letter I received from a substantial producer in Maryland with reference to the passage of this bill:

We are opposed to the passage of H. R. 5693 because the infant tuna packing industry on the Atlantic Coast must depend on imported tuna, frozen and unprocessed, for practically its entire supply. No local supply of any consequence is now available on this coast, and, if eventually it is determined that tuna can be caught in sufficient quantities it will be several years before the proper tuna boats can be provided to justify the industry. Frozen tuna delivered to our plant costs us the same as that which the west coast canners pay. With the proposed duty in effect we will be out of competition with other segments of the industry, or, our suppliers will be forced out of business because of the reduction in the net price to them.

Our tuna is purchased from the west coast of South America, shipped frozen and unprocessed to us in American ships and processed by our labor.

Under the above circumstances, we feel it is unfair to penalize and destroy our tuna industry on the Atlantic coast by imposing the \$60 per ton import duty proposed in H. R. 5693.

Mr. HOLMES. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, I had hoped that when this bill was brought before the House we would have the

support of every Member present and that we would all get behind this very worth-while measure.

Some time ago when the impact on this industry became apparent I made some personal study of the situation and wrote a letter to the President of the United States. He replied that there was no way in which his office could assist, that legislation was necessary in order to cope with the condition. I then took the matter up with the State Department to find out if the passage of a tariff on tuna would interfere with any international agreement or treaty that might be pending. I was informed by the Secretary that it would not.

So I prepared and introduced a bill and the bill which we have before us is patterned after the bill I introduced. The bill I introduced provided for 5 cents a pound tariff on fresh and frozen tuna. The committee in its wisdom saw fit to reduce that amount to 3 cents. I believe that this tariff will give some protection to this industry. On the Pacific coast our fishermen have harvested as high as \$12,000,000 worth of tuna a year. I was not aware that the tuna industry was developing on the Atlantic coast, as indicated by my friend, the gentleman from Maryland [Mr. MILLER], but, in my opinion, this law will assist and aid the industry on the Atlantic coast.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from California.

Mr. HINSHAW. May I say to the gentleman from Maryland [Mr. MILLER] who took the floor a moment ago that when he remarked that at the present time they are paying the same price for the import of tuna that we pay in our own canneries on the west coast the same would pertain in the future under this bill as in the past. They would still pay the same price on the east coast at the canneries that they pay on the west coast. I believe that his canneries are unduly alarmed. There would be no difference in what is paid by the canneries for the fish from South America.

Mr. SCUDDER. I thank the gentleman.

Mr. HINSHAW. The only thing it would do would be to help develop the tuna fishing industry, which would materially benefit his own district.

Mr. SCUDDER. That is right.

I support H. R. 5693, the passage of which will have a stabilizing effect, I am sure, on the tuna industry of the Pacific coast.

On September 12, I introduced H. R. 5308, which provided for a 5-cent-per-pound tax on imported fresh and frozen tuna. The committee bill which you are now considering, introduced by the chairman of the Ways and Means Subcommittee on Tuna Imports, Mr. CAMP, provides for a tariff of 3 cents per pound, and specified that the act shall be in effect until April 1, 1953.

Under this bill the United States Tariff Commission is directed to undertake an investigation of the competitive position of the domestic tuna industry, including the effect of imports of fresh and frozen

tuna on the livelihood of American fishermen, and to report the results of its investigation to the Congress on or before January 1, 1953.

Early this year my attention was called to the havoc that was being wrought upon the fishing industry on the Pacific coast by the importation of tuna fish. The tuna fishing and canning industry is a comparatively young industry, having a start in California about 30 years ago. At the present time they employ upward of 20,000 people in this industry and the annual catch is valued at \$12,000,000. Last year the catch amounted to 360,000,000 pounds.

I am informed that the imports have increased 1400 percent during the past 5 years. Imports during the first 7 months of this year amounted to 28,000,000 pounds. Half of this amount, 14,000,000 pounds, came in during the month of July alone.

The condition has become so bad on the Pacific coast that during the last 10 days the fishermen have had to set up markets of their own in order to dispose of some of their catch. This is not a proper function of the fishermen and they do not desire to invade the wholesale and retail fish business. Furthermore, the fresh sales is but a drop in the bucket, so to speak. Tuna is primarily a canning fish and must be disposed of for canning purposes.

When this situation came to my attention, I directed a letter to the President of the United States asking that this importation of fish be reviewed in the light of the escape clause in the extension of the Reciprocal Trade Agreements Act in order that adjustments be made to protect the industry. I received this reply:

AUGUST 31, 1951.

DEAR CONGRESSMAN SCUDDER: The President has asked me to reply to your letter of August 23 regarding imports of frozen tuna.

I am informed that frozen and fresh tuna may be imported free of duty under the provisions of the Tariff Act of 1930. Therefore the escape clause provision of the Trade Agreements Extension Act of 1951 is not applicable and congressional action is necessary if duty is to be imposed.

Sincerely,

JOHN R. STEELMAN.

I then took the matter up with the State Department to find out if a law exacting a tariff on tuna fish would violate any entry provisions as contained in existing treaties with foreign countries, and was advised that it would not. Therefore, I introduced H. R. 5308 on September 12, the day the House of Representatives came back into session after a short recess. I know of no legal obstacle that will stand in the way of enactment of this legislation.

I have had hundreds of letters asking that this legislation be passed and I respectfully urge the Congress to expedite this bill so that relief may become available to this hard-hit industry. Your favorable vote on this legislation will be appreciated by thousands of hard-working Americans who are engaged in the production of food during the critical period of our country's history.

I desire to insert in the RECORD at this point a letter from Thomas M. Erwin,

chairman, Committee on Fish and Game, of the California Assembly, also a letter of transmittal from Mrs. Harry Bienick, of Crescent City, enclosing a petition of some 500 people in Del Norte County alone petitioning Congress for the passage of this bill.

I also desire to insert a resolution from the Del Norte County Board of Supervisors.

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

There was no objection.

Mr. SCUDDER. The letters and resolution are as follows:

ASSEMBLY,
CALIFORNIA LEGISLATURE,
October 8, 1951.

HON. HUBERT B. SCUDDER,
Congressman, First District,
House of Representatives,
Washington, D. C.

DEAR MR. SCUDDER: On October 1, 1951, my committee on fish and game held a meeting with the tuna people in San Diego, Calif. At this meeting, we heard testimony from boat owners, banks, labor, fishermen, boat builders, and many others.

The testimony clearly indicated that unless some action is taken immediately, to protect the tuna industry from frozen tuna imports, particularly from Japan and Peru, the entire industry faces wholesale bankruptcy.

The committee has unanimously recommended that I contact all of California's elected representatives and request them to do everything possible to see that this large industry is protected from these imports.

Sincerely,

THOMAS M. ERWIN, *Chairman.*

CRESCENT CITY, CALIF., October 9, 1951.

HON. HUBERT SCUDDER,
House of Representatives,
Washington, D. C.

DEAR MR. SCUDDER: Enclosed herewith are five petitions which have been circulated in Del Norte County to support the request for assistance from Washington on the vital subject of tuna importations, and other problems confronting our fisheries industries. Another petition, unfortunately misplaced, contains the signatures of county businessmen which would bring number of names to over 500. It is with full confidence that we submit these petitions to you to offer support in the effort you are making to increase the United States fisheries industry rather than to decrease them by encouraging vast importations that offer unfair competition to us.

We are fishermen's wives from Crescent City Port who have actually circulated these petitions to give support to our friends who are working to help us in keeping our livelihood.

My husband owns the *Phyllis B*, and installed a Diesel motor himself which was very costly, in spite of his own labor. To date he cannot sell one single tuna in this port. We have five children, two in grammar school and one in high school, and we hope to give them all secondary as well as college education. With the picture of tuna and other imports today, this may not be possible. Mrs. Verne Hagar, Mrs. Bill Oheisler, Mrs. Leo Kosarek, Mrs. Ace Crook, Mrs. Sam Mattola, and myself have circulated these petitions and respectfully submit them to you as evidence of our support.

Sincerely,

Mrs. HARRY BIENICK.

Resolution 395

Resolution memorializing Congress to place a tariff upon importation of foreign fish

Whereas the county of Del Norte and vicinity is devoted in great part to commercial fishing, particularly for the taking of tuna or albacore, commercially; and

Whereas a great number of citizens and residents of said county have considerable investment in fishing boats and equipment and gain their livelihood in the fishing industry; and

Whereas it appears that local fishermen are compelled to compete with foreign countries or noncitizens in said industry and that there is imported a great amount of said sea products into the United States to the end that such competition will become confiscatory and, if continued, will ultimately end in the loss of the fisheries along the coast of California unless a tariff is placed upon imports of said sea products: Now, therefore, be it

Resolved, That it is the sense of the Board of Supervisors of the County of Del Norte that Congress be memorialized to place a suitable and adequate tariff on importation of said sea products in a sufficient amount to equalize prices of foreign and domestic fish.

Passed by the Board of Supervisors of the County of Del Norte this first day of October, 1951.

Ayes: Joseph A. Miller, V. K. Meedom, Fred D. Haight, Kyle G. Grey. Nays: None. Absent: George E. Lujon.

FRED D. HAIGHT,

Chairman of the Board Pro tempore.

Attest:

EMMA COOPER,
Clerk of Said Board.

Mr. HOLMES. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Speaker, the gentleman from Maryland [Mr. MILLER] said that the tuna fishing industry is a new industry. That is true. But, despite the fact that it is a new industry it is America's largest food-fish industry. The amount of tuna caught by American fishermen and landed at American canneries last year totaled 360,000,000 pounds. That was 4,000,000 pounds more than all the salmon that were landed on Alaskan, Pacific, and Atlantic seaboard combined. The pack of approximately 9,000,000 cases of tuna which was made in this country last year was valued wholesale at \$112,000,000, which was \$4,000,000 more than the total value of the Nation's salmon pack. The catching and packing of tuna is today the largest food fishing industry in the United States. That industry has been considerably handicapped in recent months by tremendous receipts of tuna imported from Japan. Tuna imported from Japan constitutes 29.34 percent of all the tuna that was sold in the United States last year. Our fishermen simply cannot compete with tuna imported from Japan where the wage of fishermen is 60 to 90 cents a day—not 60 to 90 cents an hour, but 60 to 90 cents a day.

Now, the tuna that comes into this country arrives in three forms: Part of it comes in the fresh and frozen state and is canned in American canneries. These fresh- and frozen-fish shipments amount to about 25,000,000 pounds a year. Then other tuna that comes into the country is packed in oil. The tuna

packed in oil in 1949 totaled about 1,700,000 cases. After the tariff was increased on tuna in oil these shipments decreased to 500,000 cases a year. Now there is another kind of tuna coming in. This is the tuna packed in brine.

One of the most serious threats to the prosperity of and employment in the American tuna industry is the rapid increase in imports of this tuna that is canned in brine.

When the tariff on tuna canned in oil was raised to 45 percent ad valorem, the Japanese tuna industry sought ways to get around this 45-percent tariff. Instead of packing their tuna in oil, they began packing it in brine.

Tuna packed in brine can, under existing laws, come into this country by paying a duty of only 12 percent on value as against 45 percent on tuna in oil. Japanese tuna packed in brine is arriving in the United States from Japan in ever-increasing quantities.

In 1949, for example, the Japanese shipped only 3,700 cases of tuna canned in brine into the United States. In 1950 she shipped in more than 18,000 cases and in the first 6 months of this year alone 82,028 cases. This means that Japan probably will ship 160,000 or more cases of tuna in brine into this country this year.

Whereas imports of fresh and frozen tuna injure the fishermen who operate the boats, the importation of canned tuna in brine affects the cannery workers as well as the fishermen and thereby does twofold damage.

I realize that the committee did not provide for an increased tariff on tuna in brine in this bill and could not do so due to certain difficulties relating to international treaties. Under the rule which this bill is being considered here today Members are barred from offering any amendment to the bill.

I do hope that the Senate, under its rules, can amend the bill to include in it a duty on tuna in brine so that these growing imports, which threaten the employment of both fishermen and cannery workers, may be stopped or at least decreased.

If the bill cannot be so amended in the Senate, I hope that the study of tuna problems, which this bill authorizes, will result in recommendations that the tariff on tuna in brine be raised to the 45-percent level, now imposed on tuna canned in oil. Such a provision would be of great help to both the fishermen and to the cannery workers also.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HOLMES. The statistics for 1939 on fresh or frozen alone show an importation of around 14,500,000 pounds, and for the first 7 months of the year 1951 better than 45,000,000 pounds. When the year is completed they anticipate it will be 80,000,000 pounds of fresh or frozen alone.

Mr. MACK of Washington. May I bring up one other point? I think it is very important that this survey be made and that the committee, if possible, give consideration next year to the

imposition of a duty on the tuna in brine in order to keep that canned product, which injures both the fisherman and the cannery worker, out of this country.

Mr. MILLER of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. MILLER of Maryland. Does not the gentleman think that is really the problem, that this tuna in brine is increasing, rather than it would be cured by a tax on fresh fish?

Mr. MACK of Washington. I think we should have both a tariff on the fresh and frozen fish and a tariff on the tuna in brine. The tuna in brine hurts the American worker in two ways. In the first place, tuna in brine, because it is a cheaper and lower priced product, will undersell tuna in oil, and take away canned-fish markets enjoyed now by American canners. Also, many housewives may buy the tuna in brine, not knowing there is a difference between tuna in brine and tuna in oil, and finding the brine tuna inferior become disgusted with the product and as a result may cease using tuna at all. That would injure the entire industry.

Mr. HOLMES. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLERSON].

Mr. TOLLEFSON. Mr. Speaker, I commend the Committee on Ways and Means for its action in bringing this measure to the floor of the House so expeditiously. The immediate attention and consideration which is given to this problem merits the appreciation of the fishing industry. The measure is a meritorious one much needed by an important segment of our fishing industry. I trust the House will act favorably upon the measure.

Mr. DOUGHTON. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MCKINNON].

Mr. MCKINNON. Mr. Speaker, I appreciate the value of time during the closing days of this session, and while I shall not take long in explaining the merits of this bill, I do earnestly seek your support for a typical American industry that will probably live or die by your action today.

The tuna industry is in serious condition. As these pictures show, the majority of the fleet is laid up at the dock, and thousands of American citizens are out of work and have no immediate prospects of returning to their livelihood.

The source of the trouble is simple. More tuna has been made available to the United States tuna market than it can absorb, the principle increase coming from foreign imports.

In 1946, for instance, there were 4,167 tons of tuna imported on a raw-fish basis. In 1947, this rose to 9,204 tons. In 1949 there was a sharp increase to 20,606 tons. In 1950, the increase was even sharper, up to 56,712 tons. To date, the imports have been half again as much as those of 1950, and the most dependable indications are that imports for 1952 will set new records over those of 1951. In 1946, foreign imports amounted to 6 percent of the United States market. In 1951, they are run-

ning at the rate of 26 percent. In the past 5 years, raw-tuna imports have increased by 20 times.

