SENATE

WEDNESDAY, MARCH 12, 1952

(Legislative day of Monday, February 25, 1952)

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:

Our Father, again through sleep and darkness safely brought, restored to life and power and thought, we would face the new day with a vivid sense that we labor always in Thy presence. May this consciousness lift our duty above drudgery. Even in the heat and burden of noonday's tasks and of evening's weariness, let not our strength fail nor our vision fade. Make us patient and considerate one with another in the fret and jar of human contacts, remembering that even in the glare of public gaze each fights a hard battle and walks a lonely way. Give us, O Lord, a reverence for truth, a deep desire to think and speak truly, and a passion to hasten the day when the rule of justice and love shall engirdle the earth. We ask it in that Name that is above every name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 11, 1952, 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 March 7, 1952:

S. 1710. An act to authorize the Secretary of the Army to convey certain road right-of-way easements in De Kalb and Putnam Counties, Tenn., to the State of Tennessee.

On March 10, 1952:

S. 1411. An act to authorize the Postmaster General to issue duplicate checks without requiring bond when such checks of the Post Office Department are lost while in the custody of the United States or lost without fault of owner or holder; and

S. 2078. An act to authorize the establishment of postal stations and branch post offices at camps, posts, or stations of the Armed Forces (including the Coast Guard), and at defense or other strategic installations, 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 the bill (S. 2077) to provide for certain investigations by the Civil Service Commission in lieu of the Federal Bureau of Investigation, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to transact routine business without debate.

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:

PROPOSED TRANSFER BY NAVY DEPARTMENT OF EXPERIMENTAL DRYDOCK TO JUNIOR MIDSHIPMEN OF AMERICA, NEW LONDON, CONN.

A letter from the Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, of New London, Conn., had requested the Navy Department to transfer an experimental drydock for use in testing material under a Navy contract; to the Committee on Armed Services.

LAW ENACTED BY LEGISLATURE OF GUAM

A letter from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of Public Law 23, enacted by the Legislature of Guam, entitled "An act relating to taxicabs; amending the Vehicle Code by amending section 100 thereof; and by adding thereto sections 125, 126, 127, and 128 (with an accompanying paper); to the Committee on Interior and Insular Affairs.

SURVEY REPORT OF PEE DEE RIVER WATERSHED, VIRGINIA, NORTH CAROLINA, AND SOUTH CAROLINA

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a survey report dated May 1950 of the Pee Dee River watershed in Virginia, North Carolina, and South Carolina (with accompanying papers); to the Committee on Public Works.

SURVEY REPORT OF BRAZOS RIVER WATERSHED, TEXAS

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a survey report of the Brazos River watershed in Texas, dated January 1951 (with accompanying papers); to the Committee on Public Works.

SURVEY REPORT OF QUEEN CREEK WATERSHED IN ARIZONA

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a survey report of the Queen Creek watershed in Arizona, dated July 1950 (with accompanying papers); to the Committee on Public Works.

SURVEY REPORT OF THE SNY WATERSHED IN ILLINOIS

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a survey report of the Sny watershed in Illinois, dated May 1950 (with accompanying papers); to the Committee on Public Works.

REPORT ON YUGOSLAV EMERGENCY RELIEF ASSISTANCE PROGRAM

A letter from the Secretary of State, transmitting, pursuant to law, a report on the Yugoslav emergency relief assistance program, for the period September 15 through December 15, 1951 (with an accompanying report); to the Committee on Foreign Relations.

SUSPENSION OF DEPORTATION OF ALIENS— WITHDRAWAL OF NAME

A letter from the Acting Attorney General, withdrawing the name of Tan Yap Eng or Tan Eng from a report relating to aliens whose deportation had been suspended, transmitted to the Senate on July 2, 1951; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the New York State Defense Council, Albany, N. Y., favoring the enactment of legislation to provide necessary appropriations for a civil defense shelter program (with accompanying papers); to the Committee on Appropriations.

A resolution adopted by the Woman's Press Club of New York City, N. Y., favoring the enactment of legislation to provide sufficient funds to prevent the smuggling of narcotics; to the Committee on Finance.

A memorial signed by Mrs. Cecil C. Conley, and sundry other members of the Missionary Society of the Second Baptist Church, of Ashland, Ky., remonstrating against the appointment of an Ambassador to the Vatican; to the Committee on Foreign Relations.

A letter in the nature of a petition from the Filipino Shipowners Association, Manila, Philippine Islands, signed by Generoso F. Tanseco, president, relating to the withdrawal of United States Maritime Commission vessels from the Philippine coastwise service after expiration of the bareboat charter agreements on April 30, 1952 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the plenary session of the Constitutional Convention of Puerto Rico, relating to a certified copy of the Constitution of Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Kentucky State Association of Master Plumbers, Inc., Louisville, Ky., relating to an amendment to the Constitution of the United States concerning taxation; to the Committee on the Judiciary.

A resolution adopted by the Hudson County Press Club, Inc., West New York, N. J., protesting against the ban by the Speaker of the House on broadcasting and telecasting of committee hearings; to the Committee on Rules and Administration.

A letter in the nature of a petition from the Lions' Club of Rio Piedras, P. R., signed by Hermand Monserrate, president, favoring the confirmation of the nomination of Clemente Ruiz Nazario as judge of the District Court of the United States for Puerto Rico; ordered to lie on the table.

A resolution adopted by the Board of Supervisors of the County of Maui, Wailuku, T. H., relating to certain remarks by Senator CONNALLY; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Rules and Administration:

S. Res. 245. Resolution to investigate the administration of the Trading With the Enemy Act since December 18, 1941; with an additional amendment (Rept. No. 1294).

By Mr. ANDERSON, from the Committee on Agriculture and Forestry:

S. 1536. A bill to stabilize the economy of dependent residents of New Mexico using certain lands of the United States known as the North Lobato and El Pueblo tracts, originally purchased from relief program funds, and now administered under agreement by the Carson and Santa Fe National Forests, to effect permanent transfer of these lands, and for other purposes; with amendments (Rept. No. 1296).

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

REPORT OF JOINT COMMITTEE ON THE ECONOMIC REPORT ON JANUARY 1952 ECONOMIC REPORT OF THE PRESIDENT (REPT. NO. 1295)

Mr. O'MAHONEY, from the Joint Committee on the Economic Report, submitted a report on the January 1952 Economic Report of the President, which was ordered to be printed, with illustrations.

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO. 90, EIGHTY-FIRST CONGRESS, RELATING TO ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH RUSSIA

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 284, submitted by the Senator from Montana [Mr. MURRAY] on February 27, 1952. I ask unanimous consent for the immediate consideration of the resolution.

I may state that the total cost involved is $110.31.

Mr. SALTONSTALL. Was the report of the committee unanimous?

Mr. HAYDEN. It was.

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

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That there be printed, for the use of the Senate document room, 1,000 additional copies of Senate Document No. 90, Eighty-first Congress, relating to the establishment of diplomatic relations between the Union of Soviet Socialist Republics and the United States.

MARY E. CARLSON

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 273, submitted by the Senator from Illinois [Mr. DOUGLAS] on February 5, 1952. I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The amendment of the Committee on Rules and Administration will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the words "equal to", it is proposed to strike out "one year's" and insert "6 months'."

Mr. HAYDEN. Mr. President, Mr. Fred A. Carlson was for a long time a very able member of the Corps of Official Reporters of Debates of the Senate. The resolution as originally submitted proposed to pay his widow 1 year's salary. The Committee on Rules and Administration found that a number of years ago the committee had adopted a policy that only the widows of attachés or officials of the Senate who had served for 25 years should receive a full year's salary, and that for others the uniform rule was the payment of 6 months' salary.

Mr. SALTONSTALL. I know the members of the committee have the utmost sympathy for Mrs. Carlson, but the committee was following the precedent, and I am sure there will be no objection to what the committee did.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Mary E. Carlson, widow of Fred A. Carlson, late an official reporter of debates of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENT OF RULE RELATING TO NUMBER REQUIRED FOR ADOPTION OF CLOTURE MOTION—INCLUSION OF NAME ON MINORITY VIEWS

Mr. HAYDEN. Mr. President, when the minority views on Senate Resolution 203, amending the cloture rule with respect to the number required for adoption of a cloture motion, were submitted, the Senator from Rhode Island [Mr. GREEN] was not present, and his name was not included. I ask unanimous consent that his name be included as one who signed the minority views, and that the report (No. 1256) of the Committee on Rules and Administration be reprinted. I make this request on behalf of the Senator from Rhode Island.

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

BILLS INTRODUCED

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

By Mr. MAYBANK:

S. 2841. A bill to amend section 14 (b) of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

(See the remarks of Mr. MAYBANK when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. LEHMAN, Mr. BENTON, Mr. LANGER, Mr. KILGORE, Mr. DOUGLAS, Mr. MCMAHON, Mr. GREEN, Mr. PASTORE, Mr. MOODY, Mr. MURRAY, Mr. KEFAUVER, and Mr. MORSE):

S. 2842. A bill to revise the laws relating to immigration, naturalization, and nationality; and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. KILGORE:

S. 2843. A bill for the relief of William H. Wise; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2844. A bill to direct the President to revise the budget so that the estimated expenditures thereunder will not exceed estimated revenues; to the Committee on Appropriations.

By Mr. JOHNSON of Colorado:

S. 2845. A bill to authorize the purchase of land and improvements in Gunnison County, Colo., to facilitate research into range improvement and range land management in the Rocky Mountain area, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2846. A bill for the relief of Edith Busnardo Gardin;

S. 2847. A bill for the relief of Astrid Helgestad Marquez; and

S. 2848. A bill for the relief of Ichiko Konno; to the Committee on the Judiciary.

AMENDMENT OF FEDERAL RESERVE ACT

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to amend section 14 (b) of the Federal Reserve Act, as amended.

The bill was submitted by Secretary of the Treasury Snyder.

The purpose of the bill is to make permanent the temporary authority of the Federal Reserve bank to buy directly from the Treasury rather than in the open market, direct obligations of the United States, in an amount not to exceed $5,000,000,000 held at any one time. The Federal Reserve had such authority without limitation from 1913 to 1935. Temporary authority has been granted successively since the latter date. Under the present law the authority will expire on June 30, 1952.

The proposed direct purchase authority will furnish the Treasury a means of smoothing out the effect of short-run peaks in Treasury cash receipts and disbursements, so that the disturbing effect of their flow through the banking system may be held to a minimum.

The bill (S. 2841) to amend section 14 (b) of the Federal Reserve Act, as amended, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

IMMIGRATION AND NATIONALITY ACT OF 1952

Mr. HUMPHREY. Mr. President, on behalf of myself, the Senator from New York [Mr. LEHMAN], the junior Senator from Connecticut [Mr. BENTON], the Senator from North Dakota [Mr. LANGER], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. DOUGLAS], the senior Senator from Connecticut [Mr. MCMAHON], the senior Senator from Rhode Island [Mr. GREEN], the junior Senator from Rhode Island [Mr. PASTORE], the Senator from Michigan [Mr. MOODY], the Senator from Montana [Mr. MURRAY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oregon [Mr. MORSE], I introduce for appropriate reference a bill entitled, "The Immigration and Nationality Act of 1952."

It is an omnibus immigration and naturalization bill, recodifying present immigration and naturalization law, and making a number of changes in the present law designed to meet the present world situation, and to introduce needed elements of realism, justice, and humanitarianism in our immigration laws.

The bill is the result of almost a year of work on the part of its senatorial sponsors and the many others associated with us in this project. It is an adaptation to an omnibus framework of S. 2343, the so-called Lehman bill, of which I was coauthor and cosponsor.

A large number of groups and organizations have worked with the sponsors

of this bill. It is indeed a collaborative product. I want to pay particular tribute to the efforts of the distinguished junior Senator from New York, whose personal dedication and energies helped carry this bill through all of its developmental stages. I request therefore that this bill be called the Humphrey-Lehman bill.

The VICE PRESIDENT. Under the rule of the Senate regarding the nomenclature to be used in connection with a bill, it is not provided that it shall be called anyone's bill; the bill is designated by number, not by name.

Mr. HUMPHREY. That is correct. Mr. President, my only reference to it was because of the identity it has with particular groups. I understand the rule of the Senate. It is merely a matter of record.

I ask unanimous consent that there be printed in the RECORD at this point a joint statement on the bill issued by my colleagues and me and the summary of the provisions of our new omnibus Immigration and Nationality Act of 1952.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the joint statement and summary will be printed in the RECORD.

The bill (S. 2842) to revise the laws relating to immigration, naturalization, and nationality; and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators), was read twice by its title, and referred to the Committee on the Judiciary.

The joint statement and summary are as follows:

JOINT STATEMENT BY SPONSORS OF NEW OMNIBUS IMMIGRATION AND NATURALIZATION BILL—SENATORS HUMPHREY, LEHMAN, BENTON, LANGER, KILGORE, DOUGLAS, MCMAHON, GREEN, PASTORE, MURRAY, KEFAUVER, MORSE, AND MOODY

We are today introducing an omnibus immigration and naturalization bill which codifies, simplifies, and humanizes our immigration and naturalization laws.

This bill strengthens our legal defenses against the admission of subversive and undesirable aliens, and facilitates the deportation of those already in this country.

At the same time, this bill permits the processing and admission, within the framework of our present quota system, of increased numbers of deserving and desirable aliens who can bring to America the invigorating stream of fresh talent, fervor, and energy which has, in the past, contributed so much to America's greatness.

This bill would enable us to meet the emergency world situation by providing a haven for religious and political persecutees from eastern, southern, central, and northern European countries behind the iron curtain. It would open our doors to limited numbers of otherwise qualified aliens from the teeming and overcrowded cities and villages of Italy, Greece, Holland, Germany and Austria—areas where surplus populations, indigenous and refugee, now strain the political stability and internal economy of the countries involved.

This bill would recruit aliens of special skills and capabilities, in agriculture, in industry, in the professions and the arts. The abilities and energies of these people would represent a vital contribution to our national economy and welfare.

This bill would reunite divided families, some members of which are already in the United States as citizens of permanently resident aliens.

Under the terms of this bill, all the above would be done within the quota framework. We would admit aliens in numbers which we could easily absorb and actually require for our expanding economy. All this would be done in accordance with a carefully designed system of checking and screening to insure the selection of deserving and desirable aliens and the rejection of subversive and undesirable aliens.

At the same time this bill would eliminate from present law the damning and damaging stigma of racial discrimination, and discriminations based on sex.

Another purpose of this bill is to couple justice with humanitarianism as the twin symbols of America in immigration as well as in other fields. We urgently need more equitable and more uniform procedures in the administration of our immigration laws. Peoples abroad know America best, and at closest hand, from their experience, or that of their neighbors, with our immigration officials. Unchecked bureaucracy is too much a feature of our present immigration laws. Under the terms of our bill, a board of visa review is set up, within the State Department, to provide greater uniformity in the granting and refusal of visas, and to provide a practical review and appeals procedure.

Under another section of our bill, the present Board of Immigration Appeals, now set up by Executive order, is given permanent and statutory authority to carry on the fine work it has been doing. Under the terms of our bill, the Administrative Procedures Act, providing court review of administrative decisions, is made applicable to deportation processes.

These are the main purposes and designs of our proposed omnibus immigration and naturalization bill.

We are aware that another omnibus immigration and naturalization bill, which evolved from measures sponsored by Senator MCCARRAN, has been reported by the Judiciary Committee as S. 2550, and is now pending on the Senate Calendar.

We feel that our bill, rather than S. 2550, is the answer to our present needs in the immigration field. S. 2550 codifies existing immigration and naturalization laws and purports to correct some existing inequities, such as racial and sex discrimination. But, in actual effect, S. 2550 perpetuates and extends most present inequities, including the principle of discrimination, and in scores of different ways, some of them subtle and technical, operates to restrict, hobble, and hamstring immigration.

However worthy of its declaration of purposes, S. 2550 does not tighten up on immigration; it strangles immigration. Moreover, it grants new, arbitrary, and unchecked authority to consuls and immigration officials for exclusion and deportation, while emasculating the authority of the Attorney General to admit individuals and to suspend deportation.

S. 2550 adopts the arbitrary procedures of the police state in handling aliens who have just escaped tyranny and are seeking entry to the home of freedom. Many of the deportation procedures of S. 2550 are of a like nature.

S. 2550 contains no liberalizing provisions to meet the needs of the present world situation by admitting refugees and escapees from tyranny, or by providing haven for some of the surplus peoples in southern, central, and northern Europe. S. 2550 virtually shuts off the immigration of freedom-seeking individuals without ties or connections in this country—the so-called new-seed immigration from which many of our greatest Americans have come or sprung.

Our bill is the product of consultation with and deliberation among more than 30 voluntary agencies and religious groups and organizations directly concerned with immigration and the administration of our immigration and naturalization laws.

Representatives of Catholic, Jewish, Protestant, Quaker, and Seventh-Day Adventist groups have been consulted and have participated in the discussions which have led to the framing of this bill. Religious and lay organizations which have operated for years in the immigration field have lent the benefit of their experience in the formulation of this measure.

These groups have been especially concerned over restrictive and discriminatory provisions of S. 2550. Minority groups and nationality groups have been similarly struck. The objections thus voiced to S. 2550, and to the McCarran bill from which S. 2550 evolved, have been taken into account in drafting our bill.

Our bill is based primarily on the philosophy and assumption that immigration in limited and practicable amounts is good for our country. In the past immigration has provided the infusion of new blood through which our country has grown strong and dynamic. This infusion must continue and be increased, for the sake of our own national strength and interest, as well as to help the individuals—the escapees from tyranny, poverty, and wretchedness. In the present hour this is vital for the successful conduct of our foreign policy.

Some of the further effects and operations of our omnibus bill are summarized as follows (a summary of most of the actual terms of our bill is attached as a separate document):

1. Our bill, by basing the quota system on the Census of 1950, instead of 1920, and by abolishing the intolerable exclusion of American Negroes from the census for quota-determination purposes, would increase the total quota by approximately 60,000 persons annually.

2. Our bill, by authorizing the pooling and utilization of the unused portions of the quotas now in effect, would make the entire quota system more flexible and more realistic and would permit the entrance of a further number of 50,000-70,000 persons annually. (Britain, for example, now has a quota of 65,000 of which only a small fraction is used.)

3. Our bill, through its system of preferences, would permit the use of otherwise unused quota numbers for:

(1) Religious and political persecutees.

(2) Escapees from behind the iron curtain.

(3) Displaced persons who were unable to meet the dateline requirements of the Displaced Persons Act.

(4) Displaced persons who qualified under our Displaced Persons Act and had completed their processing but who failed to secure visas by the time the Displaced Persons Act deadline had passed.

(5) Otherwise qualified persons in countries, where the pressure of surplus population constitutes a threat to the economic life and the internal stability of the country concerned, but whose quotas are already far oversubscribed.

(6) Relatives of United States citizens and of aliens permanently resident in the United States.

4. The so-called "pooling" of the unused quotas would be of special benefit to otherwise qualified persons from the following countries and areas: Italy, Poland, Greece, Holland, Czechoslovakia, Hungary, Germany, Austria, Yugoslavia, Venezia Guilia, the Middle East—especially refugees.

It is not the purpose of our bill to require the United States, by itself, to try to solve the problem of overpopulation in certain areas of Europe, or the problem of refugees in Germany, or in the Middle East. Our bill does, however, provide for a modest United States contribution to the solution of these problems. The entire problem, involving mass migrations, requires a cooperative world effort on many complex fronts. Such an effort has, in fact, been launched.

The limited additional number of immigrants proposed to be admitted to this

country under the terms of our bill would be selected on the basis of the preferences and qualifications set forth in the bill from the vast numbers seeking admission to this country.

It would be possible, of course, during the present world emergency, to divide, by a practicable formula, the unused quota numbers among the nationalities and groups listed above. This could be accomplished by simple amendment to this bill. For the long run, however, we believe that preference should be extended on an individual rather than on a nationality basis.

5. Our bill would amend existing law to admit, on a nonquota basis: (1) alien parents and children of American citizens; (2) aliens who have served honorably in the American Armed Forces; and (3) orphans brought into this country for adoption. S. 2550 does none of these things.

6. Our bill eliminates the present mortgages on quotas required by the Displaced Persons Act of 1948 and other legislation. These mortgages reduce the number of any nationality quota for future years by the number of immigrants of that group who were admitted to this country under the Displaced Persons Act.

One-half of the quotas for some countries is "mortgaged" many years into the future. For instance, the quota for Greece is mortgaged until the year 2013; Latvia until 2274; Estonia until 2146; Hungary until 1985; Lithuania until 2087; and Poland until 1999. Yet these are the very countries whose refugees most urgently need asylum in this country. We propose to strike out these restrictive mortgages as unrealistic and prejudicial to our national interest.

7. Another feature of our bill is its elimination of an obscure but shocking provision discriminatory against Negroes. The present immigration law stipulates that "the descendants of slave immigrants" be excluded from any computation of the population of the United States in 1920 for the purpose of determining quotas and quota eligibility. S. 2550 does not propose to change this highly discriminatory aspect of present law.

As a matter of fact, S. 2550 actually introduces new discriminatory provisions, aimed, among other things, to forestall immigration from colonial areas, thus unjustifiably affronting all colored races and peoples. Designed to establish tight statutory limits on immigration from Jamaica, Trinidad, and other colonies of the British West Indies, the provisions in question are offensive and discriminatory in principle.

8. Our bill provides that non-quota status be granted to all natives of the Western Hemisphere, including persons born in Western Hemisphere colonies. This represents little practical change from present law, which grants nonquota status to all Western Hemisphere nations other than colonials and includes colonials within the quotas of their mother countries.

9. Our bill eliminates the present bar against the admission of some Asiatics and provides for proportional quotas to Japanese, Burmese, Koreans, and other Asiatic groups who at present have no quotas; our bill also provides proportional quotas for Chinese, Indians, and others who are presently limited to a maximum quota of 100. S. 2550, while eliminating the outright prohibitions against immigration from Japan, Korea, Burma, etc., establishes a new discrimination in the form of an Asia-Pacific triangle, with a discriminatory test of "nationality-by-origin" instead of "by birth" for this area.

10. Our bill, while reenacting the provisions of the Internal Security Act of 1950 providing for the absolute exclusion of subversive aliens, nevertheless recognizes that reformed totalitarians can be stanch defenders of democracy and, therefore, authorizes their admission in connection with proper safeguards.

SUMMARY OF NEW OMNIBUS IMMIGRATION AND NATURALIZATION BILL

The proposed new omnibus immigration and naturalization bill (new omnibus bill) would modernize the quota system by basing quotas on the 1950 census (thus increasing the total quota), would provide greater flexibility in the operation of the quota system by allowing the pooling of unused quotas, and would eliminate racial discrimination. It would admit to this country additional classes of deserving aliens without regard to quota restrictions and would establish a system of preferences, based on national need and family reunion, for most quota immigrants while at the same time reserving a portion of each quota for self-initiated immigration. The new omnibus bill would assure adequate review of denial of visas and denial of admission to this country and would make the McCarran-Walter Administrative Procedure Act applicable to deportation cases. It would provide adequate protection against subversive and other undesirable aliens without resorting to abusable and repressive restrictions.

In these provisions and in other vital matters of substance the new omnibus bill differs from S. 2550, recently reported by the Senate Judiciary Committee. The two bills correspond in general form, and in making many technical changes involved in codifying existing immigration and naturalization laws.

The following summary of the major provisions of the new omnibus bill emphasizes the principal changes that would be made in existing law and the most important differences between the new omnibus bill and S. 2550.

1. Nonquota status: The new omnibus bill would add several new classes of nonquota immigrants to those of existing law. Recognizing the desirability of reuniting families, the bill would exempt the immigrant parents of citizens from quota limitations. Other classes deserving special consideration to which nonquota status would be accorded are orphans entering the country for adoption and immigrants who have served honorably in the Armed Forces. Existing laws grant nonquota status to immigrants born in Canada or in independent countries in Latin America but deny such status to immigrants born in colonies or dependent areas in the Western Hemisphere. The new omnibus bill would correct this obvious inequity. Furthermore, S. 2550 would require professors, who are now admitted as nonquota immigrants, to enter under quota restrictions. S. 2550 places unnecessary restrictions even on the time-honored nonquota status of religious ministers. The new omnibus bill would strengthen the provisions of existing law in regard to both ministers and professors.

2. Quotas: While adhering to the principle of establishing a ceiling on immigration and while retaining the national origins quota system as the basis for the initial allocation of quotas, the new omnibus bill would make a number of much-needed improvements in the operation of the quota system.

By providing for the use of the 1950 census as the basis for calculating quotas, rather than basing quotas on the 1920 census as would S. 2550, the new omnibus bill would take into account increases in population and changes in the composition of the population which have taken place in the last 30 years.

The new omnibus bill would amend existing law so as to eliminate racially discriminatory features remaining from the Oriental Exclusion Act—the features which have been so bitterly resented throughout Asia. S. 2550, too, purports to eliminate racial discrimination, but, instead, merely disguises it in a new form. In S. 2550 certain oriental nations are given, for the first time, minimum quotas of 100 and the right to naturalization. But in place of outright exclusion, there is substituted the novel concept of an Asia-Pacific triangle with a total limit of immigration from this area, and a mortgage against quotas in this area for all immigrants, wherever born, who can trace as much as 50 percent of their ancestry back to this area, however remotely.

The new omnibus bill abjures not only this new form of racial discrimination but all other racial discrimination existing in present law. Thus, the new omnibus bill rejects the intolerable exclusion of American Negroes from the census for purposes of establishing quotas, an exclusion provided in the Immigration Act of 1924 and proposed to be perpetuated in S. 2550.

Also the new omnibus bill would grant equal nonquota status to all nations and dependencies in the Western Hemisphere, avoiding the further racially discriminating feature of S. 2550 which limits to 100 the possible immigrants from colonies, even those within the Western Hemisphere; this feature of S. 2550 discriminates especially against the natives of Jamaica, Trinidad, and other Caribbean dependencies. (Present law gives these latter nationals the equivalent of nonquota status by charging immigrants from these dependencies against the quotas of the mother countries.)

S. 2550, in addition to its other racially restrictive and discriminatory features, places an outside limit of 2,000 on immigration of persons either coming from the so-called Asia-Pacific triangle, or born outside this geographic area but tracing as much as 50 percent of their ancestry back to it. S. 2550 provides further for the reduction in the minimum quotas of countries within the Asia-Pacific triangle if their combined quotas should ever exceed 2,000. The new omnibus bill avoids all these novel, provocative, and discriminatory features.

In the allotment of most quota immigrant visas, the new omnibus bill would give preference to persons whose services are urgently needed in this country and to certain relatives of citizens and of aliens admitted for permanent residence. Unlike S. 2550, the new omnibus bill would set aside a portion of each quota to encourage self-initiated so-called "new seed" immigration, in addition to making available for that purpose quota numbers not used by preferred immigrants.

By providing for the pooling of unused quotas, the revised bill, unlike S. 2550, would remedy one of the most serious shortcomings of our immigration system. Experience has shown that while some quotas are generally oversubscribed, others have consistently been used to only a small extent and that, as a result, only 44 percent of the authorized quota immigration visas has ever been issued. It has generally been recognized that, in its operation, the rigid structure of the quota system has discriminated against natives of southern and eastern Europe. The new omnibus bill would alleviate this situation by allowing quota numbers which remain unused during any given fiscal year to be used during the following year without reference to national origin.

Pooled quota numbers would be issued on a preferential basis to relatives of citizens and of aliens admitted for permanent residence, to persons whose services are urgently needed in this country, to persons who have been persecuted abroad on racial or religious grounds or because of their adherence to democratic beliefs, and to persons whose cases, because of special circumstances or hardship, merit special consideration.

The new omnibus bill would eliminate charges made against quotas by the Displaced Persons Act. No good purpose can be served by continuing to permit these quota mortgages, some of which extend well into the next century, to bar the present immigration of qualified aliens.

These quota mortgages bear especially heavily on countries like Lithuania,

Latvia, Estonia, and Poland, whose nationals, refugees from the Soviet terror, most desperately need to find haven in the United States.

3. Exclusion: The new omnibus bill would establish, as would S. 2550, several new grounds for excluding undesirable aliens such as persons who have violated narcotics laws, laborers who would actually displace American workers, and persons who have been convicted in their own countries of two or more offenses (other than purely political offenses) not involving moral turpitude. In the latter case, the new omnibus bill, unlike S. 2550, would permit exceptions to be made on the basis of special circumstances.

In general, the new omnibus bill relies to a greater extent on factual grounds for exclusion than does S. 2550, which relies heavily on the opinion and belief of administrative officials.

The new omnibus bill contains provisions similar to those of the Internal Security Act of 1950 relating to the exclusion of subversive aliens.

These provisions are designed to prevent the admission of persons subscribing to the practices or teachings of the world Communist movement, or of any movement whose object is the establishment of totalitarian government in the United States, or the control of the United States by a foreign power.

Past association with such movement or doctrines is deemed presumptive evidence of ineligibility for admission into the United States. But individuals who have broken with their past and who can show positive and conclusive evidence that they are antitotalitarian are made admissible. The new omnibus bill and S. 2550 have similar provisions to this effect.

The new omnibus bill, however, is consistent in its treatment of such reformed persons, among whom are found some of the stanchest and most effective fighters against communism. S. 2550, however, while admitting the possibility that aliens abroad who once were associated with totalitarian movements can break with the past and reform, makes no such allowance for aliens within the United States. Aliens legally resident in the United States who have belonged to Communist or even to Communist-front organizations, no matter how remotely in the past, are made automatically deportable. The fact that they may have broken completely with their past and become outstanding advocates of democracy is no bar to deportation under the terms of S. 2550.

The new omnibus bill, like S. 2550, places new restrictions and safeguards against the entry of stowaways and other illegal entrants, and would protect the United States against the discharge of alien seamen at ports within this country.

The new omnibus bill would grant the President the right, in time of war or national emergency, to suspend all immigration, or, in such emergency periods, to admit temporarily any aliens whose entry would be in the national interest. This is in contrast with comparable provisions of S. 2550 which would simply authorize the President to suspend all immigration at any time in his discretion; no standards are established for the exercise of this extreme and extraordinary authority.

4. Board of Immigration Appeals and Visa Review Board: The new omnibus bill makes provision for adequate review of administrative actions, both in the granting of visas and in deportation proceedings. A statutory basis is provided for the Board of Immigration Appeals, and it is made an independent board, to assure its freedom from administrative influence in weighing appeals and reviews in deportation cases.

A Visa Review Board is established within the State Department to handle appeals on the granting of visas by consular officials. This is designed to provide uniformity of practice in the granting of visas; the absolute right of appeal is reserved to American citizens who have filed petitions in behalf of would-be immigrants on the basis of blood relationship or other preference qualification.

5. Deportation: The new omnibus bill grants new powers to the Attorney General to accomplish deportation more effectively and expeditiously. It establishes new grounds for deportation, analogous to the new grounds for exclusion of would-be immigrants. These powers are surrounded, however, with safeguards assuring the right of review and appeal, based on facts and findings, rather than on mere opinion or belief as provided in numerous provisions of S. 2550.

In the new omnibus bill the provisions of the McCarran-Walter Administrative Procedures Act are made applicable to deportation proceedings, along with provision for review by the Board of Immigration Appeals. S. 2550 specifically exempts deportation proceedings from the terms of the Administrative Procedures Act.

The new omnibus bill makes involvement in subversive activities grounds for deportation. Present membership in Communist or Communist-front organizations is made grounds for deportation, except that in the case of Communist-front organizations, nonawareness of the nature of the organization can be successfully pleaded if proved.

Under S. 2550, many new grounds for deportation would be retroactively applicable. An alien could be deported for an act which did not constitute a ground for deportation when committed. The new omnibus bill makes the new grounds for deportation applicable only to acts performed after the new bill becomes law.

S. 2550 would so restrict the discretionary authority of the Attorney General to suspend deportation that such authority would be meaningless. The new omnibus bill recognizes that extenuating circumstances may make deportation unduly harsh in certain cases and would give the Attorney General broader authority to suspend deportation than would S. 2550.

The new omnibus bill, unlike S. 2550, would restrain deportation to any country in which an alien would be subjected to any form of persecution because of race, religion, or political opinion. S. 2550 would permit deportation to any country unless the deportee would face in such country actual physical persecution.

6. Naturalization and denaturalization: The new omnibus bill and S. 2550 include many similar provisions governing naturalization, denaturalization, and expatriation. However, the new omnibus bill, unlike S. 2550, would not erect unnecessary barriers to naturalization such as the stipulation of S. 2550 that any absence from the United States, of whatever duration, would break the continuity of required residence.

The new omnibus immigration bill eliminates, for all practical purposes, the distinctions, of recent origin and of doubtful constitutional validity, between naturalized and native-born citizens.

The new omnibus bill eliminates from present law the provision, included in S. 2550, that naturalized citizens who join Communist-front organizations can be denaturalized. The new omnibus bill reenacts the provisions of present law which provides for denaturalization in any case where fraud and illegality occurred in procuring naturalization.

The new omnibus bill would permit, under careful safeguards, the naturalization of persons who, because of religious training or belief, object to swearing to bear arms. S. 2550 would bar such persons from naturalization.

7. Other provisions: The new omnibus bill would establish a Joint Committee on Immigration and Naturalization Policy, composed of members of the Senate and House Judiciary Committees, to make a continuous study of the administration of immigration and naturalization laws, the effect of such laws on the national security, economy, and social welfare of the United States, and other matters having a bearing on immigration and naturalization policy. S. 2550 would not establish this highly important committee.

The new omnibus bill would not, as would S. 2550, tamper with the internal organization of the Department of State in violation of the Hoover Commission's recommendations in order to create a Bureau of Security and Consular Affairs. However, the new omnibus bill would make available to the Secretary of State a position at a salary equal to that paid the highest grade of the classified civil service. Such a position will give adequate recognition to the officer to whom the Secretary of State may delegate authority to supervise the Department's consular activities under the bill.

The new omnibus bill would not, as would S. 2550, confuse lines of authority in both the Departments of State and Justice.

Under existing laws carriers are, except in certain well-defined cases, required to pay the detention and deportation expenses of aliens whom they have brought to this country and who must be detained for examination or deported. Administrative fines are levied against carriers for bringing certain aliens to this country. S. 2550 would incorporate into the law vague new provisions for the relief of carriers, foreign as well as domestic, from expenses and fines and would probably have the effect of shifting the payment of most such expenses to United States taxpayers. The new omnibus bill would retain provisions similar to those of present laws at least until further examination can be made of this matter.

NOTICE OF HEARING ON NOMINATION OF PHILIP L. RICE TO BE JUDGE OF THE FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in acordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, March 21, 1952, at 2 p. m., in room 424, Senate Office Building, upon the nomination of Hon. Philip L. Rice, of Hawaii, to be judge of the Fifth Circuit, Circuit Courts, Territory of Hawaii. Judge Rice is now serving in this post under an appointment which expired July 30, 1951. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Washington [Mr. MAGNUSON]; and the Senator from Indiana [Mr. JENNER].

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. IVES:

Address entitled "Why Eisenhower Is Needed as President," delivered by Paul G. Hoffman, and published in the New York Herald Tribune of March 6, 1952.

By Mr. SMATHERS:

Copy of a letter written by him to the Secretary of Agriculture and an article entitled

"United States Official Urges Farmers To Sign for United States Cash or United States Employees To Lose Jobs," published in a recent issue of the Tampa Tribune.

By Mr. JOHNSON of Colorado:

Article entitled "GI Alcoholism Is Increasing in German Zone," written by Arthur Noyes and published in the Washington Times-Herald of March 12, 1952.

RADIO BROADCASTS ON PRICE-CONTROL PROGRAM

Mr. MAYBANK. Mr. President, I have before me a letter from the Office of Price Stabilization in regard to its so-called TV programs and radio broadcasts, and I ask unanimous consent that the letter be printed in the RECORD. I make this request because there are currently circulating many reports regarding radio broadcasts on the price-control program. The Joint Committee on Defense Production, of which I am chairman, has received many inquiries concerning these broadcasts and the propriety of using Government funds for such a purpose.

In the interest of presenting the facts, I should like to have inserted in the RECORD, following my remarks, the letter and news release from the Office of Price Stabilization giving the exact status of these broadcasts.

There being no objection, the letter and news release were ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE STABILIZATION,
Washington, D. C., March 10, 1952.

Hon. BURNET R. MAYBANK,
Chairman, Joint Committee on Defense Production,
Senate Office Building, Room 11C,
Washington, D. C.

MY DEAR SENATOR MAYBANK: The joint committee has asked to be advised about a series of radio transcriptions produced recently by the Office of Price Stabilization.

The agency announced on February 14 that 13 nationally famous stars had volunteered their talent as a public service for a series of radio programs entitled "Stars for Defense," sponsored by the agency as a part of its public-information program.

We indicated that transcripts of the 15-minute broadcasts would be furnished without charge to radio stations throughout the country. Stations who wish to do so may broadcast the programs as a public service. The Office of Price Stabilization does not pay for radio time.

These 13 stars were not, as some newspaper reports have indicated, employed. They donated their talent, free of charge, as a service to their country. Such contributions, as I know you realize, are often made to assist public-service efforts, both governmental and nongovernmental.

Certain newspaper columns have also publicized the rumor that the agency is using fan dancers to popularize its program. There are no fan dancers on the list. The stars who have given their time and talent in this effort are Gordon MacRae, Jo Stafford, Dick Haymes, Dinah Shore, Bob Crosby, Martha Tilton, Nat "King" Cole, Doris Day, Tony Martin, Bob Hope, Margaret Whiting, Dennis Day, and Connie Haines.

Reference has also been made to the agency's announcement that these stars were being used to "popularize the Office of Price Stabilization." This announcement was not made. A copy of our news release of February 14, 1952, is attached. No mention is made of popularizing price controls. The release specifically states, "The purpose of these programs is to help inform the public about inflation and about price stabilization and its relation to the defense effort. The musical parts of each program are built around a central message, delivered by a guest star, telling what every citizen can do to help hold prices down."

These transcriptions are a part of the general OPS information effort. The essential purpose is to inform the public and to inform as many people as possible. Each transcription contains factual information about inflation and price controls.

I know you appreciate that public information is an essential part of stabilizing prices, because effective stabilization is virtually impossible without widespread public understanding and voluntary cooperation.

These transcripts are not used to advocate the extension of the Defense Production Act. Nothing in the transcriptions advocate this and it is not the purpose of these programs to bring about a new controls act or to keep the agency in existence. The transcriptions are not designed to influence Congress in any way but only to further the effective administration of the price stabilization program which has been fully authorized by the Congress.

We know, of course, that it would be most improper and illegal to use Federal funds in a propaganda campaign for or against any congressional legislation.

There were naturally certain expenses in producing and manufacturing these recordings. The agency felt those expenses to be small in relation to the immensity of the information job and its importance in effectively administering price controls. The 13 high-priced radio stars did not receive a penny for their services. The agency does not pay for broadcasting time. Radio stations which wish to do so broadcast these programs free of charge as a public service.

I hope you will not hesitate to call upon us if we can provide you with additional information with reference to this particular question.

With kind regards.

Sincerely,

CHASE GOING WOODHOUSE,
Office of the Special Assistant to the Director.

STARS FOR DEFENSE

Thirteen nationally famous stars have volunteered their talent, as a public service, for a series of radio programs, "Stars for Defense," sponsored by the Office of Price Stabilization as part of its public information program.

OPS will furnish transcripts of the 15-minute programs to radio stations throughout the country without charge. They may now be obtained through the agency's regional and district offices. Radio stations that wish to do so will broadcast the programs as a public service. OPS does not pay for radio time.

Programs included in the series:

Gordon McRae with the Normal Luboff Choir, Carmen Dragon and his orchestra, and Marvin Miller, announcer.

Jo Stafford, with Paul Weston and his orchestra, and Del Sharbutt, announcer.

Dick Haymes, with Four Hits and a Miss, Sonny Burke and his orchestra, and Fort Pearson, announcer.

Dinah Shore, with Frank Del Vol and his orchestra, and Vern Smith, announcer.

Bob Crosby and Gisele MacKenzie, with Paula Kelly and the Modernaires, Jerry Gray and his orchestra, and Del Sharbutt, announcer.

Martha Tilton, with George Cates and his orchestra, and Fort Pearson, announcer.

Nat "King" Cole with Billy May and his orchestra and Art Gilmore, announcer.

Doris Day, with Paul Weston and his orchestra and Vern Smith, announcer.

Tony Martin, with Victor Young and his orchestra and Vern Smith, announcer.

Bob Hope, with Les Brown and his orchestra and Hi Averback, announcer.

Margaret Whiting, with Lou Busch and his orchestra and Art Gilmore, announcer.

Dennis Day, with Charles Dant and his orchestra and Vern Smith, announcer.

Connie Haines, with George Cates and his orchestra and Del Sharbutt, announcer.

The orchestral theme for the series was composed by Paul Weston as a contribution.

The purpose of these programs is to help inform the public about inflation and about price stabilization and its relation to the defense effort.

The musical parts of each program are built around a central message delivered by the guest star, telling what every citizen can do to help hold prices down.

POSTHUMOUS AWARD OF MEDAL OF HONOR TO SGT. CORNELIUS CHARLETON, OF NEW YORK

Mr. IVES. Mr. President, I ask unanimous consent that I may be permitted to make a statement not to exceed 1½ minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from New York is recognized for 1½ minutes.

Mr. IVES. Mr. President, I have just returned from a ceremony in the Pentagon, at which the Congressional Medal of Honor was awarded posthumously to Sgt. Cornelius Charleton, of New York. Sergeant Charleton was a Negro who through extreme heroism made the supreme sacrifice in Korea. This simple but moving ceremony emphasized deeply the fact that when loyalty and heroism and sheer patriotism are demanded of Americans, there is no distinction among us.

In this connection, I am reminded that today marks the seventh anniversary of the enactment of the New York State law against discrimination. This law was the first statutory step in this country toward combating the evils of discrimination in employment because of race, religion, national origin, or ancestry, and I am gratified to be able to report that the operation of this law has been remarkably successful. It proves, I believe, that the problem of discrimination in employment can be met through the force of law in an effective and equitable manner.

APPROPRIATIONS FOR LEGISLATIVE BRANCH AND MOTOR CARRIER CLAIMS COMMISSION, 1952

Mr. McKELLAR. Mr. President, there is a measure on the calendar which I should like to have taken up, and I am sure its consideration would take just a moment. I refer to House Joint Resolution 396, making an appropriation for the Motor Carrier Claims Commission for the fiscal year 1952. The resolution as amended appropriates $867,000, for various items. The House has passed the joint resolution, and the Senate Committee on Appropriations has reported it with the addition of some items for the Senate and House of Representatives.

I ask unanimous consent that the Senate proceed to the consideration of the joint resolution at this time.

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

Mr. SALTONSTALL. Mr. President, there are very few Senators in the Chamber at the moment, but I shall not object to the consideration of the joint resolution, because, I may say as a member of the Committee on Appropriations, it is my understanding that the measure merely makes it possible for the Motor Carrier Claims Commission to pay certain claims which are found to be legal, and which there is no money on hand to settle, and the joint resolution further provides for extending the life of the Commission for a period of 6 months.

Mr. McKELLAR. The Senator is not exactly correct. It provides for paying for the investigation of certain claims.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the committee what the other $400,000 is for. Is that for various committees which are conducting investigations?

Mr. McKELLAR. That is correct and $15,000 is for an additional amount for the Joint Committee on Atomic Energy. As the Senator will recall, we considered that question yesterday.

Mr. SALTONSTALL. There is $400,000 for committees which are investigating various matters, and $15,000 for the Joint Committee on Atomic Energy.

Mr. McKELLAR. The Senator from Connecticut [Mr. McMAHON] appeared before the committee and stated that this $15,000 was absolutely necessary. In addition an amount of $400,000 is provided for expenses of special and select committees of the House of Representatives, and a like amount for the expenses of Senate committees.

Mr. SALTONSTALL. I am sure there is no objection, inasmuch as the joint resolution was unanimously reported from the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 396) making an appropriation for the Motor Carrier Claims Commission for the fiscal year 1952, which had been reported from the Committee on Appropriations, with amendments.

The first amendment of the Committee on Appropriations was, on page 1, line 5, after the word "following", to strike out "sum" and insert "sums."

The amendment was agreed to.

The next amendment was, on page 1, after line 5, to insert:

LEGISLATIVE BRANCH

SENATE

Salaries, officers and employees

The appropriation for salaries of officers and employees of the Senate contained in the Legislative Branch Appropriation Act, 1952, is made available for the employment of additional clerical assistants for each Senator from the State of Minnesota, so that the allowance for administrative and clerical assistants for such Senators will be equal to that allowed other Senators from States having a population of more than 3,000,000 but less than 5,000,000, the population of said State having exceeded 3,000,000 inhabitants.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

Contingent expenses of the Senate

For an additional amount for "Joint Committee on Atomic Energy," $15,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

For an additional amount for "Expenses of inquiries and investigations," $400,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert:

HOUSE OF REPRESENTATIVES

For an additional amount for expenses of "Special and select committees," $400,000.

The amendment was agreed to.

Mr. SALTONSTALL. As I understand, the total amount of the bill is $867,000.

Mr. McKELLAR. That is correct.

Mr. SALTONSTALL. Four hundred thousand dollars is for Senate committees and another $400,000 is for House committees.

Mr. McKELLAR. That is correct.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the joint resolution.

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

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution making additional appropriations for the legislative branch and the Motor Carrier Claims Commission for the fiscal year 1952, and for other purposes."

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Green	McMahon
Anderson	Hayden	Millikin
Bennett	Hendrickson	Monroney
Benton	Hennings	Moody
Brewster	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Nixon
Butler, Nebr.	Humphrey	O'Conor
Byrd	Hunt	O'Mahoney
Cain	Ives	Pastore
Capehart	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kefauver	Schoeppel
Connally	Kem	Seaton
Cordon	Kilgore	Smathers
Dirksen	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Lehman	Smith, N. C.
Eastland	Long	Sparkman
Ecton	Malone	Stennis
Ellender	Martin	Thye
Ferguson	Maybank	Underwood
Flanders	McCarran	Watkins
Frear	McCarthy	Welker
Fulbright	McClellan	Wiley
George	McFarland	Williams
Gillette	McKellar	

Mr. JOHNSON of Texas. I announce that the Senator from Oklahoma [Mr. KERR] is absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate for the purpose of addressing the Army War College at Carlisle, Pa.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. DUFF] is absent on official business.

The VICE PRESIDENT. A quorum is present.

RESOLUTION DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1952

The VICE PRESIDENT. The question is on agreeing to Senate Resolution 285, disapproving Reorganization Plan No. 1 of 1952, relating to the Bureau of Internal Revenue.

Mr. McFARLAND. Mr. President, I did not know that the resolution had been called up.

The VICE PRESIDENT. It has not come up on motion. The Chair thought it was automatically before the Senate.

Does the Senator from Arizona move that the Senate proceed to consider the resolution, or does the Senator from Arkansas [Mr. McCLELLAN] wish to make such a motion?

Mr. McFARLAND. Yes, Mr. President; I move that the Senate now proceed to the consideration of the resolution.

The VICE PRESIDENT. 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 resolution (S. Res. 285) disapproving Reorganization Plan No. 1 of 1952, relating to the Bureau of Internal Revenue.

The VICE PRESIDENT. The statute provides for not to exceed 10 hours of debate, or 5 hours on each side; but the statute does not provide what Senators shall control the time. Unless there is an agreement regarding control of the time, the Chair will have to recognize Senators under the rule.

Mr. McCLELLAN rose.

The VICE PRESIDENT. Does the Senator from Arkansas wish to make a request?

Mr. McCLELLAN. Mr. President, I have discussed this matter with the senior Senator from Georgia [Mr. GEORGE], the author of the resolution. Since I am chairman of the committee which held the hearings and made the report, the Senator from Georgia has suggested that I control the time on behalf of the proponents of the resolution.

Mr. McFARLAND. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. Yes, I am glad to yield.

Mr. McFARLAND. If there is no objection, I ask unanimous consent that the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Minnesota [Mr. HUMPHREY], respectively, control the time.

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

From now on, while this resolution is under consideration, the time will be under the control of the two Senators just named, the Senator from Arkansas and the Senator from Minnesota.

Mr. McCLELLAN. Mr. President, I may say that I have conferred with the Senator from Minnesota [Mr. HUMPHREY]. We hope that in a little while, after we are able to obtain some indication regarding the number of speakers on either side, we shall be able to reach an agreement for a further limitation of the time for debate, with the idea that we might reach a vote sometime tomorrow afternoon, perhaps around 2 or 3 o'clock. However, we shall withhold making that request at the present, until we have had an opportunity to determine the number of speakers.

Mr. President, I yield myself 15 minutes.

The VICE PRESIDENT. The Senator from Arkansas is recognized for 15 minutes.

Mr. McCLELLAN. Mr. President, the matter before the Senate is a plan to reorganize the Internal Revenue Bureau, in the Department of the Treasury. This plan was sent to the Congress by the President under the provisions of the Reorganization Act of 1949. Under the provisions of that act no affirmative action is needed on the part of either House of the Congress, to cause this plan to become law. Unless disapproved under the procedures established in that act, this plan would become law 60 days after it was transmitted to the Congress by the President, which would be midnight, March 14. This plan would then become law, in the form in which it was submitted. There can be no amendment to the plan, there can be no modification of it, there can be no reservation written into it; and no limitation can be attached. We either by negative action or inaction permit the plan to become law as it stands, or we nullify it by affirmative action, namely by adopting a resolution of disapproval; which is the resolution now before the Senate.

In order to disapprove the plan, there must be 49 Senators present and voting for disapproval. A mere majority vote of the Senate disapproving the plan is not sufficient to reject it. Under the procedure of the Reorganization Act, 49 affirmative votes in favor of the resolution must be recorded. There are some who feel that requirement of the Reorganization Act imposes a hardship or a definitely unreasonable restriction, in that they feel that a simple majority of either House of Congress should be permitted to reject a reorganization plan. Either House of Congress may refuse to pass a bill, or may vote adversely on it, and the bill cannot become law. This is a departure from the orthodox procedures of enacting legislation.

When the reorganization bill of 1949 was before this body, strong contention was made that the bill should provide that either House of Congress by a majority vote should be able to approve or reject any reorganization plan. I was very much opposed to that provision of the bill, Mr. President, and I insisted that either House should have that power, in order to observe and to preserve the integrity of legislative procedures. Finally, we had to compromise, and the affirmative vote of 49 Senators now required is the result of a compromise between those two conflicting opinions.

Mr. President, in view of this unusual procedure established by an act of Congress, governing the consideration, approval, or rejection of reorganization plans, when a plan is submitted it becomes more incumbent upon the Congress to consider the plan as thoroughly as possible, through hearings before committees and the use of every other means available, in order to understand fully its implications, to give it proper interpretation, and to enable better judgment to be exercised as to what the results and consequences of a given plan would be if permitted to become law.

Having in mind, Mr. President, not only that responsibility, but also the fact that this particular plan is one of such magnitude and importance that it deserves searching study before any final decision is made upon it, the then Committee on Expenditures in the Executive Departments, to which the bill was referred, which committee has since been designated the Committee on Government Operations, conducted public hearings on the plan for seven separate days, giving every opportunity to sponsors and advocates of the plan to appear before the committee and to make full explanation of it.

At the conclusion of the hearings, after hearing the Secretary of the Treasury, the Commissioner of Internal Revenue, the Chairman of the Civil Service Commission; after hearing Mr. Flemming, former Chairman of the Civil Service Commission, and others, who testified in support of the plan, and two or three witnesses, including the distinguished chairman of the Senate Finance Committee, who testified in opposition to the plan, a majority of the committee reluctantly came to the conclusion that this plan should be rejected. They felt that the plan carried with it such implications and created such confusion and uncertainty regarding certain statutes embraced within the Internal Revenue Code that it should be considered by the appropriate committees of the Congress having jurisdiction of internal-revenue legislation.

Mr. President, no plan submitted to the Congress under the Reorganization Act of 1949 has been so far reaching in its consequences as is this plan. The committee, in the closing paragraph of its report, had this to say:

> Under the procedures established by the Reorganization Act of 1949 governing the consideration of reorganization plans, this plan cannot be amended to eliminate the defects in it or to provide proper safeguards in the public interest. It can only be approved or rejected in its present form. Therefore, for the reasons set forth in this report, it is the judgment of the committee that Senate Resolution 285 should be adopted and the plan rejected. If it is permitted to become effective, uncertainties and confusion will inevitably result.
>
> The committee believes that the needed reorganization of the Bureau of Internal Revenue is a project of such magnitude that it should be accomplished by legislation that has had adequate consideration by the appropriate revenue committees of the Congress.

While the Committee on Government Operations, formerly the Committee on Expenditures in the Executive Departments, does have jurisdiction of reorganization plans as such, when proposed legislation is introduced to effectuate reorganizations, frequently such proposed legislation is referred to the legislative committee having jurisdiction of the department or agency to be reorganized. It can be appreciated, I am sure, that the Committee on Government Operations is not composed of Members of this body who are experienced in the handling of revenue or taxation legislation. The Department of the Treasury and the Bureau of Internal Revenue are legislatively under the jurisdiction of the Finance Committee of this body.

In the course of the hearings, Mr. President, it developed that the chairman of the Finance Committee of the Senate and the ranking minority member of that committee felt that the plan should be rejected and that the reorganization should be handled by legislation considered by the Finance Committee of the Senate and reported to this body. Pursuant to that conclusion and to their judgment, the chairman of the Finance Committee of the Senate and the ranking minority member of that committee submitted the resolution which is now before the Senate.

Mr. President, I shall not go into all the aspects of the matter——

Mr. MONRONEY. Mr. President, will the Senator yield at that point, on the question of jurisdiction?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from Oklahoma.

Mr. MONRONEY. I appreciate the distinguished chairman's yielding to me. Is it not a fact that proposed legislation to make the correction in the Internal Revenue Bureau and to put officers under civil service would not be within the jurisdiction of the Finance Committee at all, but would rest with the Committee on Post Office and Civil Service?

Mr. McCLELLAN. If the Senate were taking up a separate and independent bill covering certain employees into the civil service, that might be; but this plan involves far more than whether there shall be civil service employees in certain positions or whether there shall be the general reorganization which the plan envisions.

Mr. MONRONEY. If the distinguished Senator will permit me to ask a further question, the Senator would not dispute, will he, that the crux of the issue is whether collectors of internal revenue shall be removed from the patronage system and placed under the civil service system?

Mr. McCLELLAN. I do not agree at all that that is the crux of the issue, Mr. President.

Mr. GEORGE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield t the distinguished Senator from Georgia.

Mr. GEORGE. I am glad the distinguished chairman of the committee made that answer, because that is a minor feature of the whole program. If that were all there were to it, it would not be worth while to fuss about it.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair is advised that the 15 minutes time allotted by the Senator from Arkansas to himself has expired.

Mr. McCLELLAN. Mr. President, I yield myself another 15 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for an additional 15 minutes.

Mr. McCLELLAN. Mr. President, for purposes of propaganda, for purposes of selling this plan to the public, it may be well to place the emphasis upon the question of patronage. I regret that from some sources some charges or statements have been made which carry with them a strong implication to the effect that those who may oppose this plan in its present form and who are seeking to have it considered in the more orthodox way in legislative procedure are simply concerned about losing a little patronage. I should like to make the statement, which I know cannot be challenged, that the senior Senator from Arkansas stands no chance whatsoever of losing any patronage in the Internal Revenue Bureau if this plan is adopted. I do not know of a single Senator on the other side of the aisle who is going to lose any patronage. One cannot lose what he does not possess; he cannot retain what he does not have. So, with that statement, I trust Senators will do me the kindness to indulge the belief that I am motivated by some other purpose than that of trying to retain patronage.

I certainly ascribe to those who disagree with me the highest motives and the most honest intentions and purposes to do a good job of reorganizing the Internal Revenue Department, which we all feel needs some reorganization. But I do not feel that I should be panicked into disregarding everything else and voting in haste for a reorganization plan in name, without adequate consideration and without being certain that it contains proper safeguards to insure reorganization on a sound and practical basis. I believe that can be done; I believe it will be done if this plan is rejected.

Mr. President, I desire to point out the importance of this character of legislation. This plan abolishes 68 offices which are now existing, but it creates 99 supergrade offices in the Bureau of Internal Revenue.

Someone has said that the purpose of the bill which I introduced was to make certain that more political appointments would be made available in addition to the 68 positions which now exist. I did not introduce a bill to increase the number of any type of officers that is not covered in my bill. The increase in the number of employees is sought by the agency and by the department which want the plan. The plan proposes creating 99 offices, 70 of them without name, without title. Is that legislating properly? It delegates to the Secretary of the Treasury the right to designate the titles of those 70 offices from time to time. That would be permanent law. In view of what the testimony has revealed as to the claimed intent of reorganization, I cannot see any reason or practical excuse why the reorganization plan should not name the 70 offices and let the titles be stated in the law, just as in the case of the 25 offices.

According to the plan all those officers would be under civil service.

I may point out that under this plan, not as the plan itself reads, but as the evidence explained how the reorganization would be effected under the plan, there would be appointed policy-determining officials, under the civil service, who would have control over the tax destiny of the American people. I do not believe that is right. I may be wrong, but I believe it was the purpose of the founding fathers to provide a check by the legislative body upon appointments by the President of policy-making officials. That procedure has served this Nation well up to this time.

Someone may say these appointees will not be policy-making officials. Let me say that under the plan the taxpayer who has a controversy with reference to the amount of tax assessed against him, or the amount of tax demanded of him, will reach his final destination, in his effort to settle, before an appeal board or an appeal staff of civil-service employees, and that body will be under the direct supervision and subject to the final judgment of a civil-service district commissioner. Quasi-judicial power and authority with life and death powers over taxpayers are to be reposed in individuals selected by the Civil Service Commission, with no remedy other than by appeal to the Tax Court. Perhaps the taxpayer may be able to appeal; perhaps not.

Mr. President, many problems are involved in this question. Changing the general structure of organization may make a marked improvement over the present set-up. I do not know. I am not sufficiently experienced in the ramifications of the tax structure to pass final judgment on that question. I should like to have the experienced committees of the Senate that are equipped with trained staffs, go into the question and then submit their recommendations to this body.

Mr. President, much is involved in this question. Taxes collected last year from 55,000,000 taxpayers amounted to approximately $51,000,000,000. Eighty-two million tax returns were filed. It cost the Government $246,000,000 to operate the Internal Revenue Bureau last year.

It is said that ultimately there may be some savings under this plan. Under the Reorganization Act which gives the authority to the President to submit this plan to Congress, it was required by Congress and expected that in the message transmitting the plan there would be stated the amount of savings and economies which would be effected under the plan.

Mr. President, I invite any Member of this body to read the message of the President transmitting the plan now being discussed and see if he can find that the President had concluded, or that anybody else had concluded, that any economies would be effected.

Mr. President, I do not think the statement can be successfully challenged that as to any reorganization plan which Congress has yet adopted no competent authority has been able to point out to Congress any particular savings which have resulted.

If there is a desire to talk about economies, there is one thing on the face of this plan which should be considered. According to the plan, there would be established 25 regional offices which do not now exist. These offices would have to be staffed first by district commissioners at a salary of $14,000 a year or more each. So, to begin with, there would be 25 officers at an annual salary of $14,000 plus each. Then, space will have to be provided for them. Each commissioner will require a staff. Other expenses are involved in the maintenance of 25 offices of such magnitude. What the total expense may be, I do not know. Some reduction in expense or some saving may be brought about by certain consolidations, it is true. The expense may not be so great as would appear on the face of the plan. Some of the cost may be held down. But no one can say, Mr. President, from the face of this plan, or from any explanation that has been given by its sponsors, that there will ever be one dollar of saving.

If the plan does increase the cost of collecting taxes, I would not say that that would justify rejecting the plan, that it ought to be rejected solely for that reason. If the plan will produce a better organization, an organization that can function more effectively, and if the result of such improvement will be the collection of more revenue, then the additional cost of the plan or of the operations of the Bureau might be justified. But all these questions, Mr. President, were certainly not resolved by the testimony which was presented before our committee.

It is contended that Congress has already given to the Secretary of the Treasury, under Reorganization Plan No. 26 of 1950, all the power he would have under the plan now before the Senate. I do not think that is true. There is some difference. But, Mr. President, I wish to call attention to the fact that the first plan submitted under the Reorganization Act of 1949, Reorganization Plan No. 1 of 1950, was a plan to reorganize the Treasury Department. That plan did not have in it what the sponsors of this plan now claim is the crux of the issue, namely, the question of civil service. That plan was rejected because it had in it one aspect which

was a grab of power over another agency, the Office of the Comptroller of the Currency, which the Congress did not want to place under the Treasury Department. That plan was rejected by the Senate.

Later Reorganization Plan No. 26 was submitted, which was a repetition of plan No. 1, save for the elimination of the provision regarding the Comptroller of the Currency's office. Plan 26 did not embody the civil-service features of reorganization which this plan now embodies.

The PRESIDING OFFICER. The Chair advises the Senator that 30 minutes have expired.

Mr. McCLELLAN. I yield myself five additional minutes.

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

Mr. McCLELLAN. Mr. President, there are those who contend that the crux of the issue in this plan is the question of civil service. I invite their attention to a letter addressed to me, as chairman of the committee, by the Secretary of the Treasury, and signed by him, on May 14, 1951, in response to the committee's request for his comments on Senate bill 1150, which provided for reorganization of the Treasury Department, which bill was introduced by the distinguished Senator from Minnesota [Mr. HUMPHREY], and which contains a provision to abolish certain offices which are proposed to be abolished in this plan, and place them under civil service, and taking away the confirmation powers of the Senate. Reporting on that bill, the Secretary of the Treasury said on May 14, 1951:

> Also of concern to the Department in this connection is the proposal that the Secretary shall appoint all officers and employees of the Bureau of Internal Revenue and the Bureau of Customs.

It was of concern at that time. Listen to what was said:

> As you know, various officers of these bureaus, including the collectors of internal revenue and of customs, are appointed by the President by and with the advice and consent of the Senate. It has been the Treasury Department's experience that Presidential appointees located in strategic positions in these bureaus can do and have done effective, efficient work.

It is a little strange that in that short time there has been such a change in attitude and policy on the part of the Secretary of the Treasury. Now it is said that the whole question of honesty in Government, and of efficient organization and efficient administration, rests upon one issue. It is a bit strange that that contention should now be made.

Mr. President, I have no objection to civil-service standards being required in the selection of Internal Revenue Bureau officials if such standards can be so formulated as to make certain that each official meets the requirements of knowledge, experience, and training which would equip him for the job. I do not believe that anyone should be appointed, politically or otherwise, who does not possess the necessary qualifications. But let me point out how this plan was intended to operate.

It is proposed to place all these officials under civil service. Next, it was proposed to hold a Nation-wide examination to fill the positions. Selections would be made beginning with the three at the top of the eligible list. It is said that such procedure would eliminate politics, if a Nation-wide examination would be held to fill these places.

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

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

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

Mr. McCLELLAN. When the situation was called to the attention of the proponents of the plan, they got together and the Chairman of the Civil Service Commission gave a promise, which the committee exacted, that they would hold examinations in the region or area to be served. I think that is all right. I think they are sincere in that promise. But I point out, from the hearings in the House, that that was not the plan in the beginning. It was only when the committee brought the situation home to them that they made such a promise.

That is one thing which is wrong with this plan. We are legislating on the basis of promises. We are not making such promises a part of the law of the land. The promises are not in the plan. The plan, not the promises, becomes the law.

I have no doubt that the present chairman of the Civil Service Commission would fulfill his obligation as long as he held that office. However, Mr. President, I have seen judges whose nominations were confirmed by this body reverse their decisions, which they have a legal right to do, and institute another policy, a new interpretation of law. In this case we are legislating in a vacuum, in which, under the plan which we are asked to enact, the Congress is denied the right to say by law that these positions shall be filled in a certain manner. There are many implications in the plan.

Then there is the proposal for rotation, under the civil service. Perhaps it is a good idea. I am not opposed to it as a general practice. But suppose this promise is carried out, and the plan goes into effect immediately, and examinations are held. Of course, those in charge of the department do not have to hold examinations at all. They can appoint from the civil-service lists. I think that is all right; I am not opposing that. When civil-service employees measure up to a standard and are career people, I think it is well to give them the jobs. But suppose an examination is held in a certain State, and that a selection is made from among the three highest contestants in the examination. He comes from the area to be served, under the terms of the promise given—not under the law—that he would be selected from the area which he is to serve.

He is appointed. The next day there is a vacancy in the office of district commissioner. The deputy district commissioner may be entitled to be promoted to district commissioner; and it may be right that he be appointed. The next day after he is appointed, anyone in the civil service anywhere in the United States can be transferred into that State as collector, or deputy commissioner. If we want to put these officials under civil-service standards, very well. But some of these things ought to be corrected by appropriate legislation before we let this plan become law.

Mr. President, I wish to conclude with just one other statement. I want the Senate to realize one thing. We hear a great deal of talk about corruption. We are told that we must get rid of corruption. I shall now refer to testimony given by Mr. Dunlap. Let us see if corruption is the real issue. Let us see whether the plan is needed to clean up the Internal Revenue Bureau. That is the argument which is being made for it. It is said that we must adopt the plan. We are told that haste is needed without due consideration or the orthodox approach. There is offered to us a plan of greater scope and magnitude than any plan which has been offered heretofore. It is said that it must be acted on in haste because of the corruption in the agency.

The Senator from California [Mr. NIXON] asked some questions of Mr. Dunlap:

> Senator NIXON. Mr. Commissioner, I think the major interest of the committee, as you have probably gathered from the questions that have been asked, is to determine whether this plan will allow you to deal more effectively with the problem of corruption and dishonesty because that, of course, would be the primary reason for speed in the enactment of the plan, rather than to send this plan to a legislative committee and allow them to consider it over a period of time?
>
> Mr. DUNLAP. That, of course, Senator, we have done. We have adopted measures which we think enable us to cope with that situation as best we can, under our present organization, but that is only one of the factors.
>
> The other is the tremendous growth in the Bureau's workload which is becoming more and more unmanageable, and we are becoming more and more unable to handle it as time goes along under our present set-up.

Therefore, Mr. President, it would seem that the plan was needed primarily because of the workload. A legislative committee could very well study the problem. We do not need to act in haste. We should not be asked to act in haste, in 60 days' time, when we are preoccupied and engaged in many other matters of serious import. We should not be asked to give consideration to this plan without opportunity of amendment or change, and without knowing what its full implications are.

The interrogation continues:

> Senator NIXON. That is exactly my point, then, the primary purpose of this plan is not to deal with the so-called problem of corruption, but to make the Bureau operate more efficiently; is that right?
>
> Mr. DUNLAP. That is the primary purpose.

Let it not be said on the floor of the Senate by the advocates of the plan that

the primary purpose of the plan is to clean up the situation. Rather, the primary purpose is to deal with the over-all reorganization.

Senator NIXON. And that is in line with the chairman's remarks that it might well go to a legislative committee that deals with that problem.

Then the primary purpose is that, but a secondary purpose is to deal with the problem of corruption also; is that correct?

Mr. DUNLAP. I don't like to word it that way.

Senator NIXON. Well, the problem of handling, shall we say, dishonest practices, when they occur; is that correct?

Mr. DUNLAP. I still don't like that wording.

Senator NIXON. Very well. You use your own wording.

Mr. DUNLAP. I would say that it is one of the purposes of the plan to establish and to maintain the machinery and the avenues for examination which would insure the proper conduct of the Government's business and the proper conduct of its employees.

Senator NIXON. Let me see if I understand you correctly, then: You feel that under this plan the Bureau would be able to deal more effectively than it can at present with the over-all problem of discovering instances of dishonesty, and dealing with them effectively; is that a fair statement?

Mr. DUNLAP. That is right, as well as improving the efficiency of our people.

Senator NIXON. And the corollary of that, of course, would be that at the present time you do not feel that you can deal effectively with instances of dishonesty and corruption; is that correct?

Mr. DUNLAP. No, sir; I would not say that.

Senator NIXON. Then why the plan?

Mr. DUNLAP. I say that we are dealing with it adequately and properly now.

Senator NIXON. Now, just a moment, then. As I understand it, then, this plan is not necessary for the purpose of dealing with the problem of corruption, because you say you are dealing with it effectively now; is that right?

Mr. DUNLAP. That is correct, sir, but the plan is necessary to give us a more efficient over-all organization with which to conduct the tax business of the Government.

Mr. President, the administration witness and sponsor of the plan tells us that so far as corruption is concerned, which has aroused the righteous indignation of the people of the Nation, the problem of corruption is being dealt with adequately and is being cleaned up. Therefore, if the plan is a plan to reorganize and strengthen the Bureau from the standpoint of management and operational purposes, there is no reason to make so much haste and bypass the established committees of Congress with a plan—listen to this, Mr. President—which contains only 374 words and repeals the law providing for the office of collector of revenue, which is mentioned in the Internal Revenue Code 336 times.

Does anyone know what the effect would be? No one knows. I do not know. Certainly the attempt is made to bypass the legislative committees. However, Mr. President, there is a legislative responsibility and duty resting upon us, when no emergency exists and there is no necessity for haste, which dictates that the proper course, the sound course, and the wise course for the Senate to pursue is to have the Committee on Finance immediately begin hearings on a bill which I introduced as a substitute.

I introduced the bill for no other purpose than to get the plan before the appropriate committee. I do not know that I would vote for the bill in the form in which I introduced it. I know that it has some provisions the plan does not contain. I believe other features should be also considered and discussed. However, the purpose of introducing the bill was to get the plan before the committee. It contains all the structural features involved in this plan. The purpose was to get the plan before the proper committee of the Senate, which is competent and properly equipped to study it and to make a report on it to the Senate. The committee could make a decision on the proposal based on its experience. The Senate could act much more intelligently after such a study were made than it can act on this plan.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair announces to the Senator from Arkansas that 49 minutes of the entire time under his control have been consumed.

The Chair is advised that the Senator from Kentucky [Mr. UNDERWOOD] is substituting for the Senator from Minnesota [Mr. HUMPHREY] in allocating the time on the other side.

To whom does the Senator from Kentucky yield at this time?

Mr. UNDERWOOD. Mr. President, I yield 15 minutes to myself.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 15 minutes.

Mr. UNDERWOOD. Mr. President, I did not sign the minority views which oppose the resolution calling for a rejection of this reorganization plan. I did not sign those minority views because I disagreed with some of the reasons stated in them for opposing the resolution to reject the reorganization plan.

Mr. President, let me say that I do not like to appear in the position of making a speech for a resolution and then voting against it. However, it is very difficult for me to do anything else, under the circumstances.

This reorganization plan is very faulty. I think the statement which has been made by the chairman of our committee, the Senator from Arkansas [Mr. MCCLELLAN], who conducted the hearings, was in many respects absolutely valid. I consider the statement which was made before our committee by the Senator from Georgia [Mr. GEORGE] in explaining the defects in the plan, to be one of the most thorough, incisive, and analytical discussions of a public problem I have heard during the 4 years I have been a Member of the Congress of the United States. Of course, I would not engage with them in an argument over the details of tax administration or tax laws, with which they have dealt for so many years, and in which field they are recognized authorities.

However, I have had some experience in observing public opinion. I do not mean to say that I have my ear to the ground or that I am trying to court or kowtow to public opinion. However, I believe that the predictions I have made have turned out to be about as accurate as those of Drew Pearson and a little bit more accurate than the Gallup poll.

What worries me is the feeling that if this reorganization plan is rejected the country will be alarmed and appalled because of a belief that we have failed to do anything to correct one of the most deplorable situations which ever faced the Republic. I, for one, do not wish to see any high official say that he wanted to clean up the Augean stables, but the Congress of the United States tied his hands behind him. If this plan represents an overdose of disinfectant, I do not think that is such a bad fault, either, if the rights of the people of the United States and the taxpayers of the United States can be preserved and saved by amendments rather than complete rejection.

Therefore I am glad to say now that, so far as I personally am concerned, although for the reasons indicated, I am unwilling to vote against the resolution to reject this plan, it will be a pleasure for me to vote for separate bills along the lines proposed in the bill introduced by the Senator from Arkansas [Mr. MCCLELLAN], and I hope they are promptly reported from committee and are passed as soon as possible.

In the first place, I think the so-called assistant general counsel, who will become or can be called and styled the chief counsel of the Bureau of Internal Revenue, should be named by and with the advice and consent of the Senate. I should like to support, and in my opinion, Congress should pass, a bill to require his confirmation by the Senate. He will interpret what the tax laws mean.

In this connection I should like to call the attention of the Senate to a very profound minority opinion delivered very recently by Chief Justice Fred M. Vinson, of the Supreme Court, in which he said that it is not the business even of the Supreme Court to alter or frustrate the legislative command after it has been written. This was in the case of Richard Guessfelt against J. Howard McGrath.

Mr. President, it is a serious thing to have a man whose nomination is not confirmed by the Senate interpret the intent of Congress in regard to tax laws. However, this objection is mitigated by the fact that the President of the United States has submitted the name of Charles W. Davis to be assistant general counsel assigned to the Bureau of Internal Revenue, and to become the chief counsel of the Bureau of Internal Revenue. Mr. Davis formerly was chief clerk of the Ways and Means Committee of the House of Representatives, and there he served on a committee and on a staff which have rendered very great service to the Nation. In this particular case I do not believe the emergency is so great as it would be if the name of someone else, someone who did not understand the intent of Congress in this regard, had been submitted.

Mr. Davis is from Illinois. His forebears came from Virginia and went through Kentucky. They did not stay there long enough to make a Kentuckian out of him, which was a mistake on their part. However, except for 3 or 4 years which he spent in the Army of the United

States, after 1947 he has been in Washington, either in the Treasury Department or on the staff of the Ways and Means Committee of the House of Representatives. While I was a Member of the House of Representatives, I heard the distinguished chairman and the other members of that committee pay Mr. Davis a very high tribute at the time when he was named to the position to which he has not yet been confirmed.

Mr. President, I think the criticism of the American Bar Association regarding the uncertainty in this plan as to what official can be sued is absolutely valid, and I believe that situation should be corrected immediately. In my judgment, the criticism leveled at this plan is justified on that ground, as well as upon the ground of failure to provide for the confirmation of counsel by the Senate. Yet I feel that if this plan is rejected outright the impression will be created throughout the country that we have failed to do anything except to tie the hands of those who want to clean up an unfortunate situation as a result of which 51 employees are either under indictment, are being tried, or have been dismissed. Altogether, I think there were 168 such cases at the time the head of the Bureau of Internal Revenue appeared before our committee, although only 7 of the officials were not under civil service.

I do not think the civil service is a panacea. Indeed, there is almost contained in this plan a suggestion that the maladies from which the Internal Revenue Bureau suffers should be corrected on the theory that "the hair of the dog is good for the bite." Nevertheless, it will do no harm to place those who were formerly called Collectors of Internal Revenue under the civil service, except for the Commissioner and the chief counsel, who should be appointed by the President, by and with the advice and consent of the Senate.

Doubt has been expressed as to the best way of accomplishing the desired objective. Again I say that I very seriously doubt my own opinion in the matter, in contrast with the views held by others, whose opinions I respect far more than I do my own, and who have had such a long experience in the handling of these matters. Still I asked the counsel of the committee whether corrections could be made if the plan were not rejected but accepted. He said they could be made.

What then is the value of the plan? The principal value of the plan is that it gives to the head of the Bureau of Internal Revenue and to the Secretary of the Treasury the right to reorganize their own departments. No saving of money may result, although what worries the American people is the amount of taxes they are paying. I believe the Members of the Congress understand that fact, as well as anyone else in Washington. They realize that the people of the country are staggering under an appalling tax load which is so heavy that they themselves have scarcely begun to realize or understand its impact. Many persons go along without worrying over taxes until they start paying them; but, come March 15, they will begin to feel the pinch of the heaviest tax load they have ever known. Three months from now they will begin to understand it better. Are we going to say that we have done absolutely nothing in order to guarantee to them that when taxes are collected, they are going to be collected with the utmost fairness? I have understood that this plan fails to carry forward the criminal liabilities which should attach to employees of the Department.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The time of the Senator from Kentucky has expired.

Mr. HUMPHREY. Mr. President, I wish to yield to the Senator from Kentucky whatever additional time he may desire.

Mr. UNDERWOOD. No; I am through, except that I should like to complete that sentence.

Mr. HUMPHREY. The Senator may take whatever time he needs.

Mr. UNDERWOOD. I think the criminal liabilities ought to be continued.

The PRESIDING OFFICER. Does the Senator from Minnesota yield further to the Senator from Kentucky?

Mr. HUMPHREY. Yes; I yield whatever time the Senator needs.

Mr. UNDERWOOD. I thank the Senator. That is all I wanted to say, that I think the criminal liabilities ought to be continued. Some other provisions ought to be clarified, and there should be no doubt of the right of the taxpayer to sue any official or responsible authority within the Bureau of Internal Revenue upon any claim or grievance he may have against him. But I believe it is better to go ahead and adopt this plan and hold the Bureau of Internal Revenue and the Treasury Department responsible for cleaning up the unhealthy situation which exists, in accordance with limitations which can be enacted into law in very short order, limitations which I shall be glad to support.

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

Mr. UNDERWOOD. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I am sure the Senator from Kentucky is familiar with the letters presented by Commissioner Dunlap to the committee, which letters were signed by the Secretary of the Treasury, John W. Snyder; and, later on, the letter dated February 28, 1952, to the Secretary of the Treasury, signed by Joseph C. Duggan, Assistant Attorney General, Executive Adjudications Division, and the letter, signed by the Attorney General, regarding the right of suit by the taxpayer against the collector, or, in this instance the deputy collector.

Mr. UNDERWOOD. That is correct; but it might still require a suit in order to ascertain whether the opinion is correct; and the right to sue might become valueless because of delay in the courts. I see no reason why immediately following the adoption of this plan we should not pass a bill, as quickly as we possibly can, which would provide without equivocation that the right to sue and the right of trial by jury are guaranteed to every taxpayer; that he may sue in any Federal district court having jurisdiction of the matter; and that he may sue any officer or responsible authority within the Bureau of Internal Revenue. The taxpayers should, of course, have that right.

Mr. HUMPHREY. Mr. President, if the Senator from Kentucky will yield further, let me say I thoroughly concur with him as to the need of clarification and as to the desire of the Congress or the need of the Congress to make provision on this subject very concise and pertinent; and I think it can be done. I only want to point out for the RECORD that the chief law officer of the Government and the Secretary of the Treasury, who would have the general jurisdiction in this instance, recognize that at least under the terms of the common law, under a series of cases, as cited by Mr. Joseph C. Duggan, the Assistant Attorney General, that right does exist. I refer to the right of trial.

Mr. UNDERWOOD. The Senator is entirely correct in saying the right exists. But I would not take any chances on it whatever. I shall be glad to receive any support I possibly can, from those who are not voting for this resolution to reject this plan, for a bill to require confirmation by the Senate of the chief legal officer or counsel of the Bureau of Internal Revenue; to clarify the right of any taxpayer to sue any responsible authority within the Bureau of Internal Revenue, and to carry forward the criminal liability of any employee of the Department. If we were to provide for those things, we would then remove the largest and most important objections to the plan, and we could afford to accept it, even with its faults and errors, which should not be found in a plan sent to us. But, even so, we can afford to go ahead and accept it, placing full responsibility on the Secretary of the Treasury and the Bureau of Internal Revenue, the Collector of Internal Revenue, and, if you please, the President of the United States, saying to them, "We have given you everything you wanted, and everything you say you want, except as to the matter of confirmation. Do not let us have another theft or embezzlement, let us not have any crookedness, in the Bureau of Internal Revenue, so long as the responsibility is yours."

The PRESIDING OFFICER. The time of the Senator from Kentucky has again expired.

Mr. HUMPHREY. I should like to ask the Senator from Kentucky another question. First, I should like to say to the Senator that his analysis of the limitations of the plan are, of course, very pertinent to the discussion and the debate, and I think it is fair to say that none of us who are supporting the plan feel that it is a matter of the millennium, nor do we feel that it has been passed down by divine providence, but it is an improvement which is needed. At the same time I, for one, would be more than happy to join with the Senator from Kentucky in endeavoring to clarify the law as to the right of an individual taxpayer to sue a deputy collector. I would be happy to join with him on the matter of the confirmation of the nomination of solicitors or the general counsel for the Bureau of Internal Revenue.

Those are matters which can, of course, be taken up. The Congress will be in session for a long time. As the Senator from Kentucky has well pointed out, the plan does not in any way obviate the possibility of doing that. It merely accentuates the importance of having a full and complete reorganization, which no one plan can possibly accomplish.

Mr. UNDERWOOD. That is correct. That is what I was trying to say. We can take away any alibi from anyone based on the statement that he has had his hands tied behind him. If we approve this plan with those corrections, then the responsibility will rest upon whoever is in charge of the Bureau of Internal Revenue.

Mr. HUMPHREY. May I further say to the Senator that the plan calls for its full operation by December of 1952? In other words, there are several months before the full operation will go into effect.

Mr. UNDERWOOD. That is correct. I might say, further, that I am still making a speech on the opposite side from the one on which I am going to vote, but I am in grave doubt about the 25 regional offices. So far as Kentucky is concerned, any time we are included in a region we start getting the worst of it, and I am not sold on the regional idea at all. I do not think there is going to be a chance within a year's time to establish the regional offices. If it is necessary or advisable, that feature can be corrected; but, in the meantime, we are going to make two or three collections on the biggest tax bill in the history of the country, with people staggering under the load and worrying themselves to death about where they are going to get the money to pay their taxes. We do not want the taxpayers to feel that someone is likely to steal the money, anyway. We want complete fairness and equity and complete honesty, of course, in connection with tax collections.

Mr. HUMPHREY. I think the great issue here is not whether we are in any way being unkind to a collector or whether we are being inconsiderate of an area such as Minnesota or Kentucky, but, as the Senator has well pointed out, the taxpayers in the United States are sick and tired of hearing about malfeasance, corruption, and misconduct in the Bureau of Internal Revenue. I think the Congress of the United States had better take some action. There is no use arguing that we can delay it. We need to take what action we can take now, and if we have not taken sufficient action this week, we can take further action next week. The American people have a right to expect that the tax money will be collected honestly and that no efforts will be made to delay cleaning up the situation.

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

Mr. HUMPHREY. Mr. President, I shall be glad to yield to the Senator from Illinois 5 minutes. If he needs more time, he can have more.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. President, one of the first special assignments I had in the House of Representatives was as a Member of the Select Committee on the Reorganization of the Executive Branch. I became initiated into the intricacies of the situation and the prolixities of the remedies. Subsequent to that time the Brown-Lodge resolution was introduced, bearing the name of Representative BROWN and the Senator from Massachusetts [Mr. LODGE]. Then the so-called Hoover Commission was organized.

While a member of the subcommittee on Treasury-Post Office Appropriations, I should say, in all candor and in all fairness to that committee and to its very distinguished chairman, Representative CANFIELD, of New Jersey, that the investigations taking place at the present time were initiated by that subcommittee. I recall our investigation of the internal revenue office in Boston, and I also recall some other investigations which were made, but it was out of those preliminary investigations that other data were adduced which finally brought this matter to the front page.

In connection with the work of the Subcommittee on Treasury-Post Office Appropriations, I had some hand in compiling the report on the appropriation bill for the fiscal year 1949, and in that report we wrote this language:

> The most serious defect in the organization and operations of the Bureau is the fact that the men who are charged with the actual collection of the revenue, the collectors, are political appointees. The Commissioner, who administers the entire Bureau, does not have effective control over the collectors throughout the country. Whether collectors of internal revenue actively attend to the affairs of their offices or merely bask in their patronage appears to be largely a matter of their own volition.
>
> The committee recommends the enactment of legislation whereby the appointment of collectors of internal revenue would be removed from the patronage system and placed under civil-service laws and regulations. This would be a major progressive step in the operations of the Bureau, even though the administration of the civil-service system is badly in need of widespread improvements.

That language, Mr. President, appeared in the report of the Subcommittee on Treasury-Post Office Appropriations for the fiscal year 1949, when I was a member of that subcommittee. Since that time I was out of congressional service for a couple of years, and I enlisted myself in the service of the Citizens Committee on the Hoover Report. In that connection I made a great many radio and platform appearances and sought as best I could to devote my feeble talents to the business of energizing the interest of the people, in the hope that our approaches and our endeavors in the field of Government reorganization would be real rather than illusory.

In all candor, Mr. President, I feel, in view of the record, that I ought to support the plan which is now pending. I say that for a number of reasons. In the first place, it comes within the provisions of the Reorganization Act of 1949. I have endeavored to examine the broad provisions of that act, and I think the plan in substance conforms to those provisions and those requirements.

When all is said and done, there must be some vehicle with which to start; there must be some authority under which to approach the business of eliminating patronage and the political factor from the Internal Revenue Bureau. I believe that no matter how broad the scope of the plan, with good administration the objective can be accomplished. I believe, also, that it would serve to provide greater flexibility of operation——

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

Mr. DIRKSEN. Mr. President, will the Senator from Minnesota yield another 5 minutes?

Mr. HUMPHREY. Mr. President, I yield another 5 minutes to the Senator from Illinois.

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

Mr. DIRKSEN. May I say to my delightful friend from Tennessee that I am rushing to attend a committee meeting, but I shall be glad to yield to him.

Mr. McKELLAR. Under the present law, the President has the right to discharge an unfaithful or dishonest employee, has he not?

Mr. DIRKSEN. I have no doubt about that.

Mr. McKELLAR. But if this resolution should be adopted, the President would be deprived of that power, and it would be merely a matter of preferring charges against a civil-service employee.

Mr. DIRKSEN. I may say to my esteemed friend, the distinguished Senator from Tennessee, that precisely the same consideration applies to many thousands of employees of the Government who are under the merit system today. There, too, it is necessary to show cause. There must be charges preferred.

Mr. McKELLAR. That is true, but it does not apply to the collection of revenue, which is very, very important, as we all know.

Mr. DIRKSEN. Is it more important than what is true as to a good many other positions in the Government today? I doubt it very much. We grant to many employees the power to make policy, which actually brings about the expenditure of hundreds of millions of dollars. The proposal under debate deals with the collection of revenue. I am equally concerned with the expenditure of revenue.

I have seen the result of granting power to make policy time and time again in the case of thousands of employees, and nowhere is it shown more clearly than by the constant parade of witnesses before the Committee on Appropriations. I know that my very distinguished friend, the Senator from Tennessee, is an expert in that field.

So, to continue this very brief appraisal, I think the plan would develop greater stability in the Internal Revenue. At the present time there is a high rate of turnover. I become rather distressed by the fact that employees of the Bureau of Internal Revenue so often have feelings of their own instability. That follows partly, of course, by reason of the fact that if they are political appointees, they are never secure. So I hope the merit system will be extended

to these employees so as to give them a sense of stability, because they are responsible for the duties they discharge in the Bureau. In truth and in fact, Mr. President, I believe the adoption of the merit system would diminish the rate of turn-over in the Bureau of Internal Revenue.

If the program is honestly administered, and the selection of personnel is made on a competitive basis, certainly it ought to bring people of better talent into the Government. I do not go so far as to say that it is assured that every one who may be employed will be honest, or that his integrity will be unassailable and unimpeachable. I doubt whether by legislation that can be accomplished. But I believe that from the standpoint of capacity, if the examinations are properly conducted and if the job standards prescribed for these positions are properly written and applied by the United States Civil Service Commission, we cannot help getting better talent into the Bureau.

While perhaps the plan is not identical with the recommendations of the so-called Hoover Commission, yet in substance it reaches out toward precisely the same objective which was aimed at in the Hoover Commission recommendations. I would not expect the plan to be identical, but I do know what the objective was. So, under this vehicle, at least, it is possible to move in the direction of that plan. If the expected result does not follow, that is a horse of another color. But at least the instrumentality will be available.

As I have said, the plan itself is certainly not a guaranty of honesty and efficiency. But good administration, I think, will carry us in the direction of the goal we seek to achieve.

I wish to mention one other thing. As I recall some of the processes of Reorganization Plan No. 26—and I recall them rather vaguely, to be candid—that plan was general in scope, but at least the plan which is now before the Senate would be implemented somewhat, I think, by the one that was adopted earlier. The adoption of this plan certainly would not impair the power of Congress with respect to the Bureau.

Congress can abolish the Bureau of Internal Revenue. It can abolish every position in the Bureau. It can create a wholly different instrumentality for collecting revenue, and put it under some other agency or department of Government. If Congress desires so to do it can take the Bureau out of the Treasury Department.

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

Mr. DIRKSEN. I yield.

Mr. GEORGE. I thank the Senator. Would the Senator anticipate that if the new reorganization plan goes into effect, it would be possible to make any substantial change in the present procedure within the next 5 years? It would take at least 2 years to put the plan into operation.

Mr. DIRKSEN. I may say to the distinguished Senator from Georgia that, frankly, I do not know. However, I do know that unless there is adopted a plan which is implemented by the will of the executive branch, we will be on dead center, and will not go anywhere. Certainly some progress can eventuate. If it does not, then the only conclusion which can be drawn, Mr. President, is that there was complete failure on the part of those who sent the plan here in the first instance.

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

Mr. HUMPHREY. I yield three additional minutes to the Senator from Illinois.

Mr. DIRKSEN. There might be a remedy for it, which would be to install a new Republican occupant in the White House next year, and then we might get relief.

Mr. HUMPHREY. Mr. President, I think I yielded too much time to the Senator from Illinois. [Laughter.]

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

Mr. DIRKSEN. I have one other matter to speak of, but I yield to the Senator from Georgia.

Mr. GEORGE. Does not the Senator really believe that one of the chief troubles has been that men have been continued too long in these important positions without a change?

Mr. DIRKSEN. Let us apply that question to industry, for instance. In proportion as a man is seasoned and remains longer and longer in a position of responsibility, the amount of his paycheck goes up, his responsibilities are expanded, he becomes an expert in his field, and people fairly hang upon his words of wisdom. If that be a good rule for private industry, would it not be an equally good rule for Government, provided, of course, we start with honest talent, with men who bring character and capacity to their jobs?

Mr. GEORGE. I am afraid the Senator is now arguing against a change of administration in 1952.

Mr. DIRKSEN. Oh, no, indeed. I reiterate the premise I just laid down as to the necessity and desirability of a change at 1600 Pennsylvania Avenue, sometime next year.

Mr. President, I have only one other observation of importance I wish to make at this time, namely, that if the plan fails of adoption, the result will be to shatter the hopes of literally thousands of people who have given of their time, their talent, and their energy to develop a consciousness on the part of the public of the recommendations made by the Hoover Commission. I have journeyed from my home to Chicago, back to Washington, and to Baltimore, to New York, and elsewhere, and have spoken on the radio, simply to help create interest in the necessity for Government reorganization.

Consider a man like Bob Johnson, who headed the Citizens' Committee for the Hoover Report, trying to get four or five hundred people who would be willing to make a study of the questions involved, and then devote their time and talents to visiting different sections of the country in order to impress on the minds of the public the necessity for contacting their Representatives in Washington and stimulating interest in what the Hoover Commission reported.

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

Mr. HUMPHREY. Mr. President, I am willing to yield two additional minutes to the Senator from Illinois if he will stop electing a Republican President. [Laughter.]

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

Mr. DIRKSEN. Mr. President, I am glad the distinguished Senator from Minnesota accepts the inevitable change next year with such good grace.

Mr. President, if by rejecting this plan we turn down the people who have so unselfishly given of their time to the recommendations of the Hoover Commission, they will simply say, "It is no use. We have given ourselves freely and energetically to build up a case for this movement, which has been supported by some of the finest organizational talent in the country, and the Congress turns us down." It will be destroying a hope which it will be difficult indeed to recreate.

So, Mr. President, under these circumstances, based upon very considerable experience in this field, and for the reasons I have stated, I feel duty bound to support the plan that is before the Senate.

I thank the Senator from Minnesota for yielding me this time.

Mr. HUMPHREY. Mr. President, I understand the Senator from Vermont [Mr. AIKEN] desires to speak for 5 minutes. I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I shall support Reorganization Plan No. 1, although I am not sure that the 12th day of March is exactly the right day to bring up any legislation relating to the Bureau of Internal Revenue.

I recognize that this plan has its defects, and perhaps it does not meet in full the recommendations of the so-called Hoover Commission. I am sure that it will not cure corruption in government, because that cannot be done by legislation alone. But I do think that in providing for civil-service appointment of employees, including all but one of the employees of the Bureau of Internal Revenue, conditions will probably be made a little better as they relate to corruption and inefficiency. Certainly they will not be made any worse.

I realize that the President could have submitted this plan to the Congress in such a way as probably to insure its approval. It has been said by some that he expected that it would be disapproved by the Congress, and that he might even go so far as to make political capital out of it. I hope that will not prove to be the case. But whatever the situation may be, I think the Senate should approve the plan at this time. It is in consonance with the general policy of establishing a line of authority and responsibility from the President down through the departments. It is intended to remove the temptation to give jobs in the Internal Revenue Bureau as a pay-off for

political contributions or political effort. It is commendable in that respect.

The question which we must face is whether we shall stop trying to enact constructive legislation, stop trying to make the structure of the Government better, because we do not always trust all the men who are presently operating its machinery. I submit that if we adopted every single one of the recommendations of the Hoover Commission, that would not necessarily insure efficiency and economy in government, because no machine can do better work than those who operate it.

This reorganization plan can be used to promote efficiency and economy in Government. It is not perfect, as I have said. It can be perfected, or brought nearer perfection, either by further reorganization plans submitted to the Congress in the future, or by acts of the Congress itself. So we should take this step in spite of the imperfections of the plan, for we can revise it later if what is done under it proves to be inadequate or unworkable. I am sure that it will not be any more unworkable or inadequate than what we have at the present time.

As has been suggested by the Senator from Illinois [Mr. DIRKSEN], it may be subject to application by a different administration in the years which lie ahead. So I think we ought to vote, regardless of our feelings toward the men who operate the Government today, and regardless of political opinions, to make the structure of the Government as good as we can possibly make it, whenever we have the opportunity to do so, and deal with misfits in office by other means.

I hope the pending reorganization plan will be adopted. I do not believe that it would make the situation any worse. It might possibly make it better. As I have said, whether or not it would improve the situation would depend upon those who operated the machine.

Mr. HUMPHREY. Mr. President, I am not sure whether or not the Senator from Arkansas [Mr. MCCLELLAN] wishes to proceed with some of the speakers in support of the resolution.

Mr. McCLELLAN. Mr. President, one or two of the speakers in support of the resolution are not available at the moment. However, we expect to use our share of the time.

Mr. HUMPHREY. I merely wished to balance the time. The Senator from Arkansas, chairman of the committee, has been eminently fair, and I want to be fair with him on the floor of the Senate.

I now yield 15 minutes to the Senator from New York [Mr. LEHMAN], and whatever additional time he may require.

Mr. LEHMAN. Mr. President, I shall vote for President Truman's plan to streamline the Bureau of Internal Revenue, to take the local managers of our tax system out of politics, and to put them under the merit system.

I shall vote for this plan because it seems to me that in three sensible ways it will effectively discourage bribers and bribe takers. First, the plan will apply the best techniques yet devised for recruiting the best possible personnel to fill these jobs. Second, the plan will tighten the administrative structure of the Bureau of Internal Revenue so that it will be harder for taxpayers and employees to succumb to temptation. Third, I believe the plan will ultimately create a moral climate in the revenue offices which will close both the front and the back doors to favor seekers and influence peddlers.

The people of my State have a great stake in this plan. New York's families and business firms contributed more than $9,000,000,000 to support our National Government in the fiscal year 1951. That was almost one out of every $5 collected by the Bureau of Internal Revenue. The people of my State have had many, many bitter lessons—bipartisan lessons if you please—in the evil effects of the patronage system. Those lessons have taught New Yorkers and have taught me, over a period of many years, to seize every opportunity to replace the patronage system with the merit system.

We have heard much in recent months about corruption in the Bureau of Internal Revenue. As a result of energetic congressional investigations, we have learned that a few of the 57,000 employees of the Bureau have betrayed their trust. Some of them were patronage employees, some were civil-service employees. But it was the patronage employees who were in the key positions, who set the moral tone for these tax offices. It was the patronage employees through whom the morals of the political and commercial sewers seeped into the tax structure.

This is the judgment of Representative CECIL KING, whose Subcommittee on Administration of Internal Revenue has done such outstanding service for good government. This is why he supports this plan so vigorously.

Some critics of this plan rationalize their opposition to it by arguing that putting all tax officials under civil service is no answer to the present situation. They point to the few civil servants fired after these recent disclosures as proof that the merit system is not an absolute guaranty of integrity. These critics miss the significance, even of the bare statistics on the dismissals.

By now, 7 of the 64 patronage officials of the Bureau of Internal Revenue have been dismissed. If the same incidence of delinquency, the same frequency of malfeasance had been found among the civil servants of the Revenue Bureau, we should be reading about the firing of almost 6,000 of its 57,000 employees. Instead, fewer than 200 have been involved in these ugly affairs.

We cannot ignore the meaning of these figures. They show that the bribers—about whom we should be hearing much more from those who are usually so eloquent about corruption—knew where to go to find those who are most likely to be susceptible to their shady approaches. They go to the patronage appointees, because they know that regardless of the theory of Presidential appointment and Senate confirmation, the obligations of these collectors are frequently to the local political bosses. It is to party cliques and party machines that these men are usually beholden. These collectors deserve censure, but so do those who tempt and suborn the collectors. And equal censure should be meted out to the system which permits these things to happen.

This plan is directed at that system. This plan can destroy the sinister network which makes the "tax fix" possible. That network starts with the unscrupulous tax-dodger trying to get away with something, trying to cheat his Government and his fellow citizens. Then comes the grubby legal negotiator who knows the ropes, who has the contact, who knows the right people in the organization. Then comes the political boodler, whose sole interest in party politics is what he can make out of it. And finally comes the man at the end of the network, the man who owes his very job to the patronage system.

How often this vicious network is actually used is far less important than the fact that it can be available. The feeling that such a network may exist corrodes the public confidence in the great principle of equality before the law, in the postulate that the tax laws shall be administered without fear or favor.

It is not enough to attack this network with severe punishment, if and when we catch those who are part of it; more must be done. Not only crime detection and punishment but also crime prevention are urgently needed.

A number of steps in that direction will be made possible by this plan. A tightened administrative structure will make it harder for the network to operate. An independent inspection service will discourage dishonesty. Above all, this plan will make it harder for the briber, the legal manipulator, and the boodler to find their most essential instrument—an official responsive to their will.

That is what the President's plan will do. It will make it harder to find officials whose sense of public obligation is dulled by a feeling of political indebtedness. It will root out of the tax system the feeling that, if you are an employee, you have to "play ball" or "know someone" to reach the highest career posts. It will banish the deplorable inference that there is one tax code for most Americans and another one for those "in the know."

Some critics of this plan seem discouraged because it will not legislate honesty into dishonest men. Obviously, that is impossible. Others argue that the civil-service system has many flaws. I, for one, agree, and will work and vote to correct such flaws at every opportunity and occasion. Civil service has, nevertheless, proved far superior to the spoils system as a public personnel mechanism, and we will help make it better by approving this very plan because we will remove one of the chief factors which corrupt the merit system—political influence.

The overwhelming majority of those who serve us in the executive branch have as high a standard of personal integrity as you will find anywhere in America. By voting for this plan, we

will show our respect for this overwhelming majority. We will show it by fostering a feeling in the revenue service that competence and not political influence is the way to advancement to the key nonpolicy positions.

The merit system of filling career positions on the basis of competition is in the best American tradition. Competition is the lifeblood of America.

The merit system of making appointments—

Theodore Roosevelt once said—

is in essence as democratic and American as the common school system. It simply means that in positions where the duties are entirely nonpolitical, the applicants should have a fair field and no favor.

This plan is an application of that observation by Theodore Roosevelt.

I believe that this plan will be as healthy for our party politics as it will be for our public administration. Throughout my own political career, I have urged that our country would be strengthened by the active political participation of more and more Americans. But I have always felt that in politics as in government, a desire to serve the public should provide the motive for participation in politics. This plan will encourage those who believe in public service to get into politics: It will serve notice on those others who see politics as a way to spoils and favors that they are, more and more, wasting their time.

And while I am talking about politics, I should like to comment on the charge that this plan is, itself, a political move. I do not believe that, if you mean that it is an effort to gain partisan advantage. Does anyone here allege that putting the bipartisan Civil Service Commission in charge of screening applicants for these posts is a political move? I do not think so.

The problem of corruption in our tax system is not uniquely a problem for Democrats or for Republicans. Administrations headed by Presidents of both parties have suffered with it. Both President Truman and former President Hoover have endorsed this plan as a way to meet the problem.

Three separate investigations—all headed by Democrats—the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arkansas [Mr. FULBRIGHT], and Representative KING—have dramatized this problem, all at a time when the Democratic Party was in power. A Democratic President and a Democratic national chairman have both advocated this plan strongly. Democratic and Republican members alike support it, and have sponsored legislation to achieve the same purpose.

Corruption, patronage, good government—these are matters above party, and I urge that we try to meet them at that level.

Our public morals command attention throughout a world in which we stand as the chief spokesman for democratic self-government. Our sincerity in advocating those morals is always on trial. This plan will be an argument for that sincerity, and I shall vote to adopt it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "Reorganization Hits Home," published in the Syracuse (N. Y.) Post Standard of January 29, 1952.

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

REORGANIZATION HITS HOME

The Syracuse Chamber of Commerce has asked Congressman R. WALTER RIEHLMAN and other Washington sources to make sure that the proposed reorganization of the Bureau of Internal Revenue does not deprive Syracuse of its present internal revenue office. According to one report, the reorganization plan might result in the reduction of the number of offices in New York State to two—thus possibly eliminating the important Syracuse district office, which handles over a million tax returns for individuals and business in this area.

We almost never disagree with the chamber of commerce. We do it on this occasion only with the greatest of reluctance. The Syracuse office of the Bureau of Internal Revenue has been a good one. There is no reason to believe that any of the dirt and dishonesty which featured many of the Bureau's operations has extended here. Certainly Collector Frank J. Shaughnessy is a most outstanding citizen and has conducted his office superbly well.

On the other hand, however, this newspaper, the Syracuse Chamber of Commerce, and many other organizations have vigorously protested the graft and corruption which have riddled the tax-collection system. We have demanded that changes be made and that truth and honesty be restored as basic requirements in this department. Having raised so much well-merited commotion on this point, we rather doubt that we are in a position to attack a plan which offers that very reorganization we have demanded because the reorganization would affect us here.

It smacks too much of the policy we have criticized in Congressmen who are always in favor of economy except in their own districts. They cannot say that they want economy and then be unwilling to bear a share of it, any more than we in the present instance can demand reorganization and then protest it because it happens to affect our own city.

We should be very sorry indeed to lose an office of the Bureau of Internal Revenue in this city. Certainly there is always the hope that one of the 25 projected offices might come to Syracuse and that Mr. Shaughnessy will be one of the top men selected to continue. On the other hand, we must face the fact that we cannot have our cake and eat it, too. If reorganization is necessary to bring about honesty and integrity in the tax-collection system of the country as a whole, we must bear with it.

Assuming that the reorganization of the entire Bureau is approved as the best possible plan, the chamber of commerce will be more effective if it goes along with the improvements on which it and thousands of other similarly public-spirited organizations have insisted, and, at the same time, point out the advantages to the Government of locating the up-State branch office in this city and of retaining Mr. Shaughnessy as head of that office. Anything less than this makes Syracuse suspect of placing selfishness above broad national interests.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a strong letter from the New York State Bar Association, wholeheartedly endorsing this reorganization plan.

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

NEW YORK STATE BAR ASSOCIATION,
SECTION OF TAXATION,
January 23, 1952.

Hon. HERBERT H. LEHMAN,
The Senate, Washington, D. C.

MY DEAR SENATOR LEHMAN: On behalf of the executive committee of the section on taxation of the New York State Bar Association, of which I am chairman, I take this means of informing you that a majority of the members of the committee recommend that favorable consideration be given by the Congress to the reorganization for the Bureau of Internal Revenue, known as Reorganization Plan No. 1 of 1952, prepared by the President and transmitted to the Senate and the House of Representatives on January 14, 1952, pursuant to the provisions of the Reorganization Act of 1949.

In taking this action, the committee fully realizes that the reorganization plan of the President was neither comprehensive in scope nor perfect in detail. However, the committee believes that compared with the existing archaic, obsolete, and altogether antiquated field organization of the Bureau of Internal Revenue, the plan constitutes an advance in the administration of the internal-revenue laws of the country and, as such, it is worthy of approval.

As we see it, the object of the plan is to rescue the internal-revenue service from the existing chaotic overlapping and duplicating areas of jurisdiction and to establish an integrated field organization with actual decentralized power commensurate with the responsibility of carrying out functions regrouped in accordance with stable principles of organization and management.

In our opinion, the plan does more than provide a long-needed rectification of the methods of appointment of collectors of internal revenue. If put into effect, it will result in the integration of the auditing, appellate, collection, and enforcement functions of the Bureau into a rational system instead of the loose and arbitrary scattering of those functions among the two-hundred-odd offices throughout the country which now report directly to Washington and operate without any genuine decentralization of control.

The committee recognizes that practical reform of the Bureau of Internal Revenue must be slow and, like all reform, full of compromises. With this in mind, we wish to emphasize that we regard the plan as but a prelude to additional administrative reforms which will also embody sound management techniques and prudent governmental policies.

Very truly yours,

R. E. LEE, *Chairman.*

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter from the Long Island Association, strongly advocating the adoption of the reorganization plan.

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

THE LONG ISLAND ASSOCIATION,
GARDEN CITY N. Y.,
January 29, 1952.

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: We earnestly hope that the Senate can promptly adopt the Reorganization Plan No. 1 of 1952 which should develop more efficiently an economy in the

Federal Government. The Commission on Organization of the Executive Branch of the Government recommended the merit system for appointments of collectors of internal revenue.

Your support for this plan will be appreciated by our membership.

With kind regards, I am,

Very truly yours,

MEADE C. DOBSON,
Managing Director.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a resolution which was adopted by the Buffalo Chamber of Commerce endorsing the reorganization plan, and strongly urging its adoption by the Senate, together with the covering letter.

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

BUFFALO CHAMBER OF COMMERCE,
January 7, 1952.

The Honorable HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LEHMAN: The enclosed statement of the Buffalo Chamber of Commerce on appointments to the Bureau of Internal Revenue was adopted by the board of directors at its December meeting.

We would appreciate having your comments.

Sincerely,

CHARLES C. FICHTNER,
Executive Vice President.

STATEMENT OF THE BUFFALO CHAMBER OF COMMERCE ON APPOINTMENTS TO THE BUREAU OF INTERNAL REVENUE

The disclosure of an ever-increasing number of acts of corruption among employees and officials of the Bureau of Internal Revenue calls for an immediate and thorough reorganization of the Bureau's personnel.

The making of appointments of United States tax collectors for partisan political considerations should be promptly discontinued. Persons appointed to posts in the Bureau of Internal Revenue should give it full-time service.

The Buffalo Chamber of Commerce believes that employees and officials of the Bureau of Internal Revenue should be career men carefully chosen for qualifications of character and ability and in recognition of the great public trust place in the faithful and impartial discharge of their duties. Because of the extremely high level of Federal taxation and supreme importance to the Nation's future of sound fiscal organization, every effort must be made to restore public confidence in the integrity of Federal tax administration.

Mr. HUMPHREY. Mr. President, I think the Senator from New York [Mr. LEHMAN] in his excellent address has placed his finger upon the crucial issue which is before the Senate. It is: Politics as usual, which has gotten us into an unusual amount of trouble or a much-needed reform, which has been endorsed and recommended by the President now in office and by a former President, as well as by the Hoover Commission, the House of Representatives, and responsible citizens throughout the United States. I believe the Senator's case is well documented when it is pointed out that of the present 64 collectors of internal revenue, 17 came up through the ranks, and that on these 17 there is not a blemish or scar in terms of their record, background, or integrity. I thank the Senator from New York for his contribution.

Mr. LEHMAN. I thank the Senator from Minnesota. I feel very strongly about this subject. I have seen the workings of civil service in my own State of New York. I believe that in New York State employees are at least 98 percent under civil service, and I do not recall any major scandal in the New York system in the time it has been in force.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. HUMPHREY. Mr. President, the Senator from Massachusetts [Mr. SALTONSTALL] has asked me to yield a minute to him so that he may speak on another matter. I yield 2 minutes to him.

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. SALTONSTALL. Mr. President, as in executive session, I report favorably from the Committee on Armed Services 2,123 routine nominations in the Army, Air Force, Navy, and Marine Corps.

In order to avoid the expense involved in printing these names on the Executive Calendar more than once, which I understand would be approximately $600, I ask unanimous consent that, as in executive session, the nominations be confirmed and that the President be notified. I may say that there are no nominations above the rank of colonel; no flag or general nominations.

The PRESIDING OFFICER. Without objection, as in executive session, the nominations are confirmed, and, without objection, the President will be notified.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Minnesota.

RESOLUTION DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1952

The Senate resumed the consideration of the resolution (S. Res. 285) disapproving Reorganization Plan No. 1 of 1952.

Mr. McCLELLAN. Mr. President, I yield 30 minutes to the senior Senator from North Carolina [Mr. HOEY].

The PRESIDING OFFICER (Mr. PASTORE in the chair). The Senator from North Carolina is recognized for 30 minutes.

Mr. HOEY. Mr. President, I should like to discuss briefly the resolution providing for rejection of the President's Reorganization Plan No. 1 for 1952, relating to the Bureau of Internal Revenue. In my statement I should like to advance some of the reasons why I am in favor of the resolution and why I am opposed to the plan.

Judging from a great many of the newspaper articles, some newspaper editorials, some statements by radio commentators, and also from the President's letter relating to this matter, one would think that all the Senators who oppose this plan and who favor the resolution are actuated solely by a desire to retain patronage. I submit that is an utterly absurd statement, and I also submit that there is absolutely no foundation for taking such a position.

To begin with, the appointment of collectors of internal revenue is a prerogative of the President, and ordinarily he makes the appointment upon the recommendation of the Senators from the State or the recommendation of some authority residing within the State whose recommendation the President is willing to accept.

In any State the only position in connection with the Bureau of Internal Revenue which now is not under civil service is that of the collector; and it is only about once in every 5 or 10 years that a collector is appointed. It is utterly absurd to say that Senators are interested in retaining that patronage, when it is only once in very 5 or 10 years that they are able to recommend someone for appointment as collector.

For instance, in my own State of North Carolina there have been only three or four collectors in perhaps the past 25 years. During my 7 years in the Senate there has been only one vacancy, and it was filled on the recommendation of Senator Frank Graham, when he was my colleague in the Senate, and myself. So, in 7 years' time the Senators from North Carolina have made only one recommendation for the appointment of one official in that category.

The collector of internal revenue does not make appointments. He does not have patronage to dispense. Therefore, the only patronage feature is the appointment of the collector of internal revenue himself and the process of having his appointment for the designated term of service confirmed by the Senate. As I said a moment ago, during my 7 years of service in the Senate, only one person has been appointed collector of internal revenue in my State. Prior to that appointment, the previous collector had served for 17 years. Prior to that appointment, the previous collector, a Republican, had served for 12 years. Prior to that time the collector had been the late Josiah W. Bailey, later a Senator from the State of North Carolina. He was collector of internal revenue under President Woodrow Wilson's administration.

I mention these facts to show that patronage is insignificant in connection with this matter, and would not be controlling in regard to the position taken by any Senator on this floor in respect to the reorganization plan. In fact, Mr. President, the patronage feature of the plan is so small that I am surprised to see supposedly intelligent persons attribute selfish motives, allegedly based on a desire to seek patronage, to a Senator who opposes this reorganization plan. As I have stated, the fact is that patronage is involved in this plan only in respect to the appointment of one collector for a State, for ordinarily each State comprises one collection district, although some States, such as New York, have more than one collection district.

Therefore, I submit that it is very far-fetched indeed to say that any Senator who opposes this plan does so because he seeks to retain patronage, because the patronage feature of the plan is so small, so insignificant, and so lacking in effect that there would be no reason for any

Senator to desire to retain it. If the collector had the power to make many appointments of persons to serve under him, the situation would be different.

The collector who is appointed should be a man who is qualified to serve in that position in his State; he should be a man of character, ability, integrity, executive ability, and capacity to meet people and to deal with them. In view of the experience in North Carolina—and I think the same is true in other States—I submit that a better selection for collector can be made without resorting to the civil service rolls. In other words, during all the years in which I have been familiar with the collectors in North Carolina, under various administrations, the man who has been appointed collector has been a better man than one who could have been obtained from the civil service rolls.

When a list of possible appointees is made up for the civil-service rolls, those whose names appear on the rolls are graded. Under this plan, if it is adopted, the Secretary of the Treasury or the Commissioner of Internal Revenue would have to select one from the first three persons appearing on that roll, to be collector of internal revenue for any district, or to be commissioner, as he might be called. After the Secretary of the Treasury or the Commissioner of Internal Revenue had selected one from that list, if thereafter another selection had to be made for appointment in the same category, the Secretary or the Commissioner would have to choose from three names again, two of the same names remaining on the list, who would be the two he rejected the first time. In other words, those two names would be before him again, and he would have to make his choice as between those two and one new name, when the next appointment was made.

I do not believe the proposed method would result in securing men of the character, fitness, and capabilities as are obtained under the method presently followed.

Mr. McCLELLAN. Mr. President, will the Senator from North Carolina yield to me?

Mr. HOEY. I yield.

Mr. McCLELLAN. I believe the Senator from North Carolina has correctly stated the procedure which would be followed if the plan were adopted, in selecting one of the three names at the top of the eligible list. The whole theory of the plan is that it would result in taking this matter out of politics by removing the appointment of collectors from what is termed patronage—in other words, from confirmation by the Senate.

However, if this plan is adopted and if the Secretary of the Treasury is given the power to appoint one from among the three highest on the list, what is there in the plan or in law to prevent the Secretary from doing exactly what now is done in connection with post-office appointments, in respect to which a selection must be made from among the three highest on the list, namely, from consulting his political friends in regard to the one they want appointed from among the three? What is there in the plan or in law to prevent that from being done?

Mr. HOEY. Not a thing in the world; and those of us who know about other affairs realize that that is exactly what would happen. Under any administration, the executive officer, the Secretary of the Treasury, who would make the appointments, in all probability would confer with the Senators or Representatives from the State concerned in order to determine their choice among the three highest on the list.

Mr. McCLELLAN. It would depend, would it not, pretty much upon whether that Senator or Representative was "going along" with the then administration?

Mr. HOEY. Yes, and whether he was in the good graces of the administration.

Mr. McCLELLAN. Yes. So what we would be doing in actual, practical effect, under this plan, would be to say that the representatives elected by the people would have nothing to do with the appointment, but that such authority would be reposed in an appointee who could consult anyone he wished to consult politically and could be guided by such recommendations.

Mr. HOEY. That is exactly what this plan proposes.

Mr. President, I have no objections to the civil service; I think the civil service serves a good purpose. However, I do not believe that civil-service examinations will disclose the qualifications and fitness of a man to be a collector of internal revenue to the same degree or the same extent that his qualifications can be explored by those who know him and know the State and know the situation and can make appropriate recommendations to the President.

Furthermore, Mr. President, under the present law the President of the United States can remove a collector of internal revenue at any time he may wish to do so, without even one day's notice. However, if the collector of internal revenue were selected under the civil-service system, then he would be in office, and it would be a "land office" job to remove him. In that case, regardless of the situation which might exist and regardless of everything else, it would be necessary to go through a long, involved process before the collector could be removed from office, even though he might be utterly inefficient and might be entirely lacking in the qualities and characteristics necessary for efficient service.

Therefore, Mr. President, I do not subscribe to the theory that we would be remedying the situation in any particular if we changed the present Bureau of Internal Revenue only to the extent of abolishing the position of collector, and substituting the position of commissioner, and placing all such positions under civil service.

I desire to correct another misapprehension about this matter. I observe that the plan is referred to as a plan to "clean up" the Bureau of Internal Revenue. Mr. President, there is nothing in the plan which is designed to clean up the Bureau of Internal Revenue. Not a single sentence of the plan would give any authority which does not presently exist to clean up that Bureau.

As evidence that the plan is not proposed for the purpose of cleaning up the Bureau of Internal Revenue, I point out that the present Commissioner of Internal Revenue, Mr. John B. Dunlap, who is a fine, capable man, and to whom I wish to pay tribute for the fine job he has done in the Bureau, does not contend that this plan is for the purpose of cleaning up the Bureau. He says the process of cleaning up the Bureau has gone forward, until now it is almost concluded, and it will be concluded before this plan can be put into effect in any sort of fashion. Therefore, this plan has no relationship to the cleaning up the Bureau of Internal Revenue.

Mr. President, the newspapers frequently ask, "If Senators want the Internal Revenue Bureau cleaned up, why are they not in favor of this reorganization plan?" The answer evidently is, because this plan has no relation to cleaning up the Internal Revenue Bureau, and it will make no contribution whatsoever to that objective.

Furthermore, Mr. President, I do not subscribe at all to the theory that it is possible to instill honesty in government, or assure integrity of character, merely by having a man pass a civil-service examination. I also wish to combat the idea and theory that, because employees are selected on what some are pleased to term a patronage basis, they are either dishonest, or are lacking in integrity, or are inefficient. Let us consider the record. Since the investigation of the Internal Revenue Bureau began, 141 employees and officials of the Internal Revenue Bureau in the United States have been discharged for malfeasance in office. Of the 141, all except 7 were already under civil service. Therefore, it cannot be argued that civil service assures honesty and integrity, whereas appointees employed upon the recommendation either of Senators, Representatives, or any other responsible agency do not possess those qualities. Therefore, I again submit that this is not a clean-up proposal, and that there is nothing about the administration of the Civil Service or its employees which can give a guaranty either of honesty or integrity in the administration of the Government offices which are affected.

I have two very valid reasons for being opposed to this plan and for being in favor of the resolution offered by the distinguished Senator from Georgia [Mr. GEORGE] and by the distinguished Senator from Colorado [Mr. MILLIKIN]; and these two reasons are as follows: First, this plan will not effect any economies in the administration of the Internal Revenue Bureau. If we are to reorganize a governmental agency, it seems to me that the fundamental questions to be considered are, first, is it going to promote economy, and, second, is it going to increase efficiency? I contend that this plan will result neither in economy nor efficiency. Let me submit a few observations in support of that position. How will it effect economy? To begin with, it provides for abolishing the 64

collectors, and at the same time it provides for reappointing from 64 to 78 commissioners, as the number of districts may later be determined, to fill their places. Mr. President, that involves no saving, and no reduction of employees, but rather an increase in their number. But that is not all. It provides for the creation, over and above all these officials, 25 regional districts, and appointing 25 regional commissioners, giving each one of them a large staff, and it also provides for increasing the compensation of these officials and their employees. For instance, it raises the limit from $10,000 to $17,500 for these appointees. Superimposed upon all the officials we now have is this added group of 25 regional commissioners, with increased compensation for themselves, and with large staffs to aid them. Is there any economy in that? Does it portend any reduction in expenses?

If we are concerned about the cost of Government, and about the cost of the various agencies, do we want to adopt a reorganization plan which, at its very inception adds a tremendous cost to the operation of one Government bureau? That is what this plan does.

There would be some excuse for it if it would result in increasing efficiency. But would it increase efficiency? And if so, in what particular? It certainly does not increase efficiency merely to abolish a collector and put a commissioner in his place. It does not increase efficiency to say to a man who has served well as collector, "We are going to have somebody stand an examination, to see how high a grade he can make, and we are going to take him from the civil-service roll and make him the commissioner." It does not add anything to the efficiency of the organization to require the appointee, the commissioner or collector, to pass a civil-service examination, because as the head of the district he does not perform the ordinary work of accounting, but he is the man who meets the people who want to deal with the Government. He is the man who confers with those who have business with the Government. He is the man who is at the front of the organization for the Government, and he ought to be a man of such type and such character as to command the respect of the people with whom he deals and, at the same time, to fill acceptably the position. A civil-service examination can make no contribution in providing a man of such qualities.

Mr. President, whence is efficiency going to come? Presently we have a great many regional offices established for various agencies, and I believe it will be found upon an investigation of the record and the facts that not a single one of these regional agencies or offices contributes to the efficiency of the Government. They do not expedite the handling of Government business. Let us take my State, for instance. Ordinarily there is a regional office either at Atlanta or at Richmond. What does it mean? It means that when some problem has to be administered it is taken, first, in the State of the individual concerned, and then it is carried to the regional office. It lingers there for a long time, and is batted back and forth, until eventually it comes to Washington to be settled. The same process is proposed to be followed under this plan. Is any efficiency developed by the mere fact that a regional office is established somewhere to which a great many of problems intimately affecting citizens are to be carried? Is it much more difficult for people to take up their matters directly with Washington from their State level than to take them up with regional offices, and then to have them referred from the regional office to Washington, repeat the same process over again, before they can have it finally and definitely determined? Therefore, I do not think the plan will add to the efficiency.

Mr. President, we may as well understand that this plan does not change the present revenue system. All the employees now in the revenue service are under civil service. The plan relates only to the collectors and to the higher officials in Washington who are appointed by the President, and who presently are appointed that way. I contend that there is nothing in this reorganization plan which increases the efficiency of the Internal Revenue Bureau, and I do not believe that its workings will demonstrate that it is any more efficient than the present plan.

I may say a word in commendation of the present very efficient internal-revenue service. Of course, it has had corruption in it. Many unfortunate incidents have happened, but, on the whole, the revenue service has been efficiently and intelligently administered, and, with very few exceptions, it has been honestly done.

When there are thousands upon thousands of employees in the Government service, I think it is a great mistake, merely because here and there an employee is recreant to his trust and violates the confidence which the Government has reposed in him, and which his fellow citizens entertain for him, to condemn the whole system, and to intimate that it is all a fraud and is all corrupt, and is all dishonest, and all tainted with bribery. That, Mr. President, simply is not the fact, and I think we ought to deal with this matter on a factual basis; and the factual basis is that the Internal Revenue Bureau as a whole has been marvelously administered, and taxes have been collected at a remarkably low cost. Of course, we can correct the irregularities, we cannot correct dishonesty and wipe out corruption by eliminating, removing, discharging, and punishing those who are guilty of it. We are doing that now. No less an authority than the present very efficient Commissioner of Internal Revenue says that process has been practically completed.

When we come then to pass on any reorganization plan, as I mentioned a few minutes ago, I think it ought to encompass two fundamental objectives. It ought to bring about greater economy, and it ought to assure greater efficiency. If it does not do those two things, I do not think reorganization is worth while.

Mr. President, I submit the present plan does neither of these things, and that there is no provision in this entire plan which can assure greater efficiency; and certainly it will not bring about as much economy as we now have.

Mr. President, there has been so much propaganda about this plan, and that it is one reason why Senators have been receiving so much mail regarding it. The Citizens' Committee supporting the Hoover Commission's report has lent its support to this plan. I think it is an admirable committee and I have no complaint to make about it at all. It is entirely proper for them to propagandize all they want to in behalf of any recommendations of the Hoover Commission or any other policies of Government. But I think if we reviewed the record which has been made in connection with the various reorganization plans, we would have a little more regard for the manner in which these changes are made rather than merely the form and substance of the plans adopted. For instance, since the publication of the Hoover Commission's recommendations, the Congress has approved 28 reorganization plans—all of them submitted by the President, and most of them in line with the recommendations of the Hoover Commission. I have supported all of them except one. Six plans have been rejected. So there has been a total of 36 plans submitted besides the present plan. That includes one extra. There are several more plans pending.

I was interested a few days ago in noticing that one member of the Citizens' Committee released an interview in which he said that the Hoover Commission plans already adopted by the Congress would result in saving $2,000,000,000 in administration.

I would have been greatly delighted to see that statement, except for the fact that I knew it was not true. So I made inquiry to find out about it. Mr. President, do you know how much has been saved by all these 28 plans? The best estimate we can get is that not $2,000,000,000, but around $28,000,000 have been saved. The total savings accruing from all 28 plans is around $26,000,000 or $28,000,000, according to the best estimates available.

There is a vast difference between $2,000,000,000 and $28,000,000, so that those of the Citizens' Committee who are so enthusiastic about these various plans which have been adopted and which I have supported will have to lower their figures considerably.

It is said that if we adopt the remaining Hoover Commission's plans we will save $2,000,000,000 additional. If this plan is adopted, we shall not save a single dollar. Some of the plans may save some money, but there would be a total saving of less than $60,000,000.

I am not discouraging support of the Hoover plans. I think many of them are good. I expect to support some which are still pending. I merely wish to invite attention to the wild estimates which are made and to the fact that the public is led to believe that the plans constitute a solution of all the problems which confront us, and that the present plan would bring about better administration of the tax-collection business.

My observation is that it would not accomplish the desired result.

Mr. McCLELLAN. Mr. President, will the Senator from North Carolina yield?

Mr. HOEY. I yield.

Mr. McCLELLAN. What the Senator is saying regarding these reorganizations as a whole with reference to the public being oversold is certainly applicable to the plan which is before the Senate, because the public is being led to believe that it is a plan to clean up corruption. Certainly every citizen who is interested in the welfare of his country wants corruption swept out of Government. The man who is in the position to know best what the plan will accomplish, who is at the head of the agency or the bureau which is being reorganized, says that so far as corruption is concerned, he is dealing with it adequately. If the people of the country understood that, if they knew that they could accept his statement at full value, then I think they would be willing to have us consider this plan upon its real merits and be willing to have it to go to a legislative committee to have the proper safeguards placed in it.

Mr. HOEY. I think the distinguished Senator from Arkansas is absolutely correct. The country has been led to believe that this plan will revolutionize everything in the Internal Revenue Bureau, and will eliminate all corruption. Corruption is being investigated, and no less an authority than the very able Commissioner says that his investigation is practically completed and that when he finishes the instances which are now under examination he will feel that the Bureau has been cleaned up.

Mr. HICKENLOOPER. Mr. President, will the Senator from North Carolina yield?

Mr. HOEY. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. In connection with what the distinguished Senator from North Carolina is saying, I believe it is well again to emphasize the civil-service situation. I should like to invite attention to some figures which I received in a letter from the Commissioner a short time ago in which he points out that of the 181 persons in the Bureau of Internal Revenue who have been discharged in 1950 and 1951 for malfeasance in office, which might mean corruption or other things of that kind, all but 6 have been civil-service employees.

I think the clear implication there is that placing under civil service a very few in number who are not now under civil service, would not correct any tendency toward corruption.

A substantial number of those who have been discharged were civil-service employees. While that may be repetitious, and while the Senator may have referred to it a while ago, I think it is well to emphasize the point in connection with the argument.

Mr. HOEY. I thank the Senator from Iowa. I had made reference to it. I gave the figures as to those who had been discharged. The number was 141. The figure of 181 includes some who were guilty of inefficiency and certain minor infractions. The preponderant number were under civil service all except 6 or 7. I thank the Senator from Iowa for emphasizing that point.

Mr. President, this plan has to be accepted or rejected. It cannot be amended; no changes can be made in it. It has been brought to the attention of the Nation by no less an authority than the American Bar Association that there is a very serious question as to whether if the plan is adopted, the taxpayer will not lose his right to have his case heard and determined in a court in his own district or place of residence, and likewise the right to a trial by jury. The Attorney General says he does not think the plan would have that effect; but that is only his opinion. The American Bar Association raises the serious question. If the plan should be adopted in its present form, I think a serious problem would be presented to the mind of any lawyer, as to whether the average taxpayer might be deprived of his right to have his claim determined and settled in a court in his own State, which would practically deny the right of recovery to taxpayers. They are not able to come to Washington or to maintain here attorneys and facilities for carrying forward their cases. They can do that in their own States.

The Constitution provides that such cases should be determined in the State of the party involved, and that there should be the right of trial by jury. I am unwilling to take away from the humblest citizen the right to have his cause determined by his peers, his jurors, in his own territory. I should not be willing to take any sort of chance that would carelessly deal with such a fundamental question as this. While there might be some remedial statues passed at some later time, we are dealing with the question today, and we must pass upon it as it stands now. As this plan is proposed, the question is whether it preserves the right of the individual citizen to have his cause heard and determined in his own State, or whether he is denied the right of a trial by jury, which is one of the fundamental rights provided in the Constitution for every citizen.