These imports come chiefly from Peru and Japan, where the standard of living makes it impossible for the American tuna industry to compete. Peru, for instance, pays such low wages that tuna brought to dockside represents about one-fifth the American cost.

This bill proposes a stop-gap tariff of 3 cents a pound, pending a complete study and investigation by the Tariff Commission and the Division of Fisheries and Wildlife of the Department of Interior. As you will note, these agencies are directed in this bill to report their findings to Congress and the President by January 1, 1953; and that the 3-cent tariff expires on April 1, 1953. This bill, therefore, allows sufficient time for Congress to take appropriate action in early 1953, after a long-term study by the Tariff Commission and the Department of Interior are able to suggest the most dependable facts and remedies, so as to keep alive our own American industry while at the same time leaving some of the market for other countries.

In future legislation, it is likely that some sliding tariff scale will be advisable, so as to assure foreign countries a market here, while at the same time guaranteeing American fishermen protection against being put out of business completely. Such a program will encourage trade between nations, and enable Japan to earn dollars, for instance, and at the same time provide the American fisherman with sufficient encouragement to invest in advertising and merchandising toward the further development of a bigger tuna market.

The industry is beginning steps now in this direction. They have voted an assessment per ton, which will result in substantially more than \$500,000 a year to implement a program of sales promotion for canned tuna throughout the Nation. Thus, while they are asking for your help in a modest tariff protection, they are using their own funds and efforts to alleviate their problem in creating a bigger market.

With due pride, may I point out that tuna is a delicious product, highly nutritious, tasty and available at very reasonable prices. Since January of 1947, the general index of food prices in the United States has increased by 19 percent. In the same length of time the wholesale price of canned tuna has gone down by 16 percent, thanks to the ingenuity of the industry. Translated into terms with which the housewife is acquainted, this means that tuna can be purchased at about 60 cents per pound, which is considerably cheaper than any other competitive meat product. Since there is no bone, fat, nor waste, everything in the can may be eaten and is delicious.

The American housewife is realizing this more every day. The market for canned tuna has doubled in the past 4 years, and the outlook is favorable for a larger market and lower prices—if something can be done now to keep the competitive value of an American tuna industry.

The tuna fishermen ask no special protection or favors, but if they are to remain a strong and vigorous section of the food suppliers of this Nation, they will have to have protection similar to that given the other parts of the United States food industry, for the same reason that the American standard of living makes it impossible for our producers to compete with lower standards of living abroad. Recognition has been given this problem with all other frozen fish products of any consequence, tuna and shrimp being the only exceptions. Tariff protection is provided practically all agricultural products.

I earnestly seek your interest and help, for the plight of the tuna fisherman is serious and is deserving of the same consideration given other American food producers.

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

Mr. MCKINNON. I yield.

Mr. GROSS. Does the gentleman know whether any of the sonic equipment, which has been purchased with ECA money for foreign fisheries has been used for the tuna fleets of the foreigners?

Mr. MCKINNON. I cannot answer the question of the gentleman. I will say that we know a great deal of American capital is going into Ecuador and Peru and certain other countries, which are using cheap labor to bring tuna back into this country at a very small cost, and we are putting thousands of American workmen out of jobs by a process which I do not think is fair or what we desire.

Mr. GROSS. I do not think the gentleman got my question. Does he know whether any of this expensive sonic equipment that we have purchased through the ECA has been given to foreign fishing fleets and is being used for the catching of tuna to come back in competition with the American markets?

Mr. MCKINNON. To the best of my knowledge that has not happened.

The SPEAKER pro tempore (Mr. MILLS). The time of the gentleman has expired.

Mr. HOLMES. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Speaker, I want to congratulate the committee for bringing up a bill, which is going to help somebody in the United States, and particularly to help the fishermen who go down to the sea in ships. I hope this bill passes. I am going to vote for it. I wish that those who did not listen to me 2 or 3 weeks ago when I spoke on the twine bill will listen to me today.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOLMES. Mr. Speaker, I do not have any more requests for time on this side, and rather than extend the debate, I yield back the balance of the time remaining on this side.

Mr. DOUGHTON. I yield the remainder of the time to the gentleman from California [Mr. KING].

Mr. KING. Mr. Speaker, we are considering today the livelihood of 25,000 workers and their families in the Amer-

ican tuna industry. These people are faced with a crisis over which they have no control. The question is whether Congress will provide them with the minimum amount of relief to enable a longer range study of their problems to be made by the agencies of the Government which are responsible for the tariff and the fisheries policies of the country.

I am especially gratified that the Committee on Ways and Means has responded so forthrightly to the plea of the domestic tuna-fishing industry. Although the pending bill would provide a 3-cents per pound duty on fresh or frozen tuna, which is now admitted free of duty, I had introduced a bill for a permanent 5-cents-per-pound tariff on fresh or frozen tuna fish. The 5-cents-per-pound duty provided by my bill would be the equivalent of only a 30-percent ad valorem rate on the canned product which under present law has the benefit of a 45-percent ad valorem tariff.

This is the present situation in the domestic tuna industry which seemed to me to justify at least the 5-cents-per-pound duty. First, the price received by domestic fishermen for their tuna catch is now less than 50 percent of what it was in 1948. Albacore, a species of tuna, is now bringing 15 cents per pound while 3 years ago at this time it was selling for 28 cents per pound. And it is not just a coincidence that the ratio of imports to domestic production has increased from 2.8 percent in 1948 to 26.7 percent in 1951.

And you do not have to take just my word for it. According to the representatives of the Branch of Commercial Fisheries in the Department of the Interior:

Our investigation of the tuna fish situation has led us to believe that it faces a very critical situation at the present time.

Out of about 235 clippers along the Pacific coast, about 200 are now idle and will remain idle for the rest of this year whatever we do here. These ships cannot readily be converted to any other usage. And then there are the many smaller ships, as many as 3,000 small vessels in the albacore fleet and the less numerous purse seiners, which have over the years earned their livelihood primarily in tuna fishing.

So as I say, from my standpoint the permanent 5 cents per pound duty seems reasonable. The Committee on Ways and Means, however, thought that other considerations required a more cautious approach to the imposition of a tariff on fresh or frozen tuna.

I should like to emphasize my appreciation for the promptness with which this legislation has been prepared and reported. Just a week after hearings began the bill is being debated on the floor of the House. Under this bill, the domestic tuna fishing industry will receive a minimum temporary level of protection pending a thorough study of the long-range relation between domestic production, consumption, and importation of tuna.

I also want to make it clear that the critical position of the domestic tuna fishing industry is not the result of the trade-agreements program because fresh and frozen tuna have never before been subject to duty. The flood of imports is rather the use of more modern methods of fishing and refrigeration which has enabled foreign countries to ship in four and five times more tuna than they have ever done before.

Mr. Speaker, I would be remiss if I did not, before closing, pay tribute to the distinguished chairman of the Committee on Ways and Means for his leadership in coping with the problem of tuna imports. At the same time that he was bearing the heavy load in the conference on the 1951 revenue bill, affecting all sections of the country, he still was able to give consideration to this problem of principal immediate significance to the west coast. As always, his tireless energy and great leadership are a constant inspiration and challenge for all of us who have had the privilege of serving under him as chairman of the Committee on Ways and Means.

Mr. Speaker, H. R. 5693 should be passed without delay.

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

Mr. KING. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I wish to compliment the gentleman on the very fine statement he is making, and also the fact that it is very interesting to note a great many on the gentleman's side are talking about a protective tariff to protect American industry. I hope when some other particular matter comes up concerning industry in my great State of Pennsylvania that the same gentlemen who are talking about protective tariffs today will assume the same position they are assuming today. I expect to vote for the bill, and agree with what the gentleman is saying. I am glad to see a re-interest on your side in protective tariffs to protect American industry.

Mr. KING. I might say to the gentleman it may seem somewhat unusual but in the interest of consistency, I might point out that in questioning members of the administrative agencies during the committee hearings on this legislation, it was not known by any of those present that any other industry today had faced not only serious injury but almost complete elimination from the field of American industry because of this unusual and rare instance of a product being admitted duty free and now flooding the market to the point that almost 26 percent of the total consumption of the product in this country is imported from Japan and South America.

The SPEAKER. The time of the gentleman from California has expired.

All time has expired.

The question is, Will the House suspend the rules and pass the bill H. R. 5693?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed

EFFECT OF USE OF CHEMICALS, COMPOUNDS AND SYNTHETICS IN PREPARATION AND PACKAGING OF COSMETICS

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 447) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 74, Eighty-second Congress, is amended by adding after the words "H. Res. 323," in the fourth line, a comma and the following language: "and an investigation and study of the nature, extent, and effect of the use of chemicals, compounds, and synthetics in the production, processing, preparation, and packaging of cosmetics to determine the effect of the use of such chemicals, compounds, and synthetics upon the health and welfare of the Nation."

Mr. LYLE. Mr. Speaker, this extends the authority which has previously been granted by the Congress to the Delaney committee including in their investigation the effect of the use of chemical compounds and synthetics in the production of cosmetics. As far as I know it comes with the unanimous approval of all concerned.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from California, [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Speaker, for the benefit of the Members of the House I may state that this amends the original resolution that created the so-called Delaney committee which had the responsibility of investigating the presence of poisons brought into foods, and adulterants through insecticides, fertilizers, or through the processing of foods. The committee has met on numerous occasions, had many meetings, both here in Washington and in other parts of the United States. They have developed a rather extensive study of the need for some corrective legislation which will eventually be recommended.

One part of the committee's study that was not authorized in the original resolution was the authority to investigate chemicals, plants, and synthetics in the production, processing, preparation, and packaging of cosmetics. The committee's attention was called to the need for such investigation by a recent letter from the Federal Security Agency, Food and Drug Administration, in which it was recited that there was danger to the health and welfare of those using certain types of hair waves, and cold permanent waves. Another instance was certain nail polish which was found to be detrimental and injurious to women who used it. In other instances there were shampoos which were injurious not only to the hair but also to the eyes. The committee is now asking that this additional authority be granted by the adoption of this resolution which the committee itself is unanimously in accord with. I trust that the House will see the benefit of adopting it and approving it.

In this connection I insert a letter received by the committee from John L.

Harvey, Associate Commissioner of Food and Drugs:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., September 13, 1951.

Mr. VINCENT A. KLEINFELD,
Counsel, House Select Committee To
Investigate Chemicals in Foods, House
Office Building, Washington, D. C.

DEAR Mr. KLEINFELD: More than 10 years ago there developed in the cosmetic industry a determined effort to produce methods of curling hair which eliminated the elaborate machinery, discomfort, and costly procedures then involved in permanent waves. In San Francisco a company managed by an individual who is primarily an engineer and inventor developed an apparatus fitting on the head and hair which eliminated the heating devices used for permanent waves. The ingenuity and know-how expended in developing the mechanical features of the apparatus were extensive, but the materials and solutions used in connection with it were selected because of their properties for assisting in the curling process without any investigation or study of the possible injurious or toxic effect of such solutions. The heatless permanent wave method thus developed was sold on a franchise basis to beauty salons throughout the United States. The heatless waves were cheaper, less time-consuming, and more pleasant to take.

Shortly after national distribution was effected, a death was reported from Atlanta, Ga., which occurred while the subject was being given a heatless wave in a beauty shop. Tests then made indicated that the solutions were unsafe and likely to cause injury. Thereafter it was necessary to institute over 200 seizure actions to remove the outstanding stocks of the offending wave materials from the market and prevent further injury to the public.

About 8 or 9 years ago the styles in hair arrangement for women resulted in a widespread adoption of what has been facetiously called the "washerwoman hair-do," which involved piling the hair on top of the head and arranging it neatly so that it would remain in such arrangement for an indefinite period. Among the esthetic draw-backs to this hair arrangement were the stray locks on the back of the neck which did not conform to the arrangement and were left dangling in a more or less untidy effect. To meet the crying need thus created, an immediate popularity developed for some kind of adhesive material which would affix these stray locks in an upward direction and attach them to the remainder of the upswept hair. To fill this need, a Chicago manufacturer created locks-up hair lacquer pads. These were in the form of a cotton pad impregnated with a lacquer substance which, when brushed upward around the hair-do, increased the tidiness of the arrangement by gluing the hair to the rest of the arrangement. In applying the lacquer pads they necessarily came in contact with the skin and scalp adjacent to the hair.

This development occurred during wartime when there was a scarcity of lacquer materials, shellac, varnish, resins, and glue. Apparently the first product was entirely successful and created an enormous demand. Subsequent batches of manufacture employed unknown and untested adhesive materials, synthetic resins, etc., and the result of that hasty improvising was that hundreds of women throughout the United States suffered significant injury by reason of the poisonous nature of the resins used, which created a contact dermatitis and other painful and disfiguring complications. As a result of regulatory activity of this administration, the product was eventually removed from the market; but not until a great deal of damage had occurred.

About 4 years ago numerous complaints were received from women whose fingers had been significantly injured as a result of using lacquers marketed in the form of fingernail coatings. Again the ingredients employed were different kinds of newly developed products related to synthetic rubber and no adequate testing was undertaken prior to marketing the coatings to determine whether they might have any propensity for injury. These products are exceedingly complex organic chemicals, more in the nature of mixtures than specific entities, and the only practical approach to evaluating their properties for harm is adequate tests on lower animals or human beings. Because of the complex chemical character of the ingredients, it was very difficult to determine the precise nature of the offending constituents and it became necessary to regard each batch or lot as an entity unto itself and to undertake individual testing. Again, lack of adequate pretesting and experimenting on the public with unknown chemicals resulted in substantial injury to many users of this type of cosmetic. Finally, by belated study and experimentation, manufacturers were able to produce satisfactory articles without deleterious ingredients.

During the month of August 1951, the product of two shampoo manufacturers has been found to contain ingredients which are significantly dangerous when introduced into the human eyes. Both of these products employ polyoxyethylene group surface active agents together with a quaternary compound as the active principles of the so-called dry shampoo. The two manufacturers had acquired wide distribution but had received a considerable number of complaints from customers whose eyes had been injured by inadvertent contact with the shampoo material. Pharmacological tests on animals made by this Administration confirmed the dangerous character of the material when introduced into the eye, and demonstrated that the products have the property of producing an opacity of the cornea which impairs the eyesight for a persistent period of time if not permanently. Accidentally getting shampoo material into the eye is such a common occurrence in the experience of everyone that such occurrence is consistent with the conditions that are customary or usual in shampooing the hair.

After an initial seizure in each instance, these manufacturers agreed voluntarily to remove their products from the market and to attempt to devise suitable substitutes. In neither instance had any pretesting whatsoever been conducted by the shampoo manufacturers, notwithstanding the fact that data are generally available which would suggest the extreme likelihood that such ingredients would be dangerous. Again these ingredients, particularly the polyoxyethylene compound, are in the nature of a mixture rather than a chemical entity and the effects of one batch may not be safely forecast from tests made upon another unless the entire group of possible compounds is tested and found innocuous.