There are various other points which should be considered. I think the plan has been thrown together rather hastily. It has been stated that the facts have been in the possession of the Government officials for a long time, but they did not act upon them until recently. No committee of the Congress had an opportunity to discuss with them the provisions of the plan or to make suggestions with reference to it, or to provide any safeguards of the rights of citizens.

Therefore I do not believe this plan should be adopted hastily, and without proper consideration, in substitution for the system we already have, and which has worked remarkably well.

Mr. McCLELLAN. Mr. President, will the Senator from North Carolina yield?

Mr. HOEY. I gladly yield to the Senator from Arkansas.

Mr. McCLELLAN. I believe the distinguished Senator from North Carolina is the only member of the Committee on Government Operations who is also a member of the Finance Committee of the Senate. Is that correct?

Mr. HOEY. It is.

Mr. McCLELLAN. So there has been only one member of the Committee on Finance of the Senate who has had the opportunity to be present in the hearings held on the pending resolution, and an opportunity to question those who testified in support of the reorganization plan.

I ask the Senator, is there any reason why, if the subject is to come before the Senate Finance Committee, the Finance Committee could not go into all these matters which are doubtful and questionable, amend the plan, or a bill which uses the plan as a basis, and report proposed legislation which would be acceptable, and could be recommended by the Committee on Finance, the proper legislative committee of this body having jurisdiction of the department or bureau concerned?

Mr. HOEY. The Senator from Arkansas is absolutely correct and his observation is in line with the practice and procedure which should be followed in the enactment of good legislation. I know that the distinguished chairman of the Committee on Finance is not seeking any obligation to consider a matter of this kind——

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. McCLELLAN. I yield the Senator two more minutes.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for two more minutes.

Mr. HOEY. I know that if the question were referred to the Committee on Finance it would be the subject of a very fair, thorough, and painstaking investigation. The Committee on Finance has examined into the nominations of all collectors, especially since trouble has arisen in the Internal Revenue Bureau. I think it is well for collectors of revenue to realize that when they enter upon their duties they are bound by the obligations of their offices. The examination of nominees by the Committee on Finance has added to the solemnity and the impressiveness of the duties they are called upon to perform. I do not believe that situation would be improved by transferring collectors to the civil-service roll.

For the reasons I have stated, Mr. President, I am opposed to the reorganization plan, and am in favor of the pending resolution.

Mr. HUMPHREY. Mr. President, I yield whatever time the junior Senator from Maine [Mrs. SMITH] would like to have for her presentation.

Mrs. SMITH of Maine. Will the Senator yield me 3 minutes?

Mr. HUMPHREY. I am very glad to. I know the 3 minutes will be very well used.

Mrs. SMITH of Maine. I thank the Senator from Minnesota.

Mr. President, at the outset of my remarks, I wish to say that I resent the reflection the President has made in his statements about opponents of the plan, implying bad political motives on the

part of such men of integrity as the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Arkansas [Mr. MCCLELLAN]. I respect their integrity, and I have full confidence in their good faith and the sincerity of their views—even though I disagree with their position on the reorganization plan now under consideration by the Senate.

Let me say that it comes with poor grace for Mr. Truman, of all people, to accuse them of playing politics.

Mr. President, I voted for the reorganization plan in the Committee on Government Operations, and in so doing followed the lead set by our last Republican President, Herbert Hoover.

I am going to vote against the pending resolution and for the plan because I am going to vote against corruption. I am going to vote for a system that I feel is not perfect, but at least it is a start toward the goal of taking corruption out of tax collection. It is at least a start in a movement to prevent corrupt officials from picking the tax pockets of Americans.

I am going to vote for the plan because I have repeatedly raised my voice in and out of the Senate in protest against the corruption that has been going on in the Truman administration. I am now given a chance to do more than just talk against corruption. I am given a chance to vote against corruption, to vote to stop it instead of permitting it to continue. The vote on this plan is clearly a test of just how serious are those of us who talk so much against corruption. Are we willing to back up that talk with action?

I am going to vote for the plan because it proposes to take tax collection out of politics and tax collectors out of political patronage. That is the heart of the plan. That is exactly what the Hoover Commission recommended. That is what the Citizens Committee for the Hoover Report is emphasizing in its support of the plan, for the Citizens Committee, which was organized at the specific request of our last Republican President, Herbert Hoover, and which committee bears his sponsorship, has said that the heart of the plan is substantially the same as that recommended by the Hoover Commission, headed by the senior statesman of the Republican Party, Hon. Herbert Hoover.

I am going to vote for this plan because I believe the American people want it, and are overwhelmingly in favor of it. I think that one of the clear expressions of the New Hampshire primary yesterday, in which the junior Senator from Tennessee scored such an impressive victory over President Truman, is that the people want corruption in government cleaned out. I think that the election results showed that the people think just as the Hoover Commission thinks, the same that the Citizens Committee for the Hoover Report thinks, and the same as I do, that the pending plan should go into effect because it would take tax collection out of politics and tax collectors out of political patronage, and would do much to stop corruption in the collection of taxes.

Mr. President, I ask unanimous consent to have placed in the RECORD immediately following my remarks the March 11, 1952, press release of the Citizens Committee for the Hoover Report, which sets forth the clear position of the senior statesman of the Republican Party, former President Herbert Hoover, in support of the proposal to take tax collectors out of politics.

The PRESIDING OFFICER. Is there objection?

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

WASHINGTON, D. C., March 12.—"Politics lies at the heart of the corruption in tax collecting," Dr. Robert L. Johnson, chairman of the Citizens Committee for the Hoover Report, said today.

"Seven of the 64 collectors of internal revenue have been fired or forced out of the Federal service; that is 11 percent of the total," Dr. Johnson, who is also president of Temple University, declared. "This scandal is Nation-wide. The seven collectors who were involved in scandals and who are now private citizens are James P. Finnegan, St. Louis, Mo.; Dennis Delaney, Boston, Mass.; James W. Johnson, third district, New York, N. Y.; James G. Smyth, San Francisco, Calif.; Joseph P. Marcelle, Brooklyn, N. Y.; Lipe Henslee, Nashville, Tenn.; Frank Scofield, Dallas, Tex.

"Of the first 129 so-called civil-service employees who have been fired or forced out, 42 percent are not really civil servants at all. They were political appointees who were blanketed into the civil service by Executive order without the rigid tests which former President Hoover specified to our citizens committee at our second national reorganization conference on February 18, 1952. These are:

" 'First, probity. And by that I mean intellectual as well as financial honesty.

" 'Second, character. And by that I mean courage to stand up for decent administration against all comers within or without.

" 'Third, and not least, training and competence.

" 'Surely the Nation has a right to a better system of choice and management of its employees than one which has produced these months of humiliation. That humiliation extends to both the thousands of men and women who hold to the sacred honor of government service and the humiliation of the whole of a great and God-fearing people.'

"Even if we give our opponents the full benefit of the doubt and say that all of the employees who were blanketed into the Federal service were really civil service—and not originally political appointees—we find that only approximately 0.26 percent of the civil-service employees have been tainted with the vicious touch of corruption. This figure stands up unequivocally against 11 percent of the political appointees who have been so tainted. Some Senators have said that senatorial approval is a safeguard. Can they really mean this? It sounds like a raucous and cynical joke at the expense of the American taxpayer. Are some of these respected gentlemen not able, like the rest of us, to read the daily newspapers?

"Again and again former President Hoover has called for removal of these petty political appointees from politics. On January 18, 1952, he said in a letter to Congressman CECIL R. KING:

" 'MY DEAR MR. CONGRESSMAN: The Commission on Organization of the Executive Branch of the Government, of which I was Chairman, over 2 years ago recommended that the personnel in the Bureau of Internal Revenue and certain other agencies be placed under the civil service in order to improve their qualifications and character and freedom from politics.'

"On December 29, 1951, he said to Col. Edward Sherman, executive director of the Massachusetts Committee for the Hoover Report, in a radio interview:

" 'I have no doubt that if the Hoover Commission's recommendations on collectors of internal revenue and on other political appointees had been accepted 2½ years ago, when they were made, these scandals could not have occurred.

" 'The dangers of corruption in tax collection weren't news to the members of the Commission. The Commission condemned the present method of selecting tax collectors.

" 'They are mainly selected by political bosses. They are certainly selected with their approval. The determination of their fitness is pretty much based on their ability to get votes or rewards for doing so.

" 'These exposures in Washington are just getting started * * *. Few of them have yet reached the indictment stage. Already, however, the Commission's recommendations are a hundred times justified. * * *

" 'It requires a vigorous examination to determine their competence for each special field. Thus these appointments are made with a background of merit, not on ability to get votes or please some political bosses.'

"On October 24, 1951, he said to the State chairman of the Citizens Committee for the Hoover Report:

" 'And I would point out that urgent among the recommendations of the Reorganization Commission was that the Internal Revenue Service be placed in the civil service. That means the whole personnel would be appointed by merit examinations under the Civil Service Commission instead of by the political machine as of today. Your committee has urged and advocated this reform. Where Federal employees have been genuinely selected to the civil service, which includes consideration of character as well as ability, they have seldom been corrupt. Never was it more urgent that this method be genuinely extended into several departments than it is right now.'

"The Hoover Commission itself said:

" 'One of the chief handicaps to effective organization of the Department is the political appointment of collectors of internal revenue and of customs, and certain other officials. These appointments are regarded by some as sinecures. In any event, they form a bar to orderly development of an experienced staff.'

" 'RECOMMENDATION NO. 7

" 'The Commission recommends that all officials in the Department below the rank of Assistant Secretary should preferably be appointed from the career service without Senate confirmation.' "

That was unanimous. Commissioner McClellan did not make his general reservation from the entire 288 recommendations—and he was the only one of the 12 Commissioners who did this—until several months after the particular report had gone forward to Congress in print.

"The issue is clear. Will the Senate take tax collecting out of politics? Former President Hoover and the President agree that these 64 tax-collecting jobs must be taken out of politics. So do many public-spirited groups such as the A. F. of L., the Kiwanis International, the Junior Chamber of Commerce, the Investment Bankers Association, the National Civil Service Reform League, the Special Committee for Improved Federal Personnel Management, the National Association of Security Dealers, the Budget Bureau, and the Civil Service Commission.

"The problem for the Senate is also clear: Can the United States Senate rise above politics and take a constructive step to prevent future corruption as the Hoover Commission recommended?

"I assume that the voters, who watch the vote on this clean-cut issue, will also be watching at the ballot boxes next November."

Mr. HUMPHREY. Mr. President, I yield whatever time may be desired by the senior Senator from Maryland [Mr. O'CONOR].

Mr. O'CONOR. Mr. President, I desire to state the reasons which prompt me to oppose the adoption of Senate Resolution 285, and to express my sincere hope that Reorganization Plan No. 1, pertaining to the Bureau of Internal Revenue, will become effective forthwith.

By way of preface I might assert that I do not contend that the sponsors of the resolution, in opposition to the plan, are motivated by political considerations.

I have just listened to the very forthright statement made by the junior Senator from Maine [Mrs. SMITH], with which I heartily agree.

It is impossible for me to believe that these worthy Senators would seek to block, primarily for political patronage, a proposal for needed revamping of such an important agency. Therefore, I dismiss that suggestion, and concede to these opponents that their attitude is based upon their sincere beliefs and convictions, although I am unable to agree with them.

Considerable discussion has ensued during committee deliberations both as to the plan itself, and as to the steps to be taken by way of implementation if we allow it to go into effect. In fact, the printed volume of hearings before the House committee covers 260 pages, and the hearings before the Senate Committee on Government Operations even exceed that figure with 311 pages.

In my opinion this extended collection of material boils down to two simple and dominant issues, which I might discuss briefly at this time. Those two issues concern, first, the question of replacing a political-appointment system for the designation of collectors of internal revenue with the kind of civil-service system so strongly recommended by the Hoover Commission, and, second, the possible disturbance under the plan of the right of taxpayers to sue locally in district courts for tax refunds.

Of the two questions, I feel that the latter really is not an insoluble problem, and that, however keenly and sincerely the uneasiness generated, in my judgment it should not be in the picture at all.

HOOVER COMMISSION VIGOROUSLY SUPPORTS PLAN NO. 1

First, let it be emphasized that the Hoover Commission strongly supports plan No. 1. I speak so definitely because a distinguished opposition witness before our committee stated categorically in writing that "the plan violates the underlying fundamentals of the Hoover plan." There may be one or two differences between certain details of the plan and the many collateral recommendations, some vital, some not so vital, made by the Hoover Commission in its various reports. But on the broad issues that count, this charge simply will not stand up to scrutiny and discussion. Because it has been made, however, I must quote short sections of statements by witnesses and others during congressional hearings which seem to dispose completely of that accusation. I first quote the following from a recent letter by former President Hoover:

MY DEAR MR. CONGRESSMAN: The Commission on Organization of the Executive Branch of the Government, of which I was chairman, over 2 years ago recommended that the personnel in the Bureau of Internal Revenue and certain other agencies be placed under the civil service in order to improve their qualifications and character and freedom from politics. * * * Placing these employees under civil service should be accompanied by the requirement that any employees affected should, before continuation in the Bureau, pass the Civil Service Commission requirements on the same basis of any new applicant for such employment.

Yours faithfully,

HERBERT HOOVER.

In similar vein, Mr. Robert L. McCormick, Director of Research of the Citizens Committee for the Hoover Report, stated:

The citizens committee recognizes Reorganization Plan No. 1 as a major step toward efficiency and economy in the Federal Government. We support it. In our opinion, the reorganization proposals and the plans for extending the merit system to include the collectors of internal revenue are fully consistent with the recommendations made by the Commission on Organization of the Executive Branch of the Government—the citizens committee holds that Reorganization Plan No. 1 of 1952 should be adopted—and made effective without delay.

The testimony of Mr. Arthur S. Flemming, one of the best-qualified men in the United States to speak upon such a question as this, presented in equally strong terms the position of the citizens' committee. His extended testimony contained the most vigorous support registered for plan No. 1, particularly as to application of a civil-service system to supervisory personnel of the Bureau of Internal Revenue, below the range of commissioner. Mr. Flemming spoke as an experienced former member of the Civil Service Commission and is one of the very active members of the former Hoover Commission. To get the flavor of his experience, knowledge, and testimony I shall read a short section of his thesis that under civil service—

You have an infinitely better situation in that you have a group of men who are responsible to the Secretary of the Treasury and who do not feel that they are responsible to persons outside of Government who may have been responsible for putting them in their jobs.

I think that that is the basic issue. You would have a much more clean-cut operating line under the proposed set-up than you can possibly have under the existing set-up.

Mr. Chairman, I feel that that is one of the reasons why the Hoover Commission made this recommendation. We did not make this recommendation because we thought that the civil-service system was a perfect system and that putting the positions within the system would automatically solve a lot of problems. But in all of our recommendations, we were trying to fix responsibility at a particular point, so that if things go right the person who is responsible for their going right can be commended, and if things go wrong he can be held responsible for the fact that they have gone wrong.

It seems to me that we made this recommendation to put collectors of internal revenue and collectors of customs under civil service in the hope that it would help achieve the objective of being able to fix responsibility with the head of the agency, so that he is answerable to the Congress and to the people when things do go wrong.

I feel that the Appropriations Committee of the House a few years ago put its finger right on it when they simply said, in effect, that the Commissioner of Internal Revenue does not have control over these collectors of internal revenue. And they, in effect, said that you cannot hold the Commissioner responsible for what goes on because of that fact. I think that is right.

I think this would put the Congress in a position where it could hold, not only the Commissioner of Internal Revenue responsible for what happens down the line in these offices, but could also hold the Secretary of the Treasury responsible.

Finally, I wish to mention briefly a news release issued a few days ago by James P. Mitchell, vice president of Bloomingdale Bros., Inc., of New York City, and chairman of the special committee on Federal personnel policy of the citizens committee for the Hoover report. The release announces that 22 nationally known personnel leaders joined with Mr. Mitchell in endorsing plan No. 1. The signatories of the statement included public relations and other types of personnel leaders associated with the Pittsburgh Plate Glass Co., the National Broadcasting Co., the New York Herald Tribune, Johnson & Johnson, American Cyanamid Co., United States Steel Co., and comparable experts in institutions of higher learning.

CIVIL SERVICE SHOULD REPLACE POLITICAL PATRONAGE

Mr. President, so much for uncontrovertible evidence that the Hoover Commission is for and not against plan No. 1. I turn now to the issue of civil service which inevitably creeps into the picture in any citation of Hoover Commission material.

The simple facts of the situation leading up to the submission of plan No. 1 are that certain malpractices were uncovered in connection with the functioning of the Bureau of Internal Revenue. As the result of those revelations, 7 of our 64 collectors of internal revenue have resigned or been ousted. Of these, 4 were charged with serious offenses, whereas the other 3 were separated because of other serious considerations, such as inefficiency.

The public may have reason to vent its indignation upon the Congress if we do not do something worth while to replace the political patronage system which has been involved in much of this trouble.

It should be stressed that plan No. 1 is only a supplementary phase of relevant action which we took 2 years ago. I refer to the enactment of plan No. 26, of 1950. At that time we approved a broad plan which centralized scattered functions and powers of the Treasury Department in the Secretary of the Treasury, with power of delegation. This im-

portant action was directly in line with similar authorization voted in other plans for Cabinet Departments of Justice, Interior, Commerce, Labor and Post Office, and the following independent agencies: Securities and Exchange Commission, Federal Trade Commission, Federal Power Commission and Civil Aeronautics Board.

Plan No. 26 applied the same general principle to the Treasury Department that we had worked out for these other important departments and agencies, so as to effectuate the basic principles so strongly emphasized by the Hoover Commission, namely, that clear lines of authority should run from top to bottom of every department and agency.

Following the adoption of plan No. 26, difficulties arose in its application because of certain statutes concerning appointment of collectors of internal revenue on a political basis, among other provisions. Plan No. 1, of 1952, in essence, therefore, provides only the necessary adjustments to make workable the comprehensive plan No. 26 enacted in 1950, covering all parts of the Treasury Department, including the Bureau of Internal Revenue.

Plan No. 1 bases the improvement of functioning in the Bureau of Internal Revenue upon abolition of the present 64 collectors who are appointed by the President by and with the consent of the Senate. These collectors are to be replaced on a civil-service basis by local tax officials, who are to have the name of deputy district commissioners, because they will not only take care of the duties now handled by the collectors but, in addition, are to supervise additional tax-collection duties now scattered elsewhere in separate field offices in the local communities. Plan No. 1 also calls for a new intermediate staff level of not more than 25 district or regional offices covering the whole country, to provide improved supervision over State and local offices. The new regional district commissioners are also to be under civil service.

Other less important features of plan No. 1 I shall not attempt to cover. Certainly we are at the heart of this debate when we discuss whether the new top-level supervisory personnel which I have just listed should be continued under the present patronage system or be placed under civil service.

One can readily understand how the collectors of internal revenue came to be designated under political auspices when those offices were created by statute many years ago. At that time conditions were much simpler in the tax field and it was more or less to be expected that the tax collectors should have a political flair which would help develop a tax-collection system which of necessity had to enlist voluntary cooperation by the public in the task of tax collection.

But our tax system has become enormously complicated. Millions of taxpayers and tax returns are involved today. The kinds of taxes levied are much more numerous, and they are applied against an enormously complicated public structure, with corporations and holding companies. Difficult bookkeeping methods are in use by corporations which undoubtedly reflect for the most part the special requirements of fiscal control over their branch operations. In addition, however, those bookkeeping methods undoubtedly have been formulated in part so as to help keep at a minimum the taxes to be paid.

At any rate this very difficult situation calls for the very best brains and experience that we can find to serve the tax collection department of the Federal Government. We cannot rest content, all other considerations aside, with a system which yields the present jumbled background and experience of our tax collectors. On this score I have in mind the striking testimony of the King subcommittee, which investigated internal revenue conditions. It is:

> The miscellaneous background of experience which politically appointed collectors have brought to their task, for example, chiropractors, insurance salesmen, lawyers, ranch operators, newspaper publishers, and so forth, has generally proved to be of no particular advantage.

I insist, Mr. President, that unless we are to endanger proper administration of the increasingly difficult and important revenue problems of this country we must get and keep the best trained personnel on the job. As the Hoover Commission emphasized again and again, this is the only way that we can really carry on adequately the vital job of collecting necessary revenues.

The opponents of this change to civil service insist, however, that the corruption in the Bureau of Internal Revenue which was responsible for the introduction of Plan No. 1, will not be avoided in the future by the civil service approach. But let me point out that where civil service is in effect, employees owe their single allegiance to the Government.

Under civil service the appointees will be selected by competitive examination from the best available talent, with professional standing and attainments. Once employed, such civil-service appointees will develop status and will accumulate pension and other rights to protect their families and themselves in their old age.

Under such circumstances I am strongly convinced that the likelihood of wrongdoing by such individuals will be much less than occurs under the present system.

Opponents of civil service make another challenge which I want to discuss briefly. This second challenge is the assertion that the record of separations of employees of the Bureau of Internal Revenue for cause during 1951 shows that only 4 percent of those who resigned or were forced to resign for serious reasons came from political appointees, in contrast to the 96 percent of those separated who came from civil-service rolls.

The impression sought to be given by these figures is that corruption was much more rampant among civil service than in non-civil-service personnel. Such a conclusion is entirely unjustified.

The facts on this score are tabulated in detail for the information of all Senators on pages 136 and 137 of the Senate hearings.

I shall not, of course, go into the details at great length. I wish to make one observation. This tabulation, covering all separations for cause from the Bureau of Internal Revenue in 1951, indicates that 74 employees resigned or were forced to resign for the serious offenses of dealing improperly with taxpayers and of embezzling public funds. Of these employees three came from the ranks of noncivil service, which to that extent supports the figure of 4 percent already presented.

The remaining 71 employees were from the civil-service ranks, from the vast mass of 58,000 civil-service employees in the Bureau which constitute all the personnel of this huge agency, except a handful of supervisory collectors and other employees.

Therefore, it is manifest that the 74 employees who were removed for serious cause from this huge total of employees represented a small ratio, although, of course, no one undertakes to excuse even that small portion. Certainly the situation is markedly different than is implied in the opponents' statements that 98 percent of the separated employees came from the civil-service rolls.

These figures constitute a strong denial of the inference that non-civil-service personnel has a better record with respect to criminal offenses than does civil-service personnel.

Mr. President, having briefly discussed these two criticisms made against the civil-service system of appointment, I think I can quickly summarize my position in favor of plan No. 1 and the civil-service employees it will bring to the Bureau of Internal Revenue by quoting the words of Chairman KING of the House committee after his excellent work searching out improper practices. As Mr. KING says:

> In my view, it is no accident that collectors and other politically appointed officials, whose duties are not primarily policy forming but technical, turned out to be the weakest links in the organization of the Internal Revenue Bureau. Therefore, any reorganization of the Bureau of Internal Revenue ought to include as one of its principal features the removal of collectors and other officials from political appointment.

Mr. President, before I conclude my remarks I should like to make a few comments on the second question, having to do with the trial by jury in taxpayers' suits.

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

Mr. O'CONOR. I am glad to yield.

Mr. HUMPHREY. I wish to say that I am pleased that the Senator from Maryland brought out the percentage figures with reference to the number of employees who have been removed. So that the record may be perfectly clear, it should be stated that 7 of the 47 collectors with no civil-service status have been removed, because 17 of the 64 collectors came up through the ranks in civil service, none of whom have been removed.

Mr. O'CONOR. That is correct.

Mr. HUMPHREY. That constitutes approximately 15 percent of the total

number of politically appointed collectors. Approximately 135 persons out of approximately 58,000 civil servants were removed in the same period of time, which is less than one-fourth of 1 percent.

Mr. O'CONOR. That is correct.

Mr. HUMPHREY. Mr. President, that point should be emphasized, because of the figure which has been bandied about. It has been stated that 96 percent of those dismissed during the past year were from civil service.

Mr. O'CONOR. The very able Senator from Minnesota is entirely correct. It is important to stress that point because, as I undertook to say, no one condones the offenses of those who have been shown to be derelict; nevertheless, fortunately and to the credit of the civil-service system as a whole, a relatively small proportion of civil-service employees have been involved.

Mr. HUMPHREY. I should like to emphasize one point in connection with this subject. I checked with the Civil Service Commission yesterday and found that 70 percent of the 135 employees worked in personal offices of the collectors, and that this 70 percent were those who were blanketed in during World War II under the blanketing-in of civil servants, and they did not come up on the basis of the merit system or on the basis of examination. They were political appointees who were blanketed in without regard to the merit system. If we were to apply the percentages on the basis of more than 58,000 civil servants, and compare them with the number of persons who have been dismissed, it would require 8,000 persons to be removed to approximate the 50 percent of the politically-appointed collectors who have been removed.

Mr. O'CONOR. I thank the Senator from Minnesota for his timely observations.

Mr. HUMPHREY. I should like to say that I checked the figures yesterday with the Bureau of Internal Revenue and the Civil Service Commission, because there has been a great deal of talk about the subject.

Mr. O'CONOR. Mr. President, of the two questions, Mr. President, which seem to me to dominate the whole discussion of plan No. 1, much the less important is the one raised as to the right of taxpayers to sue collectors of internal revenue in district courts for the refund of taxes improperly collected. It would seem to me that this legal question has been stressed entirely out of proportion. I have no hesitation whatsoever in reaching a personal decision in accord with that of the opinions voiced by the general counsel of the Treasury Department and corroborated in another opinion by the Attorney General of the United States.

As to the opinion of the general counsel of the Treasury Department, I refer to his full statement as printed on pages 237 to 239 of our hearings on plan No. 1. From that memorandum I quote this paragraph:

> It is my conclusion that there is no substance to any fear that suits against collectors, as a form of suit, will either be abolished or fundamentally changed under the reorganization plan. The basic duties now performed by collectors in the collection of internal-revenue taxes will be conferred, under the plan, not upon the district commissioners but upon deputy district commissioners, of which there will be at least one in every State. The existing right to sue the collector, and to have a jury trial in such suits, will survive, under the reorganization plan, in the form of a suit against these conveniently located deputy district commissioners.

The remainder of Mr. Lynch's memorandum is particularly interesting because it is devoted to improving the present legal situation in connection with taxpayers' suits, which has been characterized by the Supreme Court as an anomalous relic of bygone modes of thought. He suggests that an important contribution could be made to the further improvement of our revenue system through passage of new legislation to eliminate suits against tax collectors, and, at the same time, to preserve the valuable existing right of jury trial by permitting such a trial in tax suits against the United States. Note carefully that this proposal does not in any way weaken the unanimous sentiment in favor of the right of jury trial in taxpayers' suits, but rather, that it proposes an additional and better method of making that right effective.

Particularly in view of the cases cited by the general counsel of the Treasury Department I am satisfied, as I have said, that his opinion is thoroughly adequate. However, it happens that the Secretary of the Treasury was disturbed by the doubts on this score which were expressed at our hearings by the distinguished senior Senator from Georgia [Mr. GEORGE] in his brief opposing plan No. 1. He thereupon submitted the legal opinion obtained from the general counsel of his Department to the Attorney General of the United States for corroboration. Such action by the Secretary was particularly in point because the Attorney General has responsible charge of the Government's defense in all such suits. Hence his opinion is persuasive as to whether any technical objection could be raised in a jury trial, against whatever official comes to replace the collectors of internal revenue, in tax collection work throughout the 48 States of the Union and the communities thereof.

The Attorney General carefully reviewed the earlier opinion, and again arrived at the definite decision that the present right of taxpayers to jury trial will continue unchanged under the reorganization plan. His opinion is found in full on pages 239 and 240 of our printed hearings. The extended number of cases there cited unfortunately are of a technical character which do not lend themselves readily to presentation during debate such as this. I have studied them carefully, however, and beyond any question they add up to the final paragraph of the opinion of the Attorney General which I read herewith:

> The usefulness, the fitness, and the vitality of this common law remedy indicate to this office that courts will have no difficulty in applying the doctrine fixing responsibility for overcollection upon the collecting agent, to the public officials who may hereafter succeed to the public duty of collecting the revenues.

With two such strong assurances from the chief legal offices of the Government I cannot understand how there can be any residual fear about the possible abolition of suits against the collectors, because they will be somewhat modified in their title and duties under Reorganization Plan No. 1 of 1952.

Nevertheless it is true, as has been pointed out during our hearings, that the American Bar Association has taken somewhat adverse action in this area. As I understand the situation, two of its committees studied the problem and rendered quite favorable reports on the proposed plan. In one of the two committee reports, the further recommendation was made that new legislation should be enacted which would finally dispose of any question as to the possible difficulties in the right of taxpayers to sue if the status of local collectors of taxes is changed as proposed.

When these two sets of committee recommendations were submitted to the general meeting of the house of delegates of the American Bar Association, debate occurred, as the result of which the committee reports were upset, not with relation to their favorable attitude toward plan No. 1, but rather as to the timing of the legislation under discussion. More specifically, the whole Assembly urged that new legislation be passed which would finally dispose of any question of the right to sue, before plan 1 is enacted.

Of course if it is contended that additional legislation will be subsequently needed, I have no fear that it can be enacted and that there will be very prompt compliance with any such suggestion.

Of course, it is evident that these formal pronouncements will constitute an important part of the legislative history of this enactment, if it is not disapproved. The judicial branch of the Government could not help but take judicial notice of these facts. But, if to make doubly certain that present rights are preserved, additional legislation should be enacted, such action could be taken promptly and it's a foregone conclusion that a confirmatory statute could be passed forthwith.

Accordingly, in view of the above and for all pertinent reasons, I have concluded that it would be beneficial to the interests of the people at large if Reorganization plan 1 becomes effective, and therefore I must oppose the adoption of the Senate Resolution 285.

Mr. CONNALLY rose.

The PRESIDENT pro tempore. Does one of the Senators who is in control of time yield some time to the Senator from Texas?

Mr. CONNALLY. I want only 1 minute.

Mr. McCLELLAN. I yield 1 minute to the Senator from Texas.

THE RESULTS OF THE NEW HAMPSHIRE PRIMARIES

Mr. CONNALLY. Mr. President, the repudiation of the Senator from Ohio [Mr. TAFT] in the New Hampshire primaries yesterday is a complete answer to his baseless and contradictory charges made in Texas as to United States foreign policy.

I thank the Senator from Arkansas.

RESOLUTION DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1952

The Senate resumed the consideration of the resolution (S. Res. 285) disapproving Reorganization Plan No. 1 of 1952.

Mr. McCLELLAN. Mr. President, the Senator from Georgia [Mr. GEORGE], the author of the resolution of disapproval, desires to speak at this time. I suggest the absence of a quorum, so that we may have a better attendance.

The Senator from Minnesota [Mr. HUMPHREY] and I have agreed that the time consumed in the calling of the quorum shall be charged equally to each side.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

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

Aiken	Green	McMahon
Anderson	Hayden	Millikin
Bennett	Hendrickson	Monroney
Benton	Hennings	Moody
Brewster	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Nixon
Butler, Nebr.	Humphrey	O'Conor
Byrd	Hunt	O'Mahoney
Cain	Ives	Pastore
Capehart	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kefauver	Schoeppel
Connally	Kem	Seaton
Cordon	Kilgore	Smathers
Dirksen	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Lehman	Smith, N. C.
Eastland	Long	Sparkman
Ecton	Malone	Stennis
Ellender	Martin	Thye
Ferguson	Maybank	Underwood
Flanders	McCarran	Watkins
Frear	McCarthy	Welker
Fulbright	McClellan	Wiley
George	McFarland	Williams
Gillette	McKellar	

The PRESIDENT pro tempore. A quorum is present.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Georgia [Mr. GEORGE] such time as he may desire.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The Senator from Georgia is recognized.

Mr. GEORGE. Mr. President, recently I appeared before the committee, on Reorganization Plan No. 1 of 1952, and individually stated my position upon the measure.

First, Mr. President, I wish to make this statement: I have been a Member of the Senate for nearly 30 years. I have been a member of the Finance Committee of this honorable body for a number of years, 20 years, perhaps, and have served as its chairman. When this Reorganization Plan No. 1 of 1952 was submitted to the Congress and I had an opportunity to study it before making up my mind about it, I felt that when I did reach a conclusion it would be my duty, and that perhaps I would owe it to the Members of the Senate, to make my position clear with reference to the plan.

I did not reach a hasty conclusion. I talked in person with the Secretary of the Treasury on more than one occasion with regard to it, and, finally, when I reached the conclusion that I could not support the plan, I stated to him that I had reluctantly reached that conclusion and that I could reach no other conclusion.

Again, Mr. President, let me say that I have no interest whatever in patronage. I hope Senators and the people of the country will disabuse their minds as to that. I do not think the statement which has been made with reference to patronage is made in good faith by anyone. I cannot believe that any honest man would think that any Senator would favor or oppose this reorganization plan because of his interest in patronage matters. But, inasmuch as there has been a great deal of fraud and corruption disclosed through the efforts of individual Senators and of committees of the House and of the Senate, some of it connected with the Internal Revenue Bureau, a group of persons in the United States has seized upon the opportunity of saying that here is a clear-cut issue of patronage and corruption against honesty and decency in government. I profoundly regret that the President of the United States should have taken that position. The most charitable thing I can say of the President is that concerning his personal honesty and personal character I have no comment, but he is the poorest advocate of a cause, good, bad, or indifferent, that the world has ever produced. I have never had any patronage. I have never wanted any, except as to those officers which come within my own State and which affect my own people, concerning which I have felt that I had some right to speak. I am utterly indifferent about the patronage side of this question. That, of course, is a fine thing for columnists and radio commentators to talk about. I am not at all surprised when I read the statements issued by the Citizens' Committee for the Hoover Report, because I find much of it repeated day by day on the radio; indeed, a great deal of it is repeated in the minority views filed on this resolution. The Citizens' Committee for the Hoover Report undoubtedly is a good committee. I do not want to be unduly critical of it; but it has a research director, and I dare say that when any organization of businessmen has a research director, he receives some salary and it is his business to spread propaganda over the Nation.

I have here some of the records of the director of research of the Citizens' Committee for the Hoover Report, if Senators wish to read them.

Mr. President, I am not critical of the Hoover plan. Indeed, I have supported many of the recommendations of former President Hoover. I should be glad to support most of them if they were taken in their entirety and not dismembered in such a way as to give more power to the Executive, add more to the cost of Government, and do nothing for economy and for what I believe to be sound government. But this plan, Mr. President, although it may mislead a great many people in the country, is not the Hoover plan.

May I say what I said on that point before the committee? I said before the committee that the plan violates the underlying fundamentals of the Hoover plan. It uses some language of Mr. Hoover and his planners. It makes mention of the collectors of internal revenue. But that was not the complete plan at all. Recommendation No. 5, page 16, of the Hoover report to the Congress is that the top staff of the Treasury Department should consist, among other officers, of the Commissioner of Internal Revenue, with the rank of Assistant Secretary.

That is the Hoover plan. Let Republicans and Democrats who can get any consolation from it read it. That is the heart of the plan. But what does this plan do? It makes of the Commissioner of Internal Revenue, an office which Mr. Hoover says should take the rank of Assistant Secretary of the Treasury, a mere puppet—nothing more than a puppet, purely an administrative agency, with no authority on earth except that which the Secretary of the Treasury gives.

Moreover, Mr. President, the Hoover task force report recommended that the Assistant Secretary in charge of revenue should have under his immediate direction the Division of Tax Research and the Office of Tax Legislative Counsel if continued as a separate entity. There is a tax legislative counsel in the Treasury Department at this time.

The Hoover task force also recommended that the Commissioner should have general supervision over the proposed Revenue Service. In this way, all revenue policy matters of the Treasury would clear through one responsible official at the top level of the Department.

That is Mr. Hoover's proposal. That is his own task force's interpretation of the proposal. What does this plan do? It abolishes the office of the Commissioner of Internal Revenue and makes him an assistant—to whom? It makes him an assistant to the General Counsel of the Treasury.

Let us not talk in abstract terms. I can talk about him respectfully, because I feel kindly toward him. The general counsel is Mr. Tom Lynch, who, I would say, is a fairly good lawyer. I would not pronounce him a great lawyer, but I would say he is a fairly competent, capable lawyer. The head of the office of tax legislative counsel is Mr. Kirby.

When a tax bill is considered, what happens? Does the Commissioner of Internal Revenue come here and tell us anything about taxation? Not at all. That is not the way the matter has been handled under the Government, at least during the period of the New Deal.

Mr. Hoover said the Commissioner should have the rank and dignity of an Assistant Secretary of the Treasury. should have control of his bureau, and

should draft policies and recommend them.

How are taxes levied? This is not theoretical. This happens every year when Congress writes a tax bill. The Secretary of the Treasury comes before the tax committees and reads a statement which points out principally the condition of the Treasury—that is, whether a deficit exists or is contemplated, and what the expenditures of the Government will be for the ensuing year. He makes his recommendations and they are general.

Then the Secretary leaves with us his general counsel and the tax legislative counsel, Mr. Kirby.

The Commissioner of Internal Revenue has never appeared, and he will never appear, unless the committee itself sends for him in connection with a tax bill. I do not recall that we have ever sent for a Commissioner since Mr. Helvering occupied that office. We sent for him, and without his aid we would have been unable to devise a workable tax-withholding program.

I recall that in the old days Mr. Blair, when he was Commissioner of Internal Revenue, would come here and tell the committee what he thought about tax problems and what, from experience, he had learned were the difficulties and how they could be corrected. Perhaps there was one other Commissioner who appeared, but Mr. Helvering was the last one who appeared before the tax committees upon an important tax bill.

Distinguished Senators on both sides of the aisle may say this is a Hoover plan because Mr. Hoover said, among other things, that there ought not be any politics in the office of the collector. My! Certainly he said that. But what he also said is what I have read, namely, that the top man in that office should be the Commissioner of Internal Revenue, with the rank of Assistant Secretary. As his task force stated, the Assistant Secretary in charge of revenue should have under his immediate direction the offices of Tax Research and of the Tax Legislative Counsel. The Tax Legislative Counsel is Mr. Kirby. I say this without any disrespect; I am simply going to make it concrete: He is not going to be even counsel to the Commissioner, but an assistant to the General Counsel of the Treasury.

The plan submitted by the Treasury does not follow these recommendations. The Commissioner of Internal Revenue is not to be given the rank of Assistant Secretary. He is not to be given supervision of the Tax Legislative Counsel, Division of Tax Research, or his own legal officers.

Thus, under the proposed plan, there still exist points of interference with the operations of the Bureau relating to the promulgation of regulations, rulings, and so forth.

To Senators who cannot see anything but a great effort to smack corruption right between the eyes by adopting plan No. 1, I say corruption will hardly know it has received a blow, whether we adopt this plan or we do not adopt it. Any plan is all right. Some are better than others if they are properly administered. No plan can be a substitute for the vigorous, intelligent, and proper administration of the law.

Those who talk about corruption may say, "Suppose the Commissioner is reduced in status, and suppose his general counsel is taken away from him; suppose he has to go to the Treasury to learn what the law is; what difference does that make?"

Here is the difference it makes. I base my statement upon an experience of some 20 years in writing tax laws.

When the Secretary of the Treasury and his counsel come before the committee and say, "We recommend so and so to you," and the committee decides against that recommendation, as any committee of Congress has the right and power to do, and says, "No; that is not sound policy, and we will not follow it." then the general counsel of the Treasury, who submitted the recommendation, and his assistant, who urged it upon us and quarreled with us when we would not follow his advice, sit back in the Treasury and say to the Commissioner of Internal Revenue, "We do not think Congress intended that. That was not the intent of Congress."

Do not think I am indulging in pure fiction. Year after year, for more than 20 years, the Committee on Finance, following in the footsteps of the House Committee on Ways and Means, or going along side by side with that committee, has asked Congress to undo a plain, clear misinterpretation written into a regulation by the Treasury, which was unwilling to take the opinion of the legislative branch of the Government and what it wanted to do.

We do that every year. In the last tax bill we had to write in what we intended, and we said, in the first place, that the Treasury would not have any right to outlaw a family partnership made in good faith and upon a consideration, whether by gift or by purchase. That is simply an illustration.

I beg Senators not to think for a single moment that this plan in essential respects is the Hoover plan, because in all its basic fundamentals this plan runs counter to the Hoover recommendations. We can find some language, of course, about the collectors. However, the appointment of collectors is not the main point in this controversy.

Attention is called to certain statements in the minority report. By the way, some portions of the minority report should be documented. I do not believe my friends can document them. I am sure that they were misled by someone. Certain statements are made, but I am sure that they did not intend to mislead anyone, and did not attempt to mislead anyone. I wish to call attention to just what I mean, if I can locate it promptly. At any rate, it is pointed out in the minority report that the tax committees of the Congress had the opportunity to be heard upon Reorganization Plan No. 1. That is simply not true.

I read in the newspapers before I left Georgia that such a thing as Reorganization Plan No. 1 for 1952 was coming up. When I reached Washington on the 8th day of January I found a letter from the Secretary of the Treasury, which I read. The letter set forth no plan, but stated what the objectives of the plan were. The objectives are good. They sound like a Sunday school lesson. However, they are not self-executing, as the lawyers say. I now come to a portion of the minority report to which I wish to invite attention, and with respect to which I ask for complete documentation if the minority wish to document it. It says: It is a curious note that some Members of the Committee on Finance now protest that the Finance Committee should have further time to study reorganization of the Bureau of Internal Revenue.

Since I am a member of that committee and appeared before the committee in opposition to Reorganization Plan No. 1, that must refer to me. I read again from the minority report:

> It seems to us that they do protest too much.

The minority grows a bit poetical. I believe the language is Shakespearean in quality. [Laughter.]

Again I am reading:

> The record shows that the Joint Committee on Internal Revenue Taxation took no action with respect to the report of its own Advisory Group on Administration of the Internal Revenue Bureau.

That is a very unfortunate statement. I acquit all the members of the minority who signed the report. What happened was that in 1948 the Joint Committee on Internal Revenue Taxation organized a committee of very responsible accountants and tax men, looking to the reorganization of our internal revenue system. A report was made in January. It was sent to the Secretary of the Treasury and to the Commissioner of Internal Revenue—

> The record shows that the Joint Committee on Internal Revenue Taxation took no action with respect to the report of its own Advisory Group on Administration of the Internal Revenue Bureau.

Here is another statement which is worthy of notice:

> The record also shows that representatives of the Treasury Department offered to discuss the reorganization plan before the Finance Committee and were not invited to appear before that committee for that purpose.

In the advisory report it was stated that it would take the Bureau 2 to 5 years to conduct studies on management and consult with outside groups. These studies were not made available to the taxing committees.

Mr. President, I did not return to Washington until the 8th of January. When I returned, I could not locate a single member of the Finance Committee, with one or two exceptions. The President had already said, in December, and again on January 2, that he had a model plan which would smite corruption right between the eyes and stop it in its tracks. I did not know a thing about it.

After the plan had been submitted to the Congress I received a letter from the Secretary of the Treasury in which he set out some little charts which did not explain much to me, but which, beyond

all doubt, were meaningful to him. The letter was a general explanation. It was entirely general, with nothing specific.

Reading again from the minority report:

A fair conclusion from this record is that the suggestion that further time is needed to study reorganization of the Revenue Bureau is merely a suggestion for delay in the adoption of a much needed reform.

Following the sending of the report of the joint committee's staff and special committee to the Secretary, there was organized by the Secretary a further study by an engineering firm competent in the field of taxation. That firm filed the so-called Paget report. The Paget report has not been released to this day by the Secretary of the Treasury, although they made it available to the King subcommittee and the Expenditure Committees of the House and Senate. I had never seen it until it was brought to me a moment ago by the chief of staff of the Joint Committee on Internal Revenue Taxation.

The Paget report as far as the tax committees are concerned was pigeonholed. The Paget report does not follow this reorganization plan, nor does the plan follow the Paget report.

Is that the way to deal with the Congress of the United States? Is that the way to deal with the policy-making body of this Congress—so far as taxation is concerned—on this side of the Capitol?

I should like to read a bit of the Paget report:

Elevate the post of Commissioner to the rank of an Assistant Secretary in the Treasury Department and vest full policy and administrative authority in this position.

That is the Hoover Commission's recommendation. That is his philosophy. That is the fundamental thing in the Hoover report. It is directly in line with the recommendation of these experienced engineers. Let me read what they have to say:

Observation of the Commissioner's status in the present organization of the Treasury Department indicates that the importance of his post today is above that of a bureau chief.

Mr. President, that was before plan No. 1 came along. Plan No. 1 reduces him to the status of a bureau chief.

The important status of the Commissioner today is evidenced by the fact that the Commissioner reports directly to the Secretary and attends his top staff conferences. Despite these marks of superior status, the Commissioner's office is not the central source of policy advice to the Secretary, nor the central point of contact with the legislative branch, on revenue matters. As illustrated in exhibit 14, there are at least five divisions outside of the Bureau which impinge directly upon its operations, or participate in the formulation of revenue policy. While we have found no evidence of lack of harmony or cooperation between these groups and the Bureau at present, their continued existence as outside agencies detracts from the authority of the Commissioner, and the avoidance of friction is dependent upon the personalities of the officials concerned.

It is considered significant that the Commission on Organization of the Executive Branch (Hoover Commission) recognized this problem and proposed that a commissioner of revenue be established with the rank of Assistant Secretary, under whose supervision should be placed the Bureau of Internal Revenue and the Bureau of Customs.

Mr. President, that is a true interpretation of the Hoover plan, but it is not the interpretation of propagandists or of radio commentators or of a public press that takes hand-outs from any bureau of the Government and publishes it as its own.

In addition, the task force report of the Hoover Commission proposed that the Division of Tax Research, the Office of the Tax Legislative Counsel, and a legal counsel be placed under the immediate direction of this Assistant Secretary. The task force pointed out that "in this way all revenue policy matters of the Treasury would clear through one responsible official at the top level of the Department.

Consideration of the benefits of integrating the Bureau of Customs and the Bureau of Internal Revenue was not within the scope of this study—

And so forth. Can there be any doubt about what the Hoover plan is—the heart and soul of it? There is at least the statement made by Cresap, McCormick & Paget, management engineers, New York and Chicago, for which Congress, if my recollection is clear, appropriated approximately $150,000.

That report was buried in the Treasury until this plan No. 1 came to Congress.

Of course, Mr. Hoover used some language about some wicked collectors of internal revenue, but what has that to do with this?

I do not wish to take up too much time of the Senate; I spoke at great length in my appearance before the committee, but what does plan No. 1 really do? Plan No. 1 creates a complete legal vacuum. That is all it does. It creates a legal vacuum and invites the Secretary of the Treasury to fill it; to write whatever he wants to write.

I am not critical of the Secretary of the Treasury. He is a good Secretary. However, he cannot know anything about the duties and obligations of the collectors of internal revenue, except what he is told second hand, third hand, or fourth hand.

It creates a statutory vacuum by abolishing certain offices without creating new offices to take their place. It abolishes the office of collectors and deputy collectors of internal revenue. It does not prescribe the duties of anyone else who may perform the same functions. It leaves it up to the Secretary. It is a complete resignation of the high responsibility of the Senate in writing tax laws as well as all other laws. It abolishes the Office of Assistant General Counsel for the Bureau of Internal Revenue, who is supposed to be the legal adviser to the collector of internal revenue. It does not create any other officer to take his place.

The plan abolishes 64 collectors. Seventeen or eighteen of those collectors are already under civil service. That is, they are civil service career men, who retain that status.

I am very happy to note that the collector of internal revenue of my State, who has been appointed under both Republicans and Democrats, has never been investigated, prosecuted, or sent to jail.

I note with alarm that the collector of internal revenue in Boston, appointed at a time when there was no Democratic Senator from Massachusetts, was prosecuted and convicted and is on his way out. I note also that the collector in Missouri, appointed at a time, perhaps, when there was no Democratic Senator from that State, was tried and convicted.

However, on that point, Mr. President, let me make the following statement: They know at the Treasury and they know at the Bureau, although they have not told us, that they have the undated resignation of every collector of internal revenue in their possession. It is right on the President's desk or in one of its drawers. Every 4 years the collectors must have their commissions renewed; they must be reappointed if they want the position. Why quibble about who was President when so-and-so was originally appointed, when certainly he has been up for reappointment and has been reappointed once and perhaps twice since then, and there is a resignation procedure available under which he can be relieved of his office. There is authority under the law to dismiss him. The President can dismiss him. There is no one in the Civil Service Commission to say nay to it. Not even my good friend Bob Ramspeck can say to the President, "You must not dismiss him. You have no legal sanction for it."

Mr. President, I note another thing with much regret. Perhaps I should not mention it. However, since a distinguished Member of the House of Representatives from California over the radio one night this week saw fit to instruct the Senate with respect to its duties on plan No. 1 and to talk about all of us who did not embrace plan No. 1 as being corruptionists, I am almost obliged to point out that one of the collectors of internal revenue in the State of California, with a number of his staff, has also been indicted.

It looks to me as though Senators and Representatives who seek to advise the Senate how it ought to vote or must vote should do a little bit of sweeping before their own doors at the proper time. At least, that is the way it looks to me, Mr. President.

Of course, the method of appointment does not determine the character of the officer. His character is determined by his integrity, his honesty, and his courage, not by the method by which he is selected.

Not only would this plan strip the Commissioner of Internal Revenue of everything except administrative functions, in the final analysis—that is to say, it would deprive him of any actual power to make a policy decision and to make it stand up—but this plan would also add vastly to the cost of the system. How much it would add, it is impossible to tell, because, as I have stated, the plan would abolish all the offices and all the functions, would put them under the Secretary of the Treasury, and would let him operate in a vacuum and do as

he pleased. Of course, I do not know how many officers he would appoint. I know that under plan No. 1 he would be privileged to appoint not more than 25 regional directors.

I see in the Chamber at this time my distinguished friend, the Senator from Arizona. I do not see his distinguished colleague. However, I may say now—and it should be pleasing to my distinguished friends across the aisle, the Senators from California—that one of those regional directors would be in California; let us not doubt that. Then Arizona and Nevada would have to crawl over the mountains into California to adjust their tax matters. Would not that be pretty tough? This plan provides for the privilege of appointing not more than 25 regional directors, although it is said that only 21 would be appointed right now. Those regional directors would have a vast staff of experts. Each regional director would have under him at least two States, or in some cases three States, besides the one in which he was located. There would be an enormous amount of work to do.

Those 25 district commissioners, with their vast staffs, would cost this Government many additional millions of dollars a year, and would do so speedily. Where is the economy in that, Mr. President? The Reorganization Act of 1949 requires that the President shall specify what economies will be effected by the plans he proposes; the act even says that as far as possible the President shall itemize the economies which will be achieved by his reorganization plans. The President did not attempt to do that in this case; he was too wise a man to attempt to do so. He knew he would not save a nickel by this plan; but, on the other hand, he knew that he would spend perhaps in excess of $30,000,000 a year in setting up this new organization.

Mr. President, plan No. 1 says the President or the Commissioner of Internal Revenue may appoint not exceeding 70 deputy commissioners, although these are not actually named in the plan. Under the scheme, the deputy commissioner is presumably intended to take the place, more or less, of the collector of internal revenue. I wish to say just a few words on that point, Mr. President. I know very well that at common law it was held, following the analagous principle of principal and agent, that if one got money which did not legally belong to him and if he had it in his pocket, he could be sued for it. On that theory, a common-law right of action was sustained against the collector of internal revenue. It is possible that the Deputy Commissioner might likewise be suable; but—and here is a point which has not been noticed up the Avenue—the Commissioner serving in any particular place could be transferred at will, could be changed from time to time by the Secretary. It is so denominated in the bond. That would be the arrangement under plan No. 1. He might not be a citizen of the State in which he served. Of course, we are told, "We give you our word that he will be taken from the State." Mr. President, is not that a beautiful assurance to give to the legislative body of this country, which under the law and under the Constitution is charged with the legislative function? Is not that a beautiful assurance for us to have from the Chairman of the Civil Service Commission? At any rate, he is a delightful gentleman from my State—Bob Ramspeck. Is not that a beautiful assurance to have from the Secretary or to have from Mr. Dunlap—a very honorable man, I think, and very honest. I am not so sure that Mr. Dunlap knows too much about this problem at the national level at the moment, but he is a man of capacity and, I think, of character and standing.

At any rate, the scheme now proposed provides for what are called direct lines of responsibility. Mr. President, that is a beautiful phrase. Nowadays we often encounter the word "streamlining," as well as the phrase "direct lines." We are told that the beauty and the strength of the plan is that, under it, everything will operate on a direct line to Washington.

All right, Mr. President, suppose the plan does operate in that way. If it does, Mr. President, within 2 years—mark my words—the Secretary of the Treasury will have his lawyers contending before the courts of this country that this new scheme makes the Commissioner or the Secretary of the Treasury the actual recipient of the money, because it cannot remain at State levels, but must move by direct line all the way along, and must do so immediately; and they will be saying, "If you want to sue us, come to Washington and sue the United States."

Mr. President, that would be a beautiful situation. We can imagine how pleased the people of the States would be to have their Senators return home and say they had made that arrangement. Imagine how popular that would be, Mr. President: "Go to Washington and sue the United States." Those who sue the United States would not have a jury trial, unless the Congress provided for a jury trial.

Once this plan was approved, everyone, including the esteemed press, the radio comentators, and so forth, would be saying, "Do not disturb this plan now; do not disturb it until it is given a trial. You must not think of changing it now. It will be 4 or 5 years before we can see what will happen under the plan."

Furthermore, Mr. President, the theory of the "direct line" has taken hold so deeply that even in the minority views it is actually set forth that down at the field level, in the States, the field officials would refer cases for trial directly to the Attorney General, and the citizens would be prosecuted in that way—never coming through Washington, never touching the Commissioner's office or the Secretary's office. That is the so-called direct line. Senators can have it if they want it.

Mr. President, instead of indulging in so much talk about stopping corruption, I think it would be far better for Senators to prevent the fastening of such a tyranny upon their people.

Mr. President, what is it going to mean at the State level, when the deputy collector or somebody in the deputy commissioner's office does not like the way the taxpayer has acted, or does not like the way he has cooperated with them? Some of these officials think the citizen does not cooperate unless he lies down and lets them take all his money without even asking them the why or the wherefore of it. So if they think they do not get cooperation, they say, "Oh, we do not have to go through the Commissioner's office and the general counsel's office any more. We will rush this case right up to Mr. McGrath, the Attorney General of the United States, and we will say to him, 'Give us action, and give it to us quick.' "

Mr. President, under that procedure there will be more corruption that one has ever dreamed of. There will be more coercion. Citizens will be in the hands of these officials. I know the citizens would come to us and ask for legislative help; of course they would, because such a situation would be simply impossible. But, Mr. President, that is exactly how it stands. The citizen will have no one in the world with whom to deal except at the State level. Perhaps he did not vote properly at the last election. Heaven only knows what a collector of internal revenue may do to one who is far away from Washington, and who can have no friends here because, from now on, we will not be allowed to recommend anyone. The citizen could not even go somewhere to protest mildly. There would be no one to whom a protest could be made, except the Attorney General. Someone has been investigating his office, and he does not want to listen to Senators, either. Such persons become skittish of a Senator.

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

Mr. GEORGE. I yield.

Mr. CHAVEZ. Is there any particular reason to feel that under the proposed system there will be appointed in Georgia men who are more honest than those recommended by the Senator from Georgia, or in the case of other States men who are more honest than those recommended by the Senators of such States?

Mr. GEORGE. I do not think so, and yet that is not my main basis of opposition to this plan. My main basis of opposition is that it is fundamentally wrong. It sets up a system which cannot work satisfactorily.

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

Mr. GEORGE. I yield.

Mr. CHAVEZ. I fully agree with the Senator from Georgia that it is fundamentally wrong; but I still insist that the average Senator—all Senators, in fact, whether they be members of one party or the other—know more about who is honest in a particular State than anyone in Washington could know about it.

Mr. GEORGE. I thoroughly agree with the Senator from New Mexico, but another basic defect in this plan—and it goes to the very bottom of it—is that it combines at the State level in the field office the auditor and the collector.

Mr. President, did you ever see a more beautiful, hand-engraved invitation to fraud and corruption? Is it possible to imagine one? Let us suppose there is in

a State a corrupt deputy district commissioner, and that he and his staff have the power not only to audit the returns of the taxpayer but to collect the tax due on it. He combines the two functions of auditor and collector. A taxpayer may think he is being overtaxed, and demand that he be given a hearing. He will try to convince the deputy district commissioner that he is wrong. If the taxpayer happens to be a corrupt man, he will try to corrupt that official, who has the power both to audit and to collect. There can never be a fair internal-revenue system until the collecting office is completely and entirely separated from the auditing office; and likewise there can never be a fair internal-revenue system unless the Commissioner of Internal Revenue is given power over all the transactions taking place in his office.

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

Mr. GEORGE. I am glad to yield.

Mr. SALTONSTALL. As one Member of the Senate, I would appreciate it, if at an appropriate time, the Senator from Georgia would again explain and perhaps make a little bit clearer the first part of his argument, the principal point, regarding the independence of the Commissioner of Internal Revenue, who would have the status of an Assistant Secretary of the Treasury. As I understood the distinguished Senator, that would mean that that officer, subject to the approval of the Congress once every 4 years, would have complete or independent responsibility in the matter of the interpretation of the tax laws; whereas, at the present time, that responsibility rests upon several officials, including lawyers, who are independent. This plan, once put into effect, would create a vacuum, which would lead to more independent interpretations of the law, which would not be in the hands of an Assistant Secretary of the Treasury, or of any official subject to confirmation by the Senate. That part of the Senator's argument is not entirely clear to me.

Mr. GEORGE. Mr. President, I have endeavored to point out, and I thought I had done so, that having been my purpose at any rate, that the fundamental thing about the Hoover report was the recommendation for a Commissioner of Internal Revenue, with the status and dignity of an Assistant Secretary of the Treasury. For a long time there has been a controversy among very reasonable and very able men over the question of whether there should not be a complete separation of the Bureau of Internal Revenue from the Treasury; but Mr. Hoover said "No." His report recommends that the Commissioner be retained, but that he be given the status of Assistant Secretary, with full power over the Bureau. Mr. Hoover's task force recommended that matters of policy connected with the making and inpreting and administering of taxes be left with the Commissioner of Internal Revenue and his general counsel. Reorganization Plan No. 1 would give the Commissioner a lawyer, who would be an assistant to the general counsel in the Treasury, not to the Commissioner; and it would reduce rather than enhance the power and strength of the Commissioner of Internal Revenue, which is precisely contrary to what Mr. Hoover recommended.

Furthermore, the Paget report, made by a distinguished engineering firm, following, approving, and commenting on the Hoover report, pointed out precisely what that report meant. I pointed out that the Paget report had been buried in the archives of the Secretary of the Treasury, and that the staff of the joint committee came into possession of it following the submission to the Senate of Reorganization Plan No. 1.

Mr. FLANDERS. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I shall be glad to yield to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I judge that the senior Senator from Georgia does not have a particularly kindly feeling toward Reorganization Plan No. 1.

Mr. GEORGE. Not this plan; but I should be glad to favor a good plan.

Mr. FLANDERS. That is the next point I wish to raise. The senior Senator from Georgia has spoken in rather commendatory terms, so far as I could judge, of the suggestions made by the Hoover Commission.

Mr. GEORGE. I think the real recommendations of the Hoover Commission are basically correct. As I say, there are a great many thoughtful persons who would go further and say that the Bureau of Internal Revenue should be separated entirely from the Treasury; but Mr. Hoover did not go that far, the Paget report does not go that far, and I would not myself favor going that far.

Mr. FLANDERS. I am receiving a considerable volume of correspondence, considering the size of my State, with reference to Reorganization Plan No. 1, for the most part urging me to vote for it. The Senator from Georgia has given weighty reasons for making me doubt whether I should vote for Reorganization Plan No. 1, but I should like to give some assurance to my constituents that if I vote against it, I shall not be simply, in effect, delaying any reorganization of the Bureau of Internal Revenue or stopping further consideration of such reorganization, and therefore leading to a do-nothing situation. So I should like to inquire of the Senator from Georgia whether there is any prospect, either under his auspices or, so far as he knows, under the auspices of the committee to which this report was referred, of any movement to follow through with desirable reforms in the Bureau of Internal Revenue.

Mr. GEORGE. I am pleased to answer the Senator categorically. Yes. The distinguished Senator from Arkansas [Mr. McCLELLAN] has introduced a bill. He does not mean to commit himself by the terms of that bill necessarily, but a bill is subject to amendment; it is subject to some modification. A reorganization plan is not so subject. We either take it or leave it. The bill is now before the Finance Committee. I have already had a conference—I hope the Senator will not press me further on that point, because I do not want to involve anyone else—looking to a speedy report by the staff of the Joint Committee on Internal Revenue Taxation, to both the House Committee on Ways and Means and the Senate Committee on Finance, embodying some proper reorganization proposal. We are very anxious to do something about it. It should have been done before.

Mr. FLANDERS. Mr. President, I feel considerably reassured by the words of the Senator from Georgia. I happened to be on the floor when the Senator from Arkansas mentioned his bill, and, as nearly as I can remember, he did not speak too well of his own bill; but I understand from what the Senator from Georgia says about it that both he and the Senator from Arkansas are taking it as a sort of jumping-off place until there is something better——

Mr. GEORGE. As a basis of consideration. I think the Senator's bill follows, in general, Reorganization Plan No. 1, as a matter of fact.

Mr. McCLELLAN. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. McCLELLAN. I introduced a bill embracing the basic reorganization plan in order to give the committee an opportunity to start with the plan and make appropriate amendments to it.

Mr. FLANDERS. I understand the situation now, and I thank both the Senator from Georgia and the Senator from Arkansas.

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

Mr. GEORGE. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask if the proposed legislation now pending before the Senator's committee contemplates civil-service appointment of collectors of internal revenue or whether it permits continued political appointments of collectors.

Mr. GEORGE. I do not recall, but it is subject to amendment, of course.

Mr. McCLELLAN. Mr. President, will the Senator from Georgia yield further?

Mr. GEORGE. I yield.

Mr. McCLELLAN. The bill has left out the civil-service provision for the purpose of making it an issue so that it could be studied by the committee, and if it is retained as it is in the plan it can be amended to provide for certain situations.

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

Mr. GEORGE. I yield.

Mr. AIKEN. I think the virtue of the pending plan is that it places collectors under the civil service and takes them out of politics. I know the shortcomings in other respects which the Senator from Georgia has pointed out.

Mr. GEORGE. Any bill would be subject to amendment. I myself have no special opposition to dealing with collectors in any way that may be desired. I have no interest in that situation at all.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield for one further question?

Mr. GEORGE. I shall be glad to yield.

Mr. SALTONSTALL. I desire to press once more a point which is not entirely clear to me. The Senator has explained

very clearly what the Hoover Commission Report recommends with reference to establishing the office of Assistant Secretary of the Treasury. He further states that Mr. Hoover might have gone further in separating the Bureau of Internal Revenue from the Treasury, but an office would be created which would have the responsibility of collecting taxes and interpreting tax laws, as I understand. Would the Senator be willing to explain how the position of the Hoover Commission differs from Plan No. 1? He discussed the legal vacuum. That part is not clear to me.

Mr. GEORGE. By that I simply meant that there is no real plan set up in plan No. 1. It simply abolishes certain offices and authorizes the creation of certain other offices, but does not define the duty of the newly created offices nor prescribe their duties and responsibilities. It is left entirely to the Secretary of the Treasury to fill it in, in other words, to write out the plan in detail.

Mr. SALTONSTALL. In other words, what the Senator is now saying is that if this plan is adopted, there will be a vacuum in the statutes or laws enacted by Congress, so that there will have to be many interpretations and executive orders in order properly to carry forward Plan No. 1 so that taxes may be collected.

Mr. GEORGE. Undoubtedly so. There is a vast body of law with reference to the set-up of the collector's office.

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

Mr. GEORGE. I yield.

Mr. AIKEN. It is my recollection that the Hoover Commission recommended the appointment of a Commissioner of Revenue—not just internal revenue—who would have the rank of Assistant Secretary. Under his jurisdiction would be a consolidation of the Customs Service and the Internal Revenue Bureau, in other words, an effort was made to put all those instrumentalities of Government under one head.

Mr. GEORGE. That is correct.

Mr. AIKEN. In other words, he would collect all the revenue.

Mr. GEORGE. That is correct. He would have charge of all internal revenue functions.

Mr. AIKEN. Reference has been made to the task force. In this particular case I think the Commission followed the recommendations of the task force rather closely. I would not want the Senate to feel that the task force recommendations were the same as the Commission's recommendations in all cases, because some of the task force recommendations were discarded completely as of little value.

Mr. GEORGE. I think that is correct, but I think they may have studied the report in order to be able to interpret properly what it meant.

Mr. AIKEN. I think the Commissioner reports that he followed more closely the recommendations of the task force in this particular case than in some of the other cases.

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

Mr. GEORGE. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is it a fair interpretation of the Senator's position to say that if Reorganization Plan No. 1 is adopted, many present interpretations of the law, and possibly many of the laws themselves, will be repealed or possibly rescinded, and opinions invalidated, so that there will have to be a new interpretation of the tax laws, if the vacuum which the Senator mentioned is created?

Mr. GEORGE. Not so much in relation to existing law, but I refer to the passage of revenue acts from time to time. If the same man acts as judge of what we ought to write into the law, and then acts as judge of what we did write and of what our intention was, he is likely henceforth to depart from the congressional purpose and intent with respect to all revenue laws in regulations and putting them into effect. The authority that will actually write and interpret the regulations will be in the office of the Secretary of the Treasury. It will be the assistant to the general counsel of the Treasury. So the purpose and intent of Congress is very much more likely to be overridden.

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

Mr. GEORGE. Yes, I am glad to yield.

Mr. SALTONSTALL. Assume for the moment that there had been no evidences of corruption in the past year which stimulated the consideration of this question in the public mind and in our own minds, and assume that the Hoover Commission's work and the necessity of looking into a revision of the laws were considered entirely apart from corruption, with the idea only of improving the administration of the tax laws; does plan No. 1 help or hurt the administration of such laws?

Mr. GEORGE. In my judgment, it will slow up the flow of money from the taxpayers into the Treasury. In my judgment, it will invite delays which are not now in the system, bad as the system is at the present time.

I would be opposed to this plan even had there been no fraud, no corruption, or anything of the kind. If that were the situation, we would then be able to judge the plan on its merits.

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

Mr. GEORGE. Yes; I am glad to yield.

Mr. SALTONSTALL. Then, so far as corruption is concerned, as I understand the Senator, as I have listened to him, there will be an even greater opportunity, possibly, for corruption, because the auditing and collecting will be in the hands of one official in one locality.

Mr. GEORGE. Certainly; there is no doubt about that. I do not see how reasonable men can differ about it. If the man who is going to levy my tax, collect it, and audit my return, is at the State level, and the auditing and collecting functions are vested in one agency, certainly there is an opportunity for fraud. If the official were corrupt, he could be corrupted.

I regret to say that while the vast majority of the American people are honest, while the vast majority of our taxpayers are honest, they operate under a voluntary system of taxpaying, without which we could not function, and while I think the vast majority of our officers, whether appointive or under civil service, are themselves honest, I do say that when the collecting and auditing of taxes is vested in one person, considering all the imaginable hardship cases with which the distinguished Senator from Massachusetts is familiar, there is a strong temptation actually to practice corruption, and that is the field in which corruption will be practiced to the greatest extent.

Mr. SALTONSTALL. Will the Senator yield for a further question?

Mr. GEORGE. Yes.

Mr. SALTONSTALL. The Senator is an experienced legislator in tax law, and forgetting for the moment the question of corruption or the question of patronage, I should like to ask him if plan No. 1, in his opinion, would constitute an improvement in the administration of our tax laws, or whether it would constitute a step backward.

Mr. GEORGE. I think fundamentally it would be a step backward, although in some details it might be as good as the present system, or perhaps somewhat better. So far as fundamental and basic considerations go, I think it would be a step backward.

Mr. SALTONSTALL. But there is the advantage, is there not, if the proposed plan is approved, theoretically, at least and we hope practically, in respect to the civil-service certification of the various collectors, that higher-type men or a type who would be more responsible to the Government would be employed?

Mr. GEORGE. I do not know. I have my doubts about that. Practically all the employees are now under civil service, but if all of them are put under civil service, I think there will be a strong temptation for the man in the field service and all the way up to say, "I don't need to give any consideration to the taxpayer. If I do my job here and produce a lot of money and obtain proper results, I will have an enviable standing in Washington, and will probably be promoted."

Perhaps that is a motive we should not attribute to anyone, but it is as likely to be controlling as is any other motive that can be imagined, especially when such men do not need to assume any responsibility. If they merely carry out instructions and attend rigidly to their jobs; they do not have to trouble themselves, and the matter is of no concern to them.

So I am not sure that better men than we have under the present system would really be obtained. I believe it is proper for all employees of the internal-revenue system to be under civil service, as practically all of them now are. I myself should not complain if collectors were under civil service, because that is not the important point, as I see the matter.

Mr. SALTONSTALL. Is not the important point in the Senator's view, the question of the improvement of the administration, and he feels this plan would be a step backward rather than a step forward, because it would put the

Commissioner of Internal Revenue further under the chain of command, rather than separate him and make him an independent entity.

Mr. GEORGE. That is entirely correct. He would be strictly under the Treasury, and, in reality, under the general counsel of the Treasury and his assistants.

Mr. President, let me read a statement made on behalf of the Comptrollers Institute of America on this matter. That is a great institution, and I think the statement is impressive. Some 3,800 comptrollers and financial executives of about 3,000 corporations throughout the United States, are members. They have made a study of this problem, and here is what they had to say to the committee about it the other day:

> The committee would like to take this opportunity to point out some of the things that appear to its members to require further study.
>
> Too much emphasis appears to have been given in the proposed recommendations to operating detail; whereas what is needed is a greater consideration to the segregation of the functions of the Bureau pertaining to collection, enforcement, legal, procedural, and examinations and inspections so as to maintain adequate control over the Bureau's activities. The segregation of these functions should start directly under the Commissioner of Internal Revenue by creating groups to administer the separate functions. These groups should be responsible to assistant commissioners reporting directly to the Commissioner of Internal Revenue.

Then they proceed with their thought, which is basically contrary to the whole idea of plan No. 1.

I shall conclude, Mr. President, with just one statement.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. GEORGE. I should be glad to, although I have already taken too much time.

Mr. SALTONSTALL. I appreciate the Senator's courtesy.

Assuming this plan failed of approval, could the Senator, who is chairman of the Committee on Finance, and a very distinguished member of the majority party, give any assurance that there would be a Bureau of Internal Revenue reform bill offered to the Senate before the session closes?

Mr. GEORGE. I can assure the Senator that we shall report a bill. The job is a big one, and we all have plenty of work to do, but, fortunately, we are not going to raise taxes again this year, so we should have a brief breathing spell, and we shall report such a bill to the Senate. I cannot say what the Senate will do with it.

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

Mr. GEORGE. I am glad to yield, although I am about to conclude.

Mr. FREAR. Does the Senator from Georgia have any knowledge as to whether ex-President Hoover or his task force on internal revenue approve Reorganization Plan No. 1 for 1952?

Mr. GEORGE. I am not authorized to make any statement in that connection. I will say to the Senator from Delaware that tomorrow I may be able to make a statement on behalf of certain members of the force, but not this afternoon.

Mr. FREAR. I listened very attentively to what the Senator from Georgia had to say this afternoon. I think I am correct, but I should like to have my recollection confirmed. In his statement did he or did he not say that the new plan would be more expensive to the taxpayers of the country, rather than less expensive?

Mr. GEORGE. Beyond all doubt it would be more expensive. It is difficult to estimate the additional costs, because the Secretary may or may not fill up the organization. But knowing the problems of the Bureau as I know them fairly well, I am sure that he could not eliminate any of his forces. I am also sure that he would create the additional positions, up to 25 regional directors, and up to 70 subregional or deputy directors, with all their staffs; and their staffs would be immense.

Mr. FREAR. What limit is placed upon the salary of such collectors or deputy directors?

Mr. GEORGE. They would all be under civil service, but they could be appointed without regard to the Classification Act, so far as numbers go.

Mr. FREAR. Then it is assumed that new specifications must be written for those jobs by the Civil Service Commission, and at that time a rating will be given to them, upon which a salary range will be based.

Mr. GEORGE. Exactly so; and in order to get 25 regional directors who are capable, or even fairly capable, we must pay them the very top salary that can be paid. That sets the pattern all the way down the line. I doubt if we could find 25 men who would be anxious to take the job at the very top salary that can be paid under our civil service system.

Mr. FREAR. I thank the Senator.

Mr. GEORGE. In conclusion, Mr. President, let me say that the distinguished Members who filed the minority view referred to the recommendations made by our Advisory Committee, to which it is said we paid no attention, and which, I explained, we had sent to the Secretary and to the office of the Commissioner of Internal Revenue expecting comments and had not received any.

The PRESIDING OFFICER. The Chair informs the Senator from Arkansas [Mr. McCLELLAN] that he has 2 hours remaining. He requested that he be informed at this point.

Mr. GEORGE. Mr. President, I wish to conclude. I shall read a statement from one of the ablest men on the Advisory Committee, who furnished us his report, and whose report went to the office of the Secretary of the Treasury. He says:

> I am definitely opposed to any plan designed to increase the powers of the Secretary of the Treasury. His powers are too great now. As a matter of fact, all changes needed to accomplish the type of administration I have always advocated can be made without the approval of the Congress if the Treasury really wants to improve the service, which prompts me to ask a question. Why has the Paget report on administration been withheld from the taxing committees of Congress?

This is the first day that I have seen it, although we spent $150,000 or more of the taxpayers' money to get it.

In conclusion, let me make this statement: The Constitution not only vests in the Congress the power to impose or levy taxes, but it reposes in the Congress in express terms the power and duty to see to it that taxes are collected. This plan is the greatest, most flagrant delegation of power that I have ever known any President to ask of Congress because this is the power over the very pocketbooks of the citizens of the United States.

Let us go back to the Constitution. The power to lay and collect taxes, declares that instrument, devolves upon the Congress of the United States. If the Senate yields to the pressure which comes from the press and from commentators and columnists, without adequate information or study, and votes on this important question against its better judgment, irreparable damage will be done to the prestige of the United States Senate, and the legislative branch under the Constitution.

Mr. HUMPHREY obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield to me for half a minute to insert a letter in the RECORD?

Mr. HUMPHREY. Certainly.

Mr. McCLELLAN. I am in receipt of a letter from Mr. John B. Dunlap, Commissioner of Internal Revenue, pointing out his position with reference to the question of whether this plan is needed to deal with corruption in Government, and discussing some of his statements which are included in the majority report. I ask unanimous consent that the letter be printed in full in the RECORD at this point, so that all Senators may have an opportunity to read it.

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

MARCH 12, 1952.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: I note that one of the reasons advanced in the majority report of the Committee on Government Operations for recommending disapproval of Reorganization Plan No. 1 of 1952 is that "The adoption of the plan is not required to eliminate fraud." This conclusion is then followed by a statement to the effect that "The Commissioner of Internal Revenue has made this clear by his statements at the hearings that adequate authority already exists to correct all irregularities of defalcations within the Bureau of Internal Revenue, including its field offices." As a footnote to this statement, the report sets out in quotation a number of questions which Senator NIXON directed to me during the course of my appearance before the committee on March 4, 1952, together with my replies to such questions.

Since, as the result of the above-mentioned quotation, some confusion seems to have arisen respecting my views as to the effect which Reorganization Plan No. 1 will have upon the ability of the Internal Revenue Service to cope more effectively with problems of dishonesty and misconduct, I would like to clarify and restate my views.

The statements which I made before the Senate Committee on Government Operations on March 4, 1952, are consistent with the position which I have taken all along as to the many and varied accomplishments which this plan will make possible. The statements were made against this background and should not be taken out of the context in which they were given.

From the outset of the congressional hearings on the President's plan, I have stated that this plan will provide (1) better service to taxpayers, (2) tighter supervisory control over the conduct of personnel, and (3) real areas for economies in operations. These represent substantial benefits which will flow from the plan. It is neither possible nor fair to describe any one of these three major accomplishments as the primary purpose of the plan. All are important, and all are worth while. Certainly, improved service to taxpayers and greater economy in operations cannot be considered matters of secondary importance. These benefits, together with tighter supervisory control over the conduct of employees, add up to a more efficient Bureau of Internal Revenue in all of its aspects.

Allow me, however, to amplify further the benefit which will be derived from this plan in the form of tighter supervisory control over the conduct of employees. At the present time we are making every effort to detect and to punish any unfaithfulness on the part of revenue employees in the discharge of their high public trust. We have established an inspection service, and we are running down every lead, complaint, or credible rumor indicating any misconduct on the part of employees. However, corrective action is made more difficult by the present sprawling organization of the revenue service. There are 8 separate field organizations and over 200 headquarters offices reporting directly to Washington. These conditions, together with other weaknesses in the system, contribute substantially to opportunities for laxness and misconduct to which some are bound to succumb.

The President's reorganization plan, by eliminating the office of the politically appointed collector, by streamlining the Bureau organization, by consolidating field offices under one responsible head in each State or other local area, and by providing a stronger inspection service under an individual with the status of an Assistant Commissioner, will correct the conditions which have made it possible for some revenue officers and employees to misuse their official positions.

I have testified to the above accomplishments of the plan many times. For example, on the specific matter of dishonesty, I would like to refer you to a number of statements which I made before the Senate Committee on Government Operations during the course of my testimony on the reorganization plan.

The following appears on page 42 of the hearings:

"Mr. DUNLAP. We could not contend, of course, that civil service by itself will make a man completely honest or relieve him from temptation. We do claim that the tighter and more efficient organization set up by this plan would remove a lot of the underlying causes for some of our troubles now.

"Senator DWORSHAK. How would it do that?

"Mr. DUNLAP. Because it is a much tighter, much more closely supervised organization.

"Senator DWORSHAK. Haven't you had supervision up to the present time?

"Mr. DUNLAP. Yes, sir, but not as tight as this."

On page 109 of the hearings the following appears:

"Mr. DUNLAP. When you have tight control, I repeat what I said last Wednesday, you do away with a lot of the temptations that now exist. In any tight organization, any well-supervised organization, you just don't have the looseness which permits certain things to happen."

Again, on page 133 of the hearings, the following statement is made:

"Senator DWORSHAK. I am saying that after reading many newspaper articles over the years and reading about the fraud and corruption that have been exposed in the Bureau, that we are wondering whether this plan, if it is approved by Congress and sold to the public, offers any greater assurances that honest taxpayers will be given protection and that dishonest, fraudulent tax cases will not be tolerated.

"Mr. DUNLAP. The tighter organization and closer supervision all the way down is a better assurance of that. These people in the inspection service are still more assurance of it. That is a new set-up, as you know, the inspection service. The appellate division shown on the other chart is scattered over more offices now than it was, it is not concentrated, and it is therefore subject to much closer analysis of each of their cases, I believe that will be the best insurance we can hope to get."

With this background I would like next to refer to my discussion with Senator NIXON on the purposes of the plan before the committee. The report of this testimony contained in the majority report is somewhat abbreviated. The full transcript is shown beginning on page 288 of the committee hearings. Before Senator NIXON asked me the questions beginning on that page, he had previously asked me this question: "So it (the plan) does not get at the basic problem of corruption, then, at all; does it?" I replied to this question as follows: "I think so, sir, by providing a much tighter and a much better supervised organizational structure than we now have." (See pp. 276 and 277 of the hearings.)

As a preface to some of his later questions, Senator NIXON made the following statement to me: "You feel that under this plan the Bureau would be able to deal more effectively than it can at present with the over-all problem of discovering instances of dishonesty, and dealing with them effectively, is that a fair statement?" I answered, just as I would answer now, "That is right, as well as improving the efficiency of our people." (Hearings, p. 289.) Senator NIXON then asked me whether as a corollary of that statement, I felt that I could not deal with instances of dishonesty and corruption at the present time. With that I could not agree because, as I previously stated, we are at the present time able to detect and punish wrongdoing although our efforts in this respect are rendered more difficult because of the status of collectors as political appointees and because of the relatively loose type of organization which we now have. Furthermore, the corrective measures that we are and have been taking are largely after the actions have occurred. As I have indicated before, I feel most strongly that the plan is necessary to help correct the conditions which gave rise to these wrongful practices and to prevent their repetition.

Senator NIXON then directed questions to me to ascertain whether I believed the plan was primarily for the purpose of dealing with corruption. My answer indicated that the plan was not directed primarily to dealing with corruption for the reason which I have already stated, namely, that I could not agree to relegate to a secondary place the other major accomplishments of the plan.

My views on the important place of this reorganization plan in insuring honesty, integrity, and fairness in the conduct of Government perhaps have been best summarized by the following remarks which I made before the Senate Committee on Government Operations on March 4, 1952, in concluding my prepared statement:

"We have been making every effort to build the best Internal Revenue Service it is humanly possible to provide. This has especially included measures to detect and punish any individuals who have been unfaithful to their high public trust. The Secretary and the President have given me their fullest support in this effort.

"It is equally important, however, that we eliminate the weaknesses in our present organizational set-up which have contributed so much to these instances of wrongdoing. The presentation of this reorganization plan represents a major part of our efforts to correct these conditions. I earnestly hope that you will lend your support to this effort to reorganize the Revenue Bureau into a career service of the highest standards."

Very truly yours,

JOHN B. DUNLAP,
Commissioner.

Mr. HUMPHREY. Mr. President, I yield 15 minutes to myself and my colleague [Mr. MONRONEY]. We may require additional time.

It is our intention tomorrow to discuss in some detail the outlines of the proposed reorganization plan. Therefore, at this time our efforts will be primarily directed to what I consider to be a very important analysis and a correction of the RECORD with reference to the remarks of the distinguished chairman of the Finance Committee, the Senator from Georgia [Mr. GEORGE]. All of us in this body have great respect for the Senator from Georgia, and surely all of us recognize his fund of knowledge, and his extensive and honorable background in the field of legislation.

I should like to say to my friend the Senator from Georgia that the proposal with which we are now dealing is not one which concerns substantive law. It is not one which concerns the matter of law pertaining to taxes. It deals with the organizational structure of the tax-collection agency.

I should also like to make another point crystal clear for the RECORD. I call this matter to the attention of the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who has asked many questions, the distinguished Senator from New Mexico [Mr. CHAVEZ], and the distinguished Senator from Vermont [Mr. FLANDERS], three able, intelligent, and effective Members of this body who asked some penetrating questions.

I would have them note that all powers which are involved in this plan have already been settled by a vote of this body in 1950, in connection with Reorganization Plan No. 26. If I recall correctly, there were not many, if any, dissenting votes on Reorganization Plan No. 26 of 1950.

Mr. President, I think it would be well for the RECORD to have Reorganization Plan No. 26 and the President's message pertaining to it placed in the RECORD at this point in my remarks. I ask unanimous consent that that may be done.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection?

There being no objection, the text of Reorganization Plan No. 26 of 1950 and the message of the President pertain-

ing thereto were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 26 of 1950, prepared in accordance with the Reorganization Act of 1949 and effecting reorganizations in the Department of the Treasury. The reorganizations included in this plan are identical with those contained in Reorganization Plan No. 1 of 1950, except that the functions of the Comptroller of the Currency are unaffected by Reorganization Plan No. 26 of 1950.

In transmitting Reorganization Plan No. 1 of 1950 on March 13, I stated that the reorganizations contained therein were essential to clarification of the lines of authority and responsibility in the executive branch. I further emphasized that those reorganizations would put into effect in the Department of the Treasury the principal remaining recommendations of the Commission on Organization of the Executive Branch of the Government affecting the location of management responsibility. I urged the Congress to add its approval to my acceptance of these recommendations of the Commission on Organization.

On May 11 the Senate disapproved Reorganization Plan No. 1 of 1950. The reason for the disapproval was the inclusion of the functions of the Comptroller of the Currency among the responsibilities proposed to be transferred to the Secretary of the Treasury. Accordingly, in order to meet the objection which led to such disapproval and to preserve the major benefits of the disapproved plan, Reorganization Plan No. 26 of 1950 is transmitted herewith.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 26 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of the Treasury. The rate of compensation fixed for this officer is that which I have found to prevail in respect to comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

REORGANIZATION PLAN NO. 26 OF 1950

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled May 31, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949)

DEPARTMENT OF THE TREASURY

SECTION 1. Transfer of functions to the Secretary: (a) Except as otherwise provided in subsection (b) of this section, and subject to the provisions of subsection (c) of this section, there are hereby transferred to the Secretary of the Treasury all functions of all other officers of the Department of the Treasury and all functions of all agencies and employees of such Department.

(b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of the Treasury or to functions vested by any provision of law in the Comptroller of the Currency.

(c) Notwithstanding the transfer to the Secretary of the Treasury of the functions of the United States Coast Guard and of the functions of the Commandant of the Coast Guard, effected by the provisions of subsection (a) of this section, such Coast Guard, together with the said functions, shall operate as a part of the Navy, subject to the orders of the Secretary of the Navy, in time of war or when the President shall so direct, as provided in section 1 of the act of January 28, 1915 (ch. 20, 38 Stat. 800, as amended, 14 U. S. C. 1).

SEC. 2. Performance of functions of Secretary: The Secretary of the Treasury may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of the Treasury of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

SEC. 3. Administrative Assistant Secretary: There shall be in the Department of the Treasury an Administrative Assistant Secretary of the Treasury, who shall be appointed, with the approval of the President, by the Secretary of the Treasury under the classified civil service, who shall perform such duties as the Secretary of the Treasury shall prescribe, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 4. Incidental transfers: The Secretary of the Treasury may from time to time effect such transfers within the Department of the Treasury of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. What the distinguished Senator from Minnesota is saying is that the Senate, in Reorganization Plan No. 26, crossed the bridge of the reorganizational features which the distinguished and honorable Senator has outlined. The Senate decided that issue. If it did not follow to the very letter the Hoover reorganization plan, the time to have protested was certainly when Reorganization Plan No. 26 was before this body in 1950, and not now, when we are considering a matter which involves even bigger things—and it is the very heart of the tax-collecting system—namely, whether we should change a discredited system and try to install a real, genuine, blue-ribbon merit system in our tax-collection agency.

Mr. HUMPHREY. That is correct. I thank the Senator from Oklahoma.

The reorganization message of the President on Reorganization Plan 26 of 1950 was sent to the Senate on May 31, 1950. I wish to point out that it was in that reorganization plan that all functions pertaining to the Department of the Treasury were vested in the Secretary of the Treasury, and are powers which the Bureau of Internal Revenue and the present Commissioner of Internal Revenue have had. The powers he will have if and when Reorganization Plan No. 1 is adopted, are powers which the Congress has vested already in the Secretary of the Treasury.

This is no time for histrionics or oratory. Let the RECORD read in bold type that there is not one single delegation of power in Reorganization Plan No. 1 as to functions, as to duties, or as to obligations of the Bureau of Internal Revenue or of the Commissioner of that office and his subordinates that have not already been legislated upon, placed in public law, and approved by the Congress of the United States.

There is no man on the face of the earth who can dispute that statement. I do not think it is right because there is a difference between an Assistant Secretary and a Commissioner of Internal Revenue, to insinuate that somehow or other some powers are being vested, when they have already by legislation been vested in the Secretary of the Treasury by the very act of this body, the Senate, and its companion body, the House.

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

Mr. HUMPHREY. I yield.

Mr. MOODY. Is it not correct to say that the Congress, itself in the Reorganization Act, called upon the President to do exactly what he has done, namely, to work out a reorganization plan and to submit it to Congress for its approval.

Mr. HUMPHREY. The Senator from Michigan is correct.

Mr. MOODY. Is it not also correct to say that not only Mr. Robert R. McCormick, Director of the Citizens Committee for the Hoover Report, and Mr. Arthur Fleming, a member of the Hoover Commission, but also Mr. Hoover himself have declared that this Reorganization Plan No. 1 is in line with the most important recommendations of the Hoover Commission?

The Senator from Michigan is eminently correct. As a member of the Committee on Government Operations I have listened to a good share of the testimony and reviewed the record. I know it from intimate first-hand knowledge.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. I believe the Senator from Minnesota has in his possession the statement which was made by ex-President Herbert Hoover before the House committee in which the ex-President stated that Reorganization Plan No. 1 is in line with the Hoover proposal.

Mr. HUMPHREY. The Senator from Oklahoma is correct.

Mr. MONRONEY. Who knows more about what the Hoover proposal represents, stands for, and recommends than does ex-President Herbert Hoover himself?

Mr. HUMPHREY. That is correct. On page 81 of the hearings before the Subcommittee on the Administration of the Internal Revenue Laws of the Committee on Ways and Means of the House of Representatives, Eighty-second Congress, second session, dated January 22,

23, 25, 1952, there appears this statement by Chairman KING:

Chairman KING. At this time I wish to read into the record a communication from former President Hoover:

"MY DEAR MR. CONGRESSMAN: The Commission on Organization of the Executive Branch of the Government, of which I was Chairman, over 2 years ago recommended that the personnel in the Bureau of Internal Revenue and certain other agencies be placed under the civil service in order to improve their qualifications and character and freedom from politics.

"The implication of the recommendation is that employees should be admitted to the service only after vigorous investigation as to character and loyalty and after the usual examinations to determine competence. Section 3 of Reorganization Plan No. 1 of 1952 would meet this requirement with one possible exception—that of blanketing incumbents into the new posts. The Congress should satisfy itself on this point.

"Simply to blanket the employees who have not undergone these tests does not seem to me to meet the present situation. Placing these employees under civil service should be accompanied by the requirement that any employees affected should, before continuation in the Bureau, pass the Civil Service Commission requirements on the same basis as any new applicant for such employment.

"Yours faithfully,

"HERBERT HOOVER."

Mr. President, by the testimony of Commissioner Ramspeck, of the Civil Service Commission, and Commissioner Dunlap, of the Internal Revenue Bureau, Congress did satisfy itself on that point.

I shall proceed quickly because I want the Senator from Connecticut [Mr. BENTON], who has been granted time to speak today, to deliver his address.

However, I wish the RECORD to be crystal clear as to what I have to say. Let us take another point. I am glad the Senator from Massachusetts [Mr. SALTONSTALL], who asked questions on this point, is in the Chamber. Let us look at the record concerning the general counsel and the point which was made to the effect that the assistant general counsel to the Internal Revenue Bureau would more or less be under the control of the general counsel of the Treasury; and that, somehow or other, the assistant general counsel of the Bureau of Internal Revenue would, as the Senator from Georgia [Mr. GEORGE] pointed out, more or less interpret the laws as the Treasury wanted them to be interpreted, even though Congress had legislated to the contrary.

I have in my hand United States Code, forty-sixth edition, titles 16 to 26. What do I find on page 3,931 of the Code? I find chapter 40, The Offices of General Counsel for the Department of the Treasury and the assistant general counsel for the Bureau of Internal Revenue.

Without burdening the RECORD by reading the matter into the RECORD I give the citation for all to check. What does that public law do? It does exactly what it sets forth as it is now on the books. It will not be changed one iota, one scintilla, one millionth of one thousandth of an inch by Reorganization Plan No. 1.

Not even a small change is contemplated.

This public law was the result of the investigations by the Committee on Finance. The whole structure of the general counsel's office has been provided by legislation. I say to every member of the Committee on Finance and its staff that they know very well that there is not one change contemplated in the general counsel's office or in the assistant general counsel's office and in the assistant general counsel's duties with respect to the Bureau of Internal Revenue. This act was passed in 1934, and no action since then has changed the system. It has been in effect for 18 years. Reorganization Plan No. 1 of 1952 does not change the relationship established by Congress in 1934. If Congress wants to change that relationship it can do so by law.

I want the RECORD to be clear that there has been some misrepresentation—I know not intentional—and some misunderstanding of the general law that pertains to the general counsel. Plan No. 1 does not in any way add to, diminish, restrict, alter, or fundamentally change even minutely the responsibilities and the relationships of the general counsel to the Bureau of Internal Revenue or of the assistant general counsel to the Treasury Department.

Mr. President, I point out that the position of General Counsel to the Treasury Department and of the Assistant General Counsel to the Bureau of Internal Revenue are along the lines of the Hoover Commission's recommendation as to the legal status of the departments of the Government.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am glad to yield.

Mr. MONRONEY. Mr. President, during the remarks of the distinguished chairman of the Committee on Finance, the senior Senator from Georgia [Mr. GEORGE], he raised the question that the plan might change the right of jury trials in cases against the commission, or in some way, not spelled out, interfere with a taxpayer's right to protect against an arbitrary action of the internal revenue officials.

Is it not a fact that in the record of the hearings it is clearly spelled out, in recorded testimony and by letter by the Department of Justice and by the Bureau of Internal Revenue, that not an iota of wording in this plan would change in any way the rights of the taxpayers to protect themselves in tax cases?

Mr. HUMPHREY. The Senator from Oklahoma is correct.

Mr. President, the letters to which the Senator from Oklahoma has referred are now a matter of public record in the minority views. They are also a matter of public record in the hearings before the Senate Committee on Government Operations, in the Eighty-second Congress, second session, on the reorganization of the Bureau of Internal Revenue.

Since the power to prosecute rests with the Department of Justice and since that Department has said that under this reorganization plan the taxpayers will be entitled to all the rights they have had heretofore, including the right of jury trial, without restriction, it appears to me that this issue is settled. If there is any doubt that it is settled, the Congress can legislate again in this field; there is nothing to stop Congress from improving the plan in the future, if Congress wishes to do so.

Mr. MONRONEY. Is it not also a fact that the straw man which has been raised in this instance, namely, the claim that under the plan the taxpayer might lose his right of jury trial in a suit against the Bureau of Internal Revenue, is clearly shown to be without foundation in view of the fact that the testimony adduced at the hearings was that among the thousands and thousands of tax cases which have been filed, in not more than 22 instances a year in the past 2 years has a jury trial been requested, despite the fact that thousands upon thousands of cases were handled during that long period?

Mr. HUMPHREY. That is entirely true.

Mr. President, in the face of the committee report, in the face of the report of the Department of Justice to the committee, and in the face of the fact that during the past 2 years, among all the many thousands of tax cases, in only 22 cases a year have jury trials been requested, it seems to me that one who proclaims here that an important defect of the plan is that it would do away with the right to have a jury trial in such cases, is raising a false issue designed to becloud the real issue, which is whether we wish to wipe political patronage from a system in which political patronage has brought shame on itself.

Mr. MOODY. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Minnesota yield to the Senator from Michigan?

Mr. HUMPHREY. I yield.

Mr. MOODY. Is it not true, as we may judge from the records mentioned by the distinguished chairman of the Finance Committee, which records were sent to the committee by the Treasury Department, that the Bureau of Internal Revenue and the Treasury Department have been working for months and for years to bring about a proper reorganization of the Bureau? Of course, I wish they had done it sooner than they did.

Is it not also a fact that the Hoover Commission's report, the Paget report, and the other reports which have been referred to, all were available to the Treasury Department as it worked out this plan, and the Treasury Department took what it considered to be the best parts of the various reports, in line with the report of the Hoover Commission, and submitted them in this plan?

Is it not also a fact that this plan was taken from the Hoover report, the Paget report, and the other reports which were submitted?

Mr. HUMPHREY. That is true; and I thank the Senator from Michigan.

Mr. President, at this time I wish to quote from the hearings before the Committee on Government Operations, United States Senate, Eighty-second Congress, second session, on the reor-

ganization of the Bureau of Internal Revenue, I shall read from page 241 of the hearings, at the point where Commissioner Dunlap was testifying in response to the statement of the distinguished Senator from Georgia [Mr. GEORGE] and was giving an analysis of the particular point the Senator from Georgia raised at that time, and has raised here again. The point the Senator from Georgia raised was that there had not been time to consider this plan, that the plan was presented without affording the Finance Committee or other congressional committees an opportunity to give it adequate study. Mr. President, listen to what the Commissioner had to say:

The last of the questions relating to this plan which seems to be of concern to some people is whether it represents hasty action, and whether more time should be spent in further study.

The Department has already documented before this committee the many years spent in study and preparation and review of reports, which have gone into the necessary background work for the development of this plan. These studies have been under way since 1946. I personally aided in the development of one of its more important phases as far back as 1947.

The plan draws from the best features of the suggestions and reports of congressional committees, the Hoover Commission, and the management engineering firm authorized by the Congress to study Bureau reorganization. In 1948, the advisory group to the Joint Committee on Internal Revenue Taxation, which made a study of the Bureau organization, stated in the course of its report.

By the way, Mr. President, Members of the Senate Finance Committee are members of that joint committee, so that report is no secret. Let me say that I now hold in my hand a copy of the report, which was released not only to the general public, but also to the Finance Committee and other committees. I now read from the top of the cover page of the report:

For release with the report Friday, April 23, 1948.

Here is the report; it was released to the Senate Finance Committee and the House Ways and Means Committee and their staffs. The report is no secret. It has not been kept in cold storage or in a deep freeze. I do not think it behooves the committee to say that somehow or other the report has been withheld.

What does the report say, Mr. President? As quoted in the hearings at the point to which I have been referring, it says:

The Bureau needs a 2- to 4-year period to analyze and diagnose its management problems and to test and experiment with possible solutions. For this activity it should employ the best talent and techniques that are available, both within and without the Bureau organization.

The Commissioner further said at that time:

We have followed this course by employing all the means at our command to make the study suggested. This reorganization plan is the result.

Mr. President, that is the record.

What else did I hear said on this floor today? I heard references made to the Paget report.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield, before he discusses the Paget report?

Mr. HUMPHREY. Certainly.

Mr. MONRONEY. The report the Senator from Minnesota has just mentioned, namely, the report of the Advisory Group on Administration of the Bureau of Internal Revenue, was from a subgroup of the Joint Committee on Internal Revenue Taxation, and was available to the Senate Finance Committee and the House Ways and Means Committee, was it not?

Mr. HUMPHREY. That is correct.

Mr. MONRONEY. That was the report about which the minority of the committee who signed the minority views were taken to task by the distinguished chairman of the Finance Committee; he took them to task for in some way misleading the Senate.

As a matter of fact, what we were pointing out—and we did so in such a way that anyone who runs could read it and could understand it, without having to interpret it—is clearly set forth at the top of page 18 of the minority views. At that point we stated:

The record shows that the Joint Committee on Internal Revenue Taxation took no action with respect to the report of its own Advisory Group on Administration of the Internal Revenue Bureau.

That report was filed in April, 1948.

In discussing this matter, I gathered that inadvertently, perhaps, the Members of the Senate may have been left with the impression that we expected the members of the Finance Committee to act, but that they had no opportunity to act until January 8 of this year. However, Mr. President, this matter has been kicking around in the Finance Committee and in the Ways and Means Committee from the days of the Eightieth Congress, when the Ways and Means Committee, in the then Republican-controlled Congress, called attention to the need for reorganization.

Mr. HUMPHREY. The Senator from Oklahoma is correct.

Mr. MONRONEY. All we are calling attention to on page 18 of our minority views, for which we were rather severely criticized, is that the request for more time is nothing new, and that the plea for more time at this late date is not convincing, because the report and this matter have been before the distinguished gentlemen who have the power to propose legislation on this subject, but who up to this good day have done nothing to bring before us proposed corrective legislation such as that now sought by means of Reorganization Plan No. 1.

I do not agree with the distinguished chairman of the committee that our small group, composed of the Senators who signed the minority views, should be criticized when, obviously, we simply pointed out what is a clear fact and is documented as a fact.

Mr. HUMPHREY. I thank the Senator from Oklahoma.

Let me refer to the date I mentioned a moment ago in regard to the release of the report of the Advisory Group to the Joint Committee on Internal Revenue Taxation. The Senator from Oklahoma said it was released in April. As a matter of fact, it was dated January 27, 1948; and then it was reviewed by the Treasury Department, and comments were prepared and were made available to the entire American public. Of course, I gather that the Senator from Georgia is a part of the public, and I gather that he and all other Members of the Congress would be interested in a report which was made regarding a matter in the jurisdiction of the Finance Committee and the legislative policies it studies and considers. It was on January 27, 1948, that the then Under Secretary of the Treasury, the Honorable A. L. M. Wiggins, and the then Commissioner of Internal Revenue, Mr. George J. Schoeneman, released the report. I submit that every Member of the Senate could have received a copy of the report if he wanted it. I submit that if a committee staff did not receive a copy of the report, the staff should be checked upon, because, Mr. President, believe me when I say that this report is the sort of report which belongs before a committee.

Now let us examine the Paget report. I have heard it said again and again to the Senate that the Paget report was more or less hidden in a deep freeze or hidden in some other way from the Finance Committee. That is the understanding I received from the remarks of the distinguished Senator from Georgia. If I correctly understood his remarks, I submit that understanding is not substantiated by the facts. I now hold in my hand Report No. 56 from the Committee on Government Operations, a report which was presented to our committee at the request of the chairman of the committee. It was presented by Mr. Dunlap, the Commissioner. The report indicates the following:

In response to the question by Senator MCCLELLAN relating to the report of the management engineering firm, Cresap, McCormick & Paget, the following information is given:

The two reports were submitted by the firm as follows:

Report on Offices of Collectors of Internal Revenue (survey or organization and procedures; two volumes), January 1949.

Report on Bureau of Internal Revenue (plan of organization; two volumes), August 1949.

Copies of the above reports have been made available to congressional committees and staffs as follows:

Let me digress at this point for a moment to say that only as of yesterday I consulted with the chief of staff of the subcommittee of the House Ways and Means Committee, under the chairmanship of Representative KING. I asked that chief of staff, "Did you get the Paget report?"

He said, "We did."

I said, "How did you get it?"

He said, "Just as we get all of them; I asked for it."

Mr. President, it seems to me that is a normal function among reasonable men, namely, if you want something seek it:

Ask, and it shall be given you; seek, and ye shall find.

As I stated a moment ago, this report says:

Copies of the above reports have been made available to congressional committees and staffs as follows:

This is the Paget report, Mr. President, which was supposed to be hidden some place, like a superduper secret:

March 20, 1951—

Mr. President, that was 1 year ago—

Staff of Subcommittee on Administration of the Internal Revenue Laws of the Committee on Ways and Means.

The Ways and Means Committee is not over 500 yards from here, and I submit that if we cannot find out what is going on, two blocks away from us, I do not know how we are going to find out what is going on in the rest of the world. When was the next time that this report was made available?

January 16, 1952: Staff of Senate Committee on Expenditures in the Executive Departments.

January 21, 1952: House Committee on Expenditures in the Executive Departments.

February 12, 1952: Staff of Joint Committee on Internal Revenue Taxation.

As a matter of interest—

The Commissioner continues—

it may be stated that other references to the survey by Cresap, McCormick & Paget were made by Bureau officials to congressional committees. For example, under date of January 27, 1949, the Commissioner in a letter to ROBERT L. DOUGHTON, chairman, Joint Committee on Internal Revenue Taxation, referred to the management engineering firm's study which was then being undertaken. Commissioner Schoeneman again referred to this study in his statement before the House Ways and Means Committee on February 6, 1951, on the Revenue Act of 1951.

Mr. President, there is the record, and, in all fairness, I ask any reasonable man, I ask any man who wants to judge this case on its merits, has this report been kept away from the Congress? Could the Finance Committee not have obtained this report? The Finance Committee is able to get other reports. It was able to get reports on the last tax bill, about which we argued here, certain reports which the Senator from Minnesota was unable to obtain, because the Senate Committee on Finance has a direct relationship with the Secretary of the Treasury and the Department of the Treasury. So, if the Senate Finance Committee did not get the report, I suggest again that the chairman find out why. Who was letting him down? Why did he not call upon those who were helping him to get the report, since he justly deserved it?

So let us put this issue aside, Mr. President. There has been no hiding of the reports, and I think the Senator from Oklahoma today has documented, once and for all, the fact that since 1948 this entire problem has been before the Congress. It is nothing new. If it takes 5 or 6 years—how many years is it? Four years?

Mr. MONRONEY. Four years, which was the time of the original report; and now 4 years later, and we are urged to get a new reorganization plan.

Mr. HUMPHREY. Here we are, 4 years later, ready to go to work; but now we hear that more time is needed.

Mr. MONRONEY. Mr. President, if we are through with the report for a moment, would the Senator care to yield for a question or an observation?

Mr. HUMPHREY. I yield. I am through with that matter.

Mr. MONRONEY. The distinguished senior Senator from Georgia noted that the collector of internal revenue at Boston was on his way out, and he said, "Well, that is no reflection upon the Democrats, because there was no Democratic Senator sitting from that State at the time he was appointed." He then corrected a previous error which had been made, and stated that the collector in Missouri was on his way out, under auspices of prosecution, and that he was appointed when no Democratic Senator was representing that State. I think he brought up, inadvertently perhaps, one of the most cogent arguments for the necessity of approving this reorganization plan. Unfortunately, there are a great many States that at all times are not represented by Democratic Senators. We find that to be the case today. We perhaps shall find it to be the case next year, as it has been the case in years past. So what happens? Men, who are charged with the collection of hundreds of millions of taxpayers' dollars, occupying one of the most crucial and critical positions in the financial structure and stability of the Government, are selected by the political organizations in States which are not represented by Democratic Senators. In other words, the boys in the back room send up the names, and this honorable body, charged with the consideration of nominations, lacking any personal knowledge or personal information, is asked to confirm them. So, we wrap our arms around them, under the great system of the past, which some men seek to preserve, and we put the stamp of approval on men whom we do not know, and concerning whom we have no colleagues upon whom to rely for information.

It seems to me the Senator from Georgia has touched inadvertently one of the very weakest points in the argument for the preservation of a discredited system, because Senators and even Representatives, duly elected, do not have any power over the choice or selection of these men; it is the boys in the back room who get together and send to their party organization the nominees whom they wish to advance to these all-important positions. Even a United States Senator in many States may not have the sole privilege of selecting the collector of internal revenue. I, for one, as a Member of the United States Senate, would rather turn that responsibility over to the competitive merit system, and under that system have these men chosen, and have their characters investigated to the fullest possible extent by adequate and competent investigators, than to find their names on the executive calendar late some evening, and be asked to rubber-stamp their appointment.

So I think the Senator from Georgia, in bringing out this point, proved the very case of those of us who feel that there must be an end to this discredited system, affecting as it does one of the most vital aspects of Uncle Sam's operations, namely, the collection of approximately $70,000,000,000 worth of taxes to maintain the financial stability of our country.

Mr. HUMPHREY. I thank the Senator from Oklahoma.

Mr. President, I am not going to take very much more time, but I desire to come, not to the last point, but to what I consider to be the basic point emphasized by the Senator from Georgia. That point was that in audits and collections there was a consolidation. The Senator, if he was correct, was pointing out that power was being placed in one and the same individual both to audit and to collect. Of course, I must say the full story was not told about the right of appeal and the independence of the appellate jurisdiction.

Now, Mr. President, what does the report say? What does the Commissioner say? The Commissioner of Internal Revenue testified before the Senate committee. He was asked this very same question by the distinguished senior Senator from South Dakota [Mr. MUNDT], and in answer to that question, the Commissioner of Internal Revenue pointed out that there was not the consolidation to which the Senator from Georgia has referred, and about which the Senator from South Dakota had questioned. As a matter of fact, the head of the Cashiers Division, according to the Commissioner of Internal Revenue, in the field operations office, will collect the taxes voluntarily reported or agreed to; and, a separate official, Mr. President, a separate human being, a separate officer in the internal-revenue establishment, the head of the enforcement division at the field office level, will audit returns and report for assessment the liabilities agreed to. The head of the Appellate Division will make final settlement of tax liability for the Commissioner. The functions are clearly separated at a lower level. The same man does not do both jobs. As a matter of day-by-day operations, the independent Appellate Division protects the taxpayers.

Mr. President, I have gone into this point very carefully, because I think it is of a very serious nature. I have in my hands—I do not know whether I can get it into the CONGRESSIONAL RECORD or not, since I am not too familiar with all of the printing practices—a chart of the present organization of the Internal Revenue Bureau, and also a chart of the proposed organization of that Bureau. They clearly indicate, without any shadow of a doubt, that the collection functions, the enforcement functions, the appellate functions, and the administrative functions are separate

and distinct. Any insinuation to the contrary is not based upon a reading of the record or upon an analysis of the charts to which I refer and which I have in my hand. The organizational chart was presented to us by the Commissioner of Internal Revenue. In the present organization there is a hodgepodge the like of which it would take a magician to understand.

The Commissioner of Internal Revenue gave some very interesting testimony when he indicated what they were trying to accomplish. He pointed out that under the present regulations a man connected with the Alcohol Tax Unit may go into a store and say, "Let me look at your books."

There is another man from the Withholding Tax Unit in connection with wages and salaries, and he will say, "Let me take a look at your withholding statements." There is another man from the Social Security Tax Unit, who makes a similar request; there is another one from the Excise Tax Unit, who says to a taxpayer, "I want to go through all your books. Let me check your corporate tax, your personal income tax, and all the other taxes."

Mr. President, that is the kind of inefficient bureaucracy at which the plan is striking a death blow.

Under this plan, all those functions will be performed by one investigator, one tax collector, one man who makes the collections, and one auditor. We do not need six auditors with six per diems, six travel allowances, six expense accounts. This plan provides one man to do the auditing and one man to do the collecting.

Please look at the chart again. Any taxpayer who feels that his audit is not fair has an independent appeals board to which to go, under an assistant commissioner, an appellate division, where final settlement is made in the field, not at Washington, but in the field.

Mr. President, I desire to put at rest for once and for all the charge that there is a consolidation of auditing and collecting functions. The issue is very simple. The real issue is whether the Congress of the United States is going to continue a Bureau of Internal Revenue which is under the domination of political appointees.

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

Mr. HUMPHREY. I am glad to yield to the Senator from Michigan.

Mr. MOODY. Does not the Senator from Minnesota agree that the entire tone and tenor of an office can exist either in political terms or in terms of merit and efficiency, and that the top man in the office is there to do a job, to collect taxes and audit them? Is it not also true that, while there have been many who have done good jobs, the recent disclosures with reference to malpractice in the Bureau of Internal Revenue have in every case been traced back to a political appointment and to the application of the spoils system to a bureau which ought to be above politics?

Mr. HUMPHREY. The Senator is correct, and the testimony in the record substantiates his conclusion.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. The distinguished Senator from Minnesota heard, I believe, the distinguished chairman of the Finance Committee make the statement that the President or the Secretary of the Treasury or the Commissioner of Internal Revenue can dismiss collectors any time they want to, not even requiring the permission of the Civil Service Commission to do so. It is unfortunate, indeed, that the testimony before the King committee in its investigation in California could not have been read by the distinguished chairman of the Finance Committee. I am now referring to page 360 of that committee's investigation in California. In the testimony of Mr. McKenny, the chief supervisor for the Pacific coast, he said:

> One of my first contacts with Mr. Lewis, a collector at that time, outside the office, was on the occasion of an invitation to his home for dinner when he informed me, or, rather, when he asked me if I knew what treatment was accorded supervisors whom they did not like.

Listen to this:

> He asked me the question, "Do you know what we do with supervisors that we don't like?" I said, "No; what do you do with them?" He said, "We throw them out the window."

That is a perfect example of the sworn testimony before the King committee in connection with the war lord attitude that those political appointees had taken unto themselves. They consider themselves above the law, above the discipline of the Department, and above correction by anyone, including the Commissioner, the Secretary of the Treasury, or even the President of the United States.

Anyone who appreciates the importance of collecting $70,000,000,000 from the taxpayers must frankly admit that the toleration of these political war lords, sitting in their offices and literally thumbing their noses at the authority of the supervisors, of the Commissioner of Internal Revenue, and of the Secretary of the Treasury, is indeed bad business practice.

Mr. HUMPHREY. The Senator from Oklahoma has forcefully and very pointedly analyzed what is meant by political influence and political pressure. Let us not kid ourselves for a single minute. We are not babes in the woods in connection with politics. We are not talking to a group of people who have never been in politics. The fact of the matter is that a political appointee obviously knows how he got his appointment and to whom he owes his appointment. As the Commissioner of Internal Revenue pointed out, a political appointee owes his appointment, not to the people, but to a Senator, a national committeeman, or some friend in the political structure.

I point out first, Mr. President, that the powers which the Senator from Georgia suggested were being centered in the Bureau of Internal Revenue under Reorganization Plan No. 1 are powers which are there only because of statutory law and because of Reorganization Plan No. 26 which the Senate approved in 1950. The question of powers and functions has been legislated upon separately and distinctly in Reorganization Plan No. 26.

I think it is only fair to ask every Member of the Senate to scrutinize the record of the debate on that particular plan. I ask every Member of the Senate to evaluate the words of the Senator from Oklahoma [Mr. MONRONEY], the Senator from Michigan [Mr. MOODY], and the junior Senator from Minnesota as we state again and again the powers and functions under Reorganization Plan No. 26. Reorganization Plan No. 1 has absolutely nothing to do with them. Reorganization Plan No. 1 is a housekeeping plan, an administrative, structural, organizational plan which has reference to what might be called the administrative establishment. That administrative establishment is outlined in the chart which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. The Chair is advised that special permission of the Joint Committee on Printing will have to be obtained in order to have the charts reproduced in the RECORD. If the Senator will withdraw his request and renew it tomorrow——

Mr. HUMPHREY. Mr. President, I do not think it will be necessary to renew it. I need only say that it is to be found in the hearings of the committee lying now on the desk of every Senator.

The other point I tried to make today is that the Hoover Commission Report supports, in substance, Reorganization Plan No. 1, because the key to this reorganization plan is the abolition of the political patronage system. The rest of it is detail. The heart of it is getting politics out of tax collecting, and I think that should be the issue and it is the issue before this body.

The Senator from Georgia has emphasized the general counsel's office, and what kind of relationship will exist under the reorganization plan with the general counsel's office in the Bureau of Internal Revenue. I ask the Senator from Georgia in all fairness, and I want him to answer this question tomorrow. Is there any change? Is it not a fact that the public law adopted in 1934 establishing the general counsel's office and its relationship to the Department of the Treasury and the Bureau of Internal Revenue still is the law? Is it not a fact that the only change of function that can possibly be in that office is under Reorganization Plan No. 26, which is already a law, and that Reorganization Plan No. 1 does not in any way alter, change, add to, or diminish the functions or the responsibilities of the general counsel's office, nor in any way alter the relationship of the general counsel's office with the Bureau of Internal Revenue or the Department of the Treasury?

I think the record is clear. I have read into the RECORD today the public law citations and the comments of the Commissioner of Internal Revenue.

I have also pointed out that the auditing and collection functions which the Senator from Georgia has charged are

being consolidated are not consolidated in one person? They are consolidated in one agency, in the Bureau of Internal Revenue, yes, as they justly should be, but not in one person. There is the Cash and Collection Division of the Treasury, and there is the Audit Division, and the report of the Audit Division is subject to appeal to an appellate jurisdiction, which is totally independent, thereby giving the taxpayer an appeal procedure at the community or regional level, not requiring him to come to the Nation's Capital.

Finally, Mr. President, I wish to point out that the argument that we need more time, or that this plan has been hastily conceived, is one which cannot stand the test of examination. As a matter of fact, the time argument can be well summarized, when there is talk about hasty legislation, and it is summarized. A study has been underway continuously since 1940. The present Commissioner worked on this study and this reorganization since 1947, and the plan under debate now adopted the best features of the study.

The House investigation committee staff has studied the matter. The joint committee group studied it, and Public Law 147 was passed in 1948. The departmental management committee studied it from 1947 to this date.

The management survey report of Cresap, McCormick & Paget was completed in 1949, which report, I repeat, has been available to the committees of Congress, and was made available to the House Committee on Ways and Means on March 26, 1951, and I say, and I ask anyone to prove to the contrary, that if the House Ways and Means Committee could get the Paget report on March 26, 1951, why could not the Senate Finance Committee get it? Is there any reason? Is there anything in the RECORD which shows that the Finance Committee could not have gotten it? I say that if that committee did not get it, it did not ask for it, and it should have asked for it. The members of its staff, if not the busy members of the committee, distinguished Senators, should have asked for it.

Mr. President, I now yield the floor to the Senator from Connecticut [Mr. BENTON], who I am sure intends to discuss in some detail the recommendations of the Hoover Commission, particularly with reference to the plan now under consideration.

Mr. BENTON. Mr. President, I hasten to reassure Senators who have not left the floor that I do not intend to discuss this plan in any very great detail. However, I served on the Committee on Expenditures in the Executive Departments in the Eighty-first Congress and defended many of the Hoover reorganization proposals. Sometimes I was alone; frequently many other Members of the Senate defended some of them.

I have consulted at length with former President Hoover, and I have worked closely with President Johnson, of Temple University, the president of the Citizens Committee for the Hoover Report, and because of my deep interest and considerable background knowledge of the subject, I have asked for time to speak in the Senate.

Mr. President, I support the President's plan to reorganize the Bureau of Internal Revenue. I oppose Senate Resolution 285. I do so for five kindred reasons. These five reasons together seem to me to be wholly persuasive.

First. This particular reorganization plan is overwhelmingly supported by the largest pressure group of all, even if frequently it is the least vocal; namely, the great majority of the American people.

Second, this plan offers us, as Senators, a unique opportunity to practice what we so often preach to others.

Third, this plan embodies principles of administrative efficiency and economy which have been so ably championed by the Hoover Commission.

Fourth, I shall go even further and say that this plan is one of the most businesslike, sensible reorganization proposals transmitted to Congress by the President.

Finally, this plan promises to wipe out the spots in our tax system which are most vulnerable to favoritsm and corruption.

Nineteen hundred and fifty-two's major challenge to representative government lies in the ability of Congress to keep pace with the immensely difficult problems arising from the necessary expansion of the executive branch in meeting the manifold problems of the twentieth century. Every reorganization plan submitted to Congress by the Executive is a phase of that challenge. Every reorganization plan is a test of our responsibility as Senators to review and audit and oversee the work of an administration charged with far-flung duties and authority.

Mr. President, our response in Congress to the challenge of executive reorganization has been very far from unanimous, and in my judgment it has been far from satisfactory.

While friends and supporters of the Hoover reorganization proposals boast that 50 percent have been adopted, much too little is said about the 50 percent which have failed of adoption or, in most cases, have as yet failed even of consideration. I bewail the fact today that 50 percent of the proposals have not yet been accepted, and I regret that only 2 of the 96 Senators were willing to sponsor for review by the Senate all the remaining proposals incorporated in the report of the Hoover Commission.

Some of the reorganization plans which have failed of approval by the Senate, Mr. President, have dealt with relatively narrow fields, in which small, special-interest groups, succeeded in protecting what they deemed to be their special privileges. The general public, regrettably, has not been well informed about or aroused by these plans. Most of the plans have no glamor, no public appeal, no political sex appeal. All too often Members of Congress deem it politically more profitable to bow to pressure groups which represent both votes and campaign contributions, in view of the fact that they seem to get no rewards if they do not bow.

This is a sad, familiar story. I recently reviewed it before the Second National Conference of the Citizens Committee for the Hoover Report. The Senator from Illinois [Mr. DOUGLAS] complimented me by inserting my address in the Appendix of the RECORD on February 19.

It was the Congress which knuckled under to the medical and educational lobbies to defeat plan No. 1 of 1949, and plan No. 27 of 1950. It was the Congress which yielded to special business and professional groups, such as the American Bankers Association and the NAM, and defeated eight reorganization plans in the first session of the Eighty-first Congress alone.

It was, of course, to be expected that the impact of pressure groups would converge on Congress, the cockpit of our democracy. But why did not such selfish pressures stop these plans before they emerged from the Bureau of the Budget or the White House? The fact is that the Executive resisted those particular pressures while the Congress yielded to them. The fact is that in these instances Congress capitulated to narrow group influences, operating against the public interest and using political pressures for which we, in Congress, so often freely criticize the Executive if he yields to them.

Mr. President, it seems to me that tomorrow the Senate will face a more clear-cut test than it has in the case of many of the previous reorganization proposals. Tomorrow we shall have an unprecedented opportunity to cast a vote against demonstrated corruption and against archaic bureaucracy.

Again in Congress we are witnessing outside pressures upon those in both parties who favor or who rationalize the patronage system. We are hearing from those who think more about corruption as a political issue than they do of stamping it out as a public evil.

Mr. President, the American people want Congress to take the step proposed in Reorganization Plan No. 1. Sixty-nine percent of them have said so in a Gallup poll. Eight of every ten Americans who have read about corruption in the Bureau of Internal Revenue favor putting the collectors under the civil service.

There is one big difference, however, between the situation today and that confronted in connection with past reorganization plans. The others have had little publicity and there has been virtually no incentive for Members of Congress in terms of popular support. That is not true of the plan before the Senate today. This plan deals with the tax structure—and taxes reach into every American home and into every American business. In the long run, this plan will affect the balance sheets of thousands of firms, and the household accounts of millions of families. Taxes, and the way we collect and spend them, are everybody's business today.

As to my second point, I would wager that every one of us has lectured other people from this floor or elsewhere about how vital it is for our Government to be economical, for the executive branch to be efficient, for public service to be free of corruptors and those who can be corrupted. All of us have said or implied that we want these things done without regard for the tender feelings or prerogatives of anyone. If our constituents

thought we felt otherwise, they would throw us out. All of us have inveighed against the danger to free institutions in the growth of public cynicism about integrity in Congress and in Government.

It seems to me that tomorrow we must vote to resist not only the pressures I have mentioned, but perhaps an even greater pressure, namely, the pressure of our own self-interest as Senators, the desire to keep personal control of some patronage plums, regardless of how worm-eaten those plums may be. In my judgment, those of us who fail to resist such pressure will have no right to be taken seriously henceforward when we talk about efficiency and when we ask for improved management regardless of who may be made uncomfortable. Those who fail to approve the President's proposal tomorrow will have little right, it seems to me, to criticize others for failure to fight corruption.

Some of us have joined in urging the appointment of a Commission of distinguished citizens to elevate the standards of public administration and morality. What better Commission, what more distinguished group of citizens, could be found than the Hoover Commission, which recommended the principles of the plan, and the Citizens Committee which has announced its full support?

By this plan the President of the United States is offering to sacrifice one of the privileges which politicians in both parties have always associated with that great office, the right to appoint collectors of internal revenue on the basis of patronage alone. He is putting it up to each of us in the Senate and asking us whether we are willing to give up one of our prerogatives, the privilege of Senators to confirm the nominations of collectors of internal revenue. This patronage seems to me little enough for us to give up, compared with what we in Congress, through our laws, are asking our taxpayers to give up this week.

We have asked the American taxpayer to assume fearful responsibilities for the general welfare, for the preservation of our liberties, for the security of our Nation. We have told him, in our tax laws, that those with the most must give the most for the common good.

The great body of taxpayers who favor this plan can be thwarted only by us, by our failure to give up what some of us deem to be a prerogative. Let us cast our votes on this plan in the interest of the general welfare rather than our own.

As to my third point, I certainly agree with the distinguished Senator from Georgia [Mr. GEORGE] that no reorganization plan is a panacea, and that no reorganization plan should ever be presented as such. There is certainly no sure-fire remedy for inefficiency and corruption. However, Reorganization Plan No. 1 is a vital part of the great program to streamline the Government, for which the Hoover Commission was established. The American people spent about $2,000,000 on the Hoover Commission. I feel that it has already been worth billions of dollars, and with our support it can be worth billions more.

I think it may help some of us to look backward, briefly, and to recall the framework of reorganization on which this present plan is built.

Five years ago the Congress recognized the imperative need to overhaul the sprawling, complex structure of the Federal Government. To determine how the job ought to be done, the Commission on Organization of the Executive Branch of the Government was created. Former President Herbert Hoover was named as Chairman. Eleven other eminent Americans, including our own senior Senator from Vermont and the senior Senator from Arkansas, were chosen as members. The President, the President of the Senate, and the Speaker of the House of Representatives each designated four members. This was a bipartisan group. It performed its mission without regard for politics or personalities.

For 18 months this Commission carried on an exhaustive, painstaking review of the whole Federal establishment. More than 300 specialists from academic life, from private institutions, and from business were brought in to help. They were formed into 24 separate so-called task forces, each covering a major field of inquiry. The mass of information and analysis was set forth in 78 task-force studies. These total more than 2,500,000 words.

Then began the difficult task of deliberating, weighing, evaluating—of choosing the major targets for administrative reform. This resulted in 19 separate reports which cover the organization, the management, and the working of the executive branch.

From the recommendations have come a long series of common-sense guideposts leading us out of the wilderness of hodgepodge government—a wilderness, I may say, largely created by past Congresses. From the recommendations has come a renewed public interest in sound management of the public business; and from them has come the impetus for the plan which is now before the Senate.

When the Hoover Commission had finished its great work, the President and the Congress took up the responsibility of translating its recommendations into reality. It was perfectly clear to the old Washington hands that reorganization would not come easily, that vested interests within the bureaucracy and without would oppose changes. To make thorny proposals such as the one before us easier to handle, the Reorganization Act of 1949 was proposed by the President and adopted by the Congress. Without that act, we would have made very little progress indeed. Without it, the Hoover Commission proposals would have died on the vine as had all similar proposals for generations. Other commissions with similar objectives had come and gone and all had failed.

Due to the Reorganization Act of 1949, which puts a proposal into effect after 60 days unless a constitutional majority of either House votes it down—more than half of the Hoover Commission's recommendations are now in effect. Much has been put through by administrative action, much has been put through by legislation. The details of progress are set forth in Senate Document 91, submitted by the committee chairman, the senior Senator from Arkansas [Mr. MCCLELLAN].

More than half the Hoover Commission's recommendations, or approximately half, are still awaiting action. The President, the Congress, both major parties, and the Citizens Committee deserve credit for the progress which has been made. But what lies ahead is the tougher half of the job. Our lack of progress on the tough jobs is disappointing. Indeed, we have taken most of the push-overs first.

The vote tomorrow will mark a very important milestone. If we vote down the proposal to eliminate corruption and bring about efficiency and to eliminate waste from the Internal Revenue Bureau, it certainly will not promise well for the many reorganization proposals which are still before the Congress. Voting down this plan tomorrow will give cheer and hope to groups who are going to oppose these plans for their own special and selfish interest.

With respect to my fourth point, I hope we can agree that there is no part of the Government which is more vital than the $70,000,000,000 enterprise by which our revenues are collected. This week I participated in a radio program with Commissioner Dunlap. I heard from him the remarkable and astonishing statement that he has 58,000 employees under him. Any group which handles $70,000,000,000 is certainly by far the biggest operation in the United States, or in the world.

Looking beyond the details of administration which have been discussed by members of the committee, I suggest that we inquire how this plan proposes to change some of the ways in which this $70,000,000,000 business is conducted. In brief, it seems to me that it does nothing but adopt management techniques which are very familiar to American business men. I think the President is proposing what any sensible and efficient business executive would propose. He says that we ought to hire the best people we can get to handle this $70,000,000,000 enterprise. He says that we ought to give up the old-fashioned way of filling collectors' jobs by political patronage. That method does not work satisfactorily. Indeed, I think it is a fair statement that it never has worked in the public interest. Heretofore we have never had the klieg lights of publicity put upon it.

At any rate, today those jobs require a degree of competence and experience which demands selection on a merit basis.

In Europe and Latin America it may be noted that the patronage system is also applied to business. Whether a man gets a job in Europe or Latin America all too often depends on whom he knows and who his relatives are. This is one of the grave and difficult problems affecting the economies of those countries. But we can be sure that American businessmen will not put into their key district offices persons who owe their jobs to someone outside the company.

Furthermore, I do not know of any corporation executive who would not rather have 25 persons in the field reporting to him than 200. I do not know

of any businessman who would not like to cut costs by getting the benefits of large-scale machine operation. I do not know of any businessman who would not like to save rent and other costs by merging and consolidating field offices. The Secretary of the Treasury and the collector of internal revenue have assured us that under this plan they can and will achieve all those objectives.

This plan is not the crass political move which opposition Senators would like to have us believe it is. It is primarily a proposal to incorporate business systems into government, and to make government more businesslike.

Last December former President Hoover recalled that his Commission had recommended civil-service selection of collectors after a vigorous inquiry into the loyalty, character, and integrity of applicants. President Hoover stated that it required "a vigorous examination to determine their competence for each special field. Thus these appointments are made with a background of merit, not on ability to get votes or to please some political bosses."

This plan would accomplish just that purpose, as the distinguished Senators from Oklahoma [Mr. MONRONEY] and Minnesota [Mr. HUMPHREY] have pointed out, with their wealth of facts as well as their eloquence of presentation.