These incidents represent some of the high lights of distribution of dangerous cosmetics without adequate pretesting safeguards that have shown up in the last decade. Other less extensive and dramatic instances of similar nature have occurred. Cosmetics by their very nature are chemical in character or represent a combination of chemicals. New cosmetics are the result of using new chemicals or well-known chemicals in different and new combinations. It seems absolutely essential in the interest of public safety that there be mandatory requirements for adequate pretesting and adequate manufacturing controls of products of this nature. It is abundantly evident that manufacturers generally do not undertake sufficient investigations of the possible injury hazards before

placing such products on the market. Many large manufacturers do undertake appropriate tests. For example, the shampoo products of the nature just described were studied by some manufacturers and rejected, after which they were adopted and employed by other manufacturers in reckless ignorance or wanton disregard of the available facts.

The foregoing may be of interest to the members of the Select Committee of the House as collateral to the subject matter of chemical additives in foods which they are considering.

Sincerely yours,

JOHN L. HARVEY,
Associate Commissioner of Foods
and Drugs.

I may state for the benefit of the Members of the House that the purpose of this investigation is two-fold: To find if any injurious or deleterious material is introduced into foods through the use of insecticides and fertilizers, also to investigate cosmetics; and also to referee and investigate the arbitrary action on the part of the Food and Drug Administration in administering laws now under their jurisdiction and eventually recommend legislation to correct those things.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. BAILEY. I wish to inquire of the gentleman to what extent his committee went into the question of hazards or possible harm to human beings coming from the use of fertilizers not properly regulated as to content?

Mr. McDONOUGH. There has been considerable done along those lines. If the gentleman will get a copy of the hearings from the committee, he will find we looked into fertilizers quite thoroughly.

Mr. BAILEY. What do you propose to do about them?

Mr. McDONOUGH. The committee has not made a recommendation on legislation as yet. As soon as the committee hearings are completed we expect to make some recommendation.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. HEDRICK].

Mr. HEDRICK. Mr. Speaker, in this connection I merely wish to say that there was a shampoo preparation that came on the market during the month of August 1951 which made quite a hit with a lot of people who had dandruff and other scalp conditions. They thought they received tremendous relief from this shampoo, but they finally found that it was causing irritation. Also, a great many people in the country who used it developed a blurring of the cornea of the eyes. When the manufacturers of these preparations were contacted and their attention called to these harmful effects they admitted that possibly it would cause an irritation of the eyes, and immediately took their preparations off the market. I cite that as just one example of the need for studying the effect of the

use of dangerous chemicals in cosmetics and shampoos.

Not long ago our attention was called to the fact that certain preparations used in colored nail polish irritated the fingers and nails, in some instances infections were caused and even the nails had to be lanced to relieve the infection.

I am wholly in favor of this resolution and think it is very important and very essential that the American people should find out just what these chemicals are and what they do to the users.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. LYLE. Mr. Speaker, I call up House Resolution 454 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2574) to amend section 304 of the Federal Property and Administrative Services Act of 1949 and section 4 of the Armed Services Procurement Act of 1947. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield one-half of my time to the gentleman from Indiana [Mr. HALLECK].

Mr. Speaker, the bill made in order by this resolution seeks to amend the Federal Property and Administrative Services Act of 1949 and to authorize the Comptroller General to look into the books and records of those people who have contracts with the Government which were negotiated without advertising. As I understand, there will be some amendments offered in the Committee of the Whole. Other than that there is no objection to the consideration of the bill.

Mr. HALLECK. Mr. Speaker, we have no requests for time on this side.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2574) to amend section 304 of the Federal Property and Administrative Services Act of 1949 and section 4 of the Armed Services Procurement Act of 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H. R. 2574, with Mr. BATTLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DAWSON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this time in order to draw the attention of the House to the wonderful work that has been done by the particular subcommittee out of which this bill was reported, known familiarly as the Hardy subcommittee. It typifies the sort of work that can be done by a subcommittee in the matter of the many investigations they have made. I think the House is aware of them. They are suggesting here legislation in view of their investigations which will make it impossible for some of these things to occur again which they have investigated.

I want to say that of all the subcommittees it has been my privilege to know I think we have had the largest amount of agreement in this subcommittee that I have seen in my experience in the Congress. I do not know of one report put out by this subcommittee that had a dissenting vote attached thereto.

Mr. Chairman, I yield the balance of the time to the gentleman from Virginia [Mr. HARDY], the chairman of this subcommittee, to use as he sees fit.

Mr. HARDY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill would amend two basic statutes governing Government procurement. It affects only those contracts negotiated without advertising and would require that such contract contain a provision authorizing the Comptroller General to inspect the pertinent books and records of contractors and subcontractors. I want to repeat that it relates only to contracts which are negotiated without advertising.

I can see no valid reason why anyone who understands the intent and purpose of this legislation should oppose it. There has, however, been considerable misunderstanding, which I feel certain will be cleared up by a simple explanation of what this bill will do.

Some Members of the House have spoken to me concerning the possibility that this legislation might affect the finality of renegotiation settlements. This bill has no bearing whatever on the Renegotiation Act, and I want the record to clearly show that there is absolutely nothing in this bill intended to change in any manner existing law insofar as concerns the finality of renegotiation settlements. The Renegotiation Act of 1951 established the Renegotiation Board and assigned to it the function of renegotiating contracts for the purpose of eliminating excessive profits. This is an entirely separate and distinct operation from the audits performed by the General Accounting Office.

There have been some suggestions, too, that this bill might be construed as authorizing the General Accounting Office to superimpose its judgment as to what constitutes excessive profits on the judgment of renegotiation officials. Again, let me state clearly that there is

nothing in this bill which can be construed as an authorization or even an indication that the GAO is to undertake any such prerogatives. The Comptroller General has no power to second-guess a renegotiation settlement, and this bill would give him none. Of course, if in the course of the examinations regularly performed by the GAO it should find a renegotiation settlement so unreasonable and so unconscionable as to suggest possible fraud or bad faith, the Comptroller General would, naturally, bring such a transaction to the attention of the Congress in an appropriate report. I cannot conceive of the possibility that anyone would expect the Comptroller General to do otherwise.

There has been some suggestion that the representatives of GAO would be in a position to disclose Government information from the contractors' books and records to competitors of the contractors. I see no reasonable basis for such a fear. At the present time the General Accounting Office does get to see many contractors' books and records. I am advised that in 9 out of 10 cases, contractors voluntarily make their records available for inspection by GAO upon request. This has been going on for years, and I have heard of no single instance where the GAO has violated its trust, or has used the information secured from the contractors' books for other than the authorized duties of the General Accounting Office.

This brings up another point. As I have indicated, the authority contained in this bill is really only necessary to over those cases where the contractors refuse to permit the General Accounting Office to inspect their books and records. As I have already pointed out, the vast majority of contractors do make their books available on a voluntary basis when requested. Thus, this bill would affect that comparative few contractors who now refuse the agent of the Congress permission to see their records. It would be compulsory upon them. It seems logical to me to suppose that there is greater need for the GAO to see the records of those few who do not wish to make them available on a voluntary basis than it is to see the records of those who readily comply. To put it bluntly, those with nothing to hide have nothing to fear by opening their books to the General Accounting Office.

There has also been some indication of a feeling on the part of certain contractors that the General Accounting Office will come in to examine their books and records many years after their contracts have been completed. I am assured that such a fear is, likewise, groundless, and that modern accounting practices and an able staff of accountants and auditors have enabled the GAO to keep their general audit work current within a matter of months.

I want to point out, also, that the audit which GAO performs is directed primarily to the accounts of the accountable officers of the Government, and not to the contractors themselves. The GAO is required by law to take exceptions against accountable officers for erroneous or illegal payments. In 1947,

the Congress enacted a law which provided that in the absence of fraud, no exceptions could be taken by GAO in the accounts of accountable officers unless they were taken within 3 years of receipt of the account in the General Accounting Office. So, for all practical purposes, there would be little chance or occasion for GAO ever to request an inspection of contractors' books and records after this 3-year period.

Let me state very frankly that my main purpose in offering this bill was to place on the statute books a law which will act as a deterrent to improprieties in the negotiation of Government contracts. It would be impossible for GAO to inspect even a major part of the books and records of contractors having negotiated contracts with the Government.

The Comptroller General did not ask for this bill. Let me tell you how it came about. Authority for negotiating all types of contracts without advertising has not always been available to Government procurement officers. Normal peacetime procedures generally require competitive bidding, but during times of emergency procurement by negotiation becomes necessary. Authority to dispense with prior advertising during World War II was included in the provisions of the First War Powers Act of 1941. In the dying days of the last Congress extension of that act was under consideration by the House, and I proposed the inclusion of a practically identical provision in contracts affected under that law. My amendment to the First War Powers Act of 1941 was unanimously adopted. At that time I thought that most contracts negotiated without advertising during the present emergency would be consummated under that act. Subsequently, in the course of procurement studies being made by my Subcommittee on Government Operations, it was learned that procurement officers did not have to rely upon the First War Powers Act for negotiating contracts without advertising but could utilize provisions in the Armed Services Procurement Act, which act did not contain the provision now under consideration. In order to plug this loophole the bill before you was offered.

In normal times, competitive bidding generally operates as a brake on the price which a contractor can demand from the Government for his goods and services. However, these are not normal times, and it should be obvious to all of us concerned with the expenditure of billions of dollars for national defense that we must establish every reasonable safeguard against waste and extravagance in the spending of these vast sums. Under conditions as they now exist, competitive bidding has little or no effect upon contracts which are negotiated without advertising. As a result, when a contract is being negotiated, here is a typical illustration of what usually happens: A contractor with years of experience comes to the conference table accompanied by a highly competent accountant and equally competent lawyer. The Government representative on the other side of the table will, in a great majority of cases, be at a tremendous disadvantage, from the standpoint of

both training and experience, no matter how conscientious and honest he may be. So, aside from any intentional liberality on the part of the Government contracting officer, there is every chance in the world that the Government will come out on the short end of the deal. This bill would at least enable the agent of the Congress to check the transaction, both from the Government records and the contractors' books.

I would like to mention one or two typical situations in which the authority of this bill would play an effective part. It is common practice today to provide in a contract for construction work a fixed overhead rate, either as a proportion of direct labor costs or as a lump sum amount. This figure is fixed as a binding obligation between the Government and the contractor. It is supposed to be based upon the experience of the contractor in performing similar work in the past.

If in the course of checking the accounts of the accountable officer, the GAO found a situation indicating that the amount of overhead charged under the Government contract was a great deal higher than the amount paid under a private contract for the same work, it would then obviously be desirable for the General Accounting Office to look behind the rate which had been established. Bear in mind that the GAO would not be able, under this bill even, to disturb in any way the overhead rate fixed by the parties themselves. But, if it should find that the rates were excessive, it could, and undoubtedly would, bring the facts to the attention of the contracting officer, and possibly in an extreme case, it might call attention of the Congress to the situation.

During the last war, there were cases where contractors held both fixed-price and cost-plus-a-fixed-fee contracts covering similar items or services, both contracts being performed simultaneously and in the same plant. In several cases it was found that the contractor was charging to the cost-plus-a-fixed-fee contract expenses which should have been charged to the fixed-price contract. In that way he was being reimbursed for expenses which should have been paid out of his own pocket. Such a practice may, or may not, have been intentional. But in any event, there would be little or no chance of detecting such a practice, unless the General Accounting Office has access to the contractors' books and records.

In certain contracts today there is inserted what is called a price-redetermination clause. Whenever the Government contracting officer is uncertain with respect to the price fixed in a negotiated contract, either by reason of the nature of the work to be performed or otherwise, he is required by regulation to insert this provision, which authorizes to a limited degree an increase or decrease in the price payable under the contract as the work progresses or after it has been completed. All too often, however, little or no detailed examination of the contractors' costs is made by the administrative official who undertakes to redetermine the price. Knowledge that the GAO may later examine

these books and records cannot help but make for more careful operations by the Government's contracting officers.

Another vivid example of how this authority would enable the GAO to do an effective job involves a study which my Subcommittee on Government Operations has been making on pricing practices in the procurement of automotive parts. We found one situation where the Government was buying parts from an automobile dealer who, in turn, was getting them from a parts distributor who, in turn, was getting them from a small tool shop. Naturally, the price paid by the Government included profits upon profits and completely wasteful administrative and handling costs. It would be difficult, if not impossible, for GAO to detect such a situation without the right afforded in this bill.

In conclusion, I repeat that this bill does not add to the present audit authority of the General Accounting Office; it does not impair, in any way, the finality of renegotiation settlements; it does not affect any contractors who, heretofore, have been cooperative with the General Accounting Office with respect to making their books and records available; and it will not give a contractor's cost or price information to his competitors.

The major purposes of this bill are twofold: One, to give the Comptroller General the proper tools to do the job the Congress has instructed him to do; and, two, to provide a deterrent to improprieties and wastefulness in the negotiation of contracts.

Recalling again that a similar provision was added unanimously by the Congress to the First War Powers Act of 1941, I sincerely hope that this bill, which merely carries into our general procurement statutes the same principle, will, likewise, be unanimously approved.

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

Mr. HARDY. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am glad the gentleman made the statement he did, because I was a little bit concerned that it might have an effect on the Renegotiating Act which is now in effect. I might say that the Committee on Ways and Means is very much concerned about that act and its application at the present time. A special committee of the Committee on Ways and Means has been appointed to delve into the operation of that act and whether it will be a success as presently written. But, I am glad to see that the gentleman is also interested along the same line.

Now I would like to ask one question: Does this refer to contracts that have been made in the past?

Mr. HARDY. It could not refer to contracts that have been made in the past, because it requires the insertion of a clause in contracts.

Mr. EBERHARTER. I see. I notice that you give power to the Comptroller General.

Mr. HARDY. It does not give him power to inspect the books and records, but requires that a clause be inserted in the contracts permitting him to inspect.

Mr. EBERHARTER. I thank the gentleman.

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

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

Mr. RIEHLMAN. Is it not true that this same language or practically the same language is contained in the Renegotiation Act that we have at the present time?

Mr. HARDY. Not in the Renegotiation Act. This same language is included in the War Powers Act, and it was incorporated in the War Powers Act in the closing days of the last Congress when the War Powers Act was up for extension.

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

Mr. HARDY. I yield to the gentleman from Arkansas.

Mr. MILLS. As my friend from Virginia knows, when this matter was on the Consent Calendar a few weeks ago I objected at that time to its passage because I had a question in my own mind as to whether or not this legislation might result in preventing the decision of the Renegotiation Board being final on renegotiation of these war contracts. Subsequent to that time I made a further study of the matter and I am thoroughly convinced in my own mind, especially so in the light of what the gentleman from Virginia said here on the floor today, that it will not at all disturb the finality of the decision of the Renegotiation Board. What the gentleman from Virginia and the committee, as I understand, are endeavoring to do, you are endeavoring to pursue a situation that may be fraudulent, for example, so that the General Accounting Office might look into that question, but not for the purpose of upsetting a decision made by the Renegotiation Board.