Dr. Robert L. Johnson, chairman of the Citizens Committee on the Hoover Report, has called this plan a major step toward more efficiency and economy in the Federal Government. He continues:

> The reorganization proposals and the plans for extending the merit system to include the collectors of internal revenue are fully consistent with the Hoover Commission recommendations.

Mr. President, as this background shows, the plan on which we vote tomorrow was not hastily conceived or inadequately prepared. Back of it are studies over a period of 5 years by the House Ways and Means Committee, the House Appropriations Committee, the Joint Committee on Internal Revenue Taxation, the Hoover Commission, the King subcommittee of the Ways and Means Committee, the Senate Finance Committee, and a study by a private management firm, pursuant to congressional authority, at a cost of $500,000.

This plan embodies the best features of these many studies. We do not now need more studies and more reports. The American taxpayers want action. They are entitled to action.

Furthermore, as the distinguished Senator from Minnesota has stated, this plan embodies the best features of studies which have been in progress for 5 years—studies by the House Ways and Means Committee, the House Appropriations Committee, the Joint Committee on Internal Revenue Taxation, the Hoover Commission, the King subcommittee, and other groups as well. I submit that we certainly do not now need more hearings, more studies, more reports, or more research. We need the action which has been called for after years of delay.

Some of the critics of the plan who do not talk about what the plan actually does have charged that this is a political move by the President. They say that he is merely trying to take the corruption issue out of the 1952 election campaign.

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

Mr. BENTON. I am glad to yield.

Mr. HUMPHREY. I merely wish to say to Senators that if anyone wishes to interpret this as a political move, the only political move anyone could in any way insinuate is that this plan will take politics out of tax collecting. That is what the issue is. To state the issue simply, and to state nothing but the hard core of it, the question is whether we want political patronage politics in the Bureau of Internal Revenue or whether we want the business of that Bureau conducted on the basis of competency, skill, technical knowledge, background, and experience. That is the issue.

Mr. BENTON. I am sure that the Senator from Minnesota and I can agree that ex-President Hoover and President Truman have not been sitting at the White House putting their heads together in an effort to cook up from this plan some political advantage for either of them, or for anyone else. The only political motivation is exactly the one described by the Senator from Minnesota—to take politics, in the sense of political corruption, out of the Bureau of Internal Revenue, and to bring in efficiency and good-business procedure. Four well-qualified persons have expressed themselves as to the conformity of plan No. 1 to the Hoover Commission Reports and have declared their support for the plan. These include: Mr. Robert L. L. McCormick, Director of Research of the Citizens Committee, who testified in support of the plan before the House Committee on Expenditures in the Executive Departments; the Honorable Arthur Fleming, a member of the Hoover Commission and a former Commissioner of the Civil Service Commission, who testified for the plan before our committee; Dr. Robert Johnson, Chairman of the Citizens Committee, who addressed a letter to each Member of the Senate urging support for the plan; and the Honorable Herbert Hoover, who expressed support in a letter to the chairman of the Subcommittee on Internal Revenue Administration of the House Ways and Means Committee.

Some of the critics of this plan—who do not talk about what the plan actually does—have charged that it is "a political move" by the President. They say he is just "trying to take the corruption issue" out of the 1952 election campaign. Now does that charge make any sense—as an argument to vote against this forward-looking proposal—in the light of the 5-year background? Are we supposed to believe that President Harry Truman and former President Herbert Hoover have suddenly cooked this proposal up for somebody's immediate political advantage?

President Truman and Mr. Hoover are for this plan because they know from their years of experience that it is badly needed. They know that corruption in the Bureau of Internal Revenue, however deserving of censure and punishment, is not a new problem. They remember the tax scandals under Republican administrations almost 30 years ago. They know that a real source of these scandals, then and now, is the patronage method of filling collectors' jobs. They know that, while the merit system has limitations, it is for better than the patronage system.

President Truman is not playing politics with this plan. Former President Hoover is not playing politics with this plan. They are for it because they know it will permit a long overdue step toward a more efficient, more trustworthy tax system.

Last December former President Hoover commented on the corruption disclosures:

> I have no doubt that if the Hoover Commission's recommendations on collectors of internal revenue and on other political appointees had been accepted two and one-half years ago—when they were made—these scandals could not have occurred.

He continued:

> The dangers of corruption in tax collection weren't news to the members of the Commission. The Commission condemned the present method of selecting tax collectors. They are mainly selected by political bosses. They are certainly selected with their approval. The determination of their fitness is pretty much based on their ability to get votes or rewards for doing so.

Mr. HUMPHREY. Mr. President, will the distinguished Senator from Connecticut yield for a question?

Mr. BENTON. I am glad to yield.

Mr. HUMPHREY. Is is not correct to say that what has now been culminated in Reorganization Plan No. 1, is a move which has been under study and upon which there has been a great deal of research and extensive hearings and engineering services for a period of 4 years.

Mr. BENTON. Five years.

Mr. HUMPHREY. Yes; going on 5 years; that is correct. So, therefore it is not a hastily thought-up plan or a plan which has been pulled out of someone's back pocket. To the contrary, it is the result of hearings and factual and objective studies by engineering firms, citizens' committees, and the Hoover Commission, in the effort to provide a better organization for the Government of the United States.

Mr. BENTON. I agree wholly with the Senator from Minnesota. Furthermore, most of the reports tend to coincide and to come to the same conclusions, and in general plan No. 1 embodies those conclusions. Representative KING, who has served so stalwartly and has taken such fine leadership in the matter has actually stated that if the Senate rejects this proposal the great work of his committee will have come to naught and will have been wasted.

Mr. HUMPHREY. Mr. President, will the Senator from Connecticut yield further?

Mr. BENTON. Yes; I am glad to yield.

Mr. HUMPHREY. I should like to have this point made crystal clear in the RECORD. Regardless of what the vote may be, let the American people know

what the RECORD shows, namely, that all the doubts and the fears which have been expressed on the floor of the Senate today are not relevant to the central core fact, which is that the civil-service merit system would be applied from top to bottom in the Bureau of Internal Revenue. It is that one central fact, I may say, which every report, without exception, has underlined and underscored.

It does not seem to me that it makes too strong a case or any kind of persuasive case to say that there may be some doubt as to jury trial, the centralization or consolidation and auditing of collections, or with respect to some minor detail or some minutiae. If Congress has any doubt as to the validity of this plan along those lines there is nothing to prevent us from legislating to correct such defects and resolve such doubts.

However, Mr. President, the central core of the problem is stated in the first few lines of the message in which the President of the United States asks Congress to adopt the plan and to place the Bureau of Internal Revenue under a blue ribbon—I think he used that expression—or highest type of civil-service standards. That finding has been supported by every investigation since 1948.

Mr. BENTON. Mr. President, I agree with the statement of the Senator from Minnesota. As I have said, I think it is absurd and very unjust to charge ex-President Hoover with playing politics. President Truman has been much more sympathetic to the reorganization proposals and in encouraging them than have Congress and the committees of Congress. It is equally absurd to accuse President Truman of playing politics. These two distinguished gentlemen are for Reorganization Plan No. 1 because they know it would permit the taking of a step which has been urged again and again toward a more efficient and trustworthy practice and system.

In view of the scandals blazoned on the front pages of every newspaper why have we not had it sooner? They are shocking not only to Congress but to the people of the United States. In my several tours of public service nothing has made me so unhappy or has distressed me so greatly as the scandals in the Bureau of Internal Revenue. However, even with the scandals in front of us there is some doubt as to the Senate adopting this plan tomorrow.

In view of the record, Mr. President, it is not to be wondered that the President did not send the reorganization plan to Congress a year ago or 2 years ago—and he has been criticized for not doing so—when in his judgment and the judgment of his advisers there is still grave doubt about the approval of this plan tomorrow, in the face of the shocking record which has been exposed by the able Senator from Delaware [Mr. WILLIAMS] and by Representative KING and his committee in the House of Representatives.

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

Mr. BENTON. I am glad to yield.

Mr. HUMPHREY. I think the Senator from Connecticut will recall that similar doubt was expressed at the time the House of Representatives was considering this plan. However, I give these words of reassurance to the Senator from Connecticut: When the roll was called in that body, when the Members had to stand up and vote, there was not even a yea-and-nay vote or a vote by division. It was a voice vote. The opposition sort of faded away, somewhat after the manner of a great general. I am not saying that the opposition in the Senate will fade away quite so completely in this instance.

However, Mr. President, the record will stand for the American people to see, not only tonight or tomorrow, but for years to come, that this proposal has the support of committees of Congress, of eminent citizens, of a former President of the United States, of President Truman, and of men who have spent a lifetime in the service of their Government.

Mr. President, I am not moved one iota by jurisdictional fights as to which committee should act on the proposal—the Committee on Finance or the Committee on Government Operations. The American people do not understand that kind of committee business. What they want is action, not jurisdictional disputes. They have been waiting since 1948 for this action. They are a patient people, Mr. President, but 1952 is a very decisive year and their patience may run out.

Mr. BENTON. If they knew more about it, they would have been waiting for it since 1848.

Mr. MONRONEY. Mr. President, will the Senator from Connecticut yield?

Mr. BENTON. I yield.

Mr. MONRONEY. I appreciate the outstanding address which the Senator from Connecticut is making on behalf of this proposal. He is continuing a long record of service in behalf of an adequate and a businesslike reorganization of our Government. I should like to ask my distinguished colleague the Senator from Connecticut if it is not a fact that one of the jewels of the Republican-controlled Eightieth Congress was the appointment of the Hoover Commission to make a study and recommend how governmental organization could be improved?

Mr. BENTON. Mr. President, I thank the Senator from Oklahoma for his generous remarks about me. I am glad to find also that he is making generous remarks about the much-maligned Eightieth Congress.

Mr. MONRONEY. That was one of the bright spots of what might otherwise have been a rather dismal experience.

Mr. BENTON. The Eightieth Congress also passed the Smith-Mundt Act, in which I had a very special interest, and as to which I also take an opportunity to congratulate the Eightieth Congress.

Mr. MONRONEY. With the approval of the program by the Eightieth Congress, with the findings of the two or three committees of the Republican-controlled Eightieth Congress that such reorganization must be brought about, that the political system in the Bureau of Internal Revenue must be changed, plus the endorsement of this specific plan by the Republican ex-President, Mr. Herbert Hoover, will it not be strange indeed if we find members of the Republican Party voting tomorrow against Reorganization Plan No. 1?

Mr. BENTON. I agree wholly with that statement. Nothing could be more preposterous than to use as an execuse the fact that this plan does not conform with the Hoover Commission proposal.

Mr. MONRONEY. Will not the distinguished members of the Republican Party find it a little bit hard to get their constituents and their people to believe in the sincerity of their desire to correct a system under which corruption has occurred, if they try to explain that they oppose the plan because they do not like the placement of the assistant general counsel in the Treasury Department, instead of under the Internal Revenue Bureau; or if they try to explain their opposition on the ground that the third Assistant Secretaryship of the Treasury Department is not given automatically to the Commissioner of Internal Revenue? Is it not a fact that such arguments will fall a little bit flat when the question is asked. "Why did you preserve a discredited patronage system simply because you were dreaming dreams that maybe on November 7 you might be in the majority?"

The people are going to ask that question and they will look at the vote tomorrow on the Republican side of the aisle with the greatest interest.

They will be entitled to find exactly where the Members of the Senate on the other side of the aisle stand, and whether by their deeds we shall know them.

Mr. BENTON. I wholly concur in that view. I could not possibly have stated it with more clarity or eloquence than it has been stated by the distinguished Senator from Oklahoma. Perhaps he knows as much about the problem of the organization of the Federal Government as does any other Member of this body. He is famous throughout the country for his great leadership in the efforts to put through the Congress the reorganization bill, during his distinguished service as a Member of the House of Representatives. I concur wholly with the statement he has just made and the conclusions he has drawn.

Mr. President, only 10 days ago, after all the arguments against the plan had been developed, the Citizen's Committee for the Hoover Report formally announced its support of the plan and answered convincingly every argument made against it. The committee emphasized that—

The plan would strike a death blow at politics in tax collecting.

1. The plan, while not perfect, is a good one, following the recommendations of the Hoover Commission as we have certified;

2. The plan offers the first tangible opportunity to break up the political patronage system in accordance with the Hoover Commission's proposals; and this drive would suffer a sharp setback were the plan to be defeated;

3. Reorganization sentiment, both for this plan and for the other recommendations of the Hoover Commission, has been gathering force rapidly throughout the Nation and this sentiment is being reflected in Congress;

4. The administration, according to the Budget Director, is currently working on a

number of additional plans, which if permitted to become effective, will constitute further important progress toward our common objective, and the possibility of transmission and later approval of these plans would be greatly diminished were so crucial a proposal as plan No. 1 to be defeated.

And, above all, the defeat of this plan would undermine public confidence in the entire reorganization program. It might raise a serious public question whether or not the Congress is capable of meeting its responsibilities for eradicating the unfortunate conditions in which corruption is bred.

Mr. MONRONEY. Mr. President, will the distinguished Senator from Connecticut yield to me at this point?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Oklahoma?

Mr. BENTON. Yes; I am glad to yield.

Mr. MONRONEY. Will it not be a little difficult for the distinguished Members of the minority party to convince the public or even to convince the members of their own party that this plan is not in line with the Hoover Commission's reorganization report, because perhaps a Democrat said, in connection with quoting a task force report in regard to it, that he did not think it was, inasmuch as not only does the Citizens Committee for the Hoover Report say this plan is in line with the recommendations of the Hoover Commission, but even former President Hoover himself has said that Reorganization Plan No. 1 is in line with his ideas? So the Members of the minority party will be rather on the spot if they say they voted against this plan because it is not in line with the reorganization proposals of the Hoover Commission, will they not?

Mr. BENTON. Yes. Furthermore, as the distinguished Senator from Oklahoma may know, the Citizens Committee for the Hoover Report is headed, as chairman, by a distinguished Republican and an old friend of mine, Dr. Robert Johnson, president of Temple University. The various branches of the Citizens Committee for the Hoover Report, both in my State and throughout the country, could hardly be said to be led by administration supporters or by registered Democrats.

Mr. HUMPHREY. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I am glad to yield.

Mr. HUMPHREY. I merely wish to live by the spirit by which this plan is supported, namely, the bipartisan spirit. I know it will be rather difficult for Republican Senators to vote against this plan, in view of the record. I also know that it will be difficult for Democratic Senators to vote against the plan.

The reorganization of the Bureau of Internal Revenue or of any other department or agency of the Government goes far beyond partisan considerations. The American people know their Government is big, and they want it to be as efficient as possible. They know their Government affects their lives. They want to have all the governmental agencies which so definitely affect their lives staffed by persons of competence, technical skill, ability, good character, and integrity. They have a right to expect that.

So I think it ill behooves the Congress of the United States to heap its scorn, at times, and its criticism upon the President of the United States, when we ourselves have within our hands the power to correct most of these situations.

Whenever a political appointee goes wrong, if his appointment required Senate confirmation and was confirmed by the Senate, we must remember that to that extent we must bear a part of the blame. After all, we share both in the glory and in the guilt.

I suggest that the time has come for us to redeem ourselves. Now we have a chance to come forward with clean hands; we literally have a chance to redeem ourselves of the guilt in which we have shared.

I, for one, will do that by voting for Reorganization Plan No. 1. Let those who fail to do so attempt to explain what was wrong in voting for that plan.

Mr. BENTON. Certainly, Mr. President, it is the duty of the Congress to conduct investigations which will elicit the facts and will expose any persons who are guilty of wrongdoing.

In line with what the distinguished Senator from Minnesota has just said, let me say that tomorrow is our chance to show by our votes whether we are really prepared to act in response to what our own committees have brought forward and in response to what they and we have ascertained.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks a news release of Tuesday, March 11, by the Citizens Committee for the Hoover Report. I make this request in order that that clear-cut and unequivocal statement will be before the Members of the Senate in the morning.

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

(See exhibit 1.)

Mr. BENTON. Mr. President, in order that the Members of the Senate may have a better understanding of the reaction of the press to the subject matter of the current debate, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks three items taken from the press. The first is an article entitled "Need To Close Tax Loopholes." The article is by the eminent journalist, Marquis Childs, and was published yesterday in the Washington Post. The second item is an editorial appearing in this morning's issue of the New York Herald Tribune. The third item is an editorial appearing in this morning's issue of the Washington Post.

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

(See exhibits 2, 3, and 4.)

Mr. BENTON. Mr. President, Congress has demonstrated many times, particularly in recent years, its readiness to undertake energetic, searching congressional investigations. Now we must show whether we are willing to do anything about what we find out. Now we must show whether we are able to correct evils as well as to expose them. The forthcoming vote is the decisive vote on a decisive step in the fight against corruption.

Probably no Member of Congress is more immediately familiar with the shortcomings of the Bureau of Internal Revenue than is Representative CECIL KING. His subcommittee's investigation of corruption in the Bureau has made a great impression on all of us.

To me, his exposures and those stimulated by our colleague, the Senator from Delaware [Mr. WILLIAMS] have been the most unhappy and painful of any in my own various terms of service in the Government. All of us in Congress should feel indebted to these two leaders for their exposure of this most vicious cancer in our governmental body. The Senator from Delaware [Mr. WILLIAMS] supports the reform before us, and Representative KING has given us his considered judgment that unless we adopt this plan, the great work of his group will have been wasted.

With a close vote anticipated, it now seems evident that if these scandals had not been brought to light, the plan proposing this great reform would not have had a chance to receive favorable action by the Senate. Perhaps this explains why the proposal was not rushed to the Hill 2 years ago. At that time its proponents knew it did not have a chance. This explains also why some of the other "tough ones" have been held back. Let us hope we shall not require exposures of theft, bribery, and corruption before we in the Senate, who are supposed to understand the Government, are willing to stand up and be counted on other and forthcoming reorganization proposals.

Let me quote to the Senate an observation by Representative KING, growing out of his experience with the problem on which we shall vote tomorrow:

> Everywhere the pattern has been the same. Political appointments to jobs requiring technical competence and high administrative ability simply will not work. Any taxing system, and particularly one such as we have now, where the burdens are heavy, creates constant temptations to corruption. The methods necessary to deal with this ever-present problem will not be aided or facilitated by imposing on top of it a major problem of divided loyalties. The President has proposed a reorganization plan which would eliminate political appointments in the field service and lay the groundwork for fundamental reforms which would discourage recurrences of the San Francisco type of situation. The President's reorganization plan is not a panacea. It is an essential step toward restoring a justified public faith in our taxing system. It represents one of the constructive results of this committee's long investigation. Its defeat would be a blow to the reforms that we are now urging.

Representative KING repeated these sentiments on the radio only last Monday evening.

Mr. President, 26 Senators have joined in sponsoring bills to accomplish by legislation what this plan does by simple Executive action, namely, to put tax collection under civil service.

I am sure the distinguished Senator from Minnesota will agree with me that on Friday morning, at the very minute when this plan goes into effect, if it is not disapproved by the Senate tomorrow, there is no reason why a congressional

committee cannot, if it wishes to do so, proceed to give legislative consideration to any further desirable changes in, or proposals or recommendations relating to, the organization of the Bureau of Internal Revenue or the organization of any other governmental department or agency. However, future congressional consideration of bills or other measures of that sort is no reason at all for delaying at this time this great forward step. Why should we wait now for additional legislative proposals on this subject, when we can take this forward step by our vote tomorrow, when we shall have a chance to follow the example set by the House.

Conceding that civil service is no cure-all, the distinguished Chairman of the Civil Service Commission testified that not one of the 17 collectors now selected under civil service has even been accused of misconduct, whereas 7 of the 47 collectors appointed under the patronage system have had to be separated from the service.

When we vote for this plan we vote to wipe out the jobs of all the present collectors. In effect, we then put all incumbents out of office. There could not possibly be a cleaner sweep than this of any wrongdoers in these jobs. After we approve this proposal, the various district officers would be appointed under civil-service standards. Some of the old collectors might qualify, and I am sure will qualify, but only if they have superior experience and only if they have been scrupulously honest and upright in their jobs.

Mr. President, it is no answer to say that the plan is unnecessary because the corrupt collectors have been dismissed. Such a suggestion has appeared in the press. The danger I speak of is inherent in the whole system of political appointment. The remedy I favor is to abolish permanently the system of politically appointed collectors, which long has been the entering wedge for political pressures in the whole structure of tax collection and administration.

Mr. President, I urge my colleagues not to support tomorrow the resolution which calls for the disapproval of this great plan to clean up the evils and to correct the waste and inefficiency in the Bureau of Internal Revenue.

Mr. President, I must conclude with a personal explanation, which will take only a moment. As the Senate knows, the President's plan will be approved and will go into effect on Friday unless 49 Senators vote tomorrow to support the resolution which disapproves it. On that particular vote, the number of Senators who are here and on the floor and who opposed the resolution does not matter. The only question then is whether 49 Senators favor the resolution. If 48 Senators favor the resolution, and if not one Senator is present to vote against the resolution, the President's proposal will still prevail.

This plan or arrangement was deliberately adopted by the Senate in the Reorganization Act of 1949. For all practical purposes, this plan means that any Senator who is absent, who is not on the floor, and who does not vote, by his very absence is supporting the recommendations of the President, because, being absent, he cannot cast a vote to disapprove the reorganization proposal.

Mr. President, some weeks ago I agreed to attend hearings tomorrow, in Bridgeport, by a subcommittee of the Small Business Committee, under the chairmanship of the junior Senator from New Jersey [Mr. HENDRICKSON]. These are to be the very first hearings of this Subcommittee on Taxation. I ask unanimous consent to insert in the Appendix of the RECORD excerpts from a statement I have prepared in regard to these hearings. I shall make the statement at the opening of the hearings in Bridgeport in the morning.

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

(The statement appears in the Appendix, under the appropriate heading.)

Mr. BENTON. Mr. President, let me say that at those hearings I must act as chairman because the Senator from New Jersey [Mr. HENDRICKSON] cannot attend. Indeed, I am told that I am to be the only Senator present there. Because of the importance of these hearings; because as a member of the Small Business Subcommittee, some weeks ago I participated in setting the date; because the witnesses in Bridgeport, only five miles from my home, are my constituents and friends; and because even though I shall be absent from the Senate, I shall be showing my support of the President's proposed reorganization of the Bureau of Internal Revenue by not being on the floor of the Senate and voting against the reorganization plan—for these reasons, Mr. President, even though I do not like to miss the vote which will be taken on the floor of the Senate, I am proceeding to Connecticut in accordance with my previous commitment to be in Bridgeport tomorrow, and reluctantly I shall miss the remainder of the debate and the vote on this subject.

EXHIBIT 1

NEWS RELEASE—CITIZENS COMMITTEE FOR THE HOOVER REPORT

WASHINGTON, D. C., March 12.—"Politics lies at the heart of the corruption in tax collecting," Dr. Robert L. Johnson, chairman of the Citizens Committee for the Hoover Report, said today.

"Seven of the 64 collectors of internal revenue have been fired or forced out of the Federal service: that is 11 percent of the total," Dr. Johnson, who is also president of Temple University, declared. "This scandal is Nation-wide. The seven collectors who were involved in scandals and who are now private citizens are James P. Finnegan, St. Louis, Mo.; Dennis Delaney, Boston, Mass.; James W. Johnson, third district, New York, N. Y.; James G. Smyth, San Francisco, Calif.; Joseph P. Marcelle, Brooklyn, N. Y.; Lipe Henslee, Nashville, Tenn., and Frank Scofield, Dallas, Tex.

"Of the first 129 so-called civil-service employees who have been fired or forced out, 42 percent are not really civil servants at all. They were political appointees who were blanketed into the civil service by executive order without the rigid tests which former President Hoover specified to our citizens committee at our Second National Reorganization Conference on February 18, 1952. These are:

"First, probity. And by that I mean intellectual as well as financial honesty.

"Second, character. And by that I mean courage to stand up for decent administration against all comers within or without.

"Third, and not least, training and competence.

"Surely the Nation has a right to a better system of choice and management of its employees than one which has produced these months of humiliation. That humiliation extends to both the thousands of men and women who hold to the scared honor of Government service and the humiliation of the whole of a great and God-fearing people.

"Even if we give our opponents the full benefit of the doubt and say that all of the employees who were 'blanketed into the Federal Service' were really civil service, and not originally political appointees, we find that only approximately 0.26 percent of the civil-service employees have been tainted with the vicious touch of corruption. This figure stands up unequivocally against 11 percent of the political appointees who have been so tainted. Some Senators have said that senatorial approval is a safeguard. Can they really mean this? It sounds like a raucous and cynical joke at the expense of the American taxpayer. Are some of these respected gentlemen not able, like the rest of us, to read the daily newspapers?

"Again and again former President Hoover has called for removal of these petty political appointees from politics. On January 18, 1952, he said, in a letter to Congressman CECIL R. KING:

" 'MY DEAR MR. CONGRESSMAN: The Commission on Organization of the Executive Branch of the Government, of which I was Chairman, over 2 years ago recommended that the personnel in the Bureau of Internal Revenue and certain other agencies be placed under the civil service in order to improve their qualifications and character and freedom from politics.'

"On December 29, 1951, he said to Col. Edward Sherman, Executive Director of the Massachusetts Committee for the Hoover Report, in a radio interview:

" 'I have no doubt that if the Hoover Commission's recommendations on Collectors of Internal Revenue and on other political appointees had been accepted 2½ years ago, when they were made, these scandals could not have occurred.

" 'The dangers of corruption in tax collection weren't news to the members of the Commission. The Commission condemned the present method of selecting tax collectors.

" 'They are mainly selected by political bosses. They are certainly selected with their approval. The determination of their fitness is pretty much based on their ability to get votes or rewards for doing so.

" 'These exposures in Washington are just getting started * * * Few of them have yet reached the indictment stage. Already, however, the Commission's recommendations are a hundred times justified.

" 'It requires a vigorous examination to determine their competence for each special field. Thus these appointments are made with a background of merit, not on ability to get votes or please some political bosses.'

"On October 24, 1951, he said to the State Chairman of the Citizens Committee for the Hoover Report:

" 'And I would point out that urgent among the recommendations of the Reorganization Commission was that the internal revenue service be placed in the civil service. That means the whole personnel would be appointed by merit examinations under the Civil Service Commission instead of by the political machine as of today. Your committee has urged and advocated this reform. Where Federal employees have been genuinely selected to the civil service, which includes consideration of character as well as ability, they have seldom been corrupt. Never was it more urgent that this method be genuinely extended into several departments than it is right now.'

"The Hoover Commission itself said:

" 'One of the chief handicaps to effective organization of the Department is the political appointment of collectors of internal revenue and of customs, and certain other officials. These appointments are regarded by some as sinecures. In any event, they form a bar to orderly development of an experienced staff.

" 'Recommendation No. 7: The Commission recommends that all officials in the Department below the rank of Assistant Secretary should preferably be appointed from the career service without Senate confirmation.'

"That was unanimous. Commissioner McClellan did not make his general reservation from the entire 288 recommendations—and he was the only one of the 12 Commissioners who did this—until several months after the particular report had gone forward to Congress in print.

"The issue is clear. Will the Senate take tax collecting out of politics? Former President Hoover and the President agree that these 64 tax-collecting jobs must be taken out of politics. So do many public-spirited groups such as the A. F. of L., the Kiwanis International, the Junior Chamber of Commerce, the Investment Bankers Association, the National Civil Service Reform League, the Special Committee for Improved Federal Personnel Management, the National Association of Security Dealers, the Budget Bureau, and the Civil Service Commission.

"The problem for the Senate is also clear: Can the United States Senate rise above politics and take a constructive step to prevent future corruption as the Hoover Commission recommended?

"I assume that the voters, who watch the vote on this clean-cut issue, will also be watching at the ballot boxes next November."

EXHIBIT 2

[From the Washington Post of March 11, 1952]

NEED TO CLOSE TAX LOOPHOLES

(By Marquis Childs)

REVENUE REFORMS

For do-nothingness this Congress may take highest honors. But a few individuals have distinguished themselves by their zeal for righteousness. Conspicuous in this company is Senator JOHN J. WILLIAMS, Republican, Delaware.

WILLIAMS has pursued with remarkable singleness of purpose the evil-doers in the Bureau of Internal Revenue. He is responsible for bringing to light most of the scandals that have been revealed. In contrast to the scatter-shot charges contained in so many windy speeches, this is an example of what concentration and specialization can do.

Exposure is, of course, only the first remedial step. Correction must follow and the obvious form it should take is to put the collectors of internal revenue under civil service and thereby out of the way of temptation, as President Truman has proposed.

The Republicans may argue that this should be postponed until they come into power, when it can be done thoroughly. Naturally they want to exploit the scandal to the fullest in the campaign this fall. And as we come to that dread dead line of March 15, none of the scalawaggery makes as great an impact on the public as does the cheating in the Bureau of Internal Revenue.

But to turn down the reform for political reasons is to miss an opportunity that may not recur for a long time. Coming into power after 20 years of wandering in the desert, the Republicans would be ravenous for the manna of patronage. One could hardly expect them in view of this hunger to put such rewards out of reach on the civil-service shelf. It would be asking too much of human nature.

The time to strike is now. And that applies equally to another exposure which has made sensational headlines.

The deal in oil tankers engineered by former Representative Joseph Casey netted the principals some mighty fancy profits. What is more important, they were able to keep a far larger share of those profits than could have been retained if the profit had been counted as income. It was converted from income to a "capital gain" on which a much lower rate was paid.

From the tax standpoint, this appears to have been perfectly legal. In many respects it is unfair to the members of the Casey group to single out and publicize the transaction as though it were something most unusual.

The fact is that for those in the high income tax brackets this kind of legal tax manipulation is part of the regular order of business. If a deal can be made into a "capital gain" instead of income, then the rate paid may be only 26 percent instead of 70 to 90 percent. Nice work if you can get it as the old saying goes.

The important point is that so long as there are such loopholes in the law, clever lawyers will find an increasing number of ways to get through them. Closing the more obvious loopholes would mean an additional $4,500,000,000 in revenue for the Treasury, according to Senator HUBERT HUMPHREY, Democrat, of Minnesota. In a pamphlet called Tax Loopholes, brought out by the Public Affairs Institute, he shows how this can be done.

It contains recommendations HUMPHREY has repeatedly made in the Senate in the form of tax amendments that have been just as often turned down. Until Congress takes some action, the kind of profit-after-taxes maneuvered by the Casey group, and that is just one example out of many thousands, will be entirely legal.

So here is a chance to effect another reform while the public is aware of how the clever can wangle a legitimate way through the tax barrier that most of us have to climb over. This is not to say that loopholes are the only thing wrong with the tax structure. It is entirely out of balance by virtue of the fact that more than 80 percent of all revenue comes from corporation and personal income taxes. But that is another story which also promises to be continued well past this political year.

The quick rewards come from the exposure. The public reacts with a gratifying shock and anger. In the wake of that reaction, as psychologists well know, remedial reforms can be pushed through. If the opportunity is ignored, then the net result is likely to be an even greater cynicism about government.

EXHIBIT 3

[From the New York Herald Tribune of March 12, 1952]

REFORM THE TAX COLLECTORS

We favor reorganization of the Bureau of Internal Revenue. Seven out of sixty-four collectors have fallen by the wayside, marked with everything from criminality to incompetence. This scandalous state of affairs clearly calls for fundamental change. But a high degree of contrariness is evident in the Senate, which appears reluctant to endorse the reform which would place every appointment in the Bureau under civil service save for the top-ranking post of Commissioner. An uncomfortably large number of Senators, scandals or no scandals, wish to cling to political patronage. The results of that system are written very large in the public consciousness, but it is still argued that reorganization under civil service would not necessarily change anything. If this be true, then corruption must be taken as an inescapable part of Federal tax collection. This we refuse to believe.

The existing system, a product of politics, could hardly be more discredited. To gain honesty and efficiency, drastic changes are needed. President Truman's reorganization plan is not the complete panacea, but it is a long step in the right direction. The Chief Executive was 3 years late in getting around to proposing the Hoover Commission's ideas, but the intervening scandals have proved the need for reform. The House long ago voted against interfering with reorganization, and the Senate should rise above patronage and beat down the efforts to keep the Truman plan from taking effect by Friday's deadline. The choice is between politics and the merit system. The whole country knows what happens under politics. Now, Senators, let us clean house under civil service and install the promise of integrity in tax collection. All those who vote otherwise will have to do some difficult explaining to the voters back home.

EXHIBIT 4

[From the Washington Post of March 12, 1952]

DANGEROUS POLITICS

Senators who have the best interests of their country at heart cannot afford to let partisanship lead them into a defense of corruption. Seven of the 64 politically appointed collectors of internal revenue have become involved in scandal. That is more than enough to condemn the system. The real issue before the Senate when it votes tomorrow on President Truman's plan to reorganize the Bureau of Internal Revenue will be whether that system, with its invitation to corruption, shall be continued in operation.

Senator GEORGE seems to think that the question is whether the President or Members of the Senate are responsible for the corruption in the Bureau. In trying to lay the fault at the door of the White House, he accused the President and Secretary Snyder of burdening the Bureau with Collectors James P. Finnegan and D. W. Delaney, the first on trial for alleged bribery and the second convicted of accepting bribes. Later he found it necessary to apologize for this error and acknowledge that both the scandal-tainted collectors mentioned were appointees of Franklin D. Roosevelt. We wish that the Senators who are taking a partisan attitude toward this issue would as readily abandon their error of judgment.

It is true, of course, that under the existing patronage system many Senators have recommended trustworthy and competent men for appointment as collectors of internal revenue. But others have not. The inescapable fact is that both the President and many Senators have used these vital posts in our tax-collection system as patronage plums. In part, at least, the present scandals are a result of that practice. The administration is further at fault for allowing corruption to become widespread before doing anything about it. But that is not the issue before the Senate. The question for it to decide is whether a vigorous move to clean up the Bureau shall be approved.

The Senate cannot turn down the reorganization plan without voting to continue corruption. That is the nub of the matter. Undoubtedly Mr. Truman wishes to take the corruption issue out of the 1952 Presidential campaign, as his critics contend. But most voters are likely to view this as a worthy motive—a sincere effort to correct a scandalous situation. Of course, the Republicans who are fighting the reorganization plan are eager to retain the corruption issue for campaign purposes. But will they stand up and be counted in favor of retaining a corrupt system in an effort to keep the issue alive? The effect would be to shift the smirch from the administration's skirts to those of the opposition.

In other words, disapproval of the President's plan would give him precisely the issue he is looking for. Senators who play this game ought to remember the fate of the lady who smilingly went for a ride on the back of a tiger, only to return inside with the smile on the face of the tiger.

Mr. MONRONEY. Mr. President, I yield to myself such time as I may require.

Tomorrow the Senate will cast one of the most significant votes, I believe, of the Eighty-second Congress. We shall decide whether we are going to take the patronage system out of the agency which collects Uncle Sam's revenues. We shall decide whether a discredited system shall be continued and political appointees shall remain in charge of collecting seventy or seventy-five billions of dollars of revenue with which to operate the Federal Government, or whether this agency, one of the most vital of the Government, shall be put under civil service.

I, along with the Senator from Michigan [Mr. MOODY], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], have proposed what I call the good government bill, which among other things provides for a blue-ribbon civil service. We felt deeply honored that the President of the United States, in referring to the reform of the Bureau of Internal Revenue through the taking of politics out of the collectors' offices and substituting career men for political appointees used the term "blue ribbon" civil service.

I am happy to say that this reorganization plan, in addition to eliminating politics, offers a great opportunity for reform along civil-service lines in an agency where it can be given a real operating test, with rapid promotion for demonstrated efficiency and ability, and, yes, with rapid discharge for demonstrated lack of ability, of attention, or of energy on the job. Under it also a young man may get ahead without necessarily waiting until everyone above him in the higher echelons dies or retires. The plan provides for putting the incentive system into government career service, so that those of ability may be rewarded and those of no ability may be dropped from the civil-service rolls in this particular bureau. The plan does not affect any other department.

I was greatly gratified to receive this evening from Key West, a teletype message from President Truman, with reference to Reorganization Plan No. 1; and, of course, referring to "blue ribbon" civil service. I take this opportunity to read to the Senate this message from the President of the United States:

You know of my complete accord with your efforts to broaden the scope and improve the standards and prestige of our Federal civil-service system. I heartily agree with you that disapproval of Reorganization Plan No. 1 for the Bureau of Internal Revenue would be a severe blow to our efforts in that direction.

When I announced that Reorganization Plan No. 1 would be submitted to the Congress, I expressed my intention of making the Bureau of Internal Revenue a blue-ribbon career civil-service organization. Approval of the plan will be a significant step toward this objective.

By placing the principal operating offices in the Bureau under the merit system, the stature, prestige, and incentive of the career service will be enhanced immeasurably. The fact that the chief operating offices are filled solely under the merit principle will strengthen morale and increase efficiency throughout the organization. In short, there will be a revitalization of the entire career service in the Bureau.

The most careful selection process will be used in making appointments and promotions to the offices provided for in Reorganization Plan No. 1. Qualification standards will be prescribed most carefully by the Civil Service Commission. As part of the process of rating candidates who may qualify for the offices, full investigations will be made into their character, administrative ability, and technical competence. No recommendations from political organizations will be solicited.

Plan No. 1 will also help to assure the weeding out of the unfit. By authorizing an additional Assistant Commissioner, the plan makes possible an inspection service that will be responsible directly and solely to the Commissioner of Internal Revenue. This strong, independent inspection service will speed up the process of discovering any inefficiency and any digressions from the highest standards of integrity.

I enlist your continuing aid, and the aid of the Congress in every measure to promote and improve the standards of the civil-service merit system. The one great step the Congress can now take toward that objective is to approve Reorganization Plan No. 1.

Mr. President, I yield the floor.

EXECUTIVE SESSION

Mr. HUMPHREY. 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 MESSAGES REFERRED

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

(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. ELLENDER, from the Committee on Agriculture and Forestry:

Arthur T. Esgate, of Arizona, to be Production Credit Commissioner of the Farm Credit Administration.

By Mr. CONNALLY, from the Committee on Foreign Relations:

George F. Kennan, of Pennsylvania, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics, vice Admiral Alan G. Kirk.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

PUBLIC ADVISORY BOARD

The Chief Clerk read the nomination of Eric A. Johnston to be a member of the Public Advisory Board.

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

MUTUAL SECURITY

The Chief Clerk read the nomination of W. John Kenney, to be Deputy Director for Mutual Security.

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

UNITED NATIONS

The Chief Clerk read the nomination of William H. Draper, Jr., to be a Special Representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, to be also the representative of the United States of America to the seventh session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

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

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. HUMPHREY. Mr. President, I ask that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Hon. Harry E. Pratt, to be United States district judge for division No. 4, district of Alaska.

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

The Chief Clerk read the nomination of Clemente Ruiz Nazario, to be United States judge for the district of Puerto Rico.

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

UNITED STATES ATTORNEYS

The Chief Clerk read the nomination of William W. Hart, to be United States attorney for the eastern district of Illinois.

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

The Chief Clerk read the nomination of Howard L. Doyle to be United States attorney for the southern district of Illinois.

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

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. HUMPHREY. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc. That completes the Executive Calendar.

Mr. HUMPHREY. I ask that the President be notified immediately of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified immediately.

RECESS

Mr. HUMPHREY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 13, 1952, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 12 (legislative day of February 25), 1952:

IN THE ARMY

The following-named persons for appointment as chaplains of the Regular Army, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

James W. Helt, [redacted].
Kenneth G. Irwin, [redacted].
Edwin A. Jones, [redacted].
Emil F. Kapusta, [redacted].
James W. Morrill, [redacted].
Frank C. Riley, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), Public Law 759, Eighteth Congress, and Public Law 625, Eighteth Congress, subject to physical qualification:

To be first lieutenants

Paul E. Beckman, JAGC, [redacted].
James M. Burlingame, JAGC, [redacted].
Joseph C. Chandler, JAGC, [redacted].
Vernon M. Culpepper, JAGC, [redacted].
Eugene L. Grimm, JAGC, [redacted].
James R. Harrington, JAGC, [redacted].
Heyward G. Jeffers, Jr., JAGC, [redacted].
Dwan V. Kerig, JAGC, [redacted].
Kenneth J. Mackley, JAGC, [redacted].
Thomas C. Oldham, JAGC, [redacted].
Harry E. Robbins, Jr., JAGC, [redacted].
Wade B. Vannoy, Jr., JAGC, [redacted].
Dennis A. York, JAGC, [redacted].

To be second lieutenants

Mary J. Damitz, WAC, [redacted].
Beverly J. Lott, WAC, [redacted].
Evelyn L. Ross, WAC, [redacted].
Joan F. Ruddy, WAC, [redacted].
Virginia M. Schneider, WAC, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

To be first lieutenants

John E. Carr III, [redacted].
Harold E. Durst, [redacted].
Robert C. Gunsel, [redacted].
Alexander H. Hunt, [redacted].
George H. Kilpatrick, [redacted].
Alan Kinghorn, [redacted].
John M. McCreary, [redacted].
Vincent T. McKelvey, [redacted].
James E. Murphy, [redacted].
Juneus T. Oba, [redacted].
Fred A. Osterhout, Jr., [redacted].
Charles L. Phillips, [redacted].
Dan D. Stedham, [redacted].
Charles R. White, [redacted].

To be second lieutenants

John F. Ahern, Jr., [redacted].
Robert H. Beck, [redacted].
James C. Bowden, Jr., [redacted].
Robert U. Boyd, Jr., [redacted].
Robert W. Brownlee, [redacted].
Morris C. Cannon, [redacted].
Jack L. Conn, [redacted].
James W. Donald, [redacted].
Roy H. Duggan, Jr., [redacted].
William A. Feek, Jr., [redacted].
John B. Finazzo, [redacted].
James L. Gaither, [redacted].
David E. Hartigan, Jr., [redacted].
John G. Hayes, [redacted].
Harrison W. Hodgkins, [redacted].
James L. Hudson, [redacted].
Norman A. Jensen, [redacted].
William M. Jones, [redacted].
Donald M. Judd, [redacted].
Roy E. Kimble, [redacted].
William S. Martin, [redacted].
James M. May, [redacted].
John M. McKinley, [redacted].
Elidio J. Monoriti, [redacted].
Paul J. B. Murphy, Jr., [redacted].
George W. Peterson, [redacted].
Frederick A. Pieper, [redacted].
Hugh H. Riddle, [redacted].
Theodore S. Riggs, Jr., [redacted].
Howard R. Rockhold, Jr., [redacted].
Alonza O. C. Sargent, [redacted].
Richard B. Schaefer, [redacted].
Leroy W. Smith, [redacted].
Roddy L. Smith, [redacted].
Henry J. Vandermause, [redacted].
Edwin S. N. Wong, [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Edward L. Arnold	William A. Rathbone,
Victor A. Cullen	[redacted]
Jack J. Gardner	Carl P. Rodolph, Jr.,
Charles A. Gatzka,	[redacted]
Amos D. Glad	Richard P. Talley
Richard W. Goodrum,	Thomas A. Tokarz
[redacted]	Samuel B. Whigham,
Robert P. Loshbough	Jr.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

Otis W. Gilleylen, Murfreesboro, Ark., in place of C. L. Duncan, removed.

CALIFORNIA

Joseph M. Davis, Campo, Calif., in place of F. C. Palmer, transferred.

Marcel F. Braquet, Gilroy, Calif., in place of R. M. Martin, retired.

Richard M. Mollin, Pleasanton, Calif., in place of H. H. Dietrich, deceased.

COLORADO

Bill E. Osborn, Bristol, Colo., in place of W. A. Russom, retired.

Henry G. Klein, La Junta, Colo., in place of C. M. Wilson, retired.

CONNECTICUT

Ruth T. Lathrop, Andover, Conn., in place of H. O. Gatchell, retired.

FLORIDA

Frank Stacy Ledbetter, Jr., Kissimmee, Fla., in place of E. A. Cantrell, deceased.

IDAHO

Wendell J. Bailey, Albion, Idaho, in place of W. M. Sears, retired.

ILLINOIS

Van W. Isom, Coulterville, Ill., in place of H. H. Kattenbraker, retired.

Denver C. Bailey, Creston, Ill., in place of J. T. Conour, resigned.

Lois M. Kilbride, Essex, Ill., in place of M. C. Schosser, retired.

Lee J. Boston, Palatine, Ill., in place of William Kehe, Jr., transferred.

Thomas A. Denton, Pinckneyville, Ill., in place of M. O. Harriss, transferred.

Myrtie M. Houghtby, Shabbona, Ill., in place of V. J. Baie, transferred.

INDIANA

Albert N. Smith, Fort Wayne, Ind., in place of C. F. Dreisbach, retired.

Marian L. Keyes, Orland, Ind., in place of F. L. Linendoll, deceased.

IOWA

Allan M. Stebbins, Buffalo, Iowa, in place of L. M. Adams, retired.

William A. Mannasmith, Coin, Iowa, in place of B. L. Yance, deceased.

Robert M. Smith, Lamont, Iowa, in place of J. L. Carr, retired.

Robert J. Lind, Lisbon, Iowa, in place of J. E. McHugh, retired.

Charles H. Howe, Nichols, Iowa, in place of W. R. Schmitt, retired.

William F. White, Oakdale, Iowa, in place of I. G. Gatton, deceased.

Donald R. Kinne, Tingley, Iowa, in place of L. E. Williams, deceased.

Leo F. Faust, Westfield, Iowa, in place of W. B. Neal, resigned.

KANSAS

Quinten J. Hickert, Clayton, Kans., in place of V. W. Brooks, transferred.

Gladys M. Miesner, Oberlin, Kans., in place of E. W. Coldren, retired.

Ralph L. Stadel, Quenemo, Kans., in place of Aletha Hawkins, resigned.

KENTUCKY

Roger T. Easley, Nicholasville, Ky., in place of Joe Keefe, retired.

John D. Buckner, Shelbyville, Ky., in place of M. T. Fullenwider, retired.

MAINE

Harold M. Horne, Dixfield, Maine, in place of R. G. Kidder, resigned.

Kenneth J. Libby, Prouts Neck, Maine, in place of V. T. Shaw, retired.

MARYLAND

Julia B. McNamara, Washington Grove, Md., in place of E. B. Spilman, removed.

MASSACHUSETTS

Gerald F. Lennerton, Leicester, Mass., in place of W. J. Powers, removed.

John E. Reinhardt, Wareham, Mass., in place of J. E. Marvelle, retired.

MICHIGAN

Sylvester F. Dehn, Belding, Mich., in place of Lucille Ledger, resigned.

Daniel C. Lamoreaux, Lawton, Mich., in place of Irwell Brody, retired.

George K. Dechow, Maple City, Mich., in place of H. A. Davis, removed.

Morienne L. Thatcher, Ravenna, Mich., in place of F. D. Kruger, retired.

Rufus E. Keithly, South Haven, Mich., in place of H. E. Merritt, retired.

Leonard E. Pennanen, Toivola, Mich., in place of Aibin Lahikainen, deceased.

Sherwood F. Sergeant, Vernon, Mich., in place of Iva Wampler, resigned.

MINNESOTA

Edmund H. Winter, Adrian, Minn., in place of L. C. Roerig, resigned.

Edith L. Hansen, Eyota, Minn., in place of C. J. Keefe, transferred.

Gordon W. Dysthe, Iona, Minn., in place of L. J. Hilger, removed.

Derald C. Groth, Ogema, Minn., in place of J. M. Wozniak, resigned.

Leo D. Gaffaney, Villard, Minn., in place of L. A. Peterson, retired.

MISSISSIPPI

William B. Schumpert, Amory, Miss., in place of Romie Green, retired.

Emmette Ross Clifton, Jr., Ethel, Miss., in place of J. H. Middlebrook, resigned.
John C. Garner, Newhebron, Miss., in place of D. A. Myers, retired.
Temple G. Broadus, Purvis, Miss., in place of A. M. Avery, transferred.
Hiram Wilton Griffin, Vardaman, Miss., in place of J. E. Morgan, resigned.
Marvin Massey, Wesson, Miss., in place of A. E. McGee, transferred.

MISSOURI

Henry L. Long, Belleview, Mo., in place of Edna Keesling, removed.
George C. Brammer, La Plata, Mo., in place of N. E. Young, Sr., retired.
Walter L. White, Jr., Lincoln, Mo., in place of H. F. Brill, resigned.
Robert W. Bell, Nevada, Mo., in place of D. D. Graves, retired.
Minnie L. Manning, Pineville, Mo., in place of P. R. Viles, transferred.
Elmer S. Workman, Portageville, Mo., in place of O. A. Cook, retired.

NEBRASKA

Ivan W. Newbold, Minden, Nebr., in place of Emil Nelson, retired.
Inez Logsdon, Orleans, Nebr., in place of J. A. Dunlay, transferred.

NEW MEXICO

Faris E. Roberts, Clayton, N. Mex., in place of A. L. England, retired.
Joseph W. Burns, Tatum, N. Mex., in place of J. A. Foreman, resigned.

NEW YORK

John P. Fallon, Jr., Ardsley-on-Hudson, N. Y., in place of W. E. Sweetman, deceased.
James A. Bonesteel, Cairo, N. Y., in place of C. E. Canniff, removed.
Cora F. Davison, Highview, N. Y., in place of G. D. Davison, deceased.
Margaret A. Kneuer, Industry, N. Y., in place of G. B. Allen, resigned.
Kenneth L. Struble, Livonia, N. Y., in place of M. E. Murphy, retired.
Herman Wood, Long Beach, N. Y., in place of Fannie Schwartz, deceased.
John M. Southard, Massapequa Park, N. Y., in place of D. J. O'Rourke, resigned.
Donald J. Bosworth, McDonough, N. Y., in place of Wilson Sherman, transferred.
Robert C. Tatem, Old Westbury, N. Y., in place of P. C. Tatem, retired.
Steven A. Vamosy, Stamford, N. Y., in place of E. F. Govern, retired.
Rene A. Devillers, Schenevus, N. Y., in place of F. C. Beams, transferred.
Andrew J. Mohan, Stillwater, N. Y., in place of A. N. Cisler, transferred.

NORTH CAROLINA

Raleigh J. Putnam, Cherryville, N. C., in place of J. W. Mosteller, resigned.
Howard B. Pate, Jr., Spring Lake, N. C., in place of F. E. Williams, removed.
Thelma M. Hollowell, Winfall, N. C., in place of W. G. Hollowell, deceased.

NORTH DAKOTA

John B. Wright, Antler, N. Dak., in place of Benjamin Wright, retired.
Francis L. Gerou, Mooreton, N. Dak., in place of W. F. Henger, transferred.
Robert G. Brown, Wimbledon, N. Dak., in place of L. E. Peterson, resigned.

OHIO

Herbert E. McCracken, Centerburg, Ohio, in place of R. S. Keadey, transferred.
Robert E. Manniko, Conneaut, Ohio, in place of J. M. Paull, retired.
Clarence E. Scarr, Coshocton, Ohio, in place of J. W. Johnston, retired.
Kenneth E. Caldwell, Freeport, Ohio, in place of R. R. Pettay, retired.
Charles C. Achauer, Logan, Ohio, in place of F. G. Brown, deceased.
Richard E. Arehart, Lucas, Ohio, in place of Hoyt Leiter, resigned.
Richard E. Staley, Miamisburg, Ohio, in place of F. E. Treon, removed.
Vernard E. Mason, Ney, Ohio, in place of C. A. Goller, transferred.
Newman E. Kincaid, Peoria, Ohio, in place of W. I. Hamilton, retired.
Max D. Sowers, Roseville, Ohio, in place of C. S. Myers, retired.
Arthur B. Bishop, Wellston, Ohio, in place of C. M. Hogan, resigned.

OKLAHOMA

Edd Miskel, Camargo, Okla., in place of K. L. Andrews, removed.
Winfred C. Lister, Hammon, Okla., in place of T. J. Hammons, transferred.

OREGON

Thomas G. Southwell, Molalla, Oreg., in place of S. B. Powers, transferred.
Dorris G. Bennett, Mulino, Oreg., in place of S. A. Howard, retired.

PENNSYLVANIA

Paul F. Petrillo, Birdsboro, Pa., in place of B. L. Nagle, retired.
William P. Kelly, Jr., Clarks Summit, Pa., in place of M. A. King, retired.
Edmund P. Lawlor, Homestead, Pa., in place of J. D. McConegly, deceased.
Charles B. McNamee, Pomeroy, Pa., in place of N. R. McNamee, deceased.
John Alvin Mills, Prospectville, Pa., in place of G. K. Neff, resigned.
Anthony N. Ricchezza, Upper Darby, Pa., in place of E. S. Thompson, resigned.

SOUTH CAROLINA

Margy G. Scarborough, Lynchburg, S. C., in place of J. W. Willis, retired.
Thomas S. Gettys, Rock Hill, S. C., in place of L. C. McFadden, retired.

TENNESSEE

Gray E. Vance, Bell Buckle, Tenn., in place of B. G. White, deceased.
John B. Hackworth, Richard City, Tenn., in place of J. T. McCabe, retired.
James S. Maxwell, Sherwood, Tenn., in place of J. D. Creson, resigned.

TEXAS

Florence B. Meadows, Anahuac, Texas, in place of M. E. Sims, resigned.

VERMONT

Edward W. Grover, Londonderry, Vt., in place of M. L. Grover, deceased.

VIRGINIA

John T. Phipps, Abingdon, Va., in place of I. M. Keller, retired.
Charles G. Patterson, Lyndhurst, Va., in place of D. D. Turner, resigned.
Robert C. Cutler, Newport News, Va., in place of R. P. Holt, retired.

WASHINGTON

Paul R. Rader, Ephrata, Wash., in place of D. C. Thiemens, retired.

WEST VIRGINIA

Michael Kandel, Montgomery, W. Va., in place of D. A. Kelly, retired.

WISCONSIN

Roy W. Williams, Brooklyn, Wis., in place of S. S. Chandler, transferred.
Edward J. Oldenburg, Lac du Flambeau, Wis., in place of J. A. Stewart, transferred.
Allen E. Duncanson, Mondovi, Wis., in place of E. L. Silverness, transferred.
William H. Taft, Necedah, Wis., in place of C. T. O'Brien, retired.
Byron F. Pope, Phillips, Wis., in place of E. E. Donovan, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 12 (legislative day of February 25), 1952:

PUBLIC ADVISORY BOARD

Eric A. Johnston, of Washington, to be a member of the Public Advisory Board. (Established under title I of the Foreign Assistance Act of 1948.)

MUTUAL SECURITY

W. John Kenney, of the District of Columbia, to be Deputy Director for Mutual Security.

UNITED NATIONS

William H. Draper, Jr., of New York, now special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, to be also the representative of the United States of America to the seventh session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Frederick L. Anderson, of California, to be deputy special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, pursuant to section 504 (a) of the Mutual Security Act of 1951.

James Clement Dunn, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

Ellsworth Bunker, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Cavendish W. Cannon, of Utah, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Portugal.

ROUTINE APPOINTMENTS

To be a Foreign Service officer of class 2, a consul, and a secretary in the diplomatic service of the United States of America

Frederick C. Oechsner

To be Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America.

Jack R. Johnstone
Joseph W. Schutz.
Hugh N. Whitaker

To be consuls of the United States of America

Robert W. Bradbury — F. Taylor Gurney
Gillespie S. Evans — Henry L. Taylor

To be a consul of the United States of America

Dudley C. Bostwick

To be a consul and a secretary in the diplomatic service of the United States of America

Leonard Unger

To be secretaries in the diplomatic service of the United States of America

Richard S. Leach
James H. Roberton

UNITED STATES DISTRICT JUDGES

Hon. Harry E. Pratt to be United States district judge for division No. 4, district of Alaska.

Clemente Ruiz Nazario to be United States judge for district of Puerto Rico.

UNITED STATES ATTORNEYS

William W. Hart to be United States attorney for the eastern district of Illinois.

Howard L. Doyle to be United States attorney for the southern district of Illinois.

IN THE ARMY

The following-named officers for transfer in the Regular Army of the United States, as indicated:

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

Maj. Edward Harry Kurth, [redacted], United States Army.

The following-named officer for appointment, by transfer, in the Medical Service Corps, Regular Army of the United States:

Capt. John Harvey Holt, [redacted], United States Army.

The following-named officers for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service:

Lt. Col. James Martin Hanley, Jr., [redacted], Judge Advocate General's Corps, United States Army.

Second Lt. John Charles George Rennie, [redacted], Medical Service Corps, United States Army.

The nomination of Charles Clarke White Allan, et al., for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on February 14, 1952, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Charles Clarke White Allan, which is shown on page 1013, and ending with the name of Phyllis Helene Fauble, which is shown on page 1019.

REGULAR AIR FORCE

The nominations of Eugene R. Alt et al., for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on February 14, 1952, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Eugene R. Alt, which is shown on page 1012, and ending with the name of David D. Zink II, which is shown on page 1013.

IN THE NAVY

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy:

Kirby P. Ambler
Rex D. Andrews
Paul T. Armistead
Earl E. Bethke, Jr.
Closkey L. Blair, Jr.
Earl R. Blue
Charles H. Brewer, Jr.
Henry Bowers
William C. Bostic III
Carl S. Crittenden
Daniel W. Davis
Wallace F. Flitter
Edward W. Fox
Edward C. Franzen, Jr.
James W. P. Gregory, Jr.
Dale W. Johnson
Jack E. Koslow
Edwin F. Laak
Kenneth D. Lindquist
Fred M. Lurie
Benjamin G. Mattox, Jr.
"J" "H" Mohrman
Vincent D. Morrison
Raymond A. Nelson
Wallace C. Palmer
Robert G. Pipkin, Jr.
Sheldon J. Plager
William S. Pregnall
Tad T. Riley
Andrew T. Sheets
Norman L. Sothan
George M. Starr
Raymond W. Stein
George M. Stephens, Jr.
James L. Whitney

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy in lieu of ensigns in the Navy as previously nominated, to correct name.

Wilbert M. Fiander
Lucio W. Hill

Guy J. Lookabaugh (Naval Reserve Officers' Training Corps) to be an ensign in the Civil Engineer Corps of the Navy in lieu of ensign in the Navy as previously nominated.

The following-named (civilian college graduates) to the grades indicated in the Medical Corps of the Navy:

COMMANDER

James W. Firoved
Albert E. Morris

LIEUTENANT

Louis R. Krasno

LIEUTENANTS (JUNIOR GRADE)

James E. Banta, Jr.
Franklyn C. Hill, Jr.
William C. E. Pfischner, Jr.

The following-named (civilian college graduates) to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDER

Richard V. Peterson

LIEUTENANTS

John F. Bucher
William A. Monroe, Jr.
Merlin E. Naylor
William A. Peterson
Leon G. Suehs
Simon W. Susewind

LIEUTENANTS (JUNIOR GRADE)

Fred M. Amman
John R. Anderson
Charles W. Cogar
Frank J. Malone, Jr.
Raymond "W" Millbourn
Charles "S" Scruggs

The following-named (civilian college graduates) to the grade indicated in the Chaplain Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Paul L. Austin
Elwin N. Sire

The following-named to be ensigns to the Nurse Corps of the Navy:

Mary P. Beaulieu
Mary A. Conley
Beverly J. Denison
Irene C. Knapka
Elizabeth V. Lurenz
Frances A. McCann
Elnora J. McCarty
Alice J. Miller
Mary I. Rignall
Ann Sefchok
Mary L. Steele
Mary J. Wathen

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Alice M. Boogaerts
Ann O. Watson

IN THE MARINE CORPS

The nominations of Robert T. Stivers, Jr., et al., for appointment in the Marine Corps, which were confirmed today, were received by the Senate on February 25, 1952, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD, under the caption "Nominations," beginning with the name of Robert T. Stivers, Jr., which is shown on page 1331, and ending with the name of Ralph B. Neal, which is shown on page 1332.

POSTMASTERS

ARKANSAS

Ernest M. Echols, Amity.
Cora M. Wise, Thornton.
Kenneth R. Bradley, Winslow.

COLORADO

Virginia M. Gabriel, Frederick.

FLORIDA

Helen B. McWhinney, Lake Hamilton.

GEORGIA

Mittie K. Carter, Lake Park.
Jack H. Bowman, Rock Spring.
Hugh W. Hudsputh, Temple.
Norment A. Barnes, Waycross.

IDAHO

Richard D. Gibler, Kamiah.
Arnold L. Runyan, Wendell.

ILLINOIS

Mabel V. Vaughan, Cropsey.
Leona L. Schmidt, Fieldon.
Grace M. McKeon, Gifford.
Robert W. Straus, Island Lake.
Leroy M. Moore, Lake Forest.
Carl V. Fellers, Pana.
John F. Hora, Richmond.
Ralph E. Plappert, Sorento.
Forest Wayne Neal, Tuscola.
Ernest J. Bammann, Washburn.
William E. Maher, Waverly.

INDIANA

Harold K. Nutty, Brookville.
Milton D. Freeman, Ellettsville.
Edward T. Jansen, Osceola.

IOWA

Verlyn I. Gemberling, Alburnett.
Anton E. Rasmussen, Forest City.
Herbert H. Wiebel, Lowden.
Luther R. Horn, Moulton.
Cecil W. Campbell, Ollie.

KENTUCKY

Lawrence L. Aylor, Florence.
Irene G. Gulley, Sharpsburg.

LOUISIANA

Roxie E. Eeds, Cullen.
Travis E. Albritton, Farmerville.
Ashton J. Lafargue, Keithville.
Huey G. Ragus, Pioneer.

MINNESOTA

Mel Sheridan Dale Swanson, Argyle.
Beatrice M. Dumas, Long Lake.
Leroy W. Rodgers, Minneiska.

MISSISSIPPI

William P. Loper, Forest.
Marion A. Ousley, Goodman.
James Cecil Young, Nettleton.
Stanton W. Johnson, Richton.

MISSOURI

Marion A. Mitchell, Aldrich.
Jessie L. Coleman, Dalton.
Alfred L. York, Fort Leonard Wood.
Gladys G. Simmons, Laclede.
Charles J. Shaw, Oronogo.

NEBRASKA

Glen L. Christensen, Newman Grove.
Harold J. Hoeppner, North Loup.

NEW HAMPSHIRE

David L. Jones, Bartlett.
Henry J. Proulx, Franklin.
John S. Gould, Hanover.
Donald T. Bonnette, Hillsboro.
William F. Byrne, Winchester.

NORTH CAROLINA

Milton N. McLaughlin, Cleveland.
James W. Nantz, Sr., Mount Holly.
Annie P. Southerland, Willard.

OHIO

Paul D. Smith, De Graff.
Robert W. Schroeder, Elmore.
Gerald D. Keller, Oberlin.
Lawrence D. Beardmore, Salem.
Effie R. Miller, Terrace Park.

OREGON

Bernice R. Reuterskiold, Bonneville.
Clifford V. Bride, Sheridan.
Lucille M. Schultz, Westfir.

PENNSYLVANIA

Joseph J. Habeeb, Chinchilla.
Richard Downing, Jr., Conneaut Lake Park.
Clyde M. Buzard, Ellwood City.
Martin H. Liggins, Florin.
Dorina B. Torris, Green Ridge.
Natalie G. Landenberger, Holmes.
Marie G. Hastings, Penndel.
Olga T. Graham, Russellton.
Guy V. Kingree, Jr., Smoketown.
Dean L. Musick, Youngstown.

SOUTH CAROLINA

Orin H. Garner, Jonesville.

TEXAS

Helen K. Humphries, Balmorhea.
Joel Parker Carroll, Bryan.
Gurley N. Sellers, Coolidge.
Thomas L. Cheatham, Edgewood.
Floyd S. May, Iowa Park.
Paul D. Cauley, Sr., Kingsville.
Almer D. Woods, Jr., Marquez.
Roy L. McGuire, Seymour.

VERMONT

Frederick R. Rousseau, North Hero.

VIRGINIA

Marian Irene Davenport, Lancaster.
Robert E. Booker, Jr., Lottsburg.
Rolla Wallace Rosen, Staunton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 12, 1952

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the only source of light and hope in these days that are shrouded in darkness, and as we look wistfully and anxiously toward the future, grant that we may know the secret of triumphant and joyous living.

May we daily reaffirm our faith in Thee, confident that none of the hopes and longings for peace, which Thou dost vouchsafe unto our minds and hearts, are too lofty to be fulfilled by Thy divine wisdom and power.

Show us how we may strengthen the bonds of brotherhood. May our hearts go out in sympathy and our hands in helpfulness to men and nations everywhere in their struggles and sorrows.