Mr. HARDY. The gentleman is right, with this exception that I think should be clearly understood, that there are a lot of other situations besides those involving fraud which might be uncovered.

Mr. MILLS. The gentleman from Virginia did not hear me perhaps. I said an example would be fraud.

Mr. HARDY. That is correct.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. CURTIS of Nebraska. Is the procedure that is proposed today with respect to the unadvertised contracts now in practice so far as advertised contracts are concerned?

Mr. HARDY. No. In an advertised contract there is a fixed price which is arrived at as the result of competitive bidding. Quite obviously there the only concern we have is in connection with supplying the item at that cost. But there is no competition in a negotiated contract.

Mr. CURTIS of Nebraska. In other words, this will apply to the unadvertised contracts only?

Mr. HARDY. That is correct.

Mr. CURTIS of Nebraska. There is nothing in existing law that requires the insertion of such a clause in the advertised contracts?

Mr. HARDY. No; not in the advertised contracts.

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

Mr. HARDY. I yield to the gentleman from Iowa.

Mr. GROSS. What is the requirement about the advertising of negotiated contracts?

Mr. HARDY. You do not advertise for a negotiated contract as a rule.

Mr. GROSS. Advertising, I say.

Mr. HARDY. Advertising has to do with contracts that are submitted in bid form.

Mr. GROSS. Yes, but not all of them are advertised today?

Mr. HARDY. That is correct.

Mr. GROSS. There is no requirement for advertising?

Mr. HARDY. Under the emergency provisions a contract can be negotiated without advertisement, and that is just the type of contract we are trying to deal with here.

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

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

Mr. KEATING. My basic question is this: Under contracts entered into apart from those connected with the emergency, is there a requirement for advertising or is there some discretion vested in the contracting officer?

Mr. HARDY. I do not know just what the gentleman means.

Mr. KEATING. I am uncertain what the law is on the subject of advertising for contracts, but normally, apart from any emergency provisions, does the ordinary contracting officer have to advertise, or does he have discretion?

Mr. HARDY. In normal times most contracts are advertised. There are a number of exceptions in which negotiation is permitted even in peacetime. In an emergency, the negotiated contracts are permissible because of the necessity for speed primarily.

Mr. KEATING. This legislation is directed primarily to those contracts which it is necessary to enter into because of emergency conditions?

Mr. HARDY. Primarily, that is the case, but it would still apply to other contracts in peacetime which are negotiated without advertising.

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

Mr. HARDY. I yield.

Mr. BURTON. I would like to ask the question whether it would be well to have a provision which would limit the time so that a contractor might reasonably close his records after a period of, say, 3 years. I would like to offer an amendment to that effect.

Mr. HARDY. I do not think that is necessary for the reason that the General Accounting Office is primarily concerned with settling the accounts of the accountable officers of the Government, and it is restricted by law to a 3-year period with respect to disallowing any erroneous payments on the part of accountable officers. For that reason, I scarcely think that the General Accounting Office would come in, and want to examine the books of a contractor after a period in excess of 3 years.

Mr. BURTON. Would it not therefore be well to insert a brief amendment on

page 2 reading something like this: "For a period of 3 years after the final settlement." That would not be restrictive to any extent on the legislation which is now pending and would enable a firm to know just what to expect and so close its records.

Mr. HARDY. I do not think that is necessary. I do not have any strong feeling about it and so far as I am personally concerned, it would be agreeable to me.

Mr. BURTON. If there is no objection, then I would like to submit such an amendment.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield for a question for my information?

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

Mr. MURDOCK. When did we begin the practice of negotiated contracts? Was it during the Second World War?

Mr. HARDY. We have had that practice in effect over a long period of time during emergencies.

Mr. MURDOCK. But, it became prominent during the Second World War?

Mr. HARDY. During the Second World War, it became unusually prominent, I would say to the gentleman.

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

Mr. HARDY. I yield.

Mr. GROSS. Is it not a fact that about 64 percent of all the defense work today is on the basis of negotiated contracts?

Mr. HARDY. I am not certain of the figures; it sounds a little high, but it is a relatively high figure.

Mr. GROSS. The gentleman a moment ago suggested an amendment limiting this to 3 years. Does the gentleman mean to say that he would subscribe to that in view of the great number of contracts that are going out on a negotiated basis, and in view of the inability of the Comptroller General to investigate these innumerable contracts. I should think it ought to be a 5-year proposition or a minimum of 5 years.

Mr. HARDY. The only basis upon which I would be willing to agree to such an amendment would be if it is within 3 years after the final settlement under the contract. I think it should be within 3 years after the final settlement under the contract if you are to provide any limitation at all, but personally I do not think that is necessary. A good many Members have spoken to me about that particular provision.

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

Mr. HARDY. I yield.

Mr. KEATING. This legislation by its terms would be broad enough, I take it, to cover any contracts entered into with any foreign corporations in connection with construction overseas. For instance, in France, we have been told by various sources, there might be some skulduggery in connection with that.

Mr. HARDY. I think I know what is on the gentleman's mind. I will say to the gentleman that if there is anything wrong, the bill which is before the House is broad enough to cover those contracts,

The gentleman is anticipating the committee amendment that has to do with that particular point. The bill as written would be all-inclusive, and would not provide any exemption. There is a committee amendment which was adopted by the committee and which will be presented at the proper time.

Mr. KEATING. Which will restrict it?

Mr. HARDY. Which will provide authority for the head of a department to exempt a foreign contract, supplying goods or services overseas, if he finds it is necessary to do so in order to effect a procurement.

Mr. KEATING. Does the gentleman think that is desirable, from the standpoint of the interest of the United States?

Mr. HARDY. Well, if you are overseas and you have to procure an item, and you cannot procure it without making that exception, I think the contracting officer should have that authority.

Mr. KEATING. I have been a procurement officer overseas, and although it may have interfered with my procurement, I think I would have welcomed such a provision as a protection to the United States taxpayers.

Mr. HARDY. I think it would be a protection, but at the same time it might be a strong deterrent to the procurement of an item which was necessary.

Mr. KEATING. That is probably true.

Mr. HARDY. Let me again remind you the major purposes of this bill are twofold. One is to give the Comptroller General the proper tools to do the job that Congress has instructed him to do. And second, it is to provide a deterrent to improprieties and wastefulness in negotiation of contracts. This Congress approved a similar amendment to the War Powers Act in the closing days of the last Congress unanimously. I hope we will approve this bill unanimously.

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

Mr. RIEHLMAN. Mr. Chairman, the minority members on this side of the aisle have no objections to this bill. We feel it is a constructive piece of legislation.

The two amendments, one to the Federal Property Administration Act of 1941 and the other to the Armed Services Procurement Act giving certain authority to the General Accounting Office, are involved in this bill. This will permit the General Accounting Office to check the books of certain companies and ascertain whether or not there has been any fraud in overcharges. We are in agreement with that provision of the bill as it now stands. However, I do feel there will be objection on this side to an amendment that was suggested a moment ago by the chairman of the subcommittee [Mr. HARDY] which would limit this provision to industries in our own country, or contractors in the United States or its Territories. We will take that up when the amendment is offered.

I now yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, some years ago it was my privilege to be in the position of vice chairman of a joint com-

mittee of the House and Senate, the Congressional Aviation Policy Board, in which some of these questions came up. I think the Committee on Expenditures, the Committee on Ways and Means, and the Committee on Armed Services, jointly and severally, could save the Government a great deal of money if they would follow one of the recommendations of that board. That is, to bring about some uniformity in the bookkeeping that is required of the various contractors.

During World War II we found that it was necessary for them to keep four or five sets of books on practically every contract that they had in the factory. One of those sets of books, of course, was for the Securities and Exchange Commission in connection with their annual statement. Another was for the purpose of the Treasury Department, Bureau of Internal Revenue, which has its own rules and regulations as to how you set up books. Another one, of course, was for the Air Force. Another one was for the Navy, because they had different rules. If you want to save the Government some money, you can do away with a lot of time if the Ways and Means Committee, the Committee on Expenditures, and the Committee on Armed Services will get together and provide for a one-way set of books that can be kept for all purposes.

That will really save some money. If you do not believe it go into the offices of any of the big manufacturers handling defense contracts and look at the hundreds and hundreds, and even thousands of bookkeepers they have to have in order to try to keep things straight for all these different Government agencies; it is perfectly terrific, all very discouraging to the management of these companies because while they are bound to carry out their contracts, the General Accounting Office, of course, must decide as to whether or not a given expenditure is in accordance with law; then the Bureau of Internal Revenue will come along and say, "Well, while the GAO says it is all right, we say you cannot put it in for tax purposes." Then when it comes to the renegotiation of contracts there are various conceptions as to whether or not a specific item is allowable for purposes of renegotiation.

I want to tell you that a great many of these manufacturers came into the Aviation Policy Board I mentioned some time ago and practically tore the hair out of their heads trying to get us to bring some sense to this whole proceeding of miscellaneous bookkeeping. I think you can readily see how difficult it is for them to comply with the various rules and regulations of the various agencies of the Government and still avoid violation of either laws or regulations. Most of these people have no intention, specifically the old-line people, of going out and committing fraud; no reputable company of long standing in the United States is knowingly going to commit fraud against the United States. I think, however, you can understand that it takes not only a corps of accountants, four or five separate corps of accountants, but it takes a flock of lawyers along with each set of accountants to try to

follow along and keep within the law as it respects this or that as laws and regulations affect bookkeeping. I hope the Committee on Expenditures of which the gentleman from Illinois [Mr. DAWSON] is chairman, and the Ways and Means Committee, of which I see the gentleman from Arkansas [Mr. MILLS] here, and the Armed Services Committee can get together and save the Government a lot of money by doing away with the necessity for multiple systems of accounting. It would be a great boon not only to the country but a great saving to our country in the work that is being done in national defense.

Mr. Chairman, the recommendations of the Congressional Aviation Policy Board of the Eightieth Congress on this subject are as follows:

62. The National Military Establishment, in collaboration with the General Accounting Office and the Bureau of Internal Revenue should be directed (after examining the views of organizations capable of reflecting industry's difficulties under present accounting practices) to establish a single set of rules applying to audit and determination of costs under contracts of the National Military Establishment, and in agreement with the General Accounting Office, prescribe the normal time for completing the audit and the issuance of a suitable certificate or other form of final clearance (except for fraud).

There exist three different Government regulations under which costs of Government contracts are determined. They emanate separately from the Army, Navy, Bureau of Internal Revenue, and General Accounting Office.

The decisions of the Comptroller General often place an entirely different interpretation on what constitutes allowable costs. No manual is available to contractors outlining basis for decisions. Such decisions are given after the cost has been incurred; disallowances are retroactive in effect, penalizing the contractor.

Resulting complications make it desirable to establish a definitive uniform policy with respect to costs and expenses allowable under Government contracts, eliminating different interpretations by three Government agencies.

Proper function of General Accounting Office should be a review of settlement procedure and final audit, rather than duplication of audit and administrative interpretation of contracts.

The cost-plus-fixed-fee contract must continue for highly technical research and long-range developments, cost of which cannot be predetermined for bid purposes under fixed-price contracts, but the contracting agency should be able to change objectives and methods of performance for such contracts to meet changes in military needs occurring as effort progresses.

All companies must subject themselves to audit of the Bureau of Internal Revenue for income-tax assessment. The taxpayer can be best served if other procurement agencies of Government (Army, Navy, and Air Force) agree to accept the principles of the Internal Revenue Code for determination of allowable costs.

63. The Congress should enact legislation authorizing contract termination procedure for peacetime procurement, similar to the procedure provided for in the Contract Settlement Act of 1944.

The Contract Settlement Act of 1944 permitted the Government to accomplish an outstanding task in terminating and liquid-

dating of World War II commitments. So far as the aircraft manufacturing industry is concerned, it is believed that those commitments were thoroughly and efficiently settled. Without new legislation, industry will return to the confused legal situation which existed between World War I and World War II. In that period question prevailed as to whether any settlement by agreement could be made, or, if made, could withstand the General Accounting Office rulings.

Present joint procurement regulations of the Air Force and Army provide for a so-called formula settlement of contracts. Formula settlements were tried prior to enactment of the Contract Settlement Act and found unsatisfactory both to industry and the services. The only effect of the formula is to predetermine percentage and amount of profit to be allowed on the termination portion. This is rarely a source of disagreement. Real source of disagreement and, therefore, of delay and possible litigation is almost always the question of whether certain items of cost are applicable. Under a formula settlement, or any settlement procedure other than negotiation, there develops strong tendency to excessive detail over the many thousands of items of cost going into claims. As a result, there are often differences of opinion.

Validity of a negotiated termination agreement is comparable to that of a negotiated procurement contract. Insofar as contracts for aeronautical equipment are concerned, it is desirable that negotiation be recognized as a usual means of Government contracting and settlement of Government obligations.

Authority to negotiate final settlement is particularly important insofar as industry's subcontractor and supplier claims are concerned. Unless the prime contractor is certain the settlement he negotiates is final, he will delay settlements with subcontractors.

Provisions should be made for immediate partial payments on termination claims. This is a financial necessity to both prime and subcontractors: first, because of the large values involved in many prime contracts in relation to the contractor's working capital; second, because in the preliminary stages of preparing a termination claim, supporting material is not in shape to be readily acceptable as collateral for a commercial banking loan.

Many contractors are working with minimum floor space. There is also considerable responsibility and liability connected with storage, preservation and accounting for raw material, equipment, semifinished parts, and other inventory items supporting a termination claim. It is important that Government-owned property be removed from facilities at earliest date.

Mr. RIEHLMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, during the debate on the Mutual Security Act one of our colleagues who advocated the passage of the bill stated that the figures in the bill meant nothing. I want to point out just how accurate this statement was in view of the testimony of Charles Wilson and Manly Fleischmann Friday, October 12, 1951, before the joint Senate and House Small Business and Banking and Currency Committees.

First let us review the appropriations this House has voted for military expenditures on top of the funds previously appropriated and unexpended.

The carry-over from the Defense Department is \$37,000,000,000.

We just voted an additional \$57,000,000,000.

For military construction we just voted \$5,000,000,000.

For foreign military aid—which I must remind everyone comes out of our production, the dollars are merely the measure of what production we give—\$6,000,000,000.

Unspent moneys for foreign military aid previously appropriated, \$4,780,000,000.

Unspent counterpart funds which could be used for military spending, \$2,400,000,000.

A total of \$112,180,000,000.

Now some of this will not be spent for production from our factories. Some will go for salaries, transportation and other items. However, by far the greater proportion will and is supposed to go for items which our factories will produce. I would like to know what the estimates on this are? It is interesting to note that the gentleman from Texas [Mr. MAHON] states that the estimates of the Department of Defense and the Bureau of the Budget are that only about \$40,000,000,000 of their \$95,000,000,000 can be spent during the current fiscal year.