Enable us by Thy grace to gain for ourselves and others the mastery over all trials and tribulations and may the spirit of our blessed Lord be the strength of our souls, His truth our shield, His companionship our joy.

In His name we pray. Amen.

The Journal of the proceedings of yesterday 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 a bill of the following title in which the concurrence of the House is requested:

S. 2697. An act to amend the Agricultural Adjustment Act of 1938, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 396. Joint resolution making an appropriation for the Motor Carrier Claims Commission for the fiscal year 1952.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes today, after disposition of the regular business of the day and any special orders heretofore entered, and to extend my remarks at that point in the RECORD.

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

There was no objection.

HISTORY REPEATS

Mr. BERRY. 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 South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, some 1,919 years ago, Judas was given 30 pieces of silver as a payoff for betraying the Saviour of us all.

Yesterday, while testifying before a congressional committee, Presidential Appointee Newbold Morris admitted that he had been given $30,000 as his share of a shady tanker deal in which oil was transported to our far-eastern enemies—oil for the tanks of China.

Because of Judas, the noblest leader of all time died.

Because of Newbold Morris—and men like him—an untold number of American boys died.

History has only biting contempt for Judas.

What history will have to say of Newbold Morris only time will tell.

Thirty pieces of silver.

Thirty thousand dollars.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 23]

Aandahl	Hall, Edwin Arthur	Miller, Calif.
Addonizio	Halleck	Mitchell
Armstrong	Harden	Morrison
Barden	Hart	Moulder
Barrett	Harvey	Murdock
Battle	Havenner	Murray, Wis.
Beall	Hébert	O'Konski
Blatnik	Hedrick	Patterson
Boykin	Heffernan	Potter
Buchanan	Heller	Powell
Buckley	Herter	Rains
Camp	Hope	Roberts
Carnahan	Horan	Rogers, Mass.
Case	Hull	Sadlak
Celler	Hunter	Sheehan
Chatham	Irving	Sikes
Cole, Kans.	Jackson, Calif.	Staggers
Combs	Kee	Sutton
Coudert	King, Calif.	Tackett
Cox	Kluczynski	Vorys
Dawson	Lantaff	Walter
Deane	Larcade	Welchel
Dempsey	Latham	Welch
Dollinger	McKinnon	Werdel
Doyle	Mack, Ill.	Widnall
Fernandez	Madden	Wood, Ga.
Flood	Martin, Iowa	Yates
Gamble	Merrow	
Greenwood		

The SPEAKER. On this roll call 348 Members have answered to their names, a quorum.

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

COMMITTEE ON EXPENDITURES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Expenditures may sit during general debate in the House today.

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

There was no objection.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1952

Mr. CANNON. 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. 6947) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes; and pending that motion, Mr. Speaker, I would like to agree with the gentleman from New York [Mr. TABER] as to time for general debate.

Mr. TABER. Mr. Speaker, I think we might have not to exceed 2 hours.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman give those of us some time who are in favor of restoring the appropriation for the Small Defense Plants Administration?

Mr. CANNON. Certainly. I may say that I have no applications at all for time up to this minute; so, following the suggestion of the gentleman from New York [Mr. TABER] that we have not to exceed 2 hours of general debate, I ask unanimous consent, Mr. Speaker, that general debate on the bill continue for not to exceed 2 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

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. 6947, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, this deficiency bill—we call it a supplemental bill, but it is really a deficiency bill—is a test of the adequacy of the regular bills which have been passed during the preceding session, for the current fiscal year. If the bills have been cut too deeply and unwisely, we can expect a large deficiency bill. On the other hand, if they have not been cut enough, which is usually the case. We do not have such imposing requests for supplemental appropriations.

But, Mr. Chairman, judged by that criterion, the items fall into two classes. In fact the estimates for deficiencies in every supplemental bill, in every deficiency bill, should be considered under two categories, and that is especially true in this case. So, with that in view, I would like to call your attention very briefly to the distinction between the two classes of appropriations in this bill.

I might say by way of preface that the total estimates submitted to the committee aggregated approximately a billion dollars, or $1,069,542,625. We bring them back to the House with the recommendation that only $970,192,943 be appropriated. That is a reduction in the estimates submitted to us of practically $100,000,000, or specifically $99,349,682.

Of the two classes of estimates, one is for items on which the Committee on Appropriations had some latitude as to recommendation, a possibility that we might reduce the amounts proposed. The other is on items on which we had practically no latitude. They were for purposes over which we had little, if any, control, and in which, consequently, we were unable to make any material reduction.

Taking up the latter class first, those in which we had no option but to appropriate, there were the claims by persons of Japanese ancestry. It is quite an item. It runs over $14,000,000. These are claims for persons of Japanese ancestry who were dispossessed, taken out of their homes during the Japanese war for obvious military reasons, but frequently at great injustice to the expatriates. These claims have been processed and adjudicated. They have been submitted to the proper authority, and the courts have decided that these amounts of money are due; that they have a legitimate claim against the Government for damage in these amounts for loss incurred in the unfortunate transfer from their homes to concentration camps, and therefore the committee recommends payment in full on claims aggregating $14,800,000. It is an amount over which we have no control whatever. The courts have said it is due, and we must pay it.

Then there is the item for the support of United States prisons. No one knows how many prisoners will be convicted and incarcerated. It depends on the number of cases which result in convictions in the courts of the United States. If they commit a large number of people to prison we must support them. We have no choice in the matter. We must accept the figures based on the prison population. Therefore, while we nominally cut them $25,000, we have in effect given them the full amount requested.

On Federal airport claims, the estimates originate in the requisition by the military authorities of private airports for the use of Government which are alleged to have taken over their facilities and damaged their runways, and otherwise interfered with ownership control to their financial disadvantage to the extent of $701,170.

The courts handed down decisions sustaining the contentions of the plaintiffs and the committee had no choice but to provide the appropriation which we have recommended, the full amount.

On Federal aid to highways, I think most of us will agree there is no money better spent than the money we spend on highways, but we have a system which is highly unsatisfactory in that it does not permit an annual review by the Congress. Not a dollar should be taken out of the Federal Treasury which has not been submitted for scrutiny and which has not been processed by the Committee on Appropriations and passed by the House of Representatives.

However, under the law they may go ahead and commit money in advance, and then when Congress meets, we have no choice but to allow the money. So we have a token cut, merely to let them know we passed by, but that money must be appropriated and we include it in our recommendation.

There were also various pay raises. We provided in the regular bills ample money to pay all salaries of employees of the United States. Subsequently Congress came along, and in its wisdom, or lack of wisdom, raised the pay of everybody, after the original pay roll had been provided. It is statutory, and we have no choice but to provide the amount approved by Congress.

We are criticized for the tremendous amount of money we are appropriating. We are criticized for the increase in the payment of Federal salaries. But the Committee on Appropriations pleads confession and avoidance, "We would not have appropriated this money, but Congress directed that it be appropriated, and we have no choice but to comply and propose appropriation of the required amount, $26,640,000."

The same situation obtains on post-office rates. We had provided all the money necessary for the postal transportation, and along comes the Interstate Commerce Commission, and under the authority vested in it by the Congress of the United States, increases postal rates. What can the Committee on Appropriations do? We are criticized for these increases. We are criticized for making this appropriation. We are criticized for spending so much money. But the Interstate Commerce Commission has spoken, and we have no choice but to provide the money.

Under the employees' compensation fund, the proposition here is merely a question of how much is due under the law. The report indicates that the amount provided in the regular bill for the payment of employees' compensation is $2,200,000 short. So, we have necessarily recommended the full amount.

Then on the provision for fighting forest fires. When a fire starts in a stand of valuable timber, one of our most valuable national resources, we have to put it out. And it costs us $3,000,000 to do it. It is a bargain at that price. We save billions of dollars worth of timber. We have no choice in the matter but to allow the full amount, and again we recommend the comparatively small appropriation of $3,000,000.

With reference to the Veterans' Administration, here are items for the benefit of veterans and their dependents such as pensions, readjustments, indemnities, and indicating that the regular appropriations are $285,800,000 short of what the law requires. Again, we have no choice but to provide the full amount required by law.

Under increased pay costs carried in the last chapter of the bill, we must meet statutory raises. Accordingly we provide the money required by law.

That totals $906,793,943, an amount over which we have practically no control whatever.

In the rest of the bill, where reductions were possible, we have made substantial reductions. These reductions have been concurred in by a majority of the committee on both sides of the table. We do not believe they will interfere with the service and we trust they will have the approval of all Members of the House who believe in an economical administration of Government funds.

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

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, when we are considering the bill under the 5-minute rule, it is my intention to offer an amendment to cut out from this bill the language relative to what is known as the Burke Airport, which you will find on page 4 of the bill.

In my opinion, Mr. Chairman, spending any further money upon this particular airport is worse than a waste of money. It is endangering the lives of a great many people in the most rapidly growing area in the Washington general vicinity. I refer to Fairfax County, which is fast becoming known as the bedroom of Washington. They say that because of all of those great apartment installations and homes that are found in that community. I say it is worse than a waste of the $50,000,000 which it will ultimately cost. I say it is a waste not only of the $50,000,000, but we are trying to foist upon the people of Fairfax County, most of whom, through their trade associations, board of county supervisors, and school district organizations, oppose this particular airport. Why, in the name of common sense, should we spend $50,000,000—and some people say this will run more than that amount—when just 30 miles from this Capitol we have the great new airport at Friendship, which is begging for the surplus traffic? Friendship is not being used more than 30 percent of its capacity, if that much, yet here is a story in Life magazine stating that it is proposed, in order to salvage the pride of the Washington Board of Trade, or something of that nature, to put in another $50,000,000 of the taxpayers' money in cold cash, toward establishing an auxiliary airport for Washington.

What have you got out there in those rocky hills in that community which has been selected as the site by the Civil Aeronautics Authority? They did not even make drill tests as to whether or not there might be considerable rock underlying that place. They made no such tests, yet they ask us in this bill today to give them a further million dollars, and more, for the acquisition of more land for that site.

Now, remember it will be said that we have already put up a million dollars for this purpose. Yes; we did that last year, but today we can kill this proposal and it will only cost the taxpayers of America $132,000, or thereabouts, in money which

has been expended. That is less than one-third of 1 percent of what is proposed to be expended upon this absolutely unnecessary airport.

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

Mr. H. CARL ANDERSEN. In just a moment, if you please.

I am personally interested in this from two viewpoints. First, I am looking at this $50,000,000 which, in my opinion, will be absolutely wasted, when you have Andrews Field, 14 miles or so from Washington; and you have Friendship Airport, 10 miles this side of Baltimore, connected with Washington by an all-land route, 30 miles from the Capitol. I am interested personally in the fact that I have some of my relations living in that vicinity who, along with thousands of other people, do not like the idea of these runways pointing directly at one of the most heavily settled sections of Fairfax County. They remember Newark too well.

If we follow up this proposal we may reenact what happened at Newark airfield. I do not think you want to do that. I think the Members of this House want to give this whole proposition another thorough looking into.

Let me recall to you first, every organization in that particular county that I know of is opposed to this expenditure. They are opposed not only from the viewpoint of the waste of taxpayers' funds, but because of the fact that it would create a blight upon the area immediately surrounding this proposed 4,000,-acre site. The FHA just announced a month or so ago that they would not insure property located within a certain distance of airports.

Why should we place another airport 14 miles airline from the Washington National Airport? Why should we expend $50,000,000 if not more when we have this great 4,500-acre site at Baltimore already constructed? And I think you will find today that the people of Baltimore are more than willing to permit this surplus air traffic from the National Airport to use their field; they want it.

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

Mr. H. CARL ANDERSEN. I yield.

Mr. DINGELL. When I fly from Detroit to Washington does the gentleman expect me to land somewhere near Baltimore and then drive all the way to Washington?

Mr. H. CARL ANDERSEN. I am glad the gentleman brought that up, for it calls back to my mind that I have not brought out a very salient fact. Friendship Airport when the present road under construction is completed will be within 40 minutes' driving time from the Statler Hotel by an all-land route. Burke airport, according to certificates of the police department of that county, is from 19 to 34 minutes' driving time on clear dry days from the Statler Hotel to the cloverleaf intersection 6 miles from Burke. You will have to add 10 minutes to that time to traverse the 6-mile access road, so the driving time between the airport and the Statler Hotel would be from 25 to 44 minutes. Just to save 8 minutes' driving time we are asked to spend about $50,000,000. It might be more convenient, but it would be a mighty expensive convenience.

Mr. DINGELL. I am talking about 19 minutes as against 45, and no amount of explaining will eliminate the difference.

Mr. H. CARL ANDERSEN. Perhaps the gentleman knows more than the local people about it.

Mr. DINGELL. I know where Friendship Airport is, and I know where this Burke airport is going to be.

Mr. H. CARL ANDERSEN. Let me read from these official records of the police department of that county on a number of different occasions when they made trial trips and took the time: 21 minutes from the cloverleaf which is at the end of the 6-mile access road to the Statler Hotel, 21 minutes on one trial, 23 on another, 34 on a third, 25 minutes on a fourth; here is one at 22 minutes, another one at 24 minutes, one at 30 minutes. Add to that 10 minutes and you will have the driving time required from the Burke Airport to the Statler Hotel—about 6 minutes less than the time it takes to go to the Friendship Airport from the Statler Hotel.

Mr. ROONEY. Mr. Chairman, will the gentleman yield further?

Mr. H. CARL ANDERSEN. I yield.

Mr. ROONEY. I wish to ask the gentleman if there is any question in his mind but what the Washington National Airport traffic reached the saturation point as far back as 1948 and that there must be an additional Washington airport.

Mr. H. CARL ANDERSEN. The first part of the gentleman's question I agree with; we do need additional space, but we do not need an additional airport when we have Friendship Airport 30 miles from here ready and anxious to take care of this surplus air traffic.

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

Mr. H. CARL ANDERSEN. I yield.

Mr. MASON. I wonder if the gentleman knows how far it is from the downtown area of Detroit to the Willow Run Airport?

Mr. H. CARL ANDERSEN. The answer is an average of 55 minutes driving time.

Mr. TABER. It would be a long way from 40 miles.

Mr. H. CARL ANDERSEN. I do know that from LaGuardia Field, for example, it takes much longer than from Friendship to get downtown and with almost no exception to get from any large airport in the Nation would require from 30 to 50 minutes to get downtown in our larger cities.

Let me give you one more point. Remember that in case of war, the first object of the enemy is to knock out bridges. If the Potomac River Bridge over here were knocked out, what good would Burke Field be? But Friendship will still be there. Think that over. Is it not foolish to spend $50,000,000 more down there at Burke where nobody wants it, where the entire county is opposed to it, when the delegation from Virginia is very lukewarm, when Senator BYRD says he is very much opposed to it? Why inflict it upon those people when for $8,-000,000 we could put Andrews Field into operation as a first-class auxiliary to the National Airport, if that line of thought would be followed.

Of course, these Army officers want to live here in comfortable surroundings. They perhaps do not want to go and establish themselves some place else.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. Assuming that a few minutes were saved or gained in getting from the airport, considering the condition of the Federal Treasury and the high taxes we are paying, what justification is there to load on to the taxpayers such a tremendous cost as the Burke Airport would involve?

Mr. H. CARL ANDERSEN. Absolutely none.

Mr. CURTIS of Nebraska. When we have one reasonably close to handle the traffic.

Mr. H. CARL ANDERSEN. There is no justification at all. Here is one of these things we can pull out of now with only an expenditure of about $150,000 at the most. We have acquired land over there. The money is on deposit in the Federal court in Alexandria. The Government may own up to $800,000 worth of that land, but it can dispose of it and get out from under.

Appropriate this additional $1,400,000 as requested here and next year they will be in here for another $2,000,000 because they have again estimated wrongly as they have previously.

The question occurs to me, Mr. Chairman, just who does want this airport?

Nobody out there seems to want it. I think we should look into that, I think we should look into a lot of things before we put further money into this matter.

These are my reasons, Mr. Chairman, for asking the committee to cut this out of the bill.

Mr. CANNON. Mr. Chairman, I yield 12 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I desire to discuss at this time an appropriation for the Small Defense Plants Administration. Last year the Congress passed unanimously an amendment to the defense-production bill setting up the Small Defense Plants Administration which was patterned after the most successful agency that was set up during World War II to help and otherwise assist the smaller concerns in the United States.

We drew from the experience and the trials and errors of that fine organization and developed the best set-up that it was possible for us to develop to help the smaller concerns in this present emergency. The Small Defense Plants Administration has already been in operation. The President selected Gen. Telford Taylor as Administrator. The President could not have selected a better man than Mr. Taylor for this position. His background and experience

are ideal for a position of this kind. He is doing a wonderful job and will be doing a better job if given the power that Congress said last year would be given to him.

Briefly, the larger corporations do not need an agency to assist them. They have all kinds of people here in Washington at all times; they do not need any agency. I am told that one of the large corporations of the country has 70 representatives here in Washington, D. C., just one concern daily contacting the Members of the House and the Senate and the different administrative agencies. That is just one large corporation. You can multiply that not only 25 times but 50 times to arrive at the number of representatives here representing the larger concerns.

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

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. BUSBEY. Will the gentleman from Texas give us the name of the concern that has 70 representatives here?

Mr. PATMAN. Yes; General Motors. Check up for yourself and find out.

Mr. BUSBEY. I just wanted it for information.

Mr. PATMAN. It is not an overstatement; it is possibly an understatement.

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

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

Mr. RABAUT. I am informed by the UAW, in its relationship with plants in the United States, that 80 percent of the plants have less than 500 men; 64 percent have less than 200.

Now, if you want to talk about being for small business and throw this out the window, you are certainly doing some double talking in this House.

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

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. This is small-business day in the House of Representatives. Will the gentleman tell us how the members of this committee, Democrats and Republicans, feel about the approach of this agency?

Mr. PATMAN. The Committee on Small Business of the House, 11 members, voted unanimously for it. This bill has bipartisan support. It is not a bill of the Democrats nor the Republicans; it is a bill supported by both Democrats and Republicans on the floor of this House. There is no difference of opinion between us on this particular bill, and certainly we should not fail to carry through what we have already voted.

Now, concerning the larger organizations, I have never known an organization—this is a broad statement, but I say it deliberately after much careful consideration—I have never known a big national organization, and I will name a couple of them, I do not mind that, like the United States Chamber of Commerce and the National Association of Manufacturers—they have representatives who are very fine, outstanding people; they have got to be or they would not have those positions. They are able, they are sincere, they are honorable. They want to do the right thing all the time. And as long as there is no conflict of interest between big business and little business they get along fine. But I challenge any Member of this House to stand up and ask me to yield to him and say that he has ever known of a time when there was a conflict of interest between big business and little business that they failed to take the side of the big man. I yield to anyone who knows of any statement of fact that will contradict that. Their membership is composed of probably 90 percent smaller concerns.

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

Mr. PATMAN. If the gentleman contradicts it, I will yield to him. I am yielding to those who say they know of such a case.

Mr. BUSBEY. The way the gentleman puts it, he would put an onus on every Member of this House.

Mr. PATMAN. No.

Mr. BUSBEY. Since I have been here, I have never received any information that would verify your statement.

Mr. PATMAN. I will construe my words. I have that right and I am going to exercise it. I am not going to leave it to the gentleman to construe what I said. I said I have never known a Nation-wide organization composed of little fellows and big fellows where, in the case of a conflict of interest between big business and little business, they failed to take the side of the big man; or I will change it and say, that they ever took the side of the little man in case of such a conflict. That will make it easier on the gentleman, that they ever took the side of the little man. I do not believe anyone has ever heard of a case that will contradict that. That shows the necessity for an organization like this to help the little man. As the gentleman from New Jersey said, this is the small-business man's day in the House of Representatives. Let us go through and do something to help him, as we promised to do last year.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for an observation?

Mr. PATMAN. I yield.

Mr. DINGELL. I believe the gentleman brought out here once before that some of the so-called small-business men's organizations are even financed and controlled by big business.

Mr. PATMAN. We have a bunch of fakes like that. There are a lot of fake small-business groups. I do not say all of them are. There are some of them that are good, fine small-business groups, but there are more fakes in proportion than any other proposals that I know of in the country. A lot of them are backed by big-business concerns, get their money from big-business concerns, and come to the Members of Congress and claim they represent little business. "Whose bread I eat, his song I sing." You have heard that. That is exactly what they do when it comes down to the point of doing something. They do it for the big man. The SDPA is not giving the little fellow an advantage, it is giving him an equal opportunity. This is a bill calling for equality of opportunity. That is all it does, it gives equality of opportunity. Who is opposed to that?

This organization can do a wonderful job in procuring supplies for the benefit of the armed services and in our national defense effort, and can use to the maximum extent these smaller concerns all over the United States that we badly need in the defense effort at this time.

This bill was not sent out from the executive offices downtown. It was not sent out from any agency downtown. It is not the creation of any bureaucrat. This is a product of the minds of the Members of the House and Senate of the United States. This is our own creation. It came out of our own committees without suggestion from anybody. It was developed from the experience of World War II, when a similar agency was used. So this is our own baby and we should support our own baby and do what we promised last year to do, by giving it the money and the support it is entitled to receive.

This act gives the Administrator five broad, fundamental functional areas: First, procurement, including assistance in obtaining prime and subcontracts, and acting itself as prime contractor whenever we give the agency a part of the revolving fund. It will be proposed here by the gentleman from Rhode Island [Mr. FOGARTY] I understand, to give them $10,000,000 in that fund. That fund will not be wasted. It will be used to good advantage. Not a penny of it will be lost. It will be paid back, and it will be a revolving fund. During World War II the Smaller War Plants Corporation only took a few prime contracts. But the fact that they had the power to take a prime contract meant that they would not have to take them. They could go ahead and negotiate with the large concerns, and get agreements on national defense work as to where they would put those contracts if the Smaller War Plants Corporation, which stay out, and let them have the contract. That was what was done. In the whole war, the Smaller War Plants Corporation spent only about $33,000,000 compared to an expenditure of about three or four hundred billion dollars during that time—an insignificant amount. The amount we spent here will be insignificant compared to the good that it will do in our national defense effort in strengthening the backbone of the small business institutions of the country. The small business institutions are the backbone of the country. So prime contracts are fundamental and we must have that $10,000,000 to put them into effect.

Second, assistance in obtaining scarce materials.

Third, financial assistance—loans from the RFC.

Fourth, consulting other agencies and formulating regulations on materials and other matters.

Fifth, provisions for technical and managerial information.

That is the point 4 part of this program domestically for small business. We believe in point 4 internationally—yes, and we believe in point 4 for the small-business concerns here at home.

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

Mr. PATMAN. I yield.

Mr. CANFIELD. Will the gentleman discuss what the Joint Committee on the Economic Report says about this agency?

Mr. PATMAN. The Joint Committee on the Economic Report said it should be continued, and that same joint committee recommended $10,000,000,000 be cut from the budget, but they will not discontinue the SDPA. Here is a way, I will say to my friend, the gentleman from Missouri, that he can save more money that he is spending here. There are a great number of organizations—small-business agencies that you are appropriating money for, which would be worth a great deal more if they were connected with this organization. In other words, build this organization up and make it strong. Reduce the others where they will not be so effective. The Joint Economic Committee recommended that the other small-business agencies be transferred to the SDPA.

In that way, you will save a great deal of money, and you will save much more than the SDPA will cost. I recommend for the consideration of this great Committee on Appropriations that they make this organization a strong organization because it is a genuine small-business group to help genuine small-business organizations, and where any cutting is to be done, cut the others.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I am just as much interested in small business as the gentleman from Texas who preceded me. The question before the House is: How can we best help small business? As a guide to the answer of that question let us consider what we are doing now for small business. May I say at the beginning, that with the exception of one or two subsidiary plants, I do not have anything except small business in my district. As a matter of fact, there is practically nothing but small business in the entire State of Virginia.

Now, what are we doing for small business? We have in the Department of Commerce several divisions engaged in helping small business. First we have the National Production Authority, with 77 employees, engaged solely in helping small business. Then, we have the Office of Field Services of the Department of Commerce, with 135 engaged in helping small business.

Then, we have in the Department of Commerce, the Office of Technical Services, with four employees engaged in helping small business.

Do you know what is proposed? In the city of Richmond we have an office of the Department of Commerce which is doing the very same thing that the Small Defense Plants Administration contemplates doing, and yet they propose to open another office in the city of Richmond to duplicate the work that the Department of Commerce is already doing. I say to you, if the Department of Commerce is not helping small business in the city of Richmond, then close it up, because we do not have anything else there, with the exception of one or two plants of some of the larger corporations. There is nothing in Virginia except small business. Therefore, if the office of the Department of Commerce is not serving small business, it is not doing anything at all.

I have had numerous communications from small-business people in my district wanting to know how they can get contracts under the Defense Production Act, and requesting other information. In every instance I have referred them to the Department of Commerce, and in every single instance they have gotten the service that they required. There is, therefore, no need for this agency.

But that is not all. In the Department of Defense we have in the Munitions Board 10 personnel set up for the Department of Defense. In the Air Force we have 45 personnel, whose duty it is to look after the interests of small business. In the Navy we have 76 personnel assigned to that task. In the Army, 364. That makes a total of 495 in the Defense Department who are engaged in helping small business.

In the General Services Administration we have 10 persons assigned to small business. In the Mutual Security Administration we have 14 assigned to that task. In the Atomic Energy Commission we have 10 assigned to that task. In the Reconstruction Finance Corporation—and there is an agency set up to help small business. If they are not helping small business, then let us abolish it. That was the purpose of the Reconstruction Finance Corporation. They have 12 people just to look after the interests of the small-business man.

That makes 757 people, all told, that we already have set up in the Government today for the aid of small business.

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

Mr. GARY. In just a moment, please.

If you want to help small business, the best aid you can give it today is to reduce Government expenditures, and cut the taxes on the small-business man. That is what small business wants. To date I have received one telegram from my district asking me to support this appropriation. I have received hundreds of letters and telegrams and telephone calls and personal interviews from constituents of mine asking me to cut the budget of the United States; to cut our Federal expenditures and to see that at least at this session we do not impose more taxes; and, if possible, to reduce the taxes already authorized.

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

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

Mr. TABER. If they get this $825,000, they could not operate more than 2 months anyway in the fiscal year. That would be 400 employees up from nothing, at $2,000 each for 2 months. It is terrific.

Mr. GARY. Three hundred and fifty thousand dollars was appropriated for this agency for the second and third quarters. They have only obligated thus far $270,000, and now they are asking for $875,000 just for the balance of this fiscal year.

If the organization is continued after June 30, nobody knows what they will ask for next year; the sky will be the limit. Here is an opportunity to cut Federal expenditures and to save money. I now yield to the gentleman from New Jersey.

Mr. CANFIELD. I know the gentleman well, and I know how fair he is. Is it not true that last year the gentleman from Virginia supported the bill authorizing the building of this agency and later supported a bill appropriating funds to start this agency into operation?

Mr. GARY. If I did and, frankly, I will say to the gentleman I do not recall how I voted on this measure; I may have done so, but if I did it was with the understanding that the activities in behalf of the small-business man were going to be coordinated and centered in one agency. That has not been done. What we are doing is superimposing another agency on top of a number of other agencies that are already operating in this field. Nobody thought that it was to be a duplication of effort or a triplication of effort. Had I thought that, I would not have supported it.

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

Mr. GARY. I yield.

Mr. PATMAN. It was intended that this would be the agency that would coordinate the others and that the other agencies would be transferred to it.

Mr. GARY. Then I ask why that has not been done?

Mr. PATMAN. We have not had the money; that is, the agency has not; they are asking for it right now. It will be done if this appropriation is allowed.

Mr. GARY. Certainly there is no assurance that anything of the kind will be done, because in the time the agency has been operating nothing has been done in that direction. I think it is the Book of all Books that says: "By their works ye shall know them."

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

Mr. GARY. I yield.

Mr. CRAWFORD. Assuming that this agency were given the $10,000,000, that does not guarantee the coordination of the agencies referred to, does it?

Mr. GARY. Absolutely not. There is no provision to compel coordination at all. This just asks for $10,875,000 for the balance of this fiscal year. Ten million dollars, of course, is a revolving fund that will be used as previously stated, but $875,000 of it is for expenses just for the balance of this fiscal year.

Mr. PATMAN. Will the gentleman yield further?

Mr. GARY. I yield.

Mr. PATMAN. The gentleman is on the Appropriations Committee and is a very able and diligent member of that committee. I congratulate him on the fine service he has rendered. His committee is in a position to compel coordination of these agencies, for the power of the purse string is sufficient to accomplish it.

Mr. GARY. I differ with the gentleman on that point. That is not the duty of the Committee on Appropriations; that is the duty of the Congress. There

should have been a provision in the law establishing the Small Defense Plants Administration to require cordination. I think small business ought to be taken care of; but it does not take 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, or 14 agencies to do it.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. DAVIS of Wisconsin. In support of the recollection of the gentleman from Virginia in answer to a question that was asked him about voting for funds for this thing, my recollection is exactly the same as that of the gentleman from Virginia, that no funds have been appropriated by Congress at any time for this agency; that the last time it came before the Congress they refused to give them any money but said: "First, develop a program." The only money they have had has been transferred by the President from other funds.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, I rise in support of the position taken by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], a member of the Committee on Appropriations, in opposing the Burke Airport. As far as this particular item is concerned it is threshing old straw for me, because the authorization for this airport originated in the committee of which I am a member. I opposed it in the committee, and I opposed it when it came up for consideration on the floor. The authorization made by the committee and by the Congress was improvident in my opinion. This, to me, is the final opportunity I will have to express my continued opposition to the enterprise.

As an interpolation, I would like to answer the inquiry made by the gentleman from Michigan [Mr. DINGELL] as to the time required from Detroit, Mich., to the Willow Run Airport. According to the information given in the hearings it is 55 minutes.

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

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

Mr. DINGELL. I want the gentleman to understand very definitely that I am no party to the continuance of the Willow Run Airport. I want an airport just north of Detroit, about 10 minutes from the heart of town.

Mr. DOLLIVER. I am trying to give that information the gentleman inquired about.

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

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

Mr. RABAUT. Has the gentleman ever been to the Willow Run Airport?

Mr. DOLLIVER. No.

Mr. RABAUT. If the gentleman had been he would know how much his 55 minutes are off.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I am glad the gentleman brought out this point about Detroit being 55 minutes away from the Willow Run Airport.

Mr. RABAUT. It is not 55 minutes away.

Mr. H. CARL ANDERSEN. Most big cities are at least from 45 to 65 minutes away from their main airports. The substitute that we suggest being used here for this Burke Airport, 34 minutes distant, is Friendship, which will be only 40 minutes distant. I maintain, as the gentleman from Iowa does, that it is mighty expensive to expend $50,000,000 for a convenience involving only 6 minutes.

Mr. DOLLIVER. I agree entirely with the gentleman from Minnesota. I want to continue now with this Burke Airport and why I express my opposition to it.

Here is an opportunity for an economy-minded Congress, and this is what we are told the Eighty-second Congress is, to save about $50,000,000 of the taxpayers' money. That is the first reason for opposing the Burke Airport. That is actually what it is going to cost before we get through with it. The original estimate was $14,000,000 for acquisition of land and surveys and another $10,000,000 for appurtenances and buildings out there.

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

Mr. DOLLIVER. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman feel that the people of Elizabeth, N. J., are going to see to it that the airport there is taken quite a ways out of town, probably 20 or 30 miles?

Mr. DOLLIVER. Of course, an investigation is going on at the present time of those accidents at the Newark Airport. There is probably some great pressure being put on at that particular point.

The second reason for opposing the airport is this: As was pointed out by the gentleman from Minnesota, this area is entirely unsuited for an airport. There has been no adequate survey made of the terrain out there. I am told on reliable information, from people who actually live in the area, that there is a tremendous amount of hard granite rock out there that will have to be moved at tremendous expense in order to put this airport in that area.

The third reason is that the people who live out at Burke and in that vicinity do not want it. They are living a quiet life out there and they are almost to a man opposed to this airport coming. Not only that, but the united delegations in Congress from Virginia and from Maryland, and likewise the cities in the vicinity, are also opposed to the airport.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I want to quote from a letter by Senator BYRD, of Virginia; dated January 24, 1952. Senator BYRD wrote Mr. David L. Walter, 120 East George Mason Road, Falls Church, Va., as follows:

MY DEAR MR. WALTER: Answering your letter, I am very much opposed to the construction of the second national airport in Fairfax County and will oppose the additional appropriation that will be requested this year for that project.

With best wishes, I am,

Faithfully yours,

HARRY F. BYRD.

Mr. DOLLIVER. Of course, the delegation from Maryland does not want this airport because they have invested Maryland taxpayers' money in the Friendship Airport between Baltimore and Washington under the airport program that was passed by the Congress. The taxpayers of Baltimore and the State of Maryland were encouraged to spend their money for the Friendship port by some Federal money. Also they were led to believe that its facilities would be used to supplement the Washington National Airport. I would like to see it used instead of going into Virginia and improvidently and uselessly buying another airport at a cost of $50,000,000. I would much prefer to have the Friendship Airport used.

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

Mr. DOLLIVER. I yield to the gentleman from Iowa.

Mr. GROSS. Not only that, but the Federal Government, and therefore the taxpayers of this Nation, have around $15,000,000 invested in an expressway from Washington through the Fort Meade reservation to near Baltimore.

Mr. DOLLIVER. That is precisely true, and when that expressway is finished, the Friendship Airport at Baltimore will be nearly, if not quite, as accessible as the airport proposed to be built now at Burke.

Mr. H. CARL ANDERSEN. Mr. Chairman, if the gentleman will yield further, the gentleman will recall 4 years ago, when we had the proposal before us for Friendship, it was then advanced to us that it should be an overflow airport for the Washington National Airport.

Mr. DOLLIVER. Precisely so.

Mr. H. CARL ANDERSEN. And that it should be utilized by both communities, Baltimore and Washington.

Mr. DOLLIVER. Precisely so.

Mr. H. CARL ANDERSEN. And as a result the taxpayers of the Nation put $3,000,000 toward that end.

Mr. DOLLIVER. True.

Mr. H. CARL ANDERSEN. Here we are leaving Baltimore in this plight: They have put in $12,000,000 of their own money on the basis that it should be an auxiliary airport to help not only Baltimore and Annapolis and that region, but Washington, and I do not think we in the Congress are being fair to that large community by even thinking of putting in another airport 14 miles out here in the sticks.

Mr. DOLLIVER. The gentleman is exactly correct.

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

Mr. DOLLIVER. I yield to the gentleman from California.

Mr. PHILLIPS. If we were to say that the Friendship Airport was far away, which I do not think it is, but even if it were, there is an airport only 9 miles out here, the Andrews Field, now used by the Army, which could very easily be used for this purpose, and the Army,

with no inconvenience to themselves, could use one farther out. That would save us mileage, that would save us a great deal of money; $2,000,000 alone for the road we have to build.

Mr. DOLLIVER. There is a great deal to what the gentleman from California says.

Mr. Chairman, finally, because my position is so perfectly clear on this, who is it that is after this airport over here in Virginia? Well, without casting any aspersions, I think it is the people who are trying to build up an airport domain down here in one of these Federal agencies.

Now what is the fundamental pattern of our airport development in the United States? It has been a sharing of responsibility by the local community with the Federal Government. Under the Airport Act, nearly any community in the country that wants an airport can get Federal aid. But this Burke Airport is not that kind of an enterprise. It is an enterprise that is backed up and promoted by some people who want to build up an airport empire of their own, regardless of State control or State contribution.

Mr. Chairman, this is a chance to save about $50,000,000 for the taxpayers of this country. When the amendment is offered by the gentleman from Minnesota, I sincerely hope that it will have unanimous support.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH] in whose district this airport is located.

Mr. SMITH of Virginia. Mr. Chairman, as has been stated by the chairman of the committee, the Burke Airport is located in my district. I am in a rather peculiar position about it. I undertook, when the bill was before the legislative committee, to put a restriction on that this airport could not be built in any place without the assent of the governing body of that county. I think that is a sound principle. I was defeated on that. I was successful, however, in securing an amendment to the bill that required consultation with the local authorities before the airport could be located.

We are in this situation in my county of Fairfax, that the Government has made serious encroachments upon the tax-paying values of that county. It is a serious problem. I am constantly having to oppose the acquisition of property by the Federal Government.

I was defeated in my efforts. After that the act was passed and an appropriation of I believe $1,000,000 was made to begin the construction of the airport. A large part of that money was paid into court, which passed the title of the property to the United States. You are stuck with the land.

I have taken this position with my constituents, and I have been, I hope, very frank with them, that while I opposed the thing in the beginning, Congress having established a policy and having appropriated the money I did not feel it was proper for me to undertake by this method to defeat a proposition where Congress had adopted a policy, even though I did not agree with the policy.

That is one side of the proposition, but there is a great deal of objection to this by individual citizens in the locality of that airport. I am the only voice they have here to express their opposition. I want to say to you just how they feel about it. I think they are entitled to have that position stated on the floor of the House.

I have had the governing body of that county come to my office in a body, the board of supervisors, objecting most strenuously to this appropriation. They feel that if this appropriation is defeated then their problem is solved. It is partly solved, but still the Government will own their homes and their land because that has already been done, because the law is that the Government, having put its hand upon it and deposited the money in the court, the title has passed to the United States Government.

However, there are people out there whose families have lived there for generations, who have their homes there, some of them, to which they are attached, to which they have a family attachment. The Government reaches out its hand and wrests from them a thing that is very dear to them. I think they are entitled to have you people know just how they feel about that, and to have you, maybe, meditate a little bit about how you would feel, let us say, if your ancestral home, if you have one, were ruthlessly taken from you by your Government.

I had every county officer, I think, in that county call me and ask me to take a position against the continued purchase of this land for that purpose.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I appreciate very much the very fair statement of the gentleman from Virginia [Mr. SMITH]. He knows, of course, I am sure, that only 1,040 acres have been acquired of the four thousand-odd-acre tract by the Government. There are still 3,475 acres for which the Government must come in and put up money. Is not that a fact, that acquisition has proceeded only about one-fourth as far as area is concerned?

Mr. SMITH of Virginia. If the gentleman will wait, I will answer his question. Although I have no personal knowledge myself, I have understood that condemnation for this whole area has been filed, and that the appraised value of it has been deposited with the court. If that is true, the title has passed. I am not sure, and the information of the gentleman on it may be better than mine.

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

Mr. SMITH of Virginia. I yield.

Mr. PHILLIPS. Would the gentleman say whether he considers the airport at Burke a satisfactory terrain or a satisfactory piece of ground for an airport? I drove out to see it, and it impresses me as being a very rolling piece of ground, and not nearly as good as other locations.

Mr. SMITH of Virginia. I would not be able to express any opinion on it. If the gentleman has been over the ground, he probably knows about it better than I do. I have not traveled over the area. I just wanted to state my position to the House—not my position, but the position of the people who are suffering by reason of having their homes taken away from them.

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

Mr. SMITH of Virginia. I yield.

Mr. HARRIS. It is a fact though that whether the airport is constructed at Burke or not, the situation is such with reference to air service in and around Washington, that an additional commercial airport is going to have to be provided?

Mr. SMITH of Virginia. Mr. Chairman, I am glad that my good friend, the gentleman from Arkansas, asked me that question because I think it brings up a matter which ought to be considered. That is, if you are not going to build it at Burke, certainly you ought to proceed very rapidly to construct an airport somewhere else. Personally, I have always felt that the armed services, and the protection of the Capitol, and the furnishing of a civilian airport would be better if they shoved the Army out of Andrews Field, which is right here close to Washington, and put them a little farther away from Washington so that if a bomb was ever dropped on this city, we would still have an airport and some planes left.

Mr. H. CARL ANDERSEN. Mr. Chairman, if the gentleman will yield, I think the gentleman from Virginia is absolutely correct there. Andrews Field so far as defending Washington is concerned is too close to the Capital.

Mr. SMITH of Virginia. Yes; you try to pry anything loose from the Army. I have tried to pry things loose from the Army before, and you never get anywhere with them. But, I want to state in answer to the gentleman from Arkansas that I do think it is very desirable that the Congress act with speed in providing another airport, because this Washington Airport has become dangerous and has become a public nuisance to the people who live within 3 or 4 or 5 miles of it.

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

Mr. SMITH of Virginia. I yield.

Mr. GROSS. With the Burke Airport only 14 miles away, would it still not leave a dangerous situation when it is only 14 airline miles from the National Airport?

Mr. SMITH of Virginia. Oh, no; I do not think there is anything in that argument.

Mr. GROSS. It would be still following the same pattern.

Mr. SMITH of Virginia. No; I do not think so. The gentleman asked me a question, and I have answered according to what I believe.

Mr. H. CARL ANDERSEN. I think the gentleman from Virginia is absolutely correct.

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

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the chairman of the subcommittee, which has jurisdiction of this matter and which has reported out this item, the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I wish to commend the gentleman from Virginia [Mr. SMITH] for his very fair and forthright statement with regard to this situation. The gentleman from Arkansas [Mr. HARRIS] just made an inquiry with regard to the necessity for this additional airport. As I see it, that is the first of two steps you should consider. The Washington National Airport traffic reached the saturation point as far back as 1948. We must have an additional airport. Now, the second question is, where is it going to be located? You are not going to pick any site for its location where the citizens living on that site are going to relish having their land condemned. The Congress has already appropriated a million dollars, a great part of which is on deposit down here in court in Alexandria and part of which has been spent for preliminary plans and surveys. This is already a going concern. This is a matter which was passed upon here in the House 2 years ago. Mention has been made of a cost of $50,000,000. That is utterly inaccurate. If you will read the testimony, you will find that the contemplated cost of the present plans for the additional airport amounts to $14,000,000.

Mr. Chairman, the Friendship International Airport is one of the best airports in the United States. It is certainly a credit to Baltimore and puts that city in the very favorable position of being one of the few communities in the United States that has airport facilities adequate to provide for its own normal aviation expansion, but Friendship Airport is not a facility that can logically serve Washington. Let me cite reasons.

First of all, surveys show that about 60 percent of the airline traffic originating in the Washington area comes from the downtown district. Therefore, any airport that is to serve Washington must have reasonable access to the downtown area. By road, the distance from downtown Washington to Friendship Airport is over 36 miles and the average off-peak driving time is 56 minutes. This average time was determined as a result of test runs made jointly by representatives of the city of Baltimore and the Civil Aeronautics Administration. The Washington-Baltimore expressway now under construction will provide a much better and somewhat shorter route between Friendship Airport and the District line. The net reduction in driving time, however, based on driving at the maximum legal limit, will be only 6 or 7 minutes. This makes 50 minutes a reasonable estimate of the average time required to drive from downtown Washington to the airport when the expressway is completed. Fifty minutes is well beyond the acceptable limits for ground transportation time to an airport. The site near Burke can now be reached in 28 minutes driving time from downtown Washington during off-peak periods. With the completion of the access road which is proposed as a part of the development the Burke site can be reached in about 25 minutes driving time.

Second, when planning to handle air traffic from two major air terminals in one area, adequate provision must be made for the interchange of passengers made necessary by the separation of air carriers. The test runs showed that the average driving time for the 42 miles between Friendship Airport and Washington National Airport was over 68 minutes. The completion of the Washington-Baltimore expressway can reduce this time to about 62 minutes or a little over an hour. Requiring airline passengers transferring from one plane to another to spend more than an hour in ground transportation time is unreasonable. The airport at Burke will require only about 20 minutes ground transportation time for the interchange of passengers.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ROONEY. The third reason that can be cited is that Baltimore will need all of the present capacity of Friendship Airport to take care of its aviation needs. Air traffic is constantly increasing throughout the country and Baltimore is going to get its share of this increase. Although the present facilities at Friendship are not now being used at anywhere near capacity, they are going to be required by Baltimore's own air traffic. Even with a major expenditure for the construction of dual runways at Friendship Airport the increased capacity would not be sufficient for all of Baltimore's air traffic, plus the traffic increases which are forecast for Washington.

The arguments in favor of using Friendship Airport have all been heard before. They were presented in 1950 when Congress passed Public Law 762, Eighty-first Congress, which authorized the construction of a new airport to serve Washington. At that time Congress determined that such a new airport was required and that Friendship Airport at Baltimore was not the answer to Washington's needs.

I now yield to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. What the gentleman had to say in his last statement is entirely correct, but the Congress surrendered its authority as far as selecting the actual site is concerned. That is where they made a mistake. The Burke site has been selected——

Mr. ROONEY. I did not yield to the gentleman from Minnesota for a speech. I yielded to him for a question. The gentleman may get his own time for his speeches.

Mr. H. CARL ANDERSEN. Is that not correct? The Congress had nothing to say definitely about the Burke site itself.

Mr. ROONEY. That is not so at all. The Congress appropriated $1,000,000 for acquisition of land at Burke airport and $1,000,000 has been spent upon Burke airport.

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Washington [Mr. JACKSON] for a consent request.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent to insert my remarks in the RECORD at that point in the reading of the bill dealing with immigration and naturalization under "Salaries and expenses and claims of persons of Japanese ancestry."

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

There was no objection.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I just wish to call attention to a slight inaccuracy which I am sure was not meant on the part of the gentleman from New York [Mr. ROONEY]. The gentleman from New York stated that after this 6-mile access road had been constructed to the Burke Airport the driving time between the airport and the Statler Hotel, I believe he said, was 25 minutes. I ask who knows better than these policemen from Fairfax County who made trial trips from the cloverleaf on the Shirley Highway which is 10 minutes from the Burke Airport; these particular police found, as I stated before, that it took 23 minutes for one trip, 21 minutes for another trip, 30 minutes for one, 24 and 22 for others, an average of approximately 24 minutes. Add 10 minutes as the time necessary to drive the 6 miles of new road and you have 34 minutes to do it and stay within the law.

Mr. ROONEY. Surely the gentleman does not claim that these Fairfax policemen are not interested witnesses?

Mr. H. CARL ANDERSEN. Surely the gentleman from New York does not question their integrity?

As for the gentleman's statement of 60 minutes being required to drive from the Friendship Airport to the Statler Hotel, the CAA estimates that when the new highway is constructed the driving time between the Friendship International Airport and the Statler Hotel in Washington will be not more than 40 minutes. That is quite a bit less than the gentleman's statement of 60 minutes.

Mr. CANNON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, of course this problem is nothing new with me; I appeared before the Committee on Interstate and Foreign Commerce opposing the building of a new airport in close proximity to Washington. The people of Baltimore and Maryland offered the facilities, paid for by the taxpayers of Baltimore City, to the overcrowded Washington Airport traffic, thereby saving the Government the expense of building one.

The gentleman from New York [Mr. ROONEY] said that in 1948 the Washington Airport traffic had reached the saturation point. The attention of the CAA has been called to that fact and they were asked if an airport reaches its saturation point it is not hazardous to passengers to continue such operation, but to date they have not answered and they have not done anything about transferring any traffic to the Baltimore Friendship Airport, which is one of the finest airports in the country.

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

Mr. FALLON. I yield.

Mr. ROONEY. Surely the distinguished gentleman from Maryland would not expect a New York passenger bound for Washington to land in Baltimore and then have to drive by automobile to Washington?

Mr. FALLON. I do not know why the gentleman always speaks about their landing in Baltimore, for the field is 10 miles outside of Baltimore and 30 miles from Washington. They can get to that airfield as quickly as they can from La-Guardia Airfield to the center of New York City, so the time element is not much of a factor.

Coming from the south the other night we had to reduce speed 500 miles outside of Washington slowing down the flight three-quarters of an hour. Fifteen or twenty minutes is the difference in time between the Burke Airport and Washington and the Friendship Airport and Washington.

Mr. ROONEY. That is another very good reason why we need additional airport facilities here in Washington.

Mr. FALLON. But would you rather spend three-quarters of an hour extra in the air or 10 minutes extra driving on a new highway?

That is not the question; that was argued out a long time ago. The question is one of wasting money, requiring the taxpayers of Baltimore to build an airport not only for their use but to contribute to one for Washington out of their own tax dollars. In other words, dual dollars for airport facilities for which they will have no use. If it were to be built under some formula as every other airport is built, that would be another problem; but this is being built by the Federal Government out of State taxpayers' money.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. May I say that I have confirmed the statement I made to the gentleman from Virginia [Mr. SMITH] when I remarked that scarcely over 1,000 acres have already been condemned and the money put up for it. We have still about 3,500 acres that have not been touched.

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

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, if this situation really bothers the gentleman from Minnesota, if he will turn to page 61 of the committee's hearings, he will find that the entire site comprises 4,520 acres. The total valuation of that is $1,703,250 and the status of the land acquisition has been under a declaration of taking filed on 63 plots totaling 1,050 acres. You have already spent a million dollars on this project. Are you going to throw that down the drain pipe?

Mr. H. CARL ANDERSEN. May I answer the gentleman?

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

Mr. H. CARL ANDERSEN. The gentleman knows, of course, that the larger plots are less. There are large and substantial holdings to the extent of 20 or 25 homes costing anywhere from $16,000 to $40,000 that are yet to be taken in.

Mr. ROONEY. That is not so.

Mr. H. CARL ANDERSEN. That is the information I have.

Mr. ROONEY. I fully appreciate the position of my good friend, the gentleman from Maryland [Mr. FALLON].

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

Mr. ROONEY. I am pleased to yield to the gentleman from Maryland.

Mr. FALLON. Does the gentleman know that in testimony before the Committee on Interstate and Foreign Commerce back in 1949 the Airport Commission of Baltimore City and some of the Members from the State of Maryland offered to the Washington Airport the facilities of the Baltimore Airport and said they could take care of any overflow traffic for a number of years to come?

Mr. ROONEY. I fully appreciate the position of the gentleman from Maryland [Mr. FALLON], and his colleague, the gentleman from Maryland [Mr. SASSCER], the gentleman from Maryland [Mr. BEALL], the gentleman from Maryland [Mr. DEVEREUX], and all the Members of the Maryland delegation with regard to Friendship Airport. But let us look at this from the position of the taxpayer of the Nation. Having spent $1,000,000 with the full approval of both Houses of Congress, we must not abandon the development of Burke Airport.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I wish to address myself to the same question, the Burke Airport. I regret that some of my remarks may be repetitious, but I think it is worth while going into. When the amendment is offered I intend to support the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and these are my reasons:

First. The ultimate cost will be fantastically out of proportion to the airport's value in handling Washington air traffic.

Second. The airport will menace the safety of a heavily populated area on its perimeter; and

Third. Adequate facilities for handling Washington's overflow traffic are presently available at a fraction of the cost of the Burke Airport.

By the CAA's own estimate the $14,000,000 it has requested represents little more than one-third of the final cost. Emphasis has been placed on this sum, presumably in the hope that the Congress, once committed to the project, will be more likely to approve further costs.

According to a CAA estimate, dated June 13, 1951, $14,000,000 is the cost of only the first stage. There are three more stages that bring the final total to $38,000,000. Even these CAA figures are grossly underestimated in certain visible details.

I think the figure of $50,000,000 is probably much closer to the estimate. If you will bear with me a minute I would like to give you one of the details that was not property considered.

Earth-moving costs are fixed by the CAA at 44 cents per cubic yard, or about $7,000,000 in all. State highway commissions estimate such costs at from 40 cents for overburden up to $3 per cubic yard for rock. CAA's tacit assumption that only overburden will have to be moved at the Burke tract is ridiculous. The terrain is extremely hilly and, according to Government geologists, a considerable portion is underlain by hard granite rock which can be moved only by the costly process of drilling, blasting, and excavating.

In assessing the availability of the Burke site to Washington the CAA has ignored the fact that the Potomac bridges already are inadequate to handle the daily rush-hour motor traffic. Additional traffic to and from the airport will place the Burke site still farther distant in time during those hours.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. The gentleman probably knows, as most every Member of this House today knows who has ever driven on Shirley Highway and tried to get into Washington from that region, that section, that corner of the District is the most conglomerated as far as traffic is concerned of any section in this area, and we are just making a bad matter worse to put another installation in at that point.

Mr. DEVEREUX. The gentleman is correct.

Destruction of or major damage to even one of the principal bridges would isolate the airport from Washington.

The main runway at Burke points directly to the most thickly populated areas of northern Virginia. The tragic implications of this fact are exemplified by recent disasters on the outskirts of the Newark (N. J.) Airport, and others elsewhere in the country.

Within easy driving distance of Washington the Friendship Airport, as an alternative to the Burke project, offers accessibility, safety, economy, and room for further expansion.

The State of Maryland is eager to have Washington's overflow air traffic handled through Friendship.

To set the committee straight, in that I may be accused of self-interest, I would like to report that I do not represent the district in which the Friendship Airport is located and that I will not represent the city of Baltimore, as I do presently, next year.

I would like also to bring your attention to another fact. The city of Baltimore put up $12,000,000 for this project. The State of Maryland put up $1,000,000, and they were enccuraged in this project by an appropriation of $3,000,000 from the Federal Government. Now, I suggest to you Members of the House that the Federal Government encouraged this political subdivision to go ahead and do something on its own. If we go ahead and enact this legislation, we will be in fact, discouraging the

enterprise as shown by the city of Baltimore. I wonder whether or not this may be an avenue to drive all of our local enterprise to come to Washington with hat in hand and wait for a hand-out by the Federal Government.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I back the gentleman up in his statement. I quote from the hearings on S. 456, as follows:

> Friendship Airport was developed with the encouragement and assistance of CAA as a second terminal airport to serve the growing air traffic of the Washington-Baltimore area.

To this end, the Federal Government appropriated $3,000,000.

Mr. DEVEREUX. In conclusion, I urge that the House refuse to approve funds for the Burke Airport because the project is highly uneconomical, because it will create a public hazard, and because a better means of handling the increased volume of Washington's air traffic is ready at hand.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, together with my colleague from New Jersey [Mr. CANFIELD] and my colleague from Texas [Mr. PATMAN] I am interested in the appropriation for the Small Defense Plants Administration. I am convinced that the House should put these appropriation facts into the bill, and I take this time only to give certain facts to the House as I believe the situation has not been very clearly put forward here and understood.

It was our intention in authorizing this new Small Defense Plants Administration to provide an agency which would have more effectiveness and, indeed, more resources than did the Office of Small Business in the NPA in the Department of Commerce. Therefore, all of the arguments that the Small Defense Plants Administration which we authorized has not yet taken over all the functions of the other agencies it seems to me misses the main point. It was our desire to have a new agency which would have financing and which would have the capability for doing the job.

Mr. Telford Taylor, a very distinguished lawyer who was our chief counsel at the Nuremberg trials, and who is the head of this new organization, testified—hearings, page 460:

> All the responsibilities on procurement and finance have been transferred from the Office of Small Business of NPA to the Small Defense Plants Administration under the Executive order. My understanding is that the size of the Office of Small Business over there is now about one-third of its former size.

In other words, in the last 5 months this new agency has been in the process of accomplishing exactly what the Congress intended it should accomplish. But this move being proposed today is to cut it off a-borning. That certainly runs counter to the unanimous desire expressed by this House, in addition to the personal convictions of practically every small-business man in the country.

It seems to me shocking that we would take that 5 months experience in the transitional phase and say, "This is the final experience. This shows the two are in business together. Therefore, let us eliminate one. But which one? Not the former—the Office of Small Business of NPA—no, the latter—the Small Defense Plants Administration—which we ourselves decided we needed to organize to assist small business in this country to participate in the defense effort.

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

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

Mr. CANFIELD. The question has arisen as to whether the Congress has appropriated any funds for this organization. I hold in my hand Public Law 253 of the first session of the Eighty-second Congress, approved November 1, 1951, "Small Business Plants Administration, salaries and expenditures, $350,000"—a direct appropriation by this Congress.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the gentleman from Virginia [Mr. GARY] made a statement a few moments ago concerning the numerous small-business functions and services in the various departments of the Government. He is correct in saying that there are small-business services in the Department of Defense, the Department of Commerce, the General Services Administration, the various defense agencies, and others. However, it was the specific purpose of Congress in setting up the Small Defense Plants Administration that all these small-business functions might be consolidated and merged into one service.

Throughout our testimony throughout the country the small-business people stated that when they came to Washington they were given the run-around into various departments of the Government. With the SDPA we now have a central agency—a clearinghouse—which acts for all segments of small business. Small-business problems are now being solved more effectively. This agency is doing a good job. They are settling many of these problems and rendering a valued service and I think this service should be continued.

It is unthinkable to me that within the period of a few months the House would reverse itself and today vote to kill the Small Defense Plants Administration which the Congress only last year established.

This agency to aid small business was created as the result of public demand and after it was determined that something should be done to assist the small-business enterprises of the Nation during this period of mobilization and emergency.

We all know its functions: to see to it that the small businesses of the Nation receive their fair and proportionate share of critical materials, such as copper, aluminum, and steel; and, second, to assist small business in obtaining defense contracts and subcontracts; and, third, to encourage the widest possible participation by small business in the defense and mobilization effort. In other words, to broaden the base by utilizing the small businesses of the Nation in the defense program.

I am sure it is obvious to all that many of the small-business concerns of the Nation need help; many are being forced to shut down because of their inability to obtain materials or to obtain a Government contract.

Small business has found itself, when dealing with the Government, to be operating in a vicious cycle—they cannot get a defense contract or subcontract unless they have proper financing; they cannot obtain proper financing because they do not have a defense contract. All of this, however, is being alleviated by the Small Defense Plants Administration.

Today small business is beginning to share and participate in the defense program. Much has been accomplished. Much more remains to be done in this direction.

The Small Defense Plants Administration has just gotten organized under the direction of Mr. Telford Taylor, the Administrator. This agency has worked out a method of procedure with the Defense Production Administration, the National Production Authority, and various procurement agencies of our Defense Department.

There has been a coordination and a consolidation of many overlapping small business functions and services of the various departments of the Federal Government—these being consolidated with the Small Defense Plants Administration which is the center or clearinghouse for all small business functions and services of the Government.

Here, however, is the rub. Herein lies the difficulty which the Small Defense Plants Administration is today experiencing.

The Congress in setting up this independent small business agency provided that the SDPA "shall not be affiliated with or be within any other agency or department of the Federal Government." In addition to this independence of other agencies, by executive order, small business functions have been transferred to the Small Defense Plants Administration and some few officials of other agencies—have been sniping at the Small Defense Plants Administration. They did not want it created in the first place and certainly not outside and independent of their particular agency.

They opposed its creation—and failing in this—they now snipe at its existence by trying to cut out funds for its operation.

The members of the Appropriations Committee should not be the ones—the sole judge—to determine whether or not the will of the House and the Congress as expressed in this legislation last year shall, in effect, today be repealed.

I say that the Congress should not permit this to happen. The House should restore the needed funds to continue the very vital services of the Small Defense Plants Administration.

By Executive order there has already been transferred to the Small Defense

Plants Administration various functions relating to small business from other agencies of the Government. We are consolidating these services into one agency, and certainly the Committee on Appropriations should not be the sole judge here as to whether this arm of the Congress is to be continued or discontinued. Congress unanimously created this agency, and now the Committee on Appropriations and certain agencies of the Government are attempting to kill SDPA because it may be usurping some function of an existing agency. We should not permit this to happen.

Let us take a look at the procurement picture and see whether or not this service is needed. Since the outbreak of the Korean conflict the quarterly rate of deliveries on military contracts has quadrupled, reaching a level of $5,000,000,000 during 1951. During October of last year, the Director of Mobilization, Mr. Wilson, estimated that the use of materials for military production was at a rate of $8,000,000,000 per quarter.

To meet mobilization schedules, according to Mr. Wilson, military deliveries must rise to a rate of more than $10,000,000,000 per quarter, reaching a peak in 1953. During the World War II period, 67 percent of contract awards, totaling $175,000,000,000, went to 100 large corporations. Obviously, with such huge military expenditures, every protection should be provided to insure that the small-business enterprises of the Nation are permitted to participate and to receive their fair and proportionate share of Government contracts and Government awards.

As of September 1950, less than 10 percent of Air Force procurement went to small business. Twenty percent of Navy procurement, as of September 1950, went to small business, and approximately 40 percent of Army procurement. The average over-all picture discloses that only 20 percent of the dollar volume of Government contracts were awarded to small-business interests during 1951, while more than 80 percent of the dollar volume of our tremendous defense-procurement program went into the hands of large corporations and big business. I say that the Congress should take every step to insure that small-business concerns are permitted to share to the fullest extent possible and make the greatest contribution to the defense-mobilization effort. Progress in this direction is being made. We should take no action here today which would be adverse to this objective.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BEALL].

Mr. BEALL. Mr. Chairman, about 2 years ago the Congress appropriated over $13,000,000 to build the bridge over the Anacostia River. When this bridge is finished it will tie in directly with the new Baltimore freeway, and it will make an access road or highway to the Friendship Airport, and will cut down very materially on the time between even the present National Airport and Friendship Airport. If we will just give that a little thought when we are thinking of spending $50,000,000—if we are really thinking about economy—let us wait and see what we are going to do when this new freeway is completed. The new freeway should be finished very shortly, long before this new airport can be built. Then we can see just where we are, and we will also be able to see better if we cannot save $50,000,000 and utilize the present facilities at Friendship Airport, which I think are only being used to the extent of 20 percent of its capacity at this time.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BEALL. I yield.

Mr. H. CARL ANDERSEN. Does the gentleman state that Friendship Airport is being used only about 20 percent at this time?

Mr. BEALL. That is my understanding. It is being used about 20 percent of capacity.

Mr. H. CARL ANDERSEN. Certainly that adds more fuel to the fire we are trying to put under this Burke Airport proposition, does it not? Is it not a shame to waste the facilities of that great airport at Friendship, an airport which is already there, and then to spend $50,000,000 here, out in the woods somewhere, 13 miles by airline from the National Airport, and create a hazard for everybody concerned? I am sure the gentleman agrees with me—I just wanted to bring that point out.

Mr. BEALL. I certainly agree with the gentleman. I think if we just wait until we have the facility of this new bridge, and the new highway, to see just how much time and distance that will save.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland whose district is directly and immediately concerned with the site of this airport.

Mr. SASSCER. Mr. Chairman, in addition to the reasons advanced, I approach this subject matter from another angle, and that is that the Civil Aeronautics Administration, an administrative body, should not be in the business of operating airfields.

The Civil Aeronautics Administration has been charged with the primary function of fostering the development of civil aeronautics and air commerce.

Running an airport is just something extra which they have taken on as an expanding Federal bureau.

And running an airport is the type of business it would be best for the CAA to discontinue.

In Airport Design, a publication issued by the CAA in 1949, the CAA makes this recommendation:

> Safety of aircraft operations is of primary importance in the selection of an airport site. On this point there can be no compromise in favor of other considerations.

I thoroughly agree with this CAA pronouncement.

To extend it just a trifle I am convinced that on the entire question "safety of aircraft operations is of primary importance," and "on this point there can be no compromise in favor of other considerations."

I am convinced that the CAA would stick to its knitting much better and take a realistic view of the critical situation now existing in Washington, if the CAA, itself, were not operating Washington National Airport.

So, therefore, I propose to introduce legislation that the CAA and other Government agencies charged with regulatory powers to assure safety in the field of aviation be prohibited from operating airports, or other facilities subject to their own regulations.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I asked the gentleman from New York to yield to me in order to correct a previous statement I made in a colloquy with the gentleman from Virginia [Mr. GARY] in which I stated my recollection as to what the House had done with respect to the previous requests for appropriations for the Small Defense Plants Corporation. My recollection as to what the House had done was correct, that the House had refused to grant any funds for this small-business plants operation, but I regret to have to correct the actual fact by stating that the other body did put in $350,000, and the House conferees were compelled to agree with that action.

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

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include two communications.

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

There was no objection.

Mr. MEADER. Mr. Chairman, in speaking about the appropriation for the Small Defense Plants Administration, I find myself in a somewhat unusual position. I have usually concurred in all efforts to cut appropriations. I have done so in the belief that Federal agencies generally can very well get along and do a good job, even a better job, on less money, if they will use the money we give them more efficiently and economically.

In this instance, however, I am compelled to take the position that something needs to be done for small business under the emergency situation we face in this country today. I wish it were not necessary to have all of the red tape and controls that have been set up, but we have them.

The fact is that those controls weigh most heavily upon the small-business man. The large corporation can afford to hire experts to deal with the numerous complicated Government regulations and procedures involved in the administration of emergency controls, but the small-business man finds himself in a maze of red tape with which he cannot cope.