The other money is required for long lead time items, which will not be delivered and, therefore, will not be paid for during the current fiscal year (p. 12687, CONGRESSIONAL RECORD, Friday, October 5, 1951).

Mr. Wilson in his testimony referred to said:

During the period from June 1950 to October 1951 we quadrupled the quarterly rate of military deliveries. To reach our peaks we must double that rate. We must go from \$5,000,000,000 of quarterly deliveries to a rate of \$10,000,000,000 per quarter. Counting all of the goods in process which do not show as completed deliveries, I would estimate that we are now using materials for military goods at a rate near \$8,000,000,000 per quarter.

I believe we can reach our deliveries peak on schedule early in 1953. If we do, it will bring us \$50,000,000,000 worth of military goods per year which I outlined as an objective nearly a year ago.

In other words the best we can produce from our factories in the current fiscal year is about \$30,000,000,000 worth of goods for the military, yet we have appropriated around \$100,000,000,000. The next year the best we will do is around \$40,000,000,000. Then by the third fiscal year we will be up to \$50,000,000,000. In other words two and probably three sessions of Congress will have met and adjourned before the moneys we have appropriated will be used up.

What is the result of this hasty action upon the part of the Congress? Mr. Fleischmann, testifying right after Mr. Wilson, told us the result. In answering certain questions Mr. Fleischmann said, "Oh, we screen the military's demands." When asked what this meant he said we list only the "real" needs of the military, first.

In other words the Congress by failing to study and find out what the "real" needs of the military are has by default permitted Mr. Fleischmann and others in the executive branch to perform this task.

Actually, by voting these vast sums of money which have no relationship to the reality of what our national production is capable of we have merely said to the Military Establishment, "Buy anything and everything you want, foolishly, extravagantly and then keep the change." The change being of course double the amount the limits of our production will permit them to spend.

Not only has this Congress by its actions of appropriating these vast and unrealistic sums of money earned itself the epithet of rubber stamp, but it has also set a course to violate the provisions of the Constitution of the United States.

What wisdom our founding forefathers had. How farseeing they were. Yet even their cold words set out beyond equivocation are disregarded.

Under section 8, article I, of the Constitution—section 133, House Rules and Manual—it states under the powers of Congress as follows:

To raise and support armies, but no appropriations of money to that use shall be for a longer term than 2 years.

The wisdom behind this constitutional provision arose from a knowledge of history where time and again the military organizations in a society bled the society white at a time of emotional crisis when the society became either fearful of its existence or wild with desires of conquest. Yes, I would say it is wise to vote as much money as we can use for our defense for this year and the next, perhaps. But let us assume that next year and the year after the Congress then meeting will have the wisdom to take the next logical step. It may be that their wisdom will be a little greater, being more removed from these hysterical days.

Mr. HARDY. Mr. Chairman, there being no further requests for time, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. BATTLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2574) to amend section 304 of the Federal Property and Administrative Services Act of 1949 and section 4 of the Armed Services Procurement Act of 1947, had directed him to report that the Committee had come to no resolution thereon.

MOUNT OLIVET CEMETERY ASSOCIATION,
SALT LAKE CITY, UTAH

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3954) to authorize the Mount Olivet Cemetery Association of Salt Lake City, Utah, to grant and convey to Salt Lake City, Utah, a portion of the lands heretofore granted to such association by the United States, which is on the Speaker's table.

The Clerk read the title of the bill. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MURDOCK. Mr. Speaker, this bill was unanimously reported by the Committee on Interior and Insular Affairs. It was placed on the Consent Calendar, but was not reached today. It has been cleared with the leadership on both sides and there is no objection to it.

Mr. MARTIN of Massachusetts. This is simply an exchange of land for cemetery purposes?

Mr. MURDOCK. That is right. It would permit the transfer of about 2 acres for another public purpose while retaining the remainder of the 50 acres for cemetery purposes. All local interests have agreed and are satisfied.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Mount Olivet Cemetery Association of Salt Lake City, Utah, is hereby authorized to grant and convey to Salt Lake City, a municipal corporation of the State of Utah, the unrestricted fee-simple title to a tract of land situated in the southwest corner of the Mount Olivet Cemetery, more particularly described as follows:

Beginning at the southwest corner of the Mount Olivet Cemetery Association property (said point being one hundred feet north of the original southwest corner of the Fort Douglas Military Reservation, and in the north line of Sunnyside Avenue, Salt Lake City, Utah); running thence north no degrees no minutes twenty-eight seconds east along the west line of the cemetery property three hundred sixty-two and sixty-seven one-hundredths feet; thence southeasterly along a six hundred eighty-nine and fifty one-hundredths feet radius curve to the right, tangent to which bears south sixty-five degrees seven minutes seven seconds east a distance of two hundred eighty and twenty-two one-hundredths feet to a point of reverse curve; thence along a six hundred ten and fifteen one-hundredths feet radius curve to the left, tangent to which bears south forty-one degrees forty-nine minutes fifty-nine seconds east, a distance of four hundred twenty-five and ninety-one one-hundredths feet to a point in the south line of the cemetery property which is the north line of Sunnyside Avenue; thence south eighty-nine degrees fifty-nine minutes fifty seconds west along said line five hundred ninety-one and fifty-eight one-hundredths feet to a point of beginning, containing two and eighteen one-hundredths acres.

The reversion or revertor to the United States if such land shall cease to be used as a cemetery for the burial of the dead is, as to the tract of land described in the first sentence, hereby waived. This act shall not alter or affect Mount Olivet Cemetery Association's ownership of, or its rights and privileges with respect to, the remainder of the lands heretofore granted to it by the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEPHEN FOSTER MEMORIAL DAY

Mr. BRYSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 308, authorizing the President to pro-

claim January 13 of each year as Stephen Foster Memorial Day.

The Clerk read the title of the House joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina [Mr. BRYSON]?

There being no objection, the Clerk read the House joint resolution, as follows:

Whereas Stephen Collins Foster has become a national expression of democracy through his clear and simple embodiment of American tradition in his world-famous lyrics; and

Whereas Stephen Collins Foster was signally honored by being the first musician elected to the National Hall of Fame in New York City; and

Whereas the following States have honored Stephen Collins Foster in the construction of memorials: Pennsylvania—Foster Hall, University of Pittsburgh; Indiana—Lilly Hall, Indianapolis; Michigan—Ford Village, Dearborn; Kentucky—Old Kentucky Home, Bardstown; and Florida—Stephen Foster Memorial, on the Suwannee River at White Springs; and

Whereas the songs of Stephen Collins Foster belong to the people and are the musical essence of democracy, so that he is now recognized as the father of American folk music and the true interpreter of the fundamental spirit of music; and

Whereas Stephen Collins Foster symbolizes in his works the unity of mankind through music; and

Whereas the National Federation of Music Clubs at its biennial convention in Salt Lake City, Utah, on May 13, 1951, and the Florida Federation of Music Clubs at Miami, Fla., on April 10, 1951, have endorsed and joined with the Florida Stephen Foster Memorial Corporation's request for the designation of January 13, the day on which the spirit of his music became immortal, as Stephen Foster Memorial Day; Now, therefore, be it

Resolved, etc., That the President of the United States is authorized to issue a proclamation designating January 13 of each year as Stephen Foster Memorial Day, and calling upon the people throughout the United States to observe such day with appropriate ceremonies, pilgrimages to his shrines, and musical programs featuring his compositions.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMITHSONIAN INSTITUTION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1038) relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, lines 2 and 3, strike out "one or more of the daily newspapers published in the District of Columbia" and insert "the Federal Register."

Page 3, line 14, strike out "public."

Page 3, line 16, strike out "\$10,000" and insert "\$5,000."

Page 3, line 17, strike out "ten" and insert "five."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. ALBERT. Mr. Speaker, these are amendments to a bill giving police authority to the guards at the Smithsonian Institution. Such authority was given in the case of the Library of Congress in a bill passed during the last Congress.

The amendments provide that instead of having the regulations published in one or more daily papers to have them published in the Federal Register. There are two other amendments, one of which decreases the maximum fine from \$10,000 to \$5,000 and the maximum terms of imprisonment from 10 years to 5 years.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LOUIS R. CHADBOURNE

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 971) for the relief of Louis R. Chadbourne, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out all after "Massachusetts", down to and including "1945" in line 10, and insert "a sum equal to the amount he would have received as retirement pay from the date of his release from active duty to March 1, 1949, had he been retired on the date of his release from active duty, in full settlement of all claims against the United States for such pay."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 15 minutes.

EIGHTY-SECOND CONGRESS, FIRST SESSION, FINAL REPORT, RECORD, AND FORECAST

Mr. JAVITS. Mr. Speaker, since my first report on this session to the people of my district we have begun to see more clearly the sacrifices which will be called for to maintain our national security, peace, and free institutions.

FOREIGN POLICY

During the past months the American people have been called upon again to make a great decision. The character of the negotiations for a cease-fire in Korea and the impossible claims for propaganda purposes made by the Communist Chinese and North Koreans have

compelled us alternatively to break off and resume negotiations. Though these have been hard decisions the people have supported Gen. Ridgway, confident in the fact that in dealing with the Communists we must neither be misled nor frustrated by chicanery or delay and judge the situation only on the facts. There is expectation of a cease-fire in Korea and we want one. We must also be fully prepared to move in any direction required by the situation.

The people have just backed a large mutual security program (\$7,300,000,000) both of military and economic assistance, and finally have noted a signal victory for our foreign policy in the overwhelming approval of the peace treaty with Japan at San Francisco with 46 countries for and only 3 Communist countries against signing this treaty. Equally important is the fact that seven countries of south and southeast Asia joined the other free nations in approving the Japanese Peace Treaty, and that the efforts of the Soviet bloc to obstruct and delay were suppressed with the overwhelming support of the nations represented at the conference.

Our major foreign problem aside from repelling the aggression by force, continues to be to head off or counteract internal subversion. Here we are constantly challenged by the fact that a great deal of social and economic reform is needed in depressed areas and yet is difficult to attain under existing conditions. Education, economic reconstruction and development and technical aid can form the seedbed for domestic changes in such areas. We must do all we can to eliminate conditions of oppression and injustice and to bring about conditions of hope, improvement and justice.

FAR EAST

The Far East continues with Germany to be the focal point of the Communist drive at the moment.

The struggle in Korea is at least as important as any struggle we have ever undertaken for it represents an effort to keep the peace against aggression before a major war can start and therefore to discourage those who are playing with the idea of aggressive war. I remain opposed to the admission of Communist China to the United Nations and joined in introducing H. Con. Res. 231 on June 6 declaring that this in no case must be the price of a Korean cease-fire and also calling for the popular choice of a government on Formosa, now the seat of the Republic of China.

The participation of other United Nations forces in the Korean fighting—aside from the valiant South Koreans—is still limited though British, Australian, Greek, Turkish, and Puerto Rican forces have made great contributions. But we must remember that most of the United Nations are still fighting towering economic difficulties which we are trying to help them with, are preparing their own defenses against communism as in Western Europe—NATO—and that at least one, France, is fighting a full-scale war against the Communists in Indochina.

Our far-eastern policy continues to require concentration upon a mutual-de-

fense arrangement for the whole Pacific area—a Pacific pact—and upon an economic-development program for the whole area—a Far East recovery program. Steps toward the Pacific Pact have already been taken by the mutual-defense agreements concluded between the United States and the Philippine Republic, with Australia and New Zealand and with the new post-treaty Japan. Now all the other free people in the Far East—Indochina, Malaya, Thailand, Burma, India, Pakistan, Indonesia, Afghanistan—need to be tied together for their mutual defense in a suitable defense compact. The Mutual Security Act for this fiscal year provides \$237,500,000 for economic aid alone and \$535,250,000 for military aid in this area. This is the beginning of an economic development and military-aid program but still does not get the benefit of organized self-help and mutual cooperation among the far-eastern states themselves. This is a result which I believe we must continue to seek to attain.

India remains a difficult factor in this area, having abstained from signing the Japanese Peace Treaty but I believed the recent United States food aid to India of \$190,000,000 which I helped to sponsor has done much good. India belongs with the free peoples and will align herself with them despite the vicissitudes of the hour. The important point is to maintain the stability of constitutional government there.

EUROPE

Real progress is being made in the defense of Europe through the Atlantic Pact but much remains to be done and every effort is being made to stir up the laggards. The Mutual Security Act for this fiscal year carries \$5,028,000,000 for military and \$1,022,000,000 for economic aid to Europe. Europe's problem is not manpower for defense but military equipment for its manpower. Such equipment is just beginning to flow over there. It is openly and widely considered that the next few years are the most dangerous for Europe. The answer is not, therefore, to quit but rather to accelerate our preparations and to try to bring the objective date nearer. It is for this reason that I have supported so actively the whole mutual-security program. We are now emphasizing military aid 5 to 1—by the figures—and ending the European recovery Program (Marshall plan). I believe we must do what we are doing on military aid, but that we cannot afford to cut so much on economic aid as to lay open great underdeveloped areas of the free world to Communist propaganda.

GERMANY

A resolution has passed the Congress ending the state of war with Germany. I voted "present" on this resolution in order to lend point to my warnings to my colleagues that it was premature. I urged that we be more sure than we are about what part the people of West Germany will play in the defense of Europe, how they will deal with the surge of former Nazi elements into high positions in government, business, and society, the controls they will exercise over the shipment

of strategic materials behind the iron curtain from West Germany and the extent to which justice would prevail in restitution and indemnification to the victims of Hitler, thousands of whom are now American citizens. Gen. Eisenhower summed up the position that I have advocated on the German question when he spoke of "an earned equality on the part of that nation," in his address before the Members of Congress in February.

I shall continue this policy of vigilance with respect to Germany with full recognition of the enormous part Germany can play in the economic and defensive power of Europe. I am anxious to see granted on a reciprocal basis all powers which are earned by the German people. There is much discussion of unification between West and East Germany but knowing Communist chicanery as we do we cannot permit the understandable desire of Germans for unification to be used as a bargaining point by the Soviets to make the whole of Germany a satellite state. The unification of Germany cannot be isolated from other West-East issues.

NEAR EAST AND ISRAEL

The defense of this area is vital to the national security of the United States. It is vulnerable because of the feudal social conditions which are rife through the area, the high rates of illiteracy, depressed economic conditions, fanatical leadership in high places, and low state of health which prevails. It is also very attractive to the Communists because it has enormous oil resources. The failure of Great Britain and Iran to agree on oil and Egypt's defiance of the United Nations Security Council and struggle with Britain on the Suez Canal and Sudan shows the great conflict in this area.

The admission of Greece and Turkey, with their effective and strong military defenses, into the Atlantic Pact establishes the basis for defense of this area. Israel is the hard core of defense and democracy in the other areas of the Near East. She is having tremendous difficulty absorbing an immigration which has already almost doubled her population in only 3 years. Accordingly I supported and worked for economic assistance to Israel which was just granted in the Mutual Security Act in the sum of \$50,000,000 for refugee aid and a shared part of \$160,000,000 for economic development in the whole Near East area, including also the Arab States. I have also supported and worked for equivalent aid for the Arab refugees and Arab people recognizing that the Near East is a unit. Our first object in this area must be peace between Israel and the Arab States and mutual development. We will gain it only by constructive action and not by being intimidated into doing injustice to Israel by Arab fanaticism.