The Government created that situation. It seems to me only fair that the Government do all within its power to ease those burdens on the small-business men. We should provide assistance in dealing with the Government under the controls we have today, in obtaining their fair share of scarce materials, and

in getting fair consideration on defense business, to replace the civilian business which materials controls have taken away from them.

I also seem to be in an anomalous position because I find myself on the same side of a question as the Governor of our State, a Democrat, and also Walter Reuther, the president of the UAW-CIO.

I want to read to the Members of the House a telegram I sent to Governor Williams, of the State of Michigan, today:

This will acknowledge receipt of your telegram of March 12 concerning the small defense plants administration.

I congratulate you on taking an interest in the problems and obstacles which confront small business enterprises today. A controlled economy, which of necessity must be shaped to the pattern of entire industries, inevitably emphasizes the advantages of the larger business enterprise and adds to the burdens of the small, independent concern. Large concerns can better afford to maintain staffs to deal with the red tape and regulations inherent in Government economic controls. Big business can cope with big Government, while small business is smothered by a plethora of bureaucratic red tape, procrastination and arbitrary edicts.

I hope you agree with me that the long-range cure for this unnatural, man-made blight on the free competitive system is to remove these Government controls at the earliest possible moment, and that we bring an end to the long-standing period of crisis and emergency, the intensity and duration of which is partly the result of human mismanagement and stupidity.

Meanwhile, I concur with those who believe it is necessary for the Government, through an agency such as the small defense plants administration, to give assistance to small business in coping with Government controls and regulation and in seeking to obtain fair consideration in the award of defense contracts.

GEORGE MEADER,
Member of Congress.

I enclosed a copy of that telegram in a letter I wrote to Mr. Walter Reuther, president of UAW-CIO, and said this:

As you will observe from the enclosed copy of a wire to Governor Williams, I am very much concerned about the plight of small business enterprises in this country. If a free competitive enterprise system is to be maintained, our economy must be such as to preserve real equality of opportunity so that small enterprisers with courage, initiative and willingness to work can advance and grow, limited only by their ability.

Recent trends toward big Government and big business have impaired this equality of opportunity which must be restored if we are to have the kind of country that both you and I want to live in.

Sincerely,

GEORGE MEADER.

I hope both Governor Williams and Walter Reuther, will see fit to concur with me in this desire to do something in the future for small businesses to grow and advance on a basis of competitive merit which has been the essence of the American system of free enterprise.

Mr. TABER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, this bill comes to the House with slightly less than a 10 percent cut. It contains some items that I feel are a little liberal, and I hope that as the bill progresses we may be able to save a few dollars for the taxpayer. I am glad the bill does show a $99,349,000 cut. It was my privilege to participate in some of those cuts. Frankly, I hope those cuts that have been made by the committee will be sustained by the House, because we are in a very serious situation in this country from the standpoint of our financial stability and we are going to need to save all the committee has recommended, and any reasonable suggestions for further cuts that can be offered.

I do feel at this time I should say a word about this so-called small-business set-up. I shall not say very much at this point, because I hope that when the bill is read it will be possible to have more Members present, and I will say more then. But to show you what a ridiculous situation they presented, they did not have any substantial program. It was what we might call ephemeral rather than lasting. It was in the nature of a trip-around-the-lot proposition. There was no indication but what there was another agency prepared to do just as much of a job as these people might do.

The great accomplishment that Mr. Taylor indicated he had made was to submit to the RFC 29 suggested loans of which the RFC has passed on 6. He did not even say in his testimony whether they had approved any of them and whether they did or not I do not know and there is not any evidence before the committee that they had actually accomplished anything.

They have asked here for $825,000 additional. The set-up was such that they already have 129 on their payroll, part of them in the field and part of them in the District of Columbia. On top of that, if they were given $800,000 more it would pay 250 or a little better for 3 months at $1,000 a month. It would seem to me as though they were jumping up too fast.

We might better get some kind of a statement out of that group. If they really need anything, if they are really going to accomplish anything, we should have a constructive statement submitted as to what they possibly could do.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

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

Mr. SEELY-BROWN. With reference to loans, I am advised that the Small Defense Plants Administration has had 277 loan applications from 37 States. Twenty-two are being favorably recommended to the RFC and ten have been granted. That is the information I have.

Mr. TABER. Well, Mr. Taylor on page 464 or 465 said that they had presented 29 applications to the RFC and that 6 had been passed on. He did not say whether any had been granted. That is all I know about it. I cannot go any deeper than that.

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

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

Mr. DONDERO. The gentleman used the name of Gen. Telford Taylor. I heard him eulogized on the floor here today. There is something dubious about this man and particularly his record. I find in examining the RECORD that on February 26, 1948, I had something to say regarding this individual. I called attention to the machinations of a Communist clique in the American zone of occupation in Germany having to do with the Nuremberg trials. You remember, General Taylor took the place of Justice Jackson as prosecutor. On his staff he had two people, one by the name of Josiah E. Dubois and another by the name of Belle Mayer, both of them on the Nuremberg prosecuting staff under Taylor.

Mr. Dubois' record is not what a good American would like to have.

At the time Judge Wennerstrum, from the State of Iowa—who was the presiding judge at the trial—voiced scathing criticisms of the trial procedure and the distortion of justice at the trials, by a staff penetrated by left wingers.

The statement that was made by General Taylor against the judge was termed by the Pentagon as "baseless slander." This is the man who is at the head of this small business organization.

Mr. TABER. Is this what the judge said about it?

Mr. DONDERO. That is what the Pentagon said about the statement against the judge, made by General Taylor.

Mr. TABER. Well, I do not know, but it sounds rather difficult for me to entrust an $825,000 item and allot $10,000,000 as a revolving fund to a fellow who has no more sense of responsibility than that, and who cannot tell intelligently what he proposes to do.

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

Mr. TABER. I yield to the gentleman from Illinois.

Mr. BUSBEY. Outside of the remarks that the gentleman from Michigan [Mr. DONDERO] just made, what are the qualifications of General Taylor for handling this administrative job in the Small Defense Plants Administration?

Mr. TABER. I do not know.

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

Mr. TABER. The gentleman has already told what he thought about him.

Mr. PATMAN. I want to ask the gentleman a question.

Mr. TABER. I yield.

Mr. PATMAN. When Mr. Taylor was before your committee, did you ask him anything about this?

Mr. TABER. No; but I suppose when he was asked to tell what these things were all about, that he would tell what the story was.

Mr. PATMAN. Does not the gentleman think it is rather late to bring it up now, in the consideration of this particular proposal?

Mr. TABER. No. I do not think it is late to bring anything up that is the truth.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield the balance of the time to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I wish to direct my questions to the airfield proposition. As I understand, we have something like $25,500,000 invested

in the National Airport, which is now serving the city of Washington. If that is not correct, I wish some member of the committee would correct me.

Mr. ROONEY. Mr. Chairman, if the gentleman from Michigan will yield to me, I should like to say that the correct figure is $23,000,000.

Mr. CRAWFORD. The figure which I have came from the Senate report, whether it be $23,000,000 or $25,500,000 is somewhat immaterial at the moment, and that the CAA estimates the new airport to serve the city of Washington would cost about $37,721,000 not including hangars; $8,000,000 for the hangars; additional land cost of about $999,250; that the National Airport has about 729 acres in it, and the new Burke Airport would, if carried out according to present plans, have about 4,520 acres. On this question of the $1,000,000 which has been appropriated, I understand that approximately $832,000 of the million has been deposited with the United States district court at Alexandria in connection with the proposed lands deals, and if this project is not completed, that $832,500 could be recovered. Now, if that is not correct, I wish someone would straighten me out on that.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I am not positive but what the eight-hundred-and-some-odd-thousand dollars is committed; nevertheless, the Government could recover that through the sale of the property.

Mr. CRAWFORD. Suppose the commitment is really made and the deal must go through. You would obtain, in consideration of the $832,500, acreage which could probably be sold for a 25- or 50-percent mark-up, and make money on the deal, because the way land is being sold around here, I think, based on figures I have seen, that could be done.

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

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. JOHNSON. That $1,000,000, or whatever the amount is, is a deposit made by the United States Government when a condemnation suit is filed, guaranteeing the payment for land that is taken. We do not know if all the land has been taken. However, all that can be recovered, because I understand a very small portion of the land has actually been acquired.

Mr. CRAWFORD. The only reason I am raising this point is so that we will not be misled into spending additional moneys unnecessarily simply because we have already put $1,000,000 into the deal, because I understand that could be recaptured in one way or another.

May I ask the committee, the gentlemen who are familiar with this proposition and who are handling it, this question: Assuming that the new airport is built, what do you propose to do with the National Airport, where we now have twenty-three to twenty-five million dollars invested?

Mr. ROONEY. Its use would certainly be continued.

Mr. CRAWFORD. The idea is to continue the present airport?

Mr. ROONEY. Absolutely.

Mr. CRAWFORD. Irrespective of what happens to Burke or to Friendship as far as the Washington area is concerned? Would that mean that the traffic would be split between the National and the Burke Airports?

Mr. ROONEY. Yes.

Mr. CRAWFORD. Then we would have the problem, as I think somebody explained here, of transferring passengers as between Burke, National, and Friendship. Is that correct?

Mr. H. CARL ANDERSEN. Naturally, as the gentleman will understand, the major airlines would try to use the National Airport as far as possible, it being built up with facilities as it is, and all that we would have going over to Burke would be merely the spillover. They are apt to have an airfeld out there at Burke which would be used very little if any.

Mr. CANNON. Mr. Chairman, I yield the remainder of my time on this side and the remainder of all time for general debate to the distinguished gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the distinguished chairman of the Committee on Appropriations has given me these 2 minutes in order that I might call the attention of my colleagues to a serious omission in this pending deficiency appropriation bill that has to do with the present Federal program of assisting impacted school districts that are having trouble meeting their school facility needs due to Government activity in the defense areas.

Time will not permit me to put all the facts in the RECORD that I think my colleagues are entitled to, but I want to announce to the committee at this time that when we read this bill for amendment I shall offer an amendment in order at least that I may get the facts in the case in the RECORD, whether I get any money out of it or not.

The CHAIRMAN. The time of the gentleman from West Virginia has expired. All time for general debate has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

SALARIES AND EXPENSES, CLAIMS OF PERSONS OF JAPANESE ANCESTRY

For an additional amount for "Salaries and expenses, claims of persons of Japanese ancestry," $14,800,000.

Mr. JACKSON of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, included in the pending appropriation bill is the item in the sum of $14,800,000 for the payment of claims of persons of Japanese ancestry. These claims grow out of the evacuation and relocation of Japanese people during World War II. There has been considerable delay in the settlement of these claims. Much of the delay, in my opinion, was unnecessary. As a member of the Committee on Appropriations, I strongly urge the House of Representatives to approve the full sum. I trust that the balance of claims will be acted upon just as soon as possible so that the people of Japanese ancestry who are rightfully entitled to their claims for damages will receive prompt payment.

Mr. Chairman, I believe it would be helpful for the Members of the House to have placed in the RECORD the following letter which I have received from Mr. Mike Masaoka, national legislative director, Japanese American Citizens League. The Japanese American Citizens League has been most helpful in presenting this problem to the Congress. The letter is as follows:

JAPANESE AMERICAN CITIZENS LEAGUE,
Washington, D. C., March 11, 1952.

Hon. HENRY M. JACKSON,
Congressman from Washington,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN JACKSON: This is in reply to your recent request for our views, as the organization most concerned with the interests of persons of Japanese ancestry in the United States, on the administration of the Japanese-American evacuation claims program by the Department of Justice.

Frankly, we feel that the Department of Justice is now doing a remarkably able job with this difficult subject and is entitled to commendation for its efforts to liquidate its responsibility in this regard at the earliest opportunity. We are, therefore, in hearty accord with its request for $14,800,000 in supplemental appropriations for the payment of compromise settlement claims.

Eighteen months ago, however, we were not so favorably impressed with the Department's handling of evacuation claims. We believed that it was overly technical and legalistic in its approach to the human problems involved in the mass movement of over 100,000 individuals from their west-coast homes 10 years ago and that its narrow construction and interpretation of the statute of July 2, 1948, was contrary to congressional intent in enacting that remedial act.

In addition, the Department was adjudicating claims so slowly that, according to estimates based upon the report to Congress of the attorney general on the progress of the program in 1950, it would have taken more than a century to complete the processing of claims. And, because of limited administrative funds, it opened up just two field offices in Los Angeles and San Francisco, and practically all of the claims being adjudicated at that time were limited to those filed in California.

In the calendar year 1950 the Department of Justice adjudicated only 211 claims, of which 73 were dismissals. $62,595.16 was paid out as awards in the 137 claims for which payment was authorized. $141,373.83 was the total originally claimed by these same 137 claimants.

In 1949 only 21 claims were adjudicated, one of which was dismissed. Of the total of $13,543.99 originally claimed, $6,882.20 was paid in awards.

In these 2 years almost every adjudicated claim except those dismissed were from areas in the immediate vicinity of Los Angeles and San Francisco.

More important, though, was the exorbitant cost of adjudicating these claims, all of which were small ones involving less than $2,500 each. In 1950, we estimated that it was costing the Government an average of almost $1,500 to adjudicate and pay an average award of less than $450.

While the number of adjudications increased in 1951 to 344, of which 33 were dismissals, the program really began to move after Congress approved an amendment August 17, 1951, which authorized the Attorney General to compromise and settle all claims upon the basis of affidavits and available records up to three-fourths the amount of compensable items, or $2,500, whichever is less.

Although we recognized no justice in waiving 25 percent of our compensable items claimed, in order to expedite the program so that the aged and the poor might receive their evacuation claims in time to aid in their rehabilitation and resettlement, we endorsed this compromise settlement formula and urged its passage last summer.

Beginning in October and continuing through November and December, the Department of Justice compromised and settled 1,813 claims.

In the last 3 months of 1951, claimants from 249 different communities in 30 States and the Territory of Hawaii, including 103 from Seattle, Wash., were listed as having accepted compromised settlements of their respective claims.

During this same period, the average administrative expense in compromising and settling the average award of $773.65 was $43.37 per claim.

The total amount originally claimed by these 1,813 evacuees who compromised and settled their claims was $2,725,550.53, while the actual amount awarded by the Department was $1,402,619.45. While so-called noncompensable items accounted for most of the difference between what was claimed and what was finally authorized for payment, a substantial amount was for the 25 percent automatic and arbitrary deduction of compensable items in every claim which is required by law as the price of compromise settlement.

Since the beginning of the year, the Department has been able to increase its production to well over 1,000 claims a month, thereby reducing even more its administrative expenses per claim. We now understand that it hopes to compromise, settle, and pay 17,725 claims out of the 23,725 claims pending as of July 1, 1951, by the end of this fiscal year, June 30, 1952.

In the past several months, the Department of Justice has adopted what we consider a more humane and realistic approach to this whole problem. At the same time, it has perfected its machinery for processing claims to the point where it threatens to outstrip the speed of the claimants in submitting compromise offers of their evacuation claims. Indeed, we feel that Holmes Baldridge, Assistant Attorney General in charge of the Claims Division, and his colleagues in this special section are to be praised for the manner in which they have developed this compromise settlement procedure which saves the Government substantial sums in administrative expenses while providing claimants with expeditious authorization of awards on as generous a basis as the Department believes possible under existing law.

Because Congress last year appropriated only half a million dollars for the payment of claims this fiscal year, the overwhelming majority of those who compromised and settled their evacuation claims have not yet been paid, and will not be paid until this supplemental appropriation is approved.

As noted previously, 10 years have passed since the wartime evacuation of persons of Japanese ancestry from the west coast. This compromise settlement procedure was devised for the aged and the needy. And, since the original legislation authorized the appropriation of such funds as would be necessary for this program, it is our belief that Congress should reaffirm as speedily as possible its expressed intention to compensate in part for some of the economic losses suffered by those who were evacuated by the military in 1942 by approving this supplemental appropriation for the payment of these claims.

Although this may not be the appropriate place or time to suggest what we consider to be serious deficiencies in the basic legislation, at least as interpreted by the Department of Justice, we feel obliged to call at least a few of the more important ones to your attention. The Department of Justice, for example, has ruled that expenses involved in preparation for that wartime movement from long-established homes to desert wilderness camps are not "loss to real or personal property," and, therefore, not compensable. Another is the denial of transportation expenses incurred in returning from relocation centers to prewar homes. A few others illustrative of the Department's restricted interpretations include rejection of losses of rental, at least in certain cases; expenses of management of properties and businesses during the period of exclusion; and losses incurred by heads of families who were interned and later released or paroled and sent to evacuation centers.

We do not intend to press for any legislative amendments at this time because we realize that the program is far from being completed. After the compromise settlements of $2,500 and less are processed and paid, there are several thousand larger claims remaining to be adjudicated.

When a substantial number of claims has been paid and we are able to review the program in the light of the actual record, we again may request Congress to amend this measure to bring within the meaning of the statute some items which we sincerely believe should be included in this remedial legislation.

Sincerely,

MIKE MASAOKA,
National Legislative Director,
Japanese American Citizens League.

The Clerk read as follows:

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $4,000,000; and the limitation under this head in the Department of Justice Appropriation Act, 1952, on the amount available for personal services, is increased from "$30,159,900" to "$33,117,250"; *Provided,* That appropriations granted under this head for the fiscal year 1952 shall be available for the purchase of not to exceed 40 passenger motor vehicles in addition to those heretofore provided, and for purchase or construction of buildings and adjunct facilities for detention of aliens.

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

The Clerk read as follows:

Amendment offered by Mr. FISHER: On page 3, line 19, strike out "$4,000,000" and insert in lieu thereof "$2,610,000."

Mr. FISHER. Mr. Chairman, this amendment would reduce by $1,390,000 this item provided in this particular section of the bill. The proposed $4,000,000 item in the bill is over and above the present allotment for the operation of the Immigration and Naturalization Service. There are three different items included in this proposed cut. One has to do with the addition of 335 additional employees who have not been employed previously. These 335 new employees would be continued on the payroll from year to year and the total cost would run into many millions of dollars. The second phase of it has to do with the construction of two detention centers along the Mexican border where illegal aliens would be concentrated for deportation. If those things are necessary that is very well and good. But, from reading the hearings, I do not find ample justification for that type of expenditure. It will be recalled that last year when this same proposal was before the House, there was a request for funds for these various additional purposes. When the attention of the House was called to the purposes for which they were designed, and when an amendment was offered by the gentleman from California [Mr. PHILLIPS] the House promptly struck out that entire request. Now the procedure that is followed at the present time is that if illegal aliens are picked up anywhere, they are put in jail where they belong. They have jails all up and down the border from California clear down to the Gulf of Mexico. The work has been proceeding so far as I know very well under that arrangement. Last year when the House struck out the request, $3,000,000 was restored in the Senate, and finally the conferees cut it to $1,000,000. Out of that $1,000,000 instead of building detention camps which they now claim they need, what was it used for? It was used principally, according to this hearing, on a gigantic airlift taking illegal aliens away into the interior of Mexico. Nearly $1,000,000 was spent for that purpose. Now of the items I propose to cut out, more than $500,000 would be used for a similar purpose during May and June. It seems to me, if these people need free airplane rides down into the interior of Mexico—of course, they should be deported—but if they need these free rides, then why should not the Republic of Mexico pay that expense, and why should Uncle Sam bear the entire burden of transporting these Mexican nationals hundreds and hundreds of miles into the interior of their own country? Especially is that true when this country has already spent a million dollars or more on this one undertaking. It seems to me that expense could very easily be eliminated from this bill without doing any violence so far as the enforcement of the law with respect to illegal aliens is concerned. So it would seem that since there are over 700 permanent patrolmen already along the border area and enforcing that law, we can ill afford the cost of adding another 300 to that total.

The Department of Labor has a major part in the administration of this labor program along the border. It spent over $1,000,000 during the past year. Something like $500,000 is provided by this bill. If they need that, very well. I make no point about that. But, the total cost is pyramiding and to a certain extent being duplicated.

If, under the new international labor agreement which is pending with Mexico, it can be made more workable and much of the red tape and difficulties ironed out, which difficulties have existed in the past, then much of this problem itself will be eliminated, and this tremendous additional cost of putting more and more men on the public payroll can be eliminated.

Here is a chance to save the taxpayers many millions of dollars and hold the line against the pressure for more and more people to be added to the public payroll.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, we all know the desparate, lawless situation on the Mexican border with regard to wetbacks, and how the border at the Rio Grande is just like

a sieve. Either this is a nation of law and order and people are going to recognize that we are going to have law and order, and that people who are illegal entrants into this country from Mexico must be deported, or we do not want law and order.

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

Mr. ROONEY. I do not yield at this moment. Let me proceed. I will yield to the gentleman later.

Either we are going to have law and order or we are not. The Immigration and Naturalization Service has been forced to fly illegally entered aliens back hundreds of miles into Mexico. They find that that is the only way they can discourage their coming right back across the border. In these troublous times, when we are geared for war production, as we are, and with the international situation as it is, do you not think it short-sighted to permit our border at Mexico to be as open as a sieve? You all know there is presently no adequate protection against smuggling narcotics, contraband, or the illegal entry of spies and foreign agents.

This money which the pending amendment would cut out of the bill would provide facilities for detaining aliens, establishment and maintenance of two detention camps, $878,000 to remove by air approximately 43,000 aliens during the coming months of May and June, and an increased staff and equipment for the border patrol to prevent illegal entries.

The committee asks that you vote down this amendment, if you believe in the preservation of law and order, and if you want to keep out of this country people from Mexico who are not legally entitled to be in it.

I now yield to the distinguished gentleman from Texas.

Mr. FISHER. Does the gentleman know of anybody who is opposed to the application of law and order along any border in the United States, either New York or Texas or any other place?

Mr. ROONEY. I must say to the gentleman from Texas, who is a distinguished and able Member of this body, that I interpret the opposition to this item in this bill for the Immigration and Naturalization Service to be a step toward abandonment of law and order.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PHILLIPS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, let me try to make clear to the Members of the House what the situation is. I think while this may add information it may also add some amusement.

Let us start by saying we are all for law enforcement. The border between the United States and Mexico is just about as definite as the border between Maryland and the District of Columbia. Suppose you were a person living in Chevy Chase or in Bethesda, and work was offered to you inside the District of Columbia. If you came down Wisconsin Avenue, you paid $10 to the State of Maryland. If you came down Connecticut Avenue, you paid $10 to the State of Maryland, but if you stepped over one block and came across the border between those entry points, you did not have to pay $10 to the State of Maryland and perhaps you did not have to pay a little fee to the man who put the stamp upon your papers. The problem of the wetback, about which our friends in the North talk so eloquently, is a problem created just as much in Mexico as in the United States.

Let us talk about flying them back. I opposed that last year. I think that is one of the most extravagant ideas that any bureaucratic agency of the Government has thought up yet. Suppose, as I say, you were living in Bethesda or in Chevy Chase, and you came across the border into the District of Columbia, and then the Immigration Service of the District of Columbia picked you up.

The Immigration Service picks you up and at great expense, as you see in this bill from $250,000 to $300,000 a month, goes out and hires airplanes; it is a very expensive method—perhaps they might better get them from the Army; I do not know; they could probably get them much cheaper, but they do not; they hire airplanes and then fly you way back beyond your home; they take you up to Hagerstown or over to Baltimore, dump you off, and then you have to walk home.

As I said facetiously last year when we were considering this bill, the reason the Immigration Service thought this up was so that the immigration official could get back to the United States before the Mexican got back. Whatever the reason, it is an extravagant program. It is creating a social and economic situation in Mexico which I said last year I thought would cause us to hear officially from the Republic of Mexico. The Mexican who does not live in the southern part of Mexico is taken to that part of Mexico, and set down farther away from the United States than where he belongs. It creates a real economic problem for the Republic of Mexico, the problem of feeding him, a police problem, and the problem of taking care of him.

I speak in support of the amendment, or to that part of it which has to do with the airlift. I think it is $878,000 requested, for the rest of this year, to put people across the border. We are all for that; if they are illegal entrants, they are not supposed to be here. I do not see why we should spend money to hire airplanes to set people down in Mexico a long way from their homes, so it will take a longer time to come back.

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

Mr. PHILLIPS. I yield.

Mr. FISHER. I may point out to the gentleman from California that this is for 2 months; the proposed cost for 2 months would run something like $1,000,000, according to the hearings.

Mr. PHILLIPS. That makes it worse; I thought it was for three instead of two.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. O'TOOLE. In a recent crime survey conducted in four Southwestern States, namely, southern California, Arizona, New Mexico, and Texas, it is shown that 11½ percent of the crime committed in that area is committed by these wetbacks, who are illegally in the country.

Mr. PHILLIPS. I do not know that. I wonder what the crime situation is in New York City.

Mr. O'TOOLE. Very little; most of the crooks have gone back to California. I still think that to get these people out of the country would save money for the people of the United States.

Mr. PHILLIPS. We will agree with the gentleman that we would like to have them sent back to their homes but not to take them several hundred miles south of where they live so they will have to walk back.

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

Mr. Chairman, this amendment comes to the floor now not entirely unexpected. I see no point in trying to compare the situation along the Mexican border with New York City or the District of Columbia, Maryland, and other nearby suburbs. I think most of the Members of the House are thoroughly cognizant and aware of the situation that prevails and exists on the Rio Grande. I think most of us deplore the fact that the back door of the agreement arrived at between the Government of the United States and the Government of Mexico is evaded by permitting these thousands of wetbacks to come across the border in violation of the agreement and in violation of the law and then to be exploited by the large farm owners of that area, which might be in my book actually called servitude. I do not think there is any question in the world but what actual servitude is taking place in that area of this Nation because of these wetbacks.

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

Mr. WIER. I yield.

Mr. REGAN. Would it surprise the gentleman to know that these Mexican immigrants are paid wages equal to those paid American workmen in the same area? And that the amount paid to a Mexican farmhand in 1 day would be as much as a bricklayer could earn in Mexico City in 10 days or 2 weeks time? The money that they earn is cleared through our post offices along the border to the extent of thousands of dollars. They contribute to the economy and the good of Mexico, and if they did not earn good money they would not come over here.

Mr. WIER. I would like to believe the statement of the gentleman from Texas. I have heard that statement made several times during the course of debate on wetback legislation now pending in the Congress, but it always generates from that area in which this problem is alive.

Mr. REGAN. That is where we know what the situation is.

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

Mr. WIER. I yield to the gentleman from California.

Mr. PHILLIPS. The record shows that farm labor in the area the gentleman is talking about is paid more than farm labor in New York State.

Mr. WIER. Never mind New York State. Let us stay with the problem on the Rio Grande.

The fact of the matter is that the proponents of the continuation of this existence of servitude down there, and I refer reservedly to servitude, do not want any legislation and they have proven that time and time again in the last 2 years by their efforts to cripple any legislation on this subject.

Mr. PHILLIPS. Why does the gentleman say servitude?

Mr. WIER. I say servitude because the condition actually exists down there. Please do not try to convince me that with the agreement pending between Mexico and the United States Government relative to the importation of labor or to the relationship in transferring Mexican workers to this country under a properly arrived at contract, which means mutual agreement between the Governments, this method should not be followed through. I agree with the gentleman on that. I have no quarrel with that.

Mr. PHILLIPS. Then what is the argument about?

Mr. WIER. We see here the proponents of these crippling amendments continually wanting to keep that back door of the Rio Grande open. They do not want it policed, as you saw a few days ago, neither do they today want the necessary finances to be appropriated so that that area can be properly policed and the agreement, if you please, protecting the Mexican citizens in their employment up here preserved.

Mr. PHILLIPS. That is not the argument. The argument is not about sending them back across the border, with which we agree, but whether we are to fly them back to the center of Mexico and create another problem down there in Mexico.

Mr. WIER. That is just mussing up the picture. I have no sympathy for the expense of flying, and I express no sympathy and do not defend that, but I am going to continue to take the floor here in reference to closing up that back door. I understand that in California you also have a great number of these wetbacks that the big-farm owners want to continue to use the services of.

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

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

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

Mr. HOLIFIELD. Mr. Chairman, I object.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 12 minutes.

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

There was no objection.

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

Mr. HOLIFIELD. Mr. Chairman, it is necessary to have Mexican agricultural labor in the States near Mexico and also some of the States north of Mexico. There are two ways of getting that labor. One way is the legitimate way through agreements with the Mexican Government which have certain safeguards regarding the return of the labor to Mexico, the wages that are paid, and other types of safeguards. I think every Member of the House can sustain that method.

The other method of getting this labor is by condoning the illegal entry of immigrants into this country. That is exactly what is happening on this wetback situation on the border of California and on the border of Texas. These people come across to get work because they can get higher wages, and if they come across under legal agreements, they are protected. If they do not come across under legal agreement, then it is left up to the beneficence of the employer as to whether they are treated right or not. Many of them are treated right, and I must confess that many of them are treated wrong. Any cut in appropriations to the Immigration and Naturalization Service in patrolling these hundreds of miles of border is a condoning of illegal entry of aliens into this country, and this particular cut, in the name of economy, is to further cripple the return of wetbacks from this country, illegally entered aliens, back to their point of origin, or south of their point of origin.

Now, it is not silly, and it is not similar to the reference to people crossing the border of Maryland or Virginia, to send these people back across the border several hundred miles. Otherwise the experience is that the officials take them across one day and they come back across the following night, because it is an impossibility to patrol the unfenced and practically unguarded borders of Mexico and Texas, with their limited personnel of the border guards. From the standpoint of necessity therefore, the Immigration and Naturalization people are using these planes to drop them several hundred miles south of the border so that they will not have to catch the same wetbacks the following night.

Mr. Chairman, I support the committee appropriation.

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

Mr. JENSEN. Mr. Chairman, I just want to call this fact to the attention of the committee: that last August—I am sure it was last August—a bill was before this House to bring in this immigrant labor. The proponents of that bill assured the House that it would not cost the taxpayers of America one single dime. Then, about 10 days later, a supplemental appropriation bill was brought to the floor which requested $4,000,000 for this purpose of bringing into this country immigrant labor and also to transport the laborers back to Mexico. In that amount was requested 85 automobiles which were to be used to bring the laborers in and to take them back. I offered an amendment to strike out the full amount which was in that supplemental bill of $4,000,000, and the amendment was adopted.

Now, here we have before us another request for funds to fly the immigrant laborers back home.

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

Mr. JENSEN. I yield to the gentleman from Texas.

Mr. FISHER. I wanted to correct a misunderstanding that the gentleman from California [Mr. HOLIFIELD] apparently had about this amendment. He said it was an attempt to reduce the appropriation of the present set-up for the enforcement of the law along the Rio Grande. It does not do that at all. It simply prevents an increase, a part of which has indirectly to do with the enforcement of the law on the Rio Grande. It is simply to prevent the increase of the Federal payroll by several hundred thousand dollars per year. It does not change the existing enforcement set-up at all. The gentleman from California apparently did not understand the amendment when it was read.

Mr. JENSEN. Mr. Chairman, here is a good place to save over a million dollars. I hope the amendment is adopted.

Certainly when the proponents told us last year that this would cost the taxpayers nothing, let us take them at their word and strike out this amount, which the gentleman from Texas [Mr. FISHER] has requested in his amendment.

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

Mr. BAILEY. Mr. Chairman, the amendment offered by the gentleman from Texas and supported by the gentleman from California brings forcibly to the minds of the Members of Congress the floor fight we had over the passage of wetback legislation in the last session of Congress.

I recall that the gentleman from Texas and the gentleman from California both supported this legislation. I also recall that I attacked that legislation on the floor of the House on the ground that it was filled with hidden Government subsidies which the Government would have to pay. I also recall that I attacked their proposal of charging the farmer $10, which was in the House bill, and $20 in the Senate bill, and I offered an amendment to put into the bill the actual cost on the basis of the experience up to that time, which was $34.95. The bill was agreed on between the House and the Senate for a sum far less than that.

The Government is now being asked through this supplemental appropriation to put up money that rightfully should have been charged to the farmers down there who used these wetbacks on their farms. Instead of that, it comes up here now as a subsidy, and the inconsistency of it all is that the gentleman from Texas now proposes to cut out of the appropriation bill the necessary funds to carry out the law for which they were largely responsible.

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

Mr. BAILEY. I yield to the gentleman from Texas.

Mr. REGAN. Then the gentleman agrees that this appropriation should be reduced?

Mr. BAILEY. I do not. I think the charge should be transferred to the people who are using the wetbacks.

Mr. REGAN. Then the gentleman favors a reduction in this appropriation?

Mr. BAILEY. I do not. I want to kill the wetback legislation.

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

Mr. CANNON. We ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 105, noes 48.

So the amendment was agreed to.

The Clerk read as follows:

ADDITIONAL WASHINGTON AIRPORT

For expenses necessary for the acquisition of land, interests therein, and appurtenances thereto, for the site and appurtenant facilities for an additional public airport within or in the vicinity of the District of Columbia, as authorized by Public Law 762, approved September 7, 1950; plans, specifications, and surveys; and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); $1,400,000, to remain available until expended.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 4, line 14, strike out all of lines 14 through 22, inclusive.

Mr. H. CARL ANDERSEN. Mr. Chairman, so that I may explain this amendment to a certain degree, I ask unanimous consent for another 5 minutes.

Mr. ROONEY. Mr. Chairman, I object. I am willing to settle this matter now, without any further debate. We have listened all afternoon to this.

The CHAIRMAN. Objection is heard.

The gentleman from Minnesota will proceed.

Mr. H. CARL ANDERSEN. Mr. Chairman, as I stated in general debate here, we have an opportunity here to do many things. First, we can save the taxpayers of America $50,000,000 by eliminating this further appropriation for Burke Airport. Secondly, we can help a lot of people over in Fairfax County, which county is overwhelmingly, in fact, almost unanimously, opposed to the establishment of that particular airport. Let me quote from the hearings on page 107. The governing body of the county, the board of supervisors, said:

The establishment of such an airport in Fairfax County, Va., would be extremely detrimental to the general welfare, health, and safety of the residents, and practically ruinous to the future development of the entire community as a residential area.

As stated previously, my only interest first of all is the saving of these $50,000,000. Through the establishment of such an airport as is proposed at Burke, we are creating a hazard in that heavily populated area similar to that which exists in Elizabeth and in Newark. We have Friendship Airport available as has been brought out, and as these half a dozen gentlemen who have backed me up today in my argument can testify. We have a splendid airport up there which is only being utilized to 20 percent of its capacity. That airport is only 40 minutes from the Statler Hotel. The testimony of police officers in Fairfax is to the effect that you will only save 6 minutes in time from Burke to the Statler as compared to the time from Friendship Airport, and even then you may have to break the legal speed limits to try to do that. Why should we inflict upon a community, and upon the State of Virginia, such a situation as is proposed here. Why should we inflict upon them the establishment of a very expensive airport, as far as the Federal Government is concerned? We can draw out of this mess with a loss of only $150,000, one-third of 1 percent of the $50,000,000 which it would ultimately cost. Do you not think it is good business to do so?

We are talking about economy. Here we can do something to help. We can save $50,000,000. That may not be considered too much by some people, but it is still a lot of money to me. When are we going to start saving if we do not knock out nonessentials such as this?

Those of you who were present during general debate heard the gentleman from Virginia [Mr. SMITH] practically admit that my amendment was justified. He certainly did not defend the Burke Airport site. I quote in the debate a letter from Senator BYRD to the effect that he would vote against any further appropriation for this particular item.

From a military viewpoint, are we going to put ourselves in a position where, in case of war, if the Potomac River bridges are knocked out, we will be out entirely as far as the National Airport and the Burke Airport are concerned, whereas the Friendship Airport, only 40 miles from the Statler Hotel, is available, along an all-land route?

I hope the House will see fit to accept this amendment.

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

Mr. CANNON. Mr. Chairman, in view of the fact that most of the 2 hours of general debate was spent on this item, I ask unanimous consent that the debate on this amendment and all amendments thereto close in 5 minutes.

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

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, a great bulk of the Membership of the House were not present during general debate. Certainly we are entitled to be heard on this $50,000,000 project. I object.

Mr. CANNON. We have spent nearly 2 hours on this. How many desire to be heard?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved by the committee.

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

Mr. POAGE. Mr. Chairman, reserving the right to object, that is going to leave only about 2½ minutes for each Member except the committee.

Mr. CANNON. They have had 2 hours' debate on it already.

Mr. POAGE. But we did not have any of it.

Mr. CANNON. That was because the gentleman was not present on the floor.

Mr. POAGE. I was present.

Mr. CANNON. But the gentleman did not ask for time. If he had it would have been granted him.

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

There was no objection.

The CHAIRMAN. The gentleman from Maryland [Mr. GARMATZ] is recognized.

Mr. GARMATZ. Mr. Chairman, no one can argue the need for additional facilities to relieve the traffic congestion and hazards now existing at the Washington National Airport. However, I do not believe that the construction of an additional airport in the Washington area would relieve the traffic hazard, nor the congestion, as too many airports located in one area would make the air lanes more congested and more dangerous.

Before the sum of $14,000,000 requested in S. 456 was appropriated by Congress, I strongly urged that the facilities at the new Friendship International Airport be utilized.

With the present need for elimination of all unnecessary expenditures, is it fair to the taxpayers to impose this additional burden on them for the Washington traffic, when the Government has already invested about three million in the Friendship Airport? This investment in that airport can only be justified on the use of it as a regional facility. Furthermore, it has been shown that the fourteen million was only the beginning of the cost of the new airport.

In testifying before the Interstate and Foreign Commerce Committee on this airport as late as June 30, 1950, the spokesman for the Department of Defense stated:

The Department contemplates no foreseeable military requirement for the utilization of the proposed new public airport. It is conceivable, however, that a future national emergency may require utilization of the airport by military aircraft operation in the interest of the national security. In view of this defense value in time of emergency, the Department of Defense recommends that the land acquisition and planning for the lay-out of the air-field facilities and the airport be such that it can readily be expanded in accordance with military standards and criteria.

A considerable length of time would be required for the construction of the airport to permit its use for defense or security purposes. Friendship Airport was planned and constructed to serve not only the growing Baltimore air traffic, but the overflow from the Washington National Airport as well. It has been estimated that Friendship, with the present National Airport, will be adequate to serve the needs of the capital area for at least 10 years. Should defense need require additional facilities, Friendship would provide that need, having been so constructed that it can be increased quickly to two or three times its present capacity at a cost of only five or six million dollars.

Furthermore, the physical location and the equipment at Friendship offer efficient and safe handling of aircraft

during inclement weather conditions. The site was chosen because, from a meteorological standpoint, it is the best in the entire area. And with the completion of the Baltimore-Washington Expressway, already authorized by Congress, rapid transportation to Washington will be provided.

Therefore, I urge the Members to oppose the outlay of money for the additional airport as entirely unnecessary at this time.

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

Mr. CURTIS of Nebraska. Mr. Chairman, I shall support this amendment. I do not believe the Federal Government should pay the total cost for an airport for any community in the United States. The taxpayers of the country already pay a large part of the cost of air transportation: The control towers, the weather stations, and all the other facilities a plane requires when it takes off on its journey, for its guidance through the sky, and again to land, are at Federal cost. If the local people cannot pay a just portion of the cost they should not have an airport.

Another reason: Is this something we can get along without? There seems no dispute but what there are ample facilities at the Friendship Airport that should be used. With the present condition of the United States Treasury, the overburdened taxpayers, and our heavy tax load, there is no reason why the Federal taxpayers should further subsidize this community for its air transportation. There is no reason why the Federal taxpayers should pay the total cost of a Federal airport which is not used exclusively for governmental purposes. We have one federally built and supported airport here now. Why should we build another?

Still a further reason why I believe that this ought to be rejected and we should back up on this project is that the costs are very likely to exceed the original estimates. This Congress should speak up against bureaucratic domination of projects. These agencies advance them and suggest the costs will be much less than they eventually turn out to be and thus get the camel's nose under the tent, thus compelling the Congress to appropriate millions and millions of dollars to complete it or lose the original investment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, at the moment there is no need for an additional third airport in this immediate vicinity and the need undoubtedly will not arise for a number of years. Even though the money were appropriated for the Burke Airport, it will be a considerable time before it could be put into actual use.

While I am opposed to all unnecessary Government expenditures at this critical time, I have consistently worked for the development of the Friendship Airport. Let me say now if just one third of the money which is contemplated in this appropriation were applied to the immediate completion of the Baltimore-Washington Parkway, the development of the Burke Airport would be a complete nonessential expenditure. The Friendship Airport is already in existence and capable of handling all air commerce which might overflow from any of the overcrowded fields. There is absolutely no necessity to spend the $14,000,000 asked for in the initial appropriation—the ultimate investment of which, conservatively figured, would eventually exceed $25,000,000.

I have been very active, as chairman of the Public Works Committee on Roads not only in developing Friendship but also in initiating and supporting legislation which authorized the construction of the Baltimore-Washington Parkway, which connects with the airport. Further to sustain my position, I am quoting what the Civil Aeronautics Administration had to say, as recently as January 1949, in its Washington and Baltimore regional study:

> In order to prepare a sound analysis of existing and future airport requirements, it was considered necessary and desirable to include in a single study the metropolitan areas of Washington, D. C., and Baltimore, Md.
>
> The total distance between the two cities is only 38 miles from center to center; the metropolitan district boundaries of the two are contiguous at one point and are continually expanding toward one another.
>
> Therefore, it is logical when one considers the airplane as a long-distance carrier to study the two metropolitan districts as a single unit with respect to the air transportation problem.
>
> The over-all master plan which guides the development provides for a satisfactory ultimate airport which will be capable of accommodating future air traffic peak loads for the entire Baltimore-Washington region, should such a need ever arise.

We now have Friendship International Airport operating. I have made a study of the figures to see if Friendship could handle with ease any overload from the Washington field and it most certainly can.

Recently, the Air Transport Association of America wrote to all its members throughout the country and abroad, advising them that "Baltimore now has one of the three finest airports in the world." One of the "shocking circumstances," revealed the letter, "is that generally airline personnel do not know that Baltimore now has one of the three finest airports in the world or that it is served as adequately as it is at present."

Surely, in view of the availability of this magnificent airport, if Congress approves this appropriation today for the construction of a third airport in Virginia which even the officials of that State say they "do not have need of and have not asked for," it will be another classic example whereby we are overruling the natural economic forces at work and eliminating the opportunity for Friendship, a new enterprise, to come into the field.

Further, is it logical to spend many millions of dollars for a third regional airport at this time when it will require thousands of man-hours of labor which could properly be used in other fields? It will require thousands of tons of steel and other critical material which also could be used in other fields. For example, at this very moment many automobile factories in our Western States are closed because of the shortage of steel.

When the hearings were held before a subcommittee of the Committee on Interstate and Foreign Commerce in 1950 to authorize the construction of the Burke Airport, I vigorously voiced my opposition in committee and also protested the construction of this airport from the floor of the House. The statements that I made then are true now. Certainly it is common sense when taxpayers throughout the United States are seeking economy in Government not to increase their burden by spending a large sum of money for an airport which is not wanted, is not needed, and will not be needed for a great many years to come.

The time has come when good hard American common sense in Government activities and spending must be applied. I am opposing this appropriation for the reasons I have stated. I sincerely believe, under the present conditions, any further expenditure of money here is wanton waste.

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

Mr. PHILLIPS. Mr. Chairman, when news about this site first appeared in the press I drove over to Burke station to inspect the site, and twice since then I have driven over the area. I express, now as I have expressed before, a great deal of surprise that an area of such rolling nature, so very expensive to prepare as an airport, has been selected for this particular airport. I have always been surprised, as I expressed this morning, that we should add to the traffic difficulties we face every morning and evening, and as I faced for 2½ years when living in Alexandria, in getting across the bridges; and, finally, the evidence before the committee has pointed out that there are several airports—Friendship is one of them, and I hold no brief for any—but Andrews is much nearer and the saving would be considerable. The construction of the highway to Andrews, for example, would save us a million. I do not know whether that is the right figure but we could certainly save money there. Even if we would lose a million at Burke, we would save two million on the road alone to Andrews, which is a better airport and saves time.

So I think we should adopt the amendment which would save us money. At the same time we should ask the friends of the airport, and those of us who believe we should have a second airport, in which class I belong, to reconsider this Burke situation as not being the most desirable spot.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. The gentleman has brought out the rugged character of that part of the State of Virginia. It certainly is a fact that there has been no drill test that I know of taken as to the site to see how far the

granite rock stretches throughout that area.

Mr. PHILLIPS. Virginia has always been rugged, for which I am very glad.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I want to talk to you just as one ordinary citizen to another about a proposition that has quite a lot of technical aspects about it. Everybody agrees that Washington needs a good airport, everybody agrees that there are four airports in Washington right now, all paid for by the United States Government: the National Airport, Bolling Field, the Navy Field, and Andrews Field. I think everybody will agree that Andrews Field was originally built for the defense of Washington at a time when we used low-speed planes, when the defense of our city required an airport very close to it. We now depend for defense upon high-speed jet planes that should be based a great distance from the city.

There is no justification in the world for maintaining Andrews Field as a military field that I know of, except it is more convenient for the officers who are located there to live in the city of Washington. They might just as well be moved, might much better be moved a substantial distance from Washington, where they could serve their purpose of defense much better. But if you don't want to move them very far they might be transferred over to Friendship Airport, which has already been built and apparently is not being used to capacity. But why do we not use the thing we have? We have Andrews Field. It belongs to the United States Government. It is ideally located as a civilian airport. It is not well located for the defense of Washington. It is not needed as a military transport center. Bolling Field and the Navy field provide adequately for that need.

Are we afraid of the military? Is that not the reason that we are spending so many billions of dollars? We must be afraid of the brass and of the stars on somebody's shoulder and of the gold braid. Let us not be deterred by the fear that we are going to offend the military. Let us do what we need to do with the public property of the United States and let us make it serve the most pressing public need. In this case that public need at this particular point seems to be a new commercial airport.

Everyone knows that we need a field close to Washington, a good civilian field, one we can get to and from very quickly. We have an express highway to Andrews Field. We do not need a defense field right here on the target. The defense field should be a substantial distance away. So we will gain two things by using Andrews Field. We will help the civilians and the military at the same time, and we will save a large part of the 50 or 60 million dollars that would otherwise be poured into a new civilian field at a great distance from the city. Why should we spend $50,000,000 or more to make the civilian field inconvenient and to make the air defense of Washington inefficient?

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, a perusal of the hearings on this particular question, together with the debate that has been had, convinces me that here is an opportunity for me to help deter the spending of another unnecessary $50,000,000. I am obligated to my people to do that very thing.

The Federal Government has about $3,000,000 invested in the Baltimore Friendship Airport on the assumption and with the understanding that field would be used by both Baltimore and the people in the city of Washington area. The record shows that Friendship Airport is occupied to about 25 to 28 percent capacity. To go out and further appropriate for the development of the Burke Airport, in my opinion, is a mistake, and, therefore, I shall support the amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. I think the gentleman from Texas [Mr. POAGE] made a very good point when he brought out the facts about Andrews Field. Why should we not consider all possible angles of this matter? All my amendment would do would be to give the Congress an opportunity to determine what is the best thing to do to provide additional service for Washington through properly located air fields.

Mr. CRAWFORD. Well, that is true. We have all of these airfields here in this very congested area, and it seems to me that every time you build another field you increase the traffic hazard by reason of the concentration of planes within a given area.

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

Mr. ROONEY. Mr. Chairman, first I would like, in a friendly way, to admonish my good and long-time friend the gentleman from Minnesota [Mr. H. CARL ANDERSEN] not to get excited and say things that he evidently does not mean. When he so loosely associates my name with spending a mythical $50,000,000 of the taxpayers' money, let me remind him that scarcely 3 weeks ago he appeared before the Interior Subcommittee on Appropriations with a request for $54,000,000 of the taxpayers' money for which there was not even a budget estimate or authorization, and went over to the Senate and did the same.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. The gentleman always loves to interrupt me.

Now, Mr. Chairman, this is a fairly simple matter. Our committee listened to the testimony of engineers in regard to this item. I have no personal interest in this and have never previously expressed a preference in regard to locating the airport at Burke. This has never previously been before our committee. The gentlemen who testified before our committee were qualified to talk on aviation and airports. They are admittedly experts in that special field, and I feel that they are better experts than you or I, or any of the rest of us who talked here today. The fact is that the Washington National Airport traffic reached the saturation point in 1948, and it is rapidly becoming a dangerous situation. You must get started, and get started immediately on another airport. Now, where are we going to put the airport? The Civil Aeronautics Administration told us that they have spent a million dollars so far of the taxpayers' money on the Burke Airport, and with the approval of the Congress. I sympathize with the people who do not like to have their property condemned. No property owner likes condemnation of his property, and merely a fair and reasonable value for it as fixed by the Government and the court. But where else are you going to put your vitally needed airport. The experts went out to this rugged terrain in Virginia where they are getting land for about only $375 an acre, to build an airport to cost not $50,000,000, as has been suggested here, but $12,000,000. Why the plans do not even contemplate a hangar.

This is primarily to build landing strips, fuel facilities and the like as a supplementary airport to Washington, and the total estimate, if you will read the testimony, is $12,000,000. Suppose I lived in the South, do you think I would want to fly north across Washington, nearly up to Baltimore and have to ride all the way back from Baltimore to Washington to attend to my congressional duties?

Mr. Chairman, we have heard extended debate on this subject this afternoon. I am not going to burden you any further. You know what the story is. Do you want to abandon the $1,000,000 that you have already spent, or do you not? Are you going to listen to the aviation experts, whose testimony is in the record, engineers, if you please, or are you going to listen to the engineers and aviation specialists you heard here today?

Mr. Chairman, I urge the defeat of the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. ROONEY) there were: ayes 128, noes 41.

So the amendment was agreed to.

The Clerk read as follows:

OFFICE OF THE TREASURER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $550,000.

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

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 6, line 6, strike out "$550,000" and insert "450,000."

Mr. KEATING. Mr. Chairman, in this appropriation process we find that things become so complicated sometimes that it is a little hard to follow them. Many of us have been trying very hard to reduce Federal expenditures and after

a great deal of time and effort, amendments are offered and adopted on the floor of this House, only to learn later that supplemental items are brought in which completely negate the expressed will of Congress.

In this particular instance, in 1952, we provided $20,600,000 for the Office of the Treasurer for an average employment of 1,262 people. As a 1953 request, they asked for $21,500,000 to provide for 1,529 employees. The committee cut them $500,000 to $21,000,000. Then the bill came here on the floor a week or so ago and by a very substantial majority we reduced the figure another $500,000. Now they are in here with this request for $550,000 for the next few months of the current fiscal year.

It is time we taught these agencies that when we make a reduction in an appropriation as an economy move it is not just a gesture, that we mean what we say, and they cannot come in here with supplemental requests which set at naught the action we have taken in the interest of the taxpayers.

We have expressly provided by law on this subject, and the question I want to put to the chairman of the committee is whether in his judgment the law has not been violated by this agency in this instance. The law states:

All appropriations made for contingent expenses or other general purposes shall on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made.

What do we find with regard to this agency? We find on page 395 of the hearings the program this Department laid out at the beginning of the year for their quarterly apportionment of appropriations. We find for the first quarter $5,325,000. Now that is substantially more than one quarter of the total appropriation made for the fiscal year amounting to $20,687,430. The same is true of the amount programed for the second and third quarters. Then they program a much smaller sum for the last quarter but actually plan to spend several hundred thousand dollars more than they have programed, relying on a request to Congress to take up the slack by a supplemental appropriation. That makes a mockery of the entire system and flies directly in the face of the statutory provision we have enacted to prevent that very practice of spending at any rate fixed by an agency rather than at the stated rate fixed by Congress.

There is only $100,000 in money involved in this amendment but a fundamental principle is at stake. If we are going to demonstrate to the departments and agencies of Government that we will not tolerate such reckless disregard for action taken by Congress to limit their appropriations, we will adopt this amendment.

In all fairness, I think I should add that the Office of the Treasurer is only one of many, many offenders in this regard. Indeed, probably the amounts involved here are modest compared to the expenditures made in many other agencies over and beyond the expressed will of Congress. But this amendment permits the House to go on record as condemning this practice. I hope they will maintain a firm position.

Mr. GARY. Mr. Chairman, may I say to the gentleman that there has been no violation of the law, and there will be no violation of the law in this Department.

The CHAIRMAN. The time of the gentleman from New York has expired.

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

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

Mr. GARY. I yield with pleasure to my chairman.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

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

There was no objection.

Mr. GARY. Mr. Chairman, this Department will finish its appropriation year without a deficit, if the amount allowed in this bill is not appropriated. But, what will be the result? In an effort to avoid a terrific backlog in its workload, this agency has spent more than three-fourths of its annual appropriation in the first three-quarters of the appropriation year. Notwithstanding the fact that they have over-expended to some extent for the first three quarters, on January 1 they had a carry-over of 12,000,000 paper checks in their starting operation, as compared with a normal backlog of approximately 5,000,000. This backlog has increased in excess of 3,000,000 over the past month, and will undoubtedly continue to increase, at least at this rate, over the remainder of the fiscal year.

On January 18, the carry-over in Federal Reserve half notes, presented for redemption, totaled 42,500,000 notes, while the normal carry-over is 4,500,000. This figure had increased 9,000,000 notes since the end of December, and will continue to increase proportionately.

If the House does not allow the amount, which the committee has recommended, it will be necessary for the Treasurer to discharge 200 regular, trained employees between now and the end of the fiscal year in the face of a backlog which is already very large, is steadily increasing and will pyramid rapidly with the decrease in personnel. If that is what the House wants, then support this amendment. Our committee cut the amount requested, but we felt they did need the amount which we recommended to carry on for the rest of the year.

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

Mr. GARY. I yield.

Mr. CANFIELD. Is it not true that approval of this amendment today will be protested by the banks of the United States, because it will affect their clearances; and is it not also true that it will injuriously affect the audits of the Comptroller General's office of the United States?

Mr. GARY. I have talked to the Comptroller General's office today, and they said that a large backlog would be serious.

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

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

Mr. KEATING. The gentleman has addressed himself to the increased workload. I was raising the point of whether the law has been violated by the programing of these expenditures as they appear on page 395 at an amount in excess of the amount which they should have. It is not a question of the actual expenditures, but the program is set forth on page 395 and it shows they were programing at a rate which this agency was not permitted by law to program.

Mr. GARY. The law has not been violated because the law says that the work of the agency must not be programed so that there will be a deficit, and there will be no deficit if this amount is not appropriated. They will discharge the necessary employees, and they will live within the amount that the Congress has allowed them. Therefore, there has been no violation of the law. But in order to do so they will have to permit the workloads to pyramid, and we will have a very serious condition in the office of the Treasury.

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

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

Mr. KEATING. The amounts programed for the first three-quarters of this present fiscal year exceed three-fourths of the amount allowed to this agency for the entire fiscal year, and that seems to me to be contrary to what the Congress intended when it enacted this legislation.

Mr. GARY. That is not a violation of the law or contrary to what the Congress intended. All the Congress requires is that the agencies live within their appropriations. The Treasurer will live within her appropriation regardless of the action of the Congress on this amendment.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 100, noes 65.

Mr. GARY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. GARY and Mr. KEATING.

The Committee again divided; and the tellers reported that there were—ayes 115, noes 82.

So the amendment was agreed to.

The Clerk read as follows:

SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The amount authorized to be expended from the Federal old-age and survivors insurance trust fund, for "Salaries and expenses, Bureau of Old-Age and Survivors Insurance," by the Federal Security Agency Appropriation Act, 1952, is increased from "$58,000,000" to "$60,100,000."

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to go back to page 8.

Mr. CANNON. Mr. Chairman, I think we have passed that point in the reading of the bill, but I hope the gentleman may have permission to offer his amendment.

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

There was no objection.

The CHAIRMAN. Where does the gentleman desire to offer his amendment?

Mr. BAILEY. I had prepared the amendment to be offered at the bottom of page 12, but I see another item on page 8, line 16.

The CHAIRMAN. Does the gentleman desire to offer an amendment to that section of the bill?

Mr. BAILEY. I desire to offer the amendment where it will be germane and I presume following line 9 on page 8 would be the proper place.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: Page 8, line 9, insert the following item:

"Office of Education: To supplement existing appropriations for schoolhouse construction under the provisions of Public Law 815, $65,000,000."

Mr. BAILEY. Mr. Chairman, it is not my desire to unduly excite the members of the committee with an item of this size. In my discussion during general debate I said I wanted to get some facts in the RECORD for the information of the Members of the House. A majority of the Members, I know, are particularly interested in this item of Federal assistance to impacted school districts due to defense activities in the defense effort.

I want to give you a full and complete picture. I do not know that I shall press for a vote on this amendment, but I do want to give you a picture of the situation in the thought that we will have to meet it, if not at the present time, in the future.

The need for this item of $65,000,000 in the authorized program for construction of school facilities in federally impacted areas is predicated on two important factors.

(a) Under the emergency housing legislation approved by the first session of the Eighty-second Congress, the President was given authority to declare certain defense areas as critical. To date he has set up so many of these critical areas—due to the Korean emergency and other defense needs—that it makes the provisions of Public Law 815 wholly inadequate to meet the situation.

(b) The President's veto of H. R. 5411, which passed on the closing day of the first session, has thrown this whole matter back into the lap of the Congress. To date no new legislation has been prepared to take the place of the vetoed bill. To meet this situation, let me state briefly what has been done:

First. Original request from Commissioner McGrath's office, $215,000,000.

This would care for 900 school districts, in which there are 750,000 pupils, for which there are no housing facilities available.

Second. Bureau of the Budget in lieu of the $215,000,000 granted contract authorizations in the amount of $150,000,000 for advance spending. This will take care of only 600 of the 900 school districts and care for only 500,000 of the 750,000 pupils presently without housing.

The $150,000,000 in contract authorization will take care of only those districts that have a priority rating above 35 percent on the basis of need. Unless the $65,000,000 is included as an item in this appropriation many of my colleagues will have schools in their districts already qualified for aid that will be cut out of the program entirely. This will be rank discrimination.

What I want the Members of the House, who have school projects in their districts, to know that this $150,000,000 construction authorization which the budget office is proposing is subject to whatever action the subcommittee and the general Committee on Appropriations might take in the appropriation bill for 1953. That $150,000,000 will take care of only 600 of the 900 projects that need to be constructed. That leaves 300 projects that will have to be temporarily or permanently abandoned; and let me say to you that they represent projects in the smaller school districts that fall in the category of less than 35 percent priority set up by the Commissioner of Education.

I want to call your attention to that as the author of Public Law 815 and as the chairman of your subcommittee, who has been laboring to get you additional steel allocations. I want the Members of the House to understand how serious this situation is. Here are all these projects that you are proposing, under the budget procedure, to delay construction until after July. At the present time there are 750,000 children who will not have a schoolhouse roof over them on the first day of September unless this Congress acts and does something about it.

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

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

Mr. LANHAM. Can we afford to wait until July?

Mr. BAILEY. That is the question.

Mr. LANHAM. It seems to me that the gentleman ought to insist on a vote on his amendment now, because if we wait until July for an appropriation, then it will take a year or 18 months to get the schools built.

Mr. BAILEY. I think the point made by the gentleman from Georgia is well taken.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

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

Mr. SEELY-BROWN. Certainly we have a very real problem along the lines the gentleman is describing in my own district. It is my understanding that this item will be brought in in the regular appropriation bill probably within 2 weeks.

Mr. BAILEY. After I finish my statement the gentleman will understand. This contract authorization of $150,000,000 is just part of the program. We would do two-thirds of the job that needs to be done, and we have no assurance that we will get the $150,000,000. In the meantime these projects are going to have no attention and cannot be processed.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

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

There was no objection.

Mr. BAILEY. The difference between what the Commissioner asks for, for the full program of the 900 school projects, and the proposal of the budget office, that it be a contract authorization of $150,000,000, leaves a difference of $65,000,000. My amendment would insert in this supplemental appropriation bill the difference between the needs for the whole program and the contract authorization which would be the sum of $65,000,000.

Now, I do not want to be a party to discriminating against any Member of Congress, and I know that if this halfway proposal goes through there is going to be a score of Members in Congress who are going to have projects in their districts that this program will not reach, and I think it is grossly unfair that we jump into these large defense areas and do projects, because they are a little more emergent than they are in some other areas. Many of those other areas have been waiting for months and months for money to go ahead with their projects.

I sincerely hope this matter rests in the minds of the members of this committee and the Members of the House, because I am sure an appropriation item covering this need will be in the budget coming over from the other body, and I wanted you to have these facts to show the need for agreeing with the Senate item in the budget.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The Clerk read as follows:

DEFENSE COMMUNITY FACILITIES AND SERVICES

For an additional amount for "Defense community facilities and services," $9,375,000, to remain available until expended: *Provided*, That no part of the foregoing appropriation shall be used for the construction of any project unless funds are available for the completion of such project.

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

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 14, line 11, strike out the period and insert a semicolon and the following: *"Provided further*, That $543,975 of such amount shall be applied to the provision of library facilities and services in critical defense areas."

Mr. PHILLIPS. Mr. Chairman, this amendment does not add any money to

the bill. It does not propose to do anything which is not already intended in the bill. It earmarks an item which has already been discussed as a part of the program.

If you will turn to page 14, line 8, you will see the figure of $9,375,000. When that figure came to the subcommittee it was for twice that amount. It was reduced in the full committee to the present figure. In order that the smaller item to which I refer may be protected, I have asked that it be designated in the bill as calling for $543,975.

The request came to the subcommittee too late for our hearings. It came to the subcommittee too late with the supporting evidence to permit analysis in our subcommittee, so I have made an analysis of the requests already presented to the subcommittee, and have broken the requests into headings of books and equipment and additions to existing buildings and new buildings, and new construction. I have struck out the requests for new construction, because I think that should have more discussion in the committee. My own feeling is that much of that is an obligation of the local community or the State. I do think we should protect the library facilities. As a salesman just out of college traveling over Ohio, and later when I was in two cantonments in World War I, I know that I personally, and my family, made use of the public libraries as a means of recreation and enjoyment.

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

Mr. PHILLIPS. I yield to the gentleman from Texas.

Mr. THOMAS. Is it the gentleman's intention that these funds will not increase the total appropriation but will be a part of the over-all sum of $50,000,000 altogether authorized?

Mr. PHILLIPS. That is correct.

Mr. CANNON. In other words, it will not save a dollar.

Mr. PHILLIPS. This is not intended either to save or to spend, it is intended to earmark a sum already existing.

Mr. CANNON. No saving is proposed here at all?

Mr. PHILLIPS. No saving and no spending, other than already discussed.

Mr. Chairman, I hope I may have an affirmative vote on the amendment.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

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

There was no objection.

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

Mr. Chairman, to those familiar with the bill, this amendment is decidedly puzzling.

We have here a limited emergency fund which is available for a number of community requirements. This money can be spent for hospitals or for water systems, school facilities, sewer systems, and purposes immediately and directly affecting the health of the community. It is money which, if not properly spent, could mean contagion and death and lack of hospitalization.

The amendment proposes to take this emergency money away from hospitals and sewer systems; from facilities to supply pure water and local health administration, and give it to libraries. Libraries are wonderful institutions. We are all in favor of libraries. But when it comes to the point of whether we shall give a dollar to a library or give it to a hospital—of giving a dollar to a library or to a school—of spending a dollar for books or pure water and adequate sewage disposal, it presents a question on which there can be little difference of opinion. The amendment is puzzling, to say the least. What is the reason? Why should we take money away from fundamental necessities which directly affect the health of the community, and especially of its children, just to give somebody an opportunity to read a book?

Let us at least leave it to the authorities to say, after they have considered the matter, whether we ought to give libraries preference over hospitals and schools. Why should we single out libraries, of all the facilities needed, for preferential treatment. Mr. Chairman, I hope the amendment will be voted down.

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

The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS) there were—ayes 46, noes 68.

So the amendment was rejected.

The Clerk read as follows:

DEFENSE PRODUCTION ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $200,000, to be derived by transfer from the appropriation for "Salaries and expenses," Office of Defense Mobilization.

Mr. FOGARTY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 19, after line 11, insert:

"SMALL DEFENSE PLANTS ADMINISTRATION

"SALARIES AND EXPENSES

"For expenses, not otherwise provided for, necessary for the Small Defense Plants Administration, including expense of attendance at meetings concerned with the purposes of this appropriation, and hire of passenger motor vehicles, $825,000."

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for seven additional minutes.

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

There was no objection.