IRELAND

The Foreign Affairs Committee, of which I am a member, reported favorably at long last the Fogarty resolution seeking Irish unification. When brought up for consideration the House of Representatives refused consideration though I spoke for and voted for it. I believe

the text of the resolution did not suit the House and this requires a new effort as the basic sentiment is, I believe, in sympathy with Irish unification as being in our best tradition.

OTHER FOREIGN POLICY SITUATIONS

The release of Robert Vogeler, a United States citizen, who had been imprisoned by the Communist Hungarian government, showed that the Communist governments are susceptible to world opinion and to countermeasures. I fought for Mr. Vogeler and was very gratified by his release. He is a living witness of the implacable cruelty of Communist dictatorship. In conjunction with the successful efforts to free Robert Vogeler, I continued to work for the release of Cardinal Mindszenty and the cardinal's successor, Archbishop Groesz, for whose release I sponsored a resolution of protest (H. Res. 325).

The problem of Spain has proved a very trying one, particularly in view of the aid given to Yugoslavia, a Communist country, while Spain is a Falangist country, both dictatorships. Aid to Spain is thought to be justified on the basis of her strategic position and military assistance. These must be weighed against the active opposition of the Western European allies upon whom we heavily rely in the NATO, particularly Great Britain and France. Spain should be first passed on for admission into the Council of Europe at Strasbourg and the Organization for European Economic Cooperation and that is the basis upon which proper terms can be made with Spain for any aid to be extended.

PRICES AND CONTROLS

Amendments to the price-and-wage control law were adopted in July. These weakened rather than strengthened the law, in my view. Agricultural prices, underlying the cost of food, continued to receive preferential treatment in price stabilization. I sought to freeze agricultural prices the same as other prices, but without success. Other amendments are giving guaranteed profit margins to distributors and to manufacturers and special provisions embarguing the import of fats and oils, cheese and other dairy products introduce new elements of inflation in the price-control situation. The failure of efforts to roll back the prices of meat to the consumer by 10 percent and to impose quotas on slaughterers to control black markets in meat, both of which efforts I supported, further discourage the outlook for strong price and wage stabilization.

I am convinced that working people would be glad to hold the wage line if the price line were held, but are prevented from doing so by the weak price controls. I shall continue my fight for a strong and effective control program.

The Consumer's Price Index of the Bureau of Labor Statistics is now at an all-time high of 186 (1935-49=100) with an index figure of 227 for foods. This is the most disturbing sign of inflation danger ahead on our domestic horizon and demands urgent correction.

RENT CONTROL AND HOUSING

I stated in my previous report that I consider New York State rent control as

giving greater protection than the people of New York could get under the present or any Federal rent control law likely to be enacted currently. This is proved in the extension of the Federal rent-control law.

Decentralization of areas (except for military defense areas) was not only made easier but a new rent increase factor was introduced permitting landlords to get 120 percent of their 1947 rents with a credit for voluntary rent increases taken by the tenant other than for increased services since that time. This is in addition to the fair net operating income rent increase formula which still continues in the Federal rent control law and has resulted in widespread rent increases.

I was successful in carrying over in substance my maintenance of services amendment in these new Federal rent-control provisions which has been responsible for blocking many improper rent increases.

My congressional rent clinics continue to function throughout our district in accordance with the published schedule, under the chairmanship of Hyman W. Sobell, Esq., and serviced by the volunteer lawyers who are doing such fine work on rent problems without charge.

The publicly assisted low-rent housing program for which I fought in 1949 called for the construction of 135,000 public-housing units a year for 6 years. Due to materials shortages resulting from defense mobilization the President recommended a cut to 75,000 of such units for the coming year and congressional committees cut it to 50,000 units. By an unexpected and untimely move it was further cut in the House of Representatives to only 5,000 units. The essential minimum for New York City alone was 15,000 units for the year 1951-52. After an extended and spirited struggle, featured by a splendid mass meeting in the city council chamber of New York (which I had the privilege of addressing), we were successful in restoring the 50,000 unit figure for this fiscal year. This should allow 10,000 units for our city which, though far from adequate, is yet gratifying as compared with the prospects but a short time ago.

ARMED SERVICES

The main problem has arisen in connection with the handling of reservists. It has been felt that the armed services have called many of such men without due regard for family or economic obligations or, in some cases, fitness for service. Also, it was alleged that no assignments for many in which they were really needed were available. Finally, the policy on reservists retention had been very unsettled despite the provisions in the draft law calling for the release from duty of reservists after 17 months of service unless retention is demanded in the national interest. The law has now been amended to provide for mandatory release for reservist enlisted men in 16 months if they have served a year or more in World War II, but the 17-months service still obtains for Reserve officers recalled to duty with 24 months for those in recalled organized units.

I have helped many reservists and their families with these problems and will continue to do so.

I testified before the committee considering the Armed Forces Reserve Act, just passed, urging that adequate consideration be given in recall and release to dependency status, hardship and reserve status.

The new law creates Ready, Standby, and Retired Reserves. Only the first group is subject to call-up in emergencies declared by the President; the others, only in the event of war. Into the Ready Reserve will go those in organized units and draftees who have served for 2 years; the latter will remain in Ready Reserve for 6 years, which may be shortened to 3 years by satisfactory training with an organized unit. Four-year enlistees would pass directly into the Standby Reserve. Anyone who had served 1 year in World War II and 1 year in the Korean action would be transferred into the Standby Reserve as would those who have served 8 years in a reserve component since September 2, 1945.

The problem of citizenship for aliens serving in the Armed Forces is important. Three years service is now required to make an alien eligible, while only 90 days service was required during World War II. I am doing my utmost to get this period reduced.

The West Point expulsion scandal has shocked all Americans. High character on the part of our professional military leaders is vital to national defense and national morale. No cadet involved was appointed from our district. I feel that all cases of this character should be considered individually and on their merits without wholesale condemnation or clearance.

The contemplated size of our Armed Forces remains the same—3,500,000—and efforts are now going forward to determine its adequacy to the problems of modern defense in terms of air power and atomic weapons. These may well have a most constructive effect on the size of the Armed Forces we need, their cost and effectiveness. I shall support full modernization of the armed services.

CIVILIAN DEFENSE

I have supported civilian defense which I consider to be vital to effective national defense and have also worked for efforts to get Federal help to construct underground parking garages so important to New York, which could be used as defense shelters. The House of Representatives recently cut civilian-defense appropriations by 85 percent—cuts which I strongly opposed. I shall continue this fight to get adequate civilian defense; otherwise our civilian population is dangerously vulnerable to atomic and other new weapons.

VETERANS

Bills were passed recently in the House of Representatives increasing benefits for disabled veterans and their dependents and also widows and survivors' and beneficiaries' pensions. In addition allowable earnings for beneficiaries were increased but these bills have not yet had favorable action in the Senate. I supported also a bill to provide an in-

crease in compensation from \$65 to \$120 a month for veterans over 65 with non-service-connected disability and requiring an attendant. The President vetoed this bill but it was passed over his veto.

I am supporting legislation to extend GI educational benefits to children of World War II veterans killed in action; also to extend to veterans of the conflict in Korea the same benefits under the GI bill as those enjoyed by World War II veterans.

I joined others of my colleagues in an effort to prevent the Veterans' Administration regional office in New York dealing with national life insurance and death claims from being moved to Philadelphia.

CIVIL RIGHTS

Since my last report the fight for the elimination of segregation and discrimination in the armed services has been marked by a major success—the elimination of all segregated units abroad. Although segregation has been eliminated in many camps in the United States, it still persists in some. The effort to abolish it universally continues.

The House rejected recently my amendment to prohibit segregation and discrimination in community facilities in defense housing, but I am endeavoring to secure these provisions through administrative means. I was compelled to vote against a bill to help communities with defense installations to meet their added school problems for the same reason—segregated schools—though it was a measure I would otherwise have supported.

A major defect in the Internal Security Act—the McCarran Act—was the prohibition of entry into this country of persons who as children were forced to affiliate themselves with Nazi, Communist, and similar organizations in order to stay alive. This overstringent provision was keeping out some worth-while potential citizens. The law was relaxed recently to permit the entry of those in this category. It demonstrated what I had contended about this act when I opposed it—that it is unnecessarily strict for any legitimate objective.

BUDGET AND TAXES

For the current fiscal year \$57,200,000,000 is being appropriated directly for the armed services plus an additional amount of approximately \$17,500,000,000 for other national and mutual security programs and the Korean conflict. Other Government programs, including veterans' benefits will require about \$20,000,000,000 in appropriations. Actual expenditures, however, for all these purposes will probably be about \$68,400,000,000 in the current fiscal year 1951-52.

Our people wish to be on a pay-as-we-go basis for defense mobilization. With the national debt at \$257,386,206,535—\$1,659 per capita—this certainly seems only fair to our children and to our country's future.

The President had suggested a total of \$10,000,000,000 in new income taxes and the closing of tax loopholes. The House-passed tax bill proposed to raise \$7,200,000,000. The compromise tax bill passed

will raise an estimated \$5,700,000,000 and is made up as follows: An increase in personal income taxes of generally 11¼ percent of existing rates (11 percent for taxable incomes of \$2,000 or less), which will cause normal withholding to be 20 percent instead of 18 percent as at present; corporate income taxes are generally increased from 47 percent to 52 percent; the percentage used for computation of excess-profits taxes is increased from 62 percent to 70 percent and the base on which figured is raised; and additional excise taxes are imposed on liquor, gasoline, cigarettes, and certain electrical appliances, while such items as baby oil and admissions to civic and community concerts, including the Metropolitan Opera, are exempt from excise tax.

Persons over 65 can claim an exemption on their income taxes for all medical expenses up to a limit of \$2,500 a person or \$5,000 for each married couple. Persons who qualify as single heads of households can receive half of the income-splitting benefits now authorized for married persons. Corporation taxes are to be levied on mutual-savings banks and building and loan associations after interest payments to depositors and 12-percent reserves, as well as on undistributed, unallocated income of nonexempt farm purchasing and marketing cooperatives. The Congress rejected a 20-percent withholding tax on dividends, interest payments, and royalties.

I endeavored to have included in the tax-increase bill my measures—H. R. 1284 and 2818—to equalize the tax burden on those on retirement pensions, with those receiving social security by granting a \$2,000 exemption and by giving the physically handicapped the same additional \$600 exemption now extended to the blind. However, the Committee on Ways and Means rejected these proposals on the ground that they were only considering ways to increase revenue.

A great many people have written me about economy in Government and keeping nondefense expenditures to an essential minimum. I have supported large cuts in rivers and harbors, conservation payments, and agricultural price support appropriations which would have saved hundreds of millions of dollars. I am not supporting cuts to deprive us of needed medical research, public health, or veterans' services or to jeopardize fair treatment for post office and other Federal employees. I believe this is false economy and these savings are meager compared with what could be saved where economy is justified. I do not consider armed-services appropriations inviolate and I propose that demonstrated waste and inefficiency in these appropriations too should show in cuts.

OLDER WORKERS AND SOCIAL SECURITY

On July 9, I introduced the National Act Against Age Discrimination in Employment to deal with the problem of older workers. It seeks to prevent discrimination in hiring of workers over 45 due to age. The bill has aroused an enormous interest in the country and I have pursued it diligently with respect to the hiring practices of the local governments and the Federal Government. I

have also demanded that the Defense Mobilizer, the National Production Administration, and other defense agencies give special attention to employment of older workers.

No action has been taken on increasing social-security benefits or extending the system further as it covers today only about one-half of the American people. I believe that this situation will and should be corrected.

POST OFFICE AND CIVIL SERVICE

In order to reduce the Post Office's \$500,000,000 deficit at a time of unprecedented budgets and to cover increased costs of operation, increases in postal rates calculated to raise \$117,000,000 are being made. The increase for postal cards is 2 cents, and for second- and third-class mails (newspapers, periodicals, and advertising, but not books) is 30 percent at 10 percent a year and an increase to 1½ cents per item, respectively.

During the debate on the measure to increase postage rates, I attempted to insert an amendment providing for the restoration of the postal services curtailed last year, but unfortunately this move did not succeed. I will, however, continue my fight for adequate postal services. I am also endeavoring to secure enlarged post office facilities for our community as many of the present post offices are undersized and overtaxed.

Legislation to increase the pay of post office workers generally by a flat \$400 per annum and to eliminate the first two automatic grades has been passed, and the pay of classified civil-service workers has been raised 10 percent, with a minimum of \$300 and a maximum of \$800. I supported this legislation vigorously for workers who have only the Government to look to for justice. The amount of the increase is even now not adequate to deal with the cost of living but it will help.

Graduated leave is replacing the other leave provisions for post office and civil-service workers, with a minimum of 13 days for those who have served up to 3 years and a maximum of 26 days for those who have served over 15 years. Sick leave is fixed at 13 days annually.

Other civil-service problems relate to the need of increased retirement benefits for civil-service workers and the freeze on permanent appointments or promotions. I shall do all I can to help resolve these problems favorably to the Federal employees affected.

LABOR

Workers as the best example of the benefits inherent in the American system are extremely important to the defense effort. Their presence on defense mobilization agencies at home and in our diplomatic and economic agencies overseas is an important element in our strength. It should be encouraged in every way.

I opposed the amendment to the price and wage control legislation which sought to reduce the position of labor on the Wage Stabilization Board as I consider the equal tripartite representation of management, labor, and the public to be essential to the hopes of labor-management cooperation.

The Railroad Retirement Act was amended increasing payments to pensioners and annuitants by 15 percent and to survivors by 33 1/4 percent.

In the closing days of the session, Congress enacted a labor-supported amendment to the Taft-Hartley Act to dispense with union shop elections and to legalize certain union shop agreements made necessary by a recent Supreme Court decision.

IMMIGRATION

In an article published in the New York Times Sunday magazine (July 8, 1951) and later condensed and reprinted in the Catholic Digest (September 1951) I outlined a plan to provide for the admission of alien workers possessing skills needed in the United States, with a priority for the surplus working force of those European nations cooperating in the European Recovery and Mutual Security Programs. To implement this plan I sponsored the Selective Immigration Act of 1951. Domestic unemployment is down to the almost irreducible minimum in our defense mobilization program and several million additional workers will be needed in the next few years. Strategic balance with the population of the Soviet Union in the next 20 years requires a better immigration policy.

MISCELLANEOUS ISSUES

Disquieting revelations of corruption in Government and of slackness in the moral and ethical standards of officials have been coming out in volume. So, too, have charges and countercharges about Communist influences in Government. First, we should be clear that the great mass of Government officials are unaffected and function as loyal public servants. Second, while casting the rotten apples out of the barrel and supporting all legitimate investigations we should be careful to apply the time-honored safeguards of our society that no one is guilty until so proven and that punishment—swift and severe when merited—should follow, not precede, such proof.

I have dealt with community problems concerning improvement of schools and playgrounds, traffic conditions, abatement of nuisances and the incidence of crimes of violence. In the latter, I have had the full cooperation of the police authorities of the Thirtieth and Thirty-fourth precincts. The correction of conditions is not easy but close cooperation between good citizens, public officials, and the police authorities can do much to help. Crime cannot stand up against an aroused community.

Conservation of national resources is vital to our survival and our future. I opposed the tidelands bill which passed the House of Representatives granting the offshore oil reserves to the States, as I believe only in the Federal establishment can they be made to serve best the people's interest.

Administration of the antitrust laws does not seem to have done much to preserve and develop small business while big business has developed its size and productivity. Accordingly, I have joined with Senator MORSE, of Oregon, to introduce legislation for a national commission to review the antitrust laws.

My campaign to get Americans to vote has continued. We cannot afford a society where only 40 percent of eligible Americans normally vote in congressional elections and only 50 percent in Presidential elections. I am also working toward the same end through my efforts to get broadcasting and televising of major debates in the Congress.

CONCLUSION

At a time of world crisis we have cause for deep concern yet the strength of our country and the character of our people give us real reason for optimism. In the days ahead we shall be sustained and we shall succeed because our free institutions are deeply imbedded in our hearts and we continue to have abiding faith in the human values.

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

VETERANS LEGISLATION AND ADJOURNMENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I really rise to ask what the program is for the week and what the possibility or probability of adjournment is. I personally am not anxious to adjourn until certain legislation is passed, and I shall do everything in my power to prevent it, if I can, until this legislation, which has passed, is signed by the President. And I hope the other Members will also.

Mr. PRIEST. The majority leader is not present on the floor at the moment, and, of course, I cannot tell the gentlewoman, as much as I wish that I might, when we will adjourn. We plan to adjourn when we finish our program and, as far as bills that are already at the White House awaiting Presidential signature, the program of the Congress, of course, is not dependent upon that particular situation. We just intend to adjourn when we finish this program, and that is the most definite answer I can give to the gentlewoman at this time. We are moving along pretty well today, and if we keep going at this pace we ought to finish the program rather shortly.

Mrs. ROGERS of Massachusetts. Does the gentleman have any idea whether the bills at the White House will be signed by the President or not?

Mr. PRIEST. I am sorry to say to the gentlewoman that I do not have any idea on that particular subject.

Mrs. ROGERS of Massachusetts. You see, Mr. Speaker, I am greatly disturbed that our veterans legislation is so late in being passed. I think some three or four bills were signed by the President on Saturday. There is a bill for the cruelly disabled, the amputees, the blind, the paraplegics, that is still on his desk. The information has not gone out, but I believe the President will sign the bill. He vetoed it 2 years ago and I think he vetoed it because of recommendations from a man who did not understand it. I find a great many do not understand the legislation. It costs only a few millions. We sent \$8,000,000 abroad for military and economic aid only a few days ago. We spend billions and bil-

lions of dollars in the construction of tanks and everything connected with the military, missiles that have unfortunately wounded the very boys that have come to the Capitol day after day and week after week in order to try to secure their legislation. They were wounded on Heartbreak Ridge in Korea. It has been "Heartbreak" Capitol Hill. Delays and rebuffs have been their lot. The House has passed that legislation several times, and the Senate, unfortunately, belatedly passed it. I think there was a great misunderstanding there about the legislation; misunderstanding as to how much it does for these men in the way of rehabilitation. Of course, they cannot understand why their legislation to reconstruct them is not passed primarily, nor can I when most all the legislation for destruction is passed so quickly. And legislation for almost everything under the sun.

I know the House has passed that legislation and so has the Senate. We are in good position. I wonder if the Members of the House will not suggest to the President how much it will do for those men. Those men to whom we owe so much—those men that were sent to war. It will give them a new objective, a new life. It opens a new world to them. The paraplegics of World War II thought they were hopelessly bedridden but when the car bill first passed they got out of bed. When they secured the automobile they were able to go out and get jobs.

In England, Mr. Speaker, the British give their paraplegics automobiles and \$150 a month for their upkeep. They do more than we do for them. They go to and from their work in their automobiles. That is true of the amputees who now have cars. They have gotten jobs. I was talking only today by telephone to the Registrar of Motor Vehicles of Massachusetts. He spoke of their record for safety and their record for fine, constructive work, because they have the transportation to use to and from that work. If the Members will all join in explaining to the President the importance of signing that bill, I am sure he will do it. Every Member here has amputees and blind and paraplegics in his district. Please, please help them.

RESPONSIBLE OFFICIALS OF OUR GOVERNMENT ARE KIDDING THE AMERICAN PEOPLE ABOUT FANTASTIC WEAPONS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes 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. VAN ZANDT. Mr. Speaker, recently there has been in high places much irresponsible talk about fantastic weapons, when the fact is that most all of them are either on the drawing board or in experimental stages. The lag between the drawing board, experimental stage, and availability for actual use against the enemy in many cases may stretch to several years.

Those in high places who are guilty of this irresponsible talk about the imme-

diate availability of atomic tactical weapons and long-range guided missiles equipped with atomic warheads, are either greatly misinformed, or they are deliberately misleading the American people. In my opinion, these statements are being made for political purposes because in almost every instance they come from persons either seeking reelection or promotion to a higher office.

These irresponsible statements have caused the American people to believe that we have these fantastic weapons and that they are available immediately. Let us take the average American mother who has heard about these fantastic weapons and their immediate availability. One mother with two sons in Korea recently wrote me as follows:

Mr. Dean says the war in Korea could be won or ended by using atomic weapons. Then why in the earth are they not used? Use anything to stop this Korean war. I think we are war weary as our leaders continue to sacrifice our boys with little prospect of a clear-cut victory in the long run.

These sentiments expressed by a mother with two sons in Korea are echoed by millions of Americans.

I think that someone in the Department of Defense should have gumption enough to tell the American people why we do not use the A-bomb in Korea, instead of making bullying threats. Why does not someone in the Department of Defense tell the American people that the Russian military leaders know that we have the A-bomb ready for use, and for that reason they are not providing a target for us by allowing the Chinese Reds to mass their forces and military supplies in one place.

The truth of the matter is the Reds never permit any great concentration of troops, equipment, or supplies to the extent that an A-bomb would be effective. On the other hand, they assemble small units that can be destroyed with the conventional type bomb, thus eliminating the use of the A-bomb on our part. Meanwhile, we are keeping our present supply of A-bombs intact and preserving them for use on real atomic targets. At the same time, our use of the conventional type bomb represents a tremendous saving in dollars and cents over the A-bomb, whose supply is scarce and whose use is not practical because of lack of atomic targets.

While I may be criticized for questioning the statement about these fantastic weapons, for the sake of the American people I want them to know that we do not have the tactical weapons or the long-range guided missile with the atomic war head. We are months away from having them and in some cases, years.

We are working on the atomic-powered submarine, the atomic-powered aircraft, and the atomic artillery shell, but they are still in the laboratories, or on an experimental basis. The plain fact is that we do not have them fully developed and ready for use.

This push-button psychology that persons in high positions of government are using on the American people is downright dishonest, and it is about time that some of these irresponsible persons

stop talking about fantastic weapons, while they have their eyes on the next election. By so doing, they will lift the American people out of the sea of bewilderment and confusion that they find themselves in today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in four instances, in three to include extraneous matter.

Mr. BURDICK and to include an address given by the Honorable JOHN T. WOOD before the United States Flag Committee in New York City on October 10.

Mr. SMITH of Mississippi in three instances and to include extraneous matter.

Mr. WICKERSHAM in five instances and include addresses on soil conservation.

Mr. GORDON on resolution 331.

Mr. MAGEE.

Mr. BOLLING and to include extraneous matter.

Mr. PRICE in three instances and to include extraneous matter.

Mr. JONAS in three instances and to include extraneous matter.

Mr. McVEY and to include an editorial.

Mr. DENNY and to include a letter appearing in the Washington Post.

Mr. SIMPSON of Illinois and to include an editorial appearing in the Jacksonville (Ill.) Journal.

Mr. JENSEN in two instances; to include in one resolutions passed by the Iowa Vocational Agricultural Teachers Association, and in the other a letter.

Mr. VORYS.

Mr. CUNNINGHAM and to include an address.

Mr. SHEEHAN.

Mr. SMITH of Wisconsin in three instances, and to include extraneous matter.

Mr. CURTIS of Missouri and Mr. WOOD of Idaho in two instances each, and to include extraneous matter.

Mr. MILLER of Nebraska and to include excerpts.

Mrs. ROGERS of Massachusetts.

Mr. WILSON of Texas (at the request of Mr. PICKETT) and to include an editorial.

Mr. WIER and to include an article from the Saturday Evening Post of October 6.

Mr. HARRISON of Wyoming and to include extraneous matter.

Mr. MANSFIELD in two instances and to include various excerpts.

Mr. KEATING to extend his remarks at the conclusion of debate on H. R. 5505 and to extend his remarks and include an editorial.

Mr. AYRES and to include a copy of a bill.

Mr. VORYS.

Mr. ADDONIZIO (at the request of Mr. PRIEST).

Mr. MCGUIRE (at the request of Mr. PRIEST) and to include an article on the Honorable James A. Farley.

Mr. ENGLE (at the request of Mr. PRIEST) and to include extraneous matter.

Mr. HINSHAW to revise and extend the remarks he made today in the Commit-

tee of the Whole and in the House, and in one instance to include excerpts from an official document.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BARING, for an indefinite period, on account of illness.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 43. An act for the relief of Joseph Flury Paluy; to the Committee on the Judiciary.

S. 64. An act for the relief of Helen Dick; to the Committee on the Judiciary.

S. 183. An act for the relief of Elfriede Ehrhardt Otto; to the Committee on the Judiciary.

S. 366. An act for the relief of Stanislas d'Erceville; to the Committee on the Judiciary.

S. 440. An act for the relief of Evangelos and Michael Dumas; to the Committee on the Judiciary.

S. 471. An act for the relief of Ai Mei Yu and Ai Mei Chen; to the Committee on the Judiciary.

S. 527. An act for the relief of Youichi Nobori; to the Committee on the Judiciary.

S. 605. An act for the relief of Constance Chin Hung; to the Committee on the Judiciary.

S. 639. An act for the relief of Motoi Kano; to the Committee on the Judiciary.

S. 640. An act for the relief of Isamu Furuta; to the Committee on the Judiciary.

S. 664. An act to amend section 4 of the act of May 5, 1870, as amended and codified, entitled "An act to provide for the creation of corporations in the District of Columbia by general law", and for other purposes; to the Committee on the District of Columbia.

S. 690. An act to permit certain lands heretofore conveyed to the city of Canton, S. Dak., for park, recreation, airport, or other public purposes, to be leased by it so long as the income therefrom is used for such purposes; to the Committee on Expenditures in the Executive Departments.

S. 740. An act for the relief of Albert Walton; to the Committee on the Judiciary.

S. 811. An act for the relief of Mitsuko Sakata Lord; to the Committee on the Judiciary.

S. 821. An act for the relief of Wong Woo, also known as William Curtis; to the Committee on the Judiciary.

S. 828. An act for the relief of Berta Gomes Leite; to the Committee on the Judiciary.

S. 839. An act for the relief of Alice Ibrahim Hannan Ibrahim, Ellen Issa Zakaria, Ruth Naomi Schut, and Roselleen Schut; to the Committee on the Judiciary.

S. 895. An act for the relief of Dr. Yau Shun Leung; to the Committee on the Judiciary.

S. 904. An act for the relief of Roy Y. Shiomi; to the Committee on the Judiciary.

S. 914. An act for the relief of Masako Miyazaki; to the Committee on the Judiciary.

S. 931. An act for the relief of Bernard Kenji Tachibana; to the Committee on the Judiciary.

S. 971. An act for the relief of Ralph Albrecht Hsiao; to the Committee on the Judiciary.

S. 985. An act for the relief of Agnes Anderson; to the Committee on the Judiciary.

S. 1052. An act for the relief of Maria Rhee; to the Committee on the Judiciary.

S. 1120. An act for the relief of Misao Konishi; to the Committee on the Judiciary.

S. 1212. An act to amend section 2113 of title 18 of the United States Code; to the Committee on the Judiciary.

S. 1236. An act for the relief of Kim Song Nore; to the Committee on the Judiciary.

S. 1256. An act for the relief of Barbara Ann Koppius; to the Committee on the Judiciary.

S. 1280. An act for the relief of the minor child, Peng-siu Mei; to the Committee on the Judiciary.

S. 1323. An act for the relief of Francisca Quinones; to the Committee on the Judiciary.

S. 1339. An act for the relief of Dr. Chai Cahng Choi; to the Committee on the Judiciary.

S. 1401. An act for the relief of Lore A. M. Hennessey; to the Committee on the Judiciary.

S. 1448. An act for the relief of Robert William Lauber; to the Committee on the Judiciary.

S. 1462. An act for the relief of Joseph Boris Tchernoff; to the Committee on the Judiciary.

S. 1482. An act for the relief of the town of Mount Desert, Maine; to the Committee on the Judiciary.

S. 1604. An act for the relief of Truman W. McCullough; to the Committee on the Judiciary.

S. 1622. An act to amend section 10 of the Flood Control Act of 1946; to the Committee on Public Works.

S. 1668. An act for the relief of Pansy E. Pendergass; to the Committee on the Judiciary.

S. 1682. An act for the relief of Daniel J. Crowley; to the Committee on the Judiciary.

S. 1770. An act to amend the Administrative Procedure Act, and eliminate certain exemptions therefrom; to the Committee on the Judiciary.

S. 1819. An act for the relief of Wolfgang Vogel; to the Committee on the Judiciary.

S. 1909. An act for the relief of Henry Bongart and Evelyn Bongart; to the Committee on the Judiciary.

S. 1911. An act for the relief of Michael David Liu, a minor; to the Committee on the Judiciary.

S. 1934. An act for the relief of Ascanio Collocci; to the Committee on the Judiciary.

S. 1938. An act granting the consent of Congress to a supplemental contract or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Joint Toll Bridge Commission, and for other purposes; to the Committee on Public Works.

S. 1949. An act for the relief of Hattie Truax Graham, formerly Hattie Truax; to the Committee on the Judiciary.

S. 2042. An act to extend certain privileges to representatives of member states on the Council of the Organization of American States; to the Committee on Foreign Affairs.

S. 2095. An act for the relief of Joe Kosaka; to the Committee on the Judiciary.

S. Con. Res. 36. Concurrent resolution authorizing the appointment of 14 Members of Congress to participate in a public discussion of problems of common interest with representatives of the Consultative Assembly of the Council of Europe; to the Committee on Rules.

ENROLLED BILLS SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 732. An act for the relief of Konstantios N. Bellos;

H. R. 782. An act conferring United States citizenship posthumously upon Siegfried Oberdorfer;

H. R. 794. An act for the relief of Arthur E. Hackett;

H. R. 824. An act for the relief of Luisa Monti;

H. R. 1087. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," to empower the courts to remit or mitigate forfeitures under the Indian liquor laws;

H. R. 1100. An act for the relief of Eugenio Bellini;

H. R. 1119. An act for the relief of Mario DiFilippo;

H. R. 1252. An act for the relief of Mr. and Mrs. Miroslav Kudrat;

H. R. 1413. An act for the relief of Franz Geysling;

H. R. 1596. An act for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar;

H. R. 1696. An act for the relief of Jack Warner and family;

H. R. 1764. An act to authorize the Secretaries of the Army and Air Force to settle, pay, adjust, and compromise certain claims for damages and for salvage and towage and to execute releases, certifications, and reports with respect thereto, and for other purposes;

H. R. 1908. An act for the relief of Helena Jange Chinn;

H. R. 2210. An act for the relief of Hye Pah Kung;

H. R. 2322. An act to authorize the improvement of East Pass Channel from the Gulf of Mexico into Choctawhatchee Bay, Fla.;

H. R. 2684. An act to provide for the sale, transfer, or quitclaim of title to certain lands in Florida;

H. R. 3221. An act for the relief of Joji Ikeda, a minor;

H. R. 3424. An act for the relief of Yumi Horiuchi;

H. R. 3430. An act for the relief of the estate of Nora B. Kennedy, deceased, and Mrs. Ann R. Norton;

H. R. 4154. An act for the relief of the estate of Jake Jones, deceased;

H. R. 4205. An act to provide retirement benefits for the Chief of the Dental Division of the Bureau of Medicine and Surgery, and for other purposes;

H. R. 4270. An act for the relief of the estate of Jennie Gayle, deceased;

H. R. 4271. An act for the relief of Mr. and Mrs. Richard G. Adams and legal guardian of Dorothy Margaret Adams;

H. R. 4550. An act to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes;

H. R. 4693. An act to amend section 77, subsection (c) (3), of the Bankruptcy Act, as amended;

H. R. 4740. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1952, and for other purposes;

H. R. 4931. An act for the relief of Lewyt Corp.; and

H. R. 5054. An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 537. An act to further amend the Communications Act of 1934; and

S. 1450. An act to provide for the exchange of certain lands owned by the United States of America for certain privately owned lands.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Tuesday, October 16, 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:

879. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend section 62 of the National Defense Act of June 3, 1916 (39 Stat. 198), as amended (32 U. S. C., 1946 ed., sec. 4c), to include the Virgin Islands"; to the Committee on Armed Services.

880. A letter from the President, Board of Commissioners, Government of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend section 86, Revised Statutes of the United States relating to the District of Columbia, as amended"; to the Committee on the District of Columbia.

881. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to approve repayment contract negotiated with the irrigation districts comprising the Owyhee Federal reclamation project, Idaho-Oregon, to authorize its execution, and for other purposes"; to the Committee on Interior and Insular Affairs.

882. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to approve a repayment contract negotiated with the Frenchtown irrigation district, Montana, to authorize its execution, and for other purposes"; to the Committee on Interior and Insular Affairs.

883. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to approve repayment contracts negotiated with the Malta irrigation district and the Glasgow irrigation district, to authorize their execution by the Secretary of the Interior, and for other purposes"; to the Committee on Interior and Insular Affairs.

884. A letter from the Acting Deputy Attorney General, transmitting a draft of legislation entitled "A bill to amend section 12 of the Clayton Act with respect to transfer of civil actions brought under the antitrust laws"; to the Committee on the Judiciary.

885. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a bill entitled "A bill to include, within the provisions of law providing punishment for killing or assaulting Federal officers on official duty, officers and employees of the Federal Security Agency engaged in enforcing the food and drug or public health laws of the United States"; to the Committee on the Judiciary.

886. A letter from the Chairman, Joint Committee on Internal Revenue Taxation, transmitting a report by the Joint Committee on Internal Revenue Taxation covering refunds and credits of internal-revenue taxes for the fiscal years ended June 30, 1947 and 1948, pursuant to section 3777 of the Internal Revenue Code (H. Doc. No. 259); to the Committee on Ways and Means, and ordered to be printed.

887. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of October 11, 1951, the following bills were reported on October 12, 1951:

Mr. CAMP: Committee on Ways and Means. H. R. 5693. A bill to amend the Tariff Act of 1930, so as to impose certain duties upon the importation of tuna fish, and for other purposes; with amendment (Rept. No. 1153). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 5248. A bill to suspend certain import duties on tungsten; with amendment (Rept. No. 1152). Referred to the Committee of the Whole House on the State of the Union.

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. ROGERS of Colorado: Committee on the Judiciary. H. R. 3589. A bill to amend title 17 of the United States Code entitled "Copyrights" with respect to recording and performing rights in literary works; with amendment (Rept. No. 1160). Referred to the Committee of the Whole House on the State of the Union.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1482. An act for the relief of the town of Mount Desert, Maine; without amendment (Rept. No. 1161). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 401. A bill to amend the Nationality Act of 1940, as amended; with amendment (Rept. No. 1176). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5633. A bill to approve a contract negotiated with the irrigation districts on the Owyhee Federal project, to authorize its execution, and for other purposes; without amendment (Rept. No. 1177). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Interior and Insular Affairs. H. R. 5680. A bill to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), as amended, so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation; without amendment (Rept. No. 1178). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee of conference. H. R. 4473. A bill to provide revenue and for other purposes. (Rept. No. 1179). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 5511. A bill to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to two business properties situated in the District of Columbia; without amendment (Rept. No. 1180). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1181. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1182. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. COOLEY: Committee on Agriculture. H. R. 2150. A bill authorizing the Secretary of Agriculture to convey certain lands to the Maryland National Capital Park and Plan-

ning Commission; without amendment (Rept. No. 1183). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 3554. A bill to amend the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1184). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 308. Joint resolution authorizing the President to proclaim January 13 of each year as Stephen Foster Memorial Day; without amendment (Rept. No. 1185). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. S. 2170. An act to amend the Defense Production Act of 1950, as amended; with amendment (Rept. No. 1186). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 1970. An act for the relief of Louis E. Gabel; without amendment (Rept. No. 1154). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1161. A bill for the relief of Kenneth McRight; without amendment (Rept. No. 1155). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1267. A bill to reimburse the Stamey Construction Co. and/or the Oklahoma Paving Co., as their interests appear; with amendment (Rept. No. 1156). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2662. A bill for the relief of Mrs. Thelma A. Nolen; with amendment (Rept. No. 1157). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 3375. A bill for the relief of Mrs. Orinda Josephine Quigley; without amendment (Rept. No. 1158). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4558. A bill for the relief of Mrs. Alberta S. Rozanski; without amendment (Rept. No. 1159). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1974. A bill for the relief of Mary Gemma Kawamura; with amendment (Rept. No. 1162). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2593. A bill for the relief of Alice Ibrahim Hanna Ibrahim, Yacoub Mayouf Muhammad Elliyan, Afifeh Michail Jiries Issa Matar, Ellen Issa Zakaria, Ruth Naomi Schut, and Roselleen Schut; with amendment (Rept. No. 1163). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 2775. A bill for the relief of Anneliese Barbara Vollrath and Mrs. Margaret Elise Vollrath; without amendment (Rept. No. 1164). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 2833. A bill for the relief of Rudolf Bing and Nina Bing; without amendment (Rept. No. 1165). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3569. A bill for the relief of

Louis Campbell Boyd; without amendment (Rept. No. 1166). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 3600. A bill for the relief of Dr. Alexander Symeonidis; without amendment (Rept. No. 1167). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 3668. A bill for the relief of David Yeh; with amendment (Rept. No. 1168). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 3877. A bill for the relief of Erlinda Maria Bowers; without amendment (Rept. No. 1169). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3971. A bill for the relief of Esther Park; without amendment (Rept. No. 1170). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 3985. A bill for the relief of Hal Soon Lee; without amendment (Rept. No. 1171). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4130. A bill for the relief of Caroline Wu; without amendment (Rept. No. 1172). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4876. A bill for the relief of Francesco Fratalla; without amendment (Rept. No. 1173). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 4877. A bill for the relief of Mrs. Margherita Caroli; with amendment (Rept. No. 1174). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 5397. A bill for the relief of Mrs. Dora Troost; with amendment (Rept. No. 1175). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 5713. A bill to amend the Agricultural Act of 1949 to provide that low middling seven-eighths-inch cotton shall be the standard grade for the purposes of determining parity and price support for the 1952 cotton crop; to the Committee on Agriculture.

By Mr. EDWIN ARTHUR HALL:

H. R. 5714. A bill directing the Administrator of National Production Authority to allocate enough steel for school construction; to the Committee on Banking and Currency.

By Mr. KILDAY:

H. R. 5715. A bill to amend sections 201(a), 301(e), 302(f), 302(g), 508, 527, and 528 of Public Law 351, Eighty-first Congress, as amended; to the Committee on Armed Services.

By Mr. McMULLEN:

H. R. 5716. A bill to suppress unfair and fraudulent practices in the marketing of floricultural products in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. RANKIN (by request):

H. R. 5717. A bill to provide uniform rates of pension for veterans of the Indian Wars; to the Committee on Veterans' Affairs.

By Mr. ROBERTS:

H. R. 5718. A bill to amend section 503(b) of the Federal Food, Drug, and Cosmetic Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BARING:

H. R. 5719. A bill to finance the exploration, development, production, and production expansion of critical and strategic minerals and metals within the United States, its Territories and insular possessions; to the Committee on Banking and Currency.

By Mr. MANSFIELD:

H. R. 5720. A bill to outlaw the Communist Party and similar organizations; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 5721. A bill to suspend the running of the statutes of limitations applicable to offenses involving performance of official duties by Government officers and employees during periods of Government service of the officer or employee concerned; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 5722. A bill relating to the compensation of certain employees of the Canal Zone Postal Service; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHARDS:

H. R. 5723. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PRIEST:

H. J. Res. 345. Joint resolution to provide additional compensation for congressional officers and employees who have had 30 years' continuous service; to the Committee on House Administration.

By Mr. COOLEY:

H. Res. 460. Resolution amending House Resolution 99; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DOYLE:

H. R. 5724. A bill for the relief of Mrs. Sakie Kuwahara; to the committee on the Judiciary.

By Mr. McCARTHY:

H. R. 5725. A bill for the relief of Frederick A. Richardson; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 5726. A bill for the relief of Judith Le Bovit (nee Bretan); to the Committee on the Judiciary.

By Mr. O'TOOLE (by request):

H. R. 5727. A bill for the relief of Manuel Joao d Carvalho Nunes; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 5728. A bill for the relief of William F. Friedman; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 5729. A bill for the relief of Theodore Karam; to the Committee on the Judiciary.

By Mr. REAMS:

H. R. 5730. A bill for the relief of William Lund Main; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. Res. 461. Resolution providing for sending to the United States Court of Claims the bill (H. R. 4290) for the relief of Keddle Resort, Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

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

471. By Mr. HART: Petition of the New Jersey Press Association urging that President Truman modify Executive order extending security restrictions to Federal civilian agencies so that the public may have news and information which is its right

under the Constitution; to the Committee on the Judiciary.

472. By Mr. SHEEHAN: Petition of Edison Park Chamber of Commerce, Chicago, Ill., going on record as unqualifiedly opposed to the further undermining of our national stamina and integrity by the waste and corruption of Government in Washington, etc.; to the Committee on Appropriations.

473. By the SPEAKER: Petition of St. Petersburg Townsend Club, No. 1, St. Petersburg, Fla., vigorously protesting the proposed opening of welfare rolls to public exposure; to the Committee on Ways and Means.

474. Also petition of Public Forum of St. Petersburg, St. Petersburg, Fla., vigorously protesting the proposed opening of welfare rolls to public exposure; to the Committee on Ways and Means.

SENATE

TUESDAY, OCTOBER 16, 1951

(Legislative day of Monday, October 1, 1951)

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

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

O God, the might of them that put their trust in Thee, amid all the subtle dangers that beset us save us from the fatal folly of attempting to rely upon our own strength. In a world so uncertain about many things we are sure of no light but Thine, no refuge but in Thee. The din of words, freighted with malice and suspicion and threatened aggression, assails our ears. Grant us an inner calm, undisturbed by any outward commotion. We beseech Thee, give us courage to seek the truth honestly and the reverence to follow humbly the kindly light that leads us on. Thou hast created us to be Thy temples. May the holy places of our inner lives harbor nothing unworthy of our high calling in Thee. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 15, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on October 15, 1951, the President had approved and signed the act (S. 1464) for the relief of Peter Therkelsen Kirwan and Ernest O'Gorman Kirwan.

LEAVES OF ABSENCE

On request of Mr. McFARLAND, and by unanimous consent, Mr. CLEMENTS was excused from attending the sessions of the Senate for the remainder of this week.

On request of Mr. McFARLAND, and by unanimous consent, Mr. RUSSELL was excused from attendance on the session of the Senate today.

APPOINTMENT OF COMMITTEE TO DISCUSS PROBLEMS WITH THE CON- SULTATIVE ASSEMBLY OF THE COUN- CIL OF EUROPE

The VICE PRESIDENT. The Chair wishes to announce some appointments under Senate Resolution 215, authorizing the Chair to appoint seven Members of the Senate to visit Europe and attend, in a consultative capacity, the Council of Europe. The Chair is not ready to announce the entire seven, but he wishes to announce a portion of the committee which he will select. The Senator from Rhode Island [Mr. GREEN] will be chairman. The Chair also appoints the Senator from Connecticut [Mr. McMAHON], the Senator from Wisconsin [Mr. WILEY], and the Senator from Minnesota [Mr. HUMPHREY]. The Chair will announce the other appointments later.

PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. CAPEHART. Mr. President, I should like to withdraw the motion I entered yesterday to reconsider the vote by which House bill 1181 was passed. I ask unanimous consent that I may withdraw the entry of that motion.

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

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and transact routine business, without debate and without speeches.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON SETTLEMENT OF CLAIMS FOR DAM- AGE CAUSED BY NAVAL VESSELS

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report on the settlement of claims for damage caused by naval vessels, for the fiscal year ended June 30, 1951 (with an accompanying report); to the Committee on Armed Services.

REPORT ON SETTLEMENT OF CLAIMS FOR DAM- AGE CAUSED TO NAVY DEPARTMENT PROPERTY

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report on the settlement of claims for damage caused to Navy Department property, for the fiscal year ended June 30, 1951 (with an accompanying report); to the Committee on Armed Services.

REPORT ON ADMINISTRATION OF ADVANCE PLANNING PROGRAM

A letter from the Administrator, Housing and Home Finance Agency, transmitting, pursuant to law, a report on the administration of the advance planning program, dated June 30, 1951 (with an accompanying report); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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