Mr. FOGARTY. Mr. Chairman, we have before us an ill-considered recommendation to abolish an executive agency that was established only 7 months ago without a dissenting vote in either House of Congress. Two hundred and sixty-one Members of this House were original sponsors of the legislation creating the Small Defense Plants Administration. Twenty-four of them are members of the Appropriations Committee. Now, just as the agency is in a position to carry out the mandate we gave it, the Appropriations Committee has decided it should be cut off without a further penny and be liquidated at once.

The reasons for continuing the Small Defense Plants Administration in existence with adequate appropriations are the same reasons Congress had for establishing the agency in the first place. The main purpose of the legislation was to centralize in one place the responsibility for handling small-business problems under the mobilization program. If you have ever tried—and I am sure many of you have—to get a constituent a little more copper or aluminum to keep his business going, or tried to arrange a loan for him, or tried to track down someone in the Pentagon who knows when bids are going to be opened on a particular procurement—if you have ever had to deal with the countless small-business offices in Government, you know why Congress decided to give one agency the sole duty of protecting small business, with no other functions to perform.

The simple fact is that until Congress created the Small Defense Plants Administration, the responsibility for assisting small-business men was scattered all over Washington—with no design, no coordination, and a great amount of duplication. We put an end to that duplication when we established SDPA and made it the single spokesman for small business. Yet the Appropriations Committee has decided that black is white—that SDPA is duplicating the work of other agencies.

I ask you to think back to the first year of the Defense Production Act, when the act contained only a noble expression of the principle of aid to small business. The proportion of defense contracts going to small business steadily decreased. The Munitions Board's own figures prove it: In fiscal 1950, the percentage of dollar volume going to small business was 24.5; in fiscal 1951 it was 20.9; and in the first half of fiscal 1952 it fell to 19.7. Precisely the same thing happened during World War II, until the Smaller War Plants Corporation got started and was able to throw its weight around on behalf of the small-business man.

In the 13 months from November 1942 to December 1943, small business got only 12.8 percent of the dollar volume of contracts awarded. During this time the Smaller War Plants Corporation had to spend a lot of its time overcoming organizational problems and making arrangements to do its work in the scores of procurement offices throughout the country. But after SWPC really got going, look what happened: From 12.8 percent in 1943, the figure rose to 20 percent in 1944, to 26.7 in the first half of

1945, and to 30.4 in the last half of 1945. Navy figures showed a similar increase.

Now, there is every reason to believe that if SDPA is given the relatively small appropriation it is requesting, it can repeat the history of the Smaller War Plants Corporation. This is the most valid reason for reversing the action of the committee.

Let me list the other achievements of the Smaller War Plants Corporation. It assisted in the formation of some 250 small business production pools and got them over $600,000,000 in war contracts. These pools represented 2,000 companies employing 140,000 workers. In other arrangements with the military services, the Smaller War Plants Corporation examined nearly 205,000 proposed procurements. With SWPC assistance, small firms got an estimated 60,000 prime contracts with a total value of $6,000,000,000.

In addition, the Smaller War Plants Corporation, through persuasion, suggestion, by providing information to big plants, and assistance to small ones, helped in the awarding of more than 52,000 subcontracts valued at $30,600,000,000.

In the vital area of loans the Small Defense Plants Administration's predecessor authorized nearly 6,000 loans and leases valued at more than a half-billion dollars.

I have given you the figures on small business' increasing share of defense contracts. Let me add only this fact: The official history of the Purchasing Division, Headquarters, Army Service Forces, credits the joint screening of procurement by SWPC and military representatives with playing a significant part in boosting this percentage. This joint screening process is precisely what SDPA is negotiating with the military to revive immediately.

These accomplishments by the Small Defense Plants Administration's predecessor can easily be duplicated and even surpassed if the new agency is given adequate funds with which to enlarge its staff and take other measures to assist small business. You cannot expect small business' battles to be fought by so-called small business specialists within the military procurement offices who are on the Defense Department's payroll. No subordinate is going to dispute his superior. Nor are the small business representatives in other agencies going to do anything about it. They have not so far, and that's sufficient reason to suspect they will not in the future.

The SDPA, in its request for additional funds, is seeking to eliminate this inefficient and unsound system. Obviously, Small Defense Plants Administration procurement specialists assigned to key military procurement centers will push vigorously for more contracts for small business. They have the freedom and authority to do so, backed by Congress and the proper legislative authority.

To attempt to do away with the Small Defense Plants Administration at this critical juncture in its program to assist small firms throughout the country, is to deny reason and cast sound Government practices out the window.

The House Member who denies small firms adequate representation in Washington and in the major military procurement centers throughout the country is subject to a charge of failure to do his duty for an important segment of his constituency.

A little over 2 years ago, because of the emergency we were in at that time, and remembering the experience of small business in this country during the last World War, 261 Members of this House sponsored legislation that would create the Small Defense Plants Administration. Of those 261 Members, 24 were members of the Appropriations Committee of this House.

Everyone knows the reason that this Small Defense Plants Administration was established. Anyone who was here during the last world war knows very well that in 1940, 1941, and 1942 it was impossible for the small-business people of this country to get any relief whatsoever from the defense agencies, or any other then-existing agency of the Government that had to do with the letting of defense contracts. The Smaller War Plants Corporation was set up by the Congress to cure that deficiency. Those of us who had experience then with small-business concerns in our own States will not soon forget that when we went to the Smaller War Plants Corporation we at least got special treatment, and in many, many cases thousands of small businesses in this country did not have their doors closed because of the activity of this Smaller War Plants Corporation. The record of that Corporation speaks for itself. The percentage of contracts that was given out to small business increased every year from the time that Corporation was established by the Congress.

Now we find ourselves in a similar position. In 1951 this Congress passed legislation establishing this Small Defense Plants Administration. Not one Member of Congress spoke against the establishment of that agency. We voted to establish an independent agency for the sole purpose of helping small-business people of this country because we found by experience during the last war that the agencies of Government—and that goes for the Department of Commerce—never lifted their fingers in the interest of small business. Yet it has been stated on this floor today that the Department of Commerce is in a position to do exactly the same thing that the Small Defense Plants Administration is set up to do. That is not a true statement of fact, and the gentlemen who made those statements know they are not true statements of fact. The Department of Commerce does not have the authority that is vested in the Small Defense Plants Administration. When this legislation was before the House and Senate, Mr. Sawyer, head of the Department of Commerce, testified before the very committee that established this program that he was for this authority. He claimed that his department needed the authority in order to channel some of the defense contracts into the hands of small business. He was all for it. It was not until the Congress decided to give to an independent agency this authority that Mr. Sawyer testified he was not in favor of it. Since Congress set up this independent agency, Mr. Sawyer has been lobbying against it because he lost it out of his own department. Further than that, only last month, by Executive order which is now law, the President took away certain powers of the Department of Commerce, and they are now powers of the Small Defense Plants Administration. So those of you who claim that the Department of Commerce, or any other agency of Government, has the same authority as the Small Defense Plants Administration today in helping the small-business firms of this country either do not know what the law is, do not know that the Executive order has just been issued, or are trying to becloud the issue before the House.

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

Mr. FOGARTY. I yield.

Mr. GARY. Will the gentleman state to the House why the Department of Commerce cannot perform the duties that are performed by this Small Defense Plants Administration?

Mr. FOGARTY. Yes; and I can tell you why: Because this Congress by a vote including that of the gentleman from Virginia, if he was here when the Defense Production Act was passed, gave the authority to the Small Defense Plants Administration and refused to give the power to the Department of Commerce. Every small-business concern in this country knew it could not get consideration from the Department of Commerce, or from the Army or the Navy, or the Munitions Board, or the General Services Administration. That is the reason the Small Defense Plants Administration was set up.

Mr. GARY. Will the gentleman tell me what the Department of Commerce is doing in my State where we have only small business and do not have any big business except occasional subsidiary plants? They have agencies set up there and are operating very well.

Mr. FOGARTY. Apparently small business in the gentleman's State does not have any trouble getting some of these controlled materials; apparently they are on the "in" with some particular agency or are getting some contracts from the large contractors. But let me tell the gentleman that the Department of Commerce in the gentleman's area, Richmond, Va., does not have the authority that the Small Defense Plants Administration has to help small business; and the gentleman knows that as well as I. It is obvious that whatever is being done presently in the gentleman's district for small business would be greatly improved if SDPA were equipped with funds to do its job.

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

Mr. FOGARTY. I yield.

Mr. CANFIELD. This Congress made this agency an independent agency answerable only to the Congress and not to any other bureau down town.

Mr. FOGARTY. And this agency has to report to the President and to the Congress every 90 days on the accomplishments they have made. The statement has already been made on this floor that they have accomplished nothing. The question is asked: What have they accomplished? The gentleman knows as well as I that they have been in operation for only 4 months; and the gentleman knows as well as I do that the $350,000 was given to them last fall for one purpose only: To develop a program and set up a staff. Despite the fact that they have been in operation for only 4 months they have not only set up their staff and prepared a program but they are now ready to go, and small business firms are already being helped by them. They have produced results even with the meager sum of $350,000. Small business firms from all parts of the country have been helped already by this agency, and not a few have been rescued from failure by it.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. SEELY-BROWN. I wish to point out to the gentleman that the Small Defense Plants Administration does have an authority which the Department of Commerce does not, and that is the authority to enter into prime contracts with small business firms for the purpose of furthering the security program.

Mr. FOGARTY. The gentleman is absolutely right.

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

Mr. FOGARTY. I yield.

Mr. GARY. Could not that authority be given to the Department of Commerce by Congress without setting up a separate agency to administer it?

Mr. FOGARTY. I think the gentleman knows the answer to that question. This Congress last year had no confidence in the Department of Commerce. To the Members who have been attacking the bureaucratic agencies of Government at this time and seeking to reduce expenditures I may say there is no more bureaucratic agency in the Government than the Department of Commerce. If there is I would like to know what it is. The reason they did not give it to Commerce was for one reason only. It was because small business concerns could not get any consideration from the Department of Commerce. They have not yet, and the record shows it. Just about all of these defense contracts that are going out now are going to big business. The percentage of contracts given out by the defense people, up to this time, to small businesses is going down, down, and down. That is the record of the existing agencies at the present time. This is harmful to national security and weakens the national economy.

We are going to be faced with this issue today. Let us not make any mistake about it. You may defend the 800 or 900 people in all these other governmental agencies today who are operating supposedly in behalf of small business, but they themselves have not offered a plan of any kind. If you are looking for duplication, there is your duplicating in the existing agencies today. It was said on the floor of the House this afternoon that they had in the neighborhood of 800 or 900 men in these various agencies.

The basic issue facing us today is, Do you want to live up to what you voted for a year ago or do you want to allow the Appropriations Committee, of which I am a member, and I am very proud of it, to do your legislating? For the 6 or 7 years I have been a member of the Appropriations Committee I have never thought it was the responsibility of my committee to do the legislating for the Congress of the United States. When the Congress speaks by an overwhelming or by unanimous vote, I do not think any committee has the authority to deny the will and the vote of the overwhelming majority of the Members of this body. That is what this committee is doing at the present time. They are wiping out legislation which was passed unanimously by both Houses of the Congress by denying any funds whatsoever for this particular agency.

Those of you on the opposition side can talk all you want to, but the issue this afternoon and the resulting vote is going to be on one and one issue only. It is going to be on the issue of whether you really want to help small business or not. That is going to be the vote today. If you want to help small business, if you are sincere, if you are honest in your convictions, if you want to do something about it instead of talking about it, you will vote to restore these funds. But if you are not for small business, if you want them to continue to be kicked around as they have been in the past and will be in the future by existing agencies at the present time—I repeat, if you want them kicked around and deny them the opportunity to keep their doors open, you will vote against the amendment. And in so doing you will be voting against the best interests of your small-business constituents.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

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

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I want to commend the gentleman for the very fine statement he is making. I think it is quite clear that a much better job can be done in assisting small business in obtaining defense contracts. The Small Defense Plant Corporation is the best means devised thus far to accomplish that job. As one who served 8 years on the House Small Business Committee, I know first hand the fine work done by the Small War Plants Corporation during World War II. By making defense work available to small business we will aid our national defense in obtaining a more effective dispersal of our defense plants. It is the most effective way of dispersing our defense program.

We have learned from past experience that unless an agency is set up that has the authority to compel the defense agencies to make subcontracts and otherwise aid small business nothing will be done about it.

Mr. FOGARTY. The gentleman is absolutely right. The opponents of this legislation, and when I say "this legislation" I mean the pending appropriation bill, and this is practically legislating in an appropriation bill, that is what you are doing here today, let us not make any mistake about it, but what the gentleman said is exactly true, and the opponents of this legislation know very well that every small-business concern in this country that got any relief during the last war got it through the Smaller War Plants Corporation. They are writing to Members of Congress now because of that experience, and because of that record. That is because they know the need for the establishment of this Small Defense Plants Administration at the present time. They went through this thing once during the last World War, so they know what they are talking about.

Those of you who were here during the last World War, and had any experience with the Small War Plants Corporation, know very well that that was the only agency in the Government in the last World War that was created to help and keep in business some of these small plants. They would have gone out at that time because of the shortage of materials, and because of the failure to spread defense contracts. If you are for small business, you are going to vote for this amendment today; if not, you will vote against it. The issue is clear cut—now is the time to be counted.

Mr. Chairman, at this time, I would like to include a strong statement of endorsement of SDPA by Russell E. Maintain, president of the Smaller Business Association of New England, Inc.:

SMALLER BUSINESS ASSOCIATION
OF NEW ENGLAND, INC.,
Boston, Mass., March 10, 1952.

Congressman JOHN E. FOGARTY,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN FOGARTY: Attached is confirmation of the telegram sent to you Saturday pointing out the importance of all Members being on the House floor on March 12 when the extension of the Small Defense Plants Administration comes up for action.

Thousands of small and medium-size manufacturers are in business today solely because of the fine job that the Smaller War Plants Corporation did in World War II; but prior to the formation of SWPC most of them were on the verge of bankruptcy because they had not been permitted to participate in war production.

We learned from that experience that only a separate agency, with specialized personnel and supervision, can provide effectively the service needed by small business. SDPA provides one place instead of eight for small-business men to go for information, guidance, and certification. SDPA would not duplicate work of other agencies, because it would give expert directions to the effective performance of those functions—and at less cost.

Our association will gladly supply any number of small-business men who can testify from their own experience that only a

Small Defense Plants Administration can insure total industrial mobilization of small business for defense.

We have never gone to Washington asking for hand-outs. We do not intend to do so. We ask that the Government cut the appropriations of other agencies that are now supposedly acting for small business, and concentrate all small-business functions in SDPA. It will cut down government cost.

Yours very truly,

RUSSELL E. MAINTAIN,
President, Smaller Business Association of New England, Inc.

Congressman JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

Imperative all Congressmen regardless of appointments should be on floor of House on Wednesday 12 when extension of Small Defense Plants Administration comes up for action. No other organization can coordinate, centralize, unify, and adequately mobilize the industrial production of small business which accounts for 54 percent of Nation's production.

RUSSELL E. MAINTAIN,
President, Smaller Business Association of New England, Inc.

I would also like, at this time, Mr. Chairman, to include another strong statement of support for SDPA by Mr. T. A. Monahan, chairman of the Governors' Commission on Small Business, Rhode Island, and director of the Smaller Business Men's Association of New England:

PROVIDENCE, R. I., *March 11, 1952.*

Congressman JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

On behalf of hundreds of smaller manufacturers in Rhode Island, I respectfully request you use all influence to restore sufficient funds to the small defense plants administration to allow it to operate efficiently. This administration is no duplication of effort. To date with its limited funds it has done more for the little fellow in a few months than any other single or combination of Government agencies since the Korean emergency.

T. A. MONAHAN,
Chairman of Governors Commission on Small Business and Director of Smaller Business Men's Association of New England.

Mr. COTTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COTTON to the amendment offered by Mr. FOGARTY: Strike out "$825,000" and insert "$300,000."

Mr. COTTON. Mr. Chairman, as a member of the subcommittee of the Committee on Appropriations which handled this item for small defense plants, I am offering this amendment to the amendment offered by the gentleman from Rhode Island. I offer it to give the House the opportunity to continue until the end of this fiscal year, until next June, the Small Defense Plants Corporation, reasonably equipped, reasonably staffed, and with reasonable expansion so that at that time when we approach the next fiscal year the committee and the House can determine how fast and how far they want this agency to grow. It was indicated in the meeting of the subcommittee that this organization began to function by the appointment of the head of the organization some time last October; that $350,000 had been largely spent or obligated; that they wanted $825,000 more to continue the growth of their agency; to establish regional offices, to establish liaison officers in the various departments, and they also wanted $10,000,000 for a revolving fund for the purpose of financing and taking Government contracts, and then redistributing them to small business.

It was felt by the majority of the committee, I believe by all of the members of the committee, that in view of the fact that they had only until next June to go, and that there was a question of duplication with some of the other established agencies of the Government, that this was rushing the growth of this agency in a headlong manner. Some of us suggested that we give them a reasonable amount so that they could continue through until June, and then we could determine just how far to go. I assume if this amendment offered by the gentleman from Rhode Island is adopted, giving them the whole $825,000, that shortly thereafter another amendment will be offered to give them the $10,000,000 for their revolving fund, and you will immediately launch into a mushroomed growth of this agency. If, on the other hand, you choose to adopt the amendment that I have submitted, they will receive $300,000, which considering the difficulties of recruitment, will give them ample funds to continue until next June. You will not have destroyed this agency, and the committee and the Congress can have full opportunity to determine where else they should prune in order to prevent duplication, what other departments should be restricted, and just how far and how fast they want this one to grow.

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

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

Mr. CRAWFORD. First, I want to say that I much prefer the gentleman's amendment to the other one. Secondly, if we give them this $300,000, in the gentleman's opinion will there be a chance for us to take out of the forthcoming appropriation bill for these other departments appropriations where similar work is provided for, Commerce or whatever those departments are, and throw the whole thing under one head and get it concentrated and do a job of it?

Mr. COTTON. The answer to that is an emphatic affirmative. That is one of the purposes of my amendment. The National Production Authority has a small-business organization. The Defense Department has a small-business organization over in the Munitions Board. As has already been commented, the Department of Commerce has a small-business organization. If we are going to proceed that way, let us proceed in a businesslike way. If we are going to support this agency, let us take away from some of these other agencies. My amendment simply means you do not give them a blank check, carte blanche, to go ahead and build and spend as rapidly as possible between now and next June, but it does give them enough for a reasonable growth and development of their work, especially considering the difficulties of recruitment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield.

Mr. JONES of Alabama. Does not the gentleman think it would be far more appropriate for the House to consider this not in an appropriation bill but where we could have full discussion of the problem, rather than bringing it up this way and letting the Appropriations Committee become the legislative body of this House?

Mr. COTTON. I will say to the gentleman that that is one of the purposes of my amendment, in view of the fact that this is a supplemental bill, when they started only last October, and that they are trying to rush ahead as rapidly as possible. My amendment gives the House the opportunity to decide just how far they want to go and to fix our policy as we start the next fiscal year.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

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

Mr. O'TOOLE. Knowing that the gentleman has given this matter great study, I should like to have him inform the House how he has reached this arbitrary figure of $300,000.

Mr. COTTON. I reached the figure of $300,000 based partly on the fact that they have had $350,000, of which they have obligated $270,000, and the $300,000 more should give them, in my opinion, an ample amount to continue the legitimate growth and development of the agency to next June without cramping them and at the same time without advancing too rapidly. It is an arbitrary figure, based on my best judgment after the hearings. I think it is reasonable.

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

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

Mr. KEATING. I think the gentleman's amendment is a great improvement over the amendment offered by the gentleman from Rhode Island. However, I do not think this amendment should not pass without recognition here in this body of the signal victory the gentleman achieved yesterday in his New Hampshire primaries.

Mr. COTTON. I thank the gentleman.

Mr. SIEMINSKI. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New Hampshire; it would slash the appropriation called for in the Fogarty amendment. I am in support of the Fogarty amendment, because I favor giving small business the help it needs. In the defense effort and in our going economy, free enterprise is the salt of American life. Mr. Chairman, the Fogarty amendment will keep the big fellows on their toes and the little fellows in the game.

That it possibly hurts the pride of the Department of Commerce to see this small business defense agency jump out of Commerce's kangaroo pouch and go on its own, should not matter. Was not the Federal Reserve Board miffed at the creation of the RFC? Where once we had only the Federal Reserve Board, today we have the Export-Import Bank,

the RFC, the World Bank for Reconstruction and Development, GI loans, and numerous other credit and lending agencies of the Federal Government to spur American production and consumption to higher levels. Because the Fogarty amendment will sharpen competition and serve to promote greater production, with an equal opportunity to all who are in the game, I am for it.

Likewise, the cost of putting the amendment into operation, the more than $800,000 called for in the amendment, will more than be saved by the Government. At present, in the Department of Commerce, there are 14 agencies a small-business man might have to contact before negotiating a successful defense order. He can get 14 run-arounds. He is apt to give up after six and hire a 5-percenter, a contact man, whose fee can be reflected in the contract and be paid indirectly by the Government.

Under the Fogarty amendment, the small-business man makes one contact in one place and pays nothing for the contact, the advice, or the order. No run-arounds, no 5 percent, and no padded contact fees paid for by the Government.

Mr. Chairman, there are slightly more than 4,000,000 business concerns in this country. Over 90 percent of them are classified as small business. While we must not allow subversive elements ever to control this great proportion of America's economic life, neither can we allow selfish elements to choke it. Vigilance is needed. I trust the Fogarty amendment will pass.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise in opposition to the Fogarty amendment.

Mr. Chairman, the members of our subcommittee anticipated that this would be controversial. You do not have to be a member of the Committee on Appropriations for long to appreciate that any time you attempt to cut appropriations in order to stop the mushrooming of a Government agency, you are going to get into a controversial position. But I do want you to know that insofar as the membership of that subcommittee, who were present and active, are concerned, there was no controversy. It was a unanimous decision that this mushrooming should be stopped, and this money should be cut down. In the general debate, there was a great deal of time devoted to this particular question, and the whole thing seemed to boil down to this: One group of people support the theory that the only way you can help small business is to create a Government agency, and make more Government money available, and the other group, and I think the sound group, that believes the way to help small business is to cut the Government expenditures and the Government burdens, and take Government off the back of small business. That was the way the gentleman from Virginia put it, and I think he put it well. Also, in the general debate, there was considerable discussion about Mr. Taylor who has been appointed as Administrator. His qualifications probably are not the real issue, but certainly we have heard enough here to question the statement which was made that a better man could not be found to do the job. Look at the hearings in which the chairman of the committee asked Mr. Taylor about his background. That background showed he may be a very competent Government lawyer, but it does not show any great broad experience in the field of small business which would justify the statements that a better man could not be found to do this job.

When this proposition was originally presented to the committee last year, the committee denied any funds. Then it went to the other body, and finally $350,000 was appropriated. But, now comes this supplemental request for $825,000 to provide, not for keeping this agency at its level until the end of the year, but to provide for a great mushrooming and great expansion during the course of this fiscal year. I think that is an issue which ought to be resolved at a later date. Certainly, we ought to cut it now so as to prevent this great mushrooming. Perhaps there is a basis for it, but we ought not to permit that in the face of great increases in expenditures at this time. They have something over 100 people.

This money they are asking for, if granted under the Fogarty amendment, would permit them to greatly expand the level of their personnel; a group of personnel, by the way, which has the highest average compensation of any emergency agencies of the Government at the present time. It looks to me as if permitting this agency to expand in accaccordance with its own program and in accordance with the program of the amendment of the gentleman from Rhode Island would make duplication in agencies of Government, which have been established to help small business. They have plans for establishing regional offices in all of the 13 regions of the country. They want to put a man or a staff in every field office of the Department of Commerce. They want to have a man sitting at the elbow of the men in the RFC who handle the loans; somebody looking over their shoulders. Certainly we do not want any more people watching other people in this particular area of Government at the present time.

In their plans for getting consideration for small business for Government contracts, they completely overlooked the fact that we have had a successful program of this kind in the National Production Authority.

In their programs for loans, in response to a question by the chairman of the committee, they acknowledged that they have no authority to make decisions. All they could do would be to recommend. Then it would be up to the RFC to make a decision on the grounds of security and credit and the other things that have to be taken into consideration. In the field of claims agency, which they plan, there again it was acknowledged that all they could do would be to act as an intermediary; somebody in addition to the other people who are doing that same kind of work. They said in response to a question that they are coordinating.

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

Mr. DAVIS of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

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

There was no objection.

Mr. DAVIS of Wisconsin. The testimony shows that they are a coordinating rather than an operating agency. It leads one to ask the question, What will they do if they are permitted to expand in the manner that they contemplate expanding?

We asked them, "What do you do if these Government agencies will not give these Government contracts to small business?"

The answer to that was, "Well, then we come and complain to Congress. Then we put a statement about it in our report that you told us we have to make every 90 days."

If that is all they can do about it, what in the world have we got the standing Committee on Small Business of the House for? What have we got this Committee on Small Business in the Senate for? Can they not do just as good a job of complaining to Congress as some group of paid hirelings in the executive department?

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

Mr. DAVIS of Wisconsin. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I think the gentleman from Wisconsin knows that the money originally given to this establishment was for planning and programing, and that is all. It was to develop plans. I read every word of the testimony, and it was testified that they did have a higher rate of personnel, but they have no clerical help to speak of. They had to get the top personnel in order to develop the plans, and that is the reason the average is higher than these other average departmental agencies. But on the question of expanding the program, I agree with the gentleman. The record shows that during the past war these existing agencies of Government absolutely refused to cooperate with small business, and it was not until the Congress established the Smaller War Plants Corporation that they came in and helped. That is the reason why Congress established this agency last year, and that is the only reason. Not because of the expanding program. I would be in favor of cutting this out entirely if we could force the military to channel the stuff down into the smaller defense plants.

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

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that the gentleman have two additional minutes. I used up a lot of his time.

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

There was no objection.

Mr. FOGARTY. I agree with you that we should do that if we could, but the last war showed that we could not do it until we gave them the authority. I

know they do not have the authority. I know the RFC has to go over their recommendations, but the RFC cannot issue a loan unless they recommend it. We provided that in a statute.

Mr. DAVIS of Wisconsin. That is in a statute which will expire on the 30th of June, but my contention is that we ought not accept the amount of money involved in your amendment, because by so doing we are giving this group a vested interest in the mushrooming of their personnel, where they do not have that foothold in the door at the present time, and I do not want them to get that foothold until we review this at the end of the fiscal year.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. The testimony before the Small Business Committee indicated one thing in particular, and that is that the small-business men of this country wanted one place where they could go and present their story and have some action taken. That is exactly the function of this agency, to be a coordinator. I agree with the gentleman from Michigan who said earlier that as we increase the Small Defense Plants Administration we should be able to decrease other agencies. I am willing to go along on that basis.

Mr. DAVIS of Wisconsin. Does the gentleman believe that if the only thing this agency can do is complain, if small business does not get the business this agency thinks it ought to get, that we ought to have an agency to do that? They could come before the gentleman's committee and do that; the gentleman is a Member of Congress and can do a better job of complaining to his colleagues than this group down here can.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. SEELY-BROWN. Can this group not plan and coordinate?

Mr. DAVIS of Wisconsin. If my friend will again read the testimony, he will see that such planning and coordinating as are contemplated will not justify the mushrooming agency involved in this amendment. The Cotton amendment, if adopted, will hold the agency at its present level.

Mr. CANFIELD. Mr. Chairman, I rise in opposition to the Cotton amendment and in favor of the Fogarty amendment and ask unanimous consent to proceed for two additional minutes.

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

There was no objection.

Mr. CANFIELD. Mr. Chairman, it is perfectly clear to me now that this Congress is not going to kill this agency. I do not think this Congress is going to cripple it. I think I know, too, when I observe a retreat. Yesterday this subcommittee was for striking out all of the funds of this agency; today one of its members proposes that they be given 50 percent of the funds held to be necessary by the agency itself.

Mr. COTTON. Mr. Chairman, will the gentleman yield for a brief question?

Mr. CANFIELD. I yield to the distinguished gentleman from New Hampshire.

Mr. COTTON. I made it clear that I was for this in the committee. This is not 50 percent; this is merely an amendment to save the agency without sending it ahead too fast; and that was my position in the committee.

Mr. CANFIELD. Am I mistaken in thinking that the committee stood 7 to 0 for absolutely eliminating the funds?

Mr. COTTON. But the gentleman, a member of the committee, knows that a member can make a reservation of an amendment he intends to offer on the floor.

Mr. CANFIELD. I am glad to hear that my good and able friend from New Hampshire made that reservation and that he is standing up today for small business, even though not in the amount that I think this agency ought to have.

I am a subscriber to Business Week. Business Week is a pretty good business magazine; its editors, and ownership, are not red, pink, or leftists in any way. I want to read an article that appeared in Business Week on February 16, 1952. It says in part:

Telford Taylor, the small-business man's champion in government, has leveled his lance at one of the toughest targets in Washington: the Pentagon, citadel of the military's top brass.

Taylor is determined to pry from the generals and admirals a real voice for his Small Defense Plants Administration in giving little companies their fair share of arms contracts. Taylor wants his representatives to sit with the services' contracting officers and screen every order. That plan has the brass gasping.

Betting in Government circles is that Taylor will have to fight for anything he gets.

And the odds are equally heavy that he won't win any such scrap with the Pentagon—not in a hurry, anyhow. Washington has had small-business crusaders many times before; few have accomplished much.

But Taylor already has pricked one of Washington's tougher bureaucratic hides, that of Commerce Secretary Charles Sawyer. Sawyer has been fighting SDPA ever since it was a mere gleam in the eye of congressional small-business committeemen. He argued that it would simply duplicate work already being done by the Commerce Department's National Production Authority. Last week—at Taylor's behest—President Truman ordered the transfer of most of the staff and functions of NPA's small-business office to SDPA.

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

Mr. CANFIELD. I yield to the distinguished gentleman from Tennessee.

Mr. EVINS. Does not the gentleman admit that the difficulty which the Small Defense Plants Administration has encountered is due to the fact that it was made an arm of Congress rather than being turned over to the Department of Commerce?

Mr. CANFIELD. That is true. Far from simply duplicating work that is already being done, some time ago at President Truman's behest most of the staff and functions of the Small Business Office were transferred to SDPA.

Now, who is Telford Taylor? We have heard about him in many innuendos here today. I have never met him. I am told Taylor is a native of Schenectady, where he was born 44 years ago next February. His father was an engineer for General Electric. Taylor was educated at Williams College and took his law degree at Harvard in 1932. His first job was as private secretary to the revered judge of the New York Federal circuit court, Augustus Hand.

From 1935–39, Taylor was associate counsel of the Senate Interstate Commerce Committee and ran its New York office. The chairman of that committee was Burton Wheeler, of Montana.

Taylor first moved to Washington in 1939 when he became special assistant to Attorney General Robert Jackson. The latter, now a Justice of the Supreme Court, swore Taylor into his present post, a few weeks ago.

From the Justice Department Taylor moved to the FCC and then into military intelligence when war came. In 1945, when Jackson became chief prosecutor of the Nuremberg war crimes trials, he chose Taylor as his top assistant.

Mrs. Taylor, the daughter of American missionaries, grew up in Shanghai.

He is always hatless, wears badly battered shoes, and an old Army raincoat.

Taylor carries this indifference to rank into his official activities, while other officials of the Federal bureaucracy ride around in Government-owned Cadillacs and Buicks, Taylor has ordered for his agency a 1947 Ford costing $400.

As chief of the Small Defense Plants Administration, Taylor is what might be called the poor man's 5 percenter, but he does not look upon himself as running a relief agency for small business.

Our purpose is to strengthen and speed up the defense program by putting all the resources of small business to work for the country, not to use the defense effort to bail out small business.

In the few weeks he has been in office, Taylor and SDPA have already begun to have an impact on defense procurement. In the montns ahead, the impact is certain to increase.

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

Mr. CANFIELD. I yield to the distinguished gentleman from North Carolina.

Mr. COOLEY. I think that during the course of this debate some effort has been made to smear Mr. Taylor.

Mr. CANFIELD. That is true.

Mr. COOLEY. While I do not know the gentleman personally, I would like to ask if it is not a fact that during the time he was participating in the Nuremberg trials Russia did not have judges conducting the trials and were actually participating at that time in the trials?

Mr. CANFIELD. Yes.

Mr. COOLEY. Mr. Taylor had no right to fire any of those attorneys that had been assigned there by Russia?

Mr. CANFIELD. That is right.

Mr. COOLEY. Nor to dismiss any of the judges before whom he was required to appear. So it seems to me they have made a very laborious effort to slander, besmirch and smear a man who was there doing what he conceived to be an honest duty.

Mr. CANFIELD. And who today wears the Distinguished Service Cross for bravery in action.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, if there were a way to help small business by voting for this appropriation or for the amount that the gentleman from New Hampshire has suggested, I would do so, but I am afraid there is not.

Mr. Taylor, the head of this outfit, was before the committee, and the gentleman from Missouri [Mr. CANNON] started the ball rolling when he asked Mr. Taylor, and this appears on page 456 of the hearings:

Will you give us a summary of your background?

I do not know how many Members were here and heard what the gentleman from Michigan [Mr. DONDERO] said while I had the floor earlier today. But Mr. Taylor was a prosecutor at Nuremberg succeeding Justice Jackson. He had on his staff Josiah Dubois, a notorious left-winger, and Belle Mayer, another one, and their performances were such that they drew down upon the United States prosecuting counsel and themselves the wrath of the judge, a gentleman from Iowa, who was presiding.

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

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Well, it is a fact that Nuremberg was an international court. Is the gentleman suggesting that Mr. Taylor employed and hired these men and gave them their assignments?

Mr. TABER. They were a part of his staff.

Mr. COOLEY. Yes, and there were Russian judges sitting on the court, too.

Mr. TABER. Yes; there were; but he would not have somebody on his staff that he did not employ. Would the gentleman have somebody in his office that he did not have control over? Not for 1 minute; he would not. Now, do not try and apologize for Mr. Taylor in that way.

Mr. COOLEY. I am not apologizing.

Mr. TABER. That makes matters worse; that is all. But we have got to have a man in charge of that organization whose first loyalty is to the United States, if he is going to get anywhere.

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

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

Mr. DONDERO. I note that Belle Mayer, at the time she was on the staff of the Kilgore committee, was praised by the Communist press, and it was said that the staff was hewing to the Communist Party line. That is the type of person Mr. Taylor had on his staff at the time of the Nuremberg trials.

Mr. COOLEY. The gentleman knows that Mr. Taylor did not employ that person and did not pay that person.

Mr. DONDERO. In addition to that, even the Red Star, the newspaper of the Russian Army, had much to say in eulogizing both Dubois and Belle Mayer. You can depend on it that if they were loyal Americans they would not eulogize them.

Mr. TABER. Let us get down a little further into the meat of this question. Then, the gentleman from Missouri [Mr. CANNON], tried to find out what this thing was all about and what they were doing. They had 129 on the payroll. In the 4 months that he had been operating he said they had recommended about 29 loans to the RFC, and the RFC had passed on 6. He did not even say that they had allowed a single one. I do not know. Is that a great record of accomplishment in 4 months? One good man would have done better at working out something that really might have been of some use.

Now, I cannot go along with that. It was absolutely impossible to find out if there was any definite program, if there was anything that would do any good for small business. Frankly, my experience with this former small-business corporation was not as good as those that some others have talked about.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

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

There was no objection.

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

Mr. TABER. I yield.

Mr. CRAWFORD. Going directly to the testimony on page 458, the chairman of the committee, Mr. Chairman, asked Mr. Taylor this question:

You have not yet been able to get your program under way at this time?

Mr. TAYLOR. We have the loan program under way, Mr. Chairman.

Was he referring there to the loans made by the RFC, may I ask?

Mr. TABER. Yes, he was.

Mr. CRAWFORD. Then the RFC was doing the job?

Mr. TABER. The RFC was doing the job, yes.

Mr. CRAWFORD. Now, continuing, Mr. Taylor said:

We have some of the matériels program under way in the set-up of this reserve pool.

What did he mean by "reserve pool"?

Mr. TABER. I do not know.

Mr. CRAWFORD. Then he said this:

I guess it would be fair to say in the field of procurement it is mostly a matter of programs and proposals. To put those into effect, we have to reach agreement with the Defense Department representatives.

How can this agency get any steel for the little-business man in my district unless he has the cooperation and agreement with the Defense Department? That is the job on this thing. And I have not yet been able to get any satisfaction out of this department or the one in World War II for a single firm in the Eighth Congressional District of Michigan.

Mr. TABER. That is one of the troubles with this whole situation, and that is one of the reasons why we should not embark upon this kind of a set-up.

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

Mr. TABER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I think I stated before that the RFC has no authority under the statute as it exists today to make loans to these small businesses unless it is recommended by the Small Defense Plants Administration. They have to recommend it to the Reconstruction Finance Corporation in order to get a loan. That is how it stands today.

I know what the work pool is that he talked about. That was established in the last World War, where several small business concerns would band together to take a prime contract where one could not do the work. Eight or ten might get together and take a prime contract and distribute the work.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from New York be permitted to proceed for three additional minutes.

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

There was no objection.

Mr. TABER. I want to say two or three things more, not very much.

They had 129 persons on the roll when they were up here, according to the papers they brought up. If we adopt this amendment and give them $825,000, even with their average payroll of a little over $7,000 a year, which is about $600 a month, that will let them build up a force of 450 or 500 people. That is perfectly and absolutely ridiculous.

Frankly, if they were going to be given anything under any circumstances, which I think is bad, the $300,000 the gentleman from New Hampshire has proposed is a very liberal figure. They do not need it. They should not be allowed any $10,000,000 to go into taking contracts and peddling them around, because I do not believe there is anybody connected with that set-up, including Mr. Taylor himself, who is competent to make any such arrangements or to do anything of that character. I do not believe he has the business experience. He has no positive, definite program. It was impossible for the committee to get anything out of him.

On the other hand, there is an agency in the Department of Commerce which is doing a great job of the things this outfit is supposed to do. The Defense Department all the way through it, the Army, the Navy, and the Air Force, have set up agencies where they have from 50 to 60 or 70 men in each set-up that has the job of seeing that small business gets every opportunity. One big corporation that has $500,000,000 of contracts in a year sublet to small business better than half of it. That would be the way it would work out if you would give them a chance.

Let us not be fooled, let us not do something that is going to leave us high and dry and leave us out where we are not going to be able to get any results for small business, because if you get started and go ahead with this kind of deal you will not have anything for small business. The way to get it is to make our regular departments do their work.

Mr. CANNON. Mr. Chairman, we have debated this amendment exhaustively for 2 hours. I ask unanimous consent that all debate on the amendment and all amendments thereto close in 50 minutes, the last 7 minutes to be allotted to the committee.

Mr. HAYS of Ohio. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. HAYS of Ohio. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS of Ohio moves that the Committee do now rise, and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HAYS of Ohio. Mr. Chairman, I make this motion for the purpose of asking unanimous consent later to withdraw it, so that I could get some time which I have been trying to do for about an hour to say a few words about this bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that under the gentleman's statement he is not entitled to recognition if his motion is merely made for purposes of delay.

Mr. CANNON. Mr. Chairman, the point of order of the gentleman from Michigan [Mr. HOFFMAN] is well taken. This motion should not be used as a subterfuge to secure time.

The CHAIRMAN. The point of order comes too late. The gentleman from Ohio is recognized and will proceed in order.

Mr. HAYS of Ohio. Mr. Chairman, I would not want to do anything that anyone else never did here.

Mr. CANNON. Mr. Chairman, that is the reason why the gentleman should not continue.

Mr. HAYS of Ohio. I agree with the gentleman from Missouri as I usually do except in this instance.

Mr. Chairman, I have been a little concerned about the attack made on the chairman of this small-business group downtown. I do not know the gentleman, and I would not know him if he came in the door, but it seems to me a rather back-handed, nasty way to try to defeat a measure to attack a man like that. Why use unjustified character assassination. I suppose if you carried this thing out to its logical conclusion, you could say that because of the fact the Committee on Un-American Activities had been holding hearings in the city of Detroit, and it was brought out that there were numerous Communists uncovered in the district of the gentleman from Michigan [Mr. DONDERO], and he representing that district in the House, then he is a Communist. Understand, I do not say that, and I do not like that kind of tactic, but if you want to carry this thing out to a logical conclusion, you could draw deductions like that.

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

Mr. HAYS of Ohio. I yield.

Mr. KEARNEY. I am very glad to hear the gentleman speak the way he does. The gentleman is speaking about Mr. Taylor who happens to come from my district, and he is no more un-American than you or I.

Mr. HAYS of Ohio. I thank the gentleman for his remarks.

Mr. Chairman, I would like to say a word about this Small Defense Plants Administration. I judge things by their accomplishments. I have had two small business firms from my district that have been around in Washington for several months trying to get a hearing first from one organization and then the other. The only place they could get anyone to listen to their troubles was down at this Small Defense Plants Administration. They not only listened to them, they solved their problem and it was done expeditiously. I do not know if they have a full staff or not, but I do know that with the staff they have they are doing some good, and that is more than you can say about the Department of Commerce, and I am sorry to have to say that. I would like to see anyone who has had a small business from their district, or from any place else who has received any aid from the Department of Commerce. I do not want to get into personalities. The Secretary of Commerce is from my State. He is a man I have known for a long time. Probably it is not his fault, but the fact remains that the Department of Commerce is not doing anything for the small-business men who are the backbone of our American economy.

This is a good time to put first things first.

In these days of astronomical national budgets, economy is very much desired, and I am for it but I insist the place not to start is with the prostrate form of the American small-business man, while we hand out billions to improve things along the Nile.

The thing that enables America to bring help to our friends abroad is our dynamic American economy, and the foundation of that is our free enterprise system which has its first healthy beginnings in the small-business man. Let us neglect him, hamper him or penalize him and we pull down the whole structure and invite the success of communism.

Mr. Chairman, the small-business man and his welfare are the keys to our whole system of national prosperity and international strength, and if we give him as a hostage to fortune then we are gambling dangerously with America's safety and destiny.

Another thing I would like to get straight and that is this talk of duplication: the charge has been made in the eliminating of this total appropriation for the Small Defense Plants Administration that it is duplicating functions of other Government agencies. On the contrary, I insist the SDPA is the eliminator of duplication. It was set up for this very purpose. This agency was established only after this Congress had taken a long, hard look at the problems of the small-business man; it was established only after this Congress had learned from committee hearings in all parts of the country that small business was being fed large doses of lip service, that the program of small-business aid was being carried on helter skelter in various governmental agencies.

It was on the basis of its own findings that Congress then said: "We will put an end to this confusion; we will endeavor to assist the small-business man; not torment him; we will put the responsibility and focus for aid in one place, we will centralize the task"; and that is how the Small Defense Plants Administration came into being.

To arise now at this late date, in view of all that has happened and say the SDPA is a duplication of other governmental services to small business is only to scourge the record. Congress created this Agency, gave it certain specific, definite tasks; and I, for one, can say that I know for a certainty it is performing with efficiency and has won the confidence and respect of the small-business man.

If there are those who are persuaded there are duplicating functions going on in the name of small business then the thing for them to do is not to advocate the liquidation of SDPA but rather let them apply their talents to strengthening this young champion of small business so that it can expand and extend its already helpful program.

With the true instinct of those struggling for survival, businessmen throughout America have acclaimed the SDPA as their true spokesman in this emergency economy. Like an infant knows its mother by blessed instinct so do the small-business men of this country recognize the SDPA as their champion. They have been helped by it; they have been received with sympathy and aided with enthusiasm. In the scramble for financial aid and scarce materials and a fair share of defense contracts, considerations assential for the survival of small business, the people who have sought out SDPA have been given expert counsel and practical aid.

It would be a legislative blunder of the first magnitude, one fraught with grave consequences, if this Congress were to deal a death blow to the Small Defense Plants Administration, for the first victims would be the struggling small-business men of the Nation who are striving so valiantly to keep alive in these trying days of partial mobilization.

So much good can be accomplished with so little in this appropriation that I am amazed that there should be any serious thought of its denial.

In this critical year of 1952, let us send out word to the small-business men of America that we are going to stand by him and place at his disposal every constructive aid his Government can provide.

Small business is the first line of national defense—let us not only save it but strengthen it. Let us adopt the Fogarty amendment.

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

Mr. HAYS of Ohio. Mr. Chairman, I ask unanimous consent to withdraw the motion.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the motion.

Mr. HOFFMAN of Michigan. Mr. Chairman, I object, and I rise in opposition to the motion.

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

The CHAIRMAN. The gentleman from New York, a member of the committee, is recognized in opposition to the motion.

Mr. ROONEY. No, Mr. Chairman.

Mr. PATMAN. Mr. Chairman, I think I was first to rise in opposition to the motion.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Texas [Mr. PATMAN] is recognized in opposition to the motion.

Mr. PATMAN. Mr. Chairman, I apologize for taking more time than I should on this matter, but one or two questions have been discussed that I think should be answered. One is that we have 14 agencies now to represent small concerns. That is the best reason for the enactment of this legislation, to make it possible to have one agency under one roof, where you can tell your constituents to go to that agency under that one roof and get everything that he wants, if it is possible to grant it. He can put his problems in the lap of the Small Defense Plants Administration representative, and he stops there. If there is any running around to be done, it will be done by the representative of the Small Defense Plants Administration. Now he has 14 agencies to go to, and that is really giving a man a royal runaround. We want to stop that.

This is an economy measure. When we set up this over-all agency and stop this runaround for the small-business man, we can save money by eliminating many of the other agencies. That is the object of it. You will save more money that way than you will spend on this proposition. This is an economy measure. I am telling you, and it should have the support of this Congress, just as it had before.

I do not believe we can justify promising the small-business people of this country less than 6 months ago that they would have this agency where they could go to one place under one roof and get service, and then now, in less than 6 months, take it away from them. Is this Congress going to be an Indian giver? Give it to them and then take it away?

It will be in the interest of economy; it will be in the interest of the defense effort; it will save a lot of money to the Government, and will bring real service to the small-business people of this country. I hope the whole amount is granted.

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

Mr. PATMAN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. One of the most telling effects on this measure is the fact that in 1942 only 12 percent of the contracts were going to small business, but when they got into operation it got up to 30 percent. Under the figures from the Munitions Board today, in 1950 25 percent of the defense contracts were going to small business, and in 1951 it went down to 20 percent, and now it is down to 19. Unless we do this it will keep right on going down.

Mr. PATMAN. I do not know of anything that a Member of this House could be more proud of then to go back to his constituents and say, "I voted for one agency where the small-business man can go, one stop, under one roof." He would not have to go to 14 different agencies as heretofore, and then get nothing. This is an agency that has the power to grant relief.

I hope the Members of this House will vote for the $825,000, and not vote for a reduction of it.

The CHAIRMAN. All time on the pending motion has expired.

The question is on the motion offered by the gentleman from Ohio.

The motion was rejected.

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

Mr. Chairman, I have been close to small business all my life and fully realize its importance to our national economy. For the past 85 years my grandfather, my father, and now my brothers have been engaged in a small retail business in the district in Brooklyn which I have the honor to represent. I want to do the right thing to help small defense plants. I was a cosponsor of the legislation which set up the Small Defense Plants Administration. Recently when hearings were had before our committee with regard to this requested appropriation, at the time of the mark-up of this bill and when it was before our full committee, I had leave of absence because I could not be here in Washington due to certain personal circumstances at home. As chairman of the appropriations subcommittee which handles appropriations for the Department of Commerce, I feel that it is my duty and responsibility to advise you exactly what the position of the Department of Commerce is with regard to this requested appropriation for the Small Defense Plants Administration.

First, concerning the $350,000, already appropriated, they say, "This money has gone down the drain with nothing to show for it." The Department claims that far-flung plans have been made by SDPA for setting up 14 regional offices which will duplicate offices already set up and in operation by the Department of Labor, the Department of Commerce, and the Defense Mobilization Agencies; that each of the regional directors is to receive a salary of $10,800; and that in addition there will be 14 deputy directors at a salary of $9,600 and 70 specialists in the field also at a salary of $9,600.

They point out that there has existed for many years in the Department of Commerce a small-business advisory committee which has recommended strongly against new agencies and duplication of functions; that this committee is meeting next week in the city of Washington for 3 days; that every member of this committee pays his own expenses and that the committee meetings held by SDPA have had their expenses paid by the SDPA.

They claim that the Commerce Department, after many months of effort—including continued consultation with other agencies—has prepared and has issued a procurement manual. This is alleged to be an exhaustive study to provide methods and information in connection with procurement and the claim is made that it does not require the assistance of any new agency. The Commerce Department says that further activity in this regard would constitute pure and simple duplication.

The NPA in the Department of Commerce and the General Services Administration and the Military Establishment have within the last 4 months set up clinics all over the country to which were invited 2,500 businesses. This list of firms was based upon the probable effect of certain curtailment of use of critical materials. This is an example of action, says the Department of Commerce, as contrasted with talk. They advise that this action consituted the first step in the direction of planned procurement, which has been the desire of the Congress in assisting the small business effort; that when this suggestion was brought to the attention of Mr. Taylor he objected to the clinics because they did not include approximately 12,000 additional firms, regardless of the amount of materials which had been allocated to them. The Commerce Department says that the result of these clinics showed that in many cases firms were already fully occupied with Government contracts, that in many other cases it was impossible for them to take Government contracts, and in cases where they needed Government contracts and had facilities to perform them—approximately 70 percent of those who attended the meetings—arrangements were made promptly for them to negotiate for Government business, both prime and subcontracts.

The Department points out that 3 weeks ago telegrams were sent to 11,000 manufacturers by NPA in an effort to find out the effect of the allotment of steel, copper, and aluminum upon their third-quarter operations; that as a result of this survey and other data available to the Department of Commerce, a policy adopted early in November was expanded to give additional materials to small firms in trouble; and that a Small Business Hardship Account has been set up within NPA and administered by its Office of Small Business to provide additional materials to small manufacturers faced with operating hardships resulting from the initial amounts of material allotted to them.

The Department of Commerce contends that the new agency has leaned heavily upon the Department for personnel experienced in small-business matters and that they have not tried to obstruct its activities; on the contrary, they say they have tried to assist them. The Department offered to transfer, and finally received word from the Administrator of SDPA that he would accept, nine employees who had been experienced in assisting small firms in obtaining defense contracts as an activity of NPA. These employees have been working for SDPA since November 19, 1951, but they have been paid by the Commerce Department. At the request of the Administrator of SDPA, four personnel technicians of the Department

of Commerce were loaned to him for the purpose of helping organize his personnel office and to assist in performing the personnel functions of this temporary organization. Three of these employees are still working in SDPA and are being paid by the Commerce Department.

Mr. Chairman, with these allegations before us we should carefully consider every point in this important debate, and with an open mind.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. RABAUT. Mr. Chairman, on July 20, 1951, my colleague, the gentleman from Texas [Mr. PATMAN] was able to place in this RECORD a list of 261 Members of this House, 60 percent of its membership, all of whom favored the establishment of a Small Defense Plants Administration through his proposed amendment to the Defense Production Act.

I am pleased to recall that my name was included on that list and I do not propose to reverse myself at this point and kill this agency by cutting out its rightful request for funds. Last year this Congress went overwhelmingly on record in favor of an independent agency whose function it would be, not merely to protect the interests of the thousands of small-business concerns in the country, but also, and more importantly, to safeguard the long-term economic welfare of the Nation by preserving the potent productive strength of our small manufacturing establishments.

I pointed out in a press release on this subject last year, that reliance on large corporate enterprise in the early years of World War II forced the closing of one-sixth of the small businesses in the Nation. The reason for the truly deplorable situation was that there was no independent agency specifically charged with effecting the distribution of Government procurement contracts so as to draw the full measure of our economic strength and to preserve the free, competitive productive units which are the foundation of our national economic vitality.

We rectified that blunder by setting up the Small War Plants Corporation. To avoid the same blunder in this present mobilization effort, the Congress gave strong support to the establishment of SDPA. It is now proposed that we reverse our field in one of the most stupendous feats of backtracking ever asked of this body.

The reason? We are told that there is no need for the administration's activities and that its functions duplicate those of other agencies of the Government.

Our procurement experiences in World War II should be proof enough that without such an agency as this, small business faces a grossly unequal fight for survival. They cannot afford the lush offices running over with contact men maintained in Washington by the powerful corporations. They cannot bargain over the allocation of materials like General Motors or du Pont. The staggering size of Government procurement activities makes it practically impossible for a small manufacturer—whose capital assets are usually a small building, a few milling machines and lathes—to find where he can fit into his rightful place in the picture. So there is a definite, established need for such an agency. Kill it and you must shoulder the responsibility for the extinction of small individual enterprise which can so easily result.

General Taylor, the head of SDPA, who has only been in office since the middle of last October, told the Appropriations Committee that the functions of the Office of Small Business in NPA were transferred, by Executive order, to his administration, and that there remained only the relatively minor small-business activities of the Munitions Board and the three military departments.

But the real solution to such problems of duplication as still exist is not to kill this agency. It is this office which Congress established to carry out its announced policy of encouraging small business to make the greatest possible contribution toward achieving the objectives of the Defense Production Act. Congress has recognized the need for an independent agency to meet the requirements of such a policy, an agency manned by personnel who do not have to answer to some higher procurement official who must find, in many cases, the quickest and easiest way to solve his procurement problems. SDPA is answerable to no one but Congress, for it is the policy of Congress which the agency was commissioned to carry out.

I ask you to be consistent and follow out in full detail the excellent plan laid down in the Defense Production Act of 1951. Let us have no reversals of field and no backtracking. The contest for the preservation of a sound and stable national economy is no place for legislative broken-field running.

Mr. CANNON. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 30 minutes.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 128, noes 19.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I have been waiting all afternoon to say something, but there were so many members of the committee who wanted to speak, that I did not have a chance. That is all right with me, but I would just like to say a few words on the Fogarty amendment. I cannot see any reason in the world, when we are going along the way we are, why that is really and truly not economy. We set this agency up, and do you know that the director was not appointed until October 19? How can you expect a man to set up an organization across these United States in that short length of time? He has done a good job in spite of all the talk against him to the contrary, because as a member of the Small Business Committee, I happen to know some of the work he has done.

When this Small Defense Plants Administration was set up by this Congress, there were three things we were told to do. Small business was to get a fair share of the defense contracts. It has not been getting them; it is not getting them today. Secondly, they should receive a fair share of the critical materials. It has not been getting them. Now we are beginning to get them in my district, as far as we are away from the center of the United States, the Capitol here in Washington. Third, small business was to get financial assistance. That has been started, and is on its way, and it has nothing to do with RFC loans either. It is combining the small-business organizations in the local community into a solid group, or even corporations. They can go out and put their bids in in one name and be accepted as a bidder under the procurement agencies of the various organizations.

One other thing I would like to say, it is one thing to talk about getting contracts for the folks at home when you live down in Richmond, Va., but it is quite another thing if you live out in Colorado or out on the West coast, and if you do not think that is true, you try to help your folks and you will find out.

ECONOMY

Mr. Chairman, I have consistently been a firm advocate of economy in governmental expenditures and I feel that the tremendous budget presented to us for the coming year makes economy the scales on which we should weigh all-out actions in this body.

There are, however, several kinds of "economy"; one valid and legitimate, the other wholly false. In the case at issue here, I feel that it would be truly uneconomic to put an end to the Small Defense Plants Administration by cutting off its funds. Not only does the SDPA incorporate economies resulting from putting an end to duplications and overlapping, but it also brings a firm promise of other real economies.

I speak, Mr. Chairman, of economies which will result from a fuller utilization of the small manufacturers of the Nation in our defense effort. We are all aware of the vast expenditures of funds by the military departments for war goods, many of which could be procured more cheaply from those smaller producers who are not yet integrated in the defense effort.

Further economies would result by cutting the amount of direct and indirect subsidies now being paid to large corporations for expanding their operations to fill military requirements when idle plant capacity exists among the smaller concerns of the Nation. The SDPA is directed to bring these forgotten firms into full production.

More economies will result from the operations of the Small Defense Plants Administration in channeling defense orders and scarce materials to smaller

producers who are now forced to turn much of their work force over to the relief rolls of their communities. Such unemployment is certainly uneconomic in these days when every man and every square foot of plant space should be a weapon in our arsenal against the Communist threat.

For these reasons and many others, Mr. Chairman, I feel that we would not be fostering the cause of economy by ending the operations of the Small Defense Plants Administration. The direct and indirect costs and ramifications of such action would be manyfold the amount we would hope to save.

SDPA APPROPRIATION

The gentleman from Virginia [Mr. GARY] mentioned small business in and around Richmond. Efforts were made at the beginning of this legislation to make mandatory the transfer of all other small-business offices and functions to the new centralized SDPA. We now see the great wisdom of this suggestion.

Under the pleas of several Cabinet heads, the transfer was made permissive to take care of a few specialists to maintain liaison. It was a great mistake to make the language permissive. It is not necessary to name the men who are fighting SDPA in order to retain their own empire. These men are hanging on to their own ineffective small-business offices. And the House Appropriations Committee now uses these illicit small-business operations as an excuse for liquidating the new Small Defense Plants Administration. If we pass this appropriation, I think it might be a good plan for Congress to take early action to insure that the appropriations of such other Departments as Commerce be cut by an amount equal to the SDPA appropriation. We do not need to stand for this wasteful duplication. Congress made very clear last year that it wanted SDPA to be the single agency to handle small-business problems in the Government. We should not permit other Government agencies to pad their payrolls with so-called small-business offices and then make the plea to Congress that they are prepared to carry out the work of the Small Defense Plants Administration. They have not done a job in the past; they will not in the future. Let us give the Small Defense Plants Administration the money it needs and cut out the wasteful duplication of small-business appropriations for seven or eight other Government departments.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, it is unfortunate that in the course of this debate Members have become so intemperate in the presentation of arguments that they have, without cause or justification, in subtle fashion, attempted to smear and to besmirch the good name and reputation of a public official who has only recently been appoined by the President and confirmed by the Senate. The insinuations, innuendos, and implications of some of the remarks concerning Mr. Telford Taylor are utterly ridiculous. I am certain that most of you know something about the Nuremberg trials. I hold no brief for either the Nuremberg trials nor the Tokyo trials. In fact, I am afraid that they will some day rise up to haunt us. While I do not even know Mr. Telford Taylor, I did make inquiries concerning him before he was ever appointed, and upon the information which I have received I am convinced that he is a true, patriotic, and loyal American citizen and is devoted to the traditions and principles of our Government. We all know that the Nuremberg trials were conducted in an international court. Citizens of Russia participated in those very important trials. Russia was then considered a loyal ally, and representatives of our Government associated with Russians freely and without fear of some day being slandered and maligned because of such associations. We sent our representatives to Nuremberg and to Tokyo, knowing that citizens of Russia would meet them at both places. In the preparation and presentation of cases certainly it was necessary, and at that time considered advisable, that our representatives be associated with and work with the representatives of Russia and other countries. To accuse by innuendo or in other subtle fashion a citizen of this country of being a Communist or fellow traveler is a grave and important matter. All I ask you to do is to look at the record of Telford Taylor and reach your own conclusions concerning his loyalty, his ability, and his worthiness. I remind you, however, that Telford Taylor is not here on trial.

Now coming to the matter actually before us: My recollection is that this House, and perhaps both Houses, unanimously approved and authorized the creation of this agency of our Government, the Small Defense Plants Administration. Now, before the agency actually starts to really function, it is suggested by this committee that it should be put out of business and discontinued.

I believe that Mr. Taylor and his associates have been rendering good service. I believe that this agency of the Government has already been of great assistance to the small-business men of the country. I believe that the money which has heretofore been appropriated for the agency has been well and wisely spent and that the appropriations now proposed will be a good investment in the future welfare of the Nation.

Another ridiculous suggestion has been made to the effect that all the duties and functions which might be performed by the Small Defense Plants Administration could be very well performed by the Small Business Committee of the House. What could be more absurd? The Small Business Committee is composed of busy Congressmen who, of necessity, must give their time and attention to a myriad and a multiplicity of duties, obligations, and responsibilities. The members of that committee have not the time to devote to the hundreds of applications for materials and loans which will be filed by the small-business men of the Nation, asking help at the hands of the Government and anxious to contribute to the defense of our country. If you are for small business, now is the time to stand up and be counted. Kill this agency and see what happens to the small-business men of America. The small-business men of the country do not want lip service. They want a fair share of critical materials, financial assistance, and defense contracts. If this agency is defeated, where will you go and where will I go to aid the small-business men of our districts who want to participate in our great program for the defense of the Nation. This is an agency to which our contribution may be directed—yes, an agency which we will have every right to expect will render services to those who are in need of advice and assistance. Do not forget, this agency, if given the necessary money and manpower, can lift a great burden off the offices of every Member of this Congress. I urge the adoption of the Fogarty amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, I have listened with a great deal of interest to the debate here this afternoon with respect to trying to help small business. I want to go on record as heartily endorsing the Fogarty amendment.

I happen to come from one of the most highly distressed areas in the country, in the anthracite-coal region, in which we have more unemployment than perhaps in any other section of the country. I have heard a lot here this afternoon about the Department of Commerce helping small business. I have heard a lot here about the Reconstruction Finance Corporation helping small business. I have heard a lot about the Defense Department helping small business. In my years of experience here, certainly in the past year or so, I have almost gotten down on my knees to try to help small business in my area by going to the heads of these various Departments. So I am heartily in favor of this Small Defense Plants Administration proposition.

Mr. Chairman, I am strongly opposed to any action which will deny an appropriation to the Small Defense Plants Administration.

How is such a contemplated death sentence to be explained?

In its report, the Appropriations Committee seeks to base its reason for cutting off the Small Defense Plants Administration without a cent on the ground that it duplicates the activities of other agencies. If that is so, and I seriously question the premise, it is certainly contrary to the wishes of Congress. By its vote on the legislation only last July, and in the discussions preceding the vote, the House left little doubt that its primary interest in establishing a single independent agency to aid small business was to put an end to duplicate effort on the part of various other departments and bureaus which had been generally ineffective in their attempts to develop aggressive programs in behalf of small-business men.

Not to recognize this is to fail to understand the basic fact of the problem of aid to small enterprises.

Surely the House is aware that one important function of the Small Defense Plants Administration is to stimulate various executive departments so that they will bestir themselves and do more within their respective jurisdictions for small business that experience has shown they had been doing before the advent of a small-business agency. If this be duplication, then I am perfectly willing to let the Nation's small-business men make the most of it. They need all the help they can get.

The Department of Defense, the Department of Commerce, the Reconstruction Finance Corporation have been proclaiming in loud tones how much they are doing for small business. Is any Member so naive as not to see a direct causal relationship between this recent flurry of small-business activity and the entrance upon the scene of the Small Defense Plants Administration?

I can think of no better way for the House to open itself to the charge of insincerity, hurled by the small-business community of the Nation, than for it to reverse the position taken by it last July when legislation creating the Small Defense Plants Administration was passed without a dissenting vote.

If that action was right, and there is no doubt in my mind but that it was, then agreement with the present position taken by the Appropriations Committee cannot be anything but wrong.

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

Mr. SHELLEY. Mr. Chairman, I rise in support of the Fogarty amendment.

It has already been said by one of those who preceded me on the floor that it is one matter to come to Washington from a district closely adjacent to Washington to take care of the small business interests in your area. The one in that position is fortunate and can probably get some results. However, I come from the Pacific coast, approximately 3,000 miles away from this area. We on the Pacific coast certainly support the idea of a Small Defense Plants Administration. In the early part of World War II we saw our small businesses pushed up against the wall and put out of business.

This is a combination of several different situations and several factors.

You have the natural tendency of men in a government agency to be reluctant to give up any authority or power they have had over the years. There is a desire in every human being to extend his authority and to extend his power. Naturally the Department of Commerce does not want to give up that which they say they have had but which they have not used well and zealously on behalf of small business. Likewise, the armed services have not shown any great understanding of or sympathy for the problem of small business. To be fair, this is understandable—it is much easier for one of the contracting or procurement officers in the services to do business with one of the large national corporations who can take care of all the problem instead of spending time and energy trying to find small-business firms to whom contracts can be awarded. It helps keep the desk clear and cuts down the worry. As I say, Mr. Chairman, it is understandable. As a matter of fact, these things have been so well understood that they are the very reasons that Congress last year set up the Small Defense Plants Administration.

The fact is that until recently responsibility for small business was scattered among and diffused through a number of different Government agencies, none of which had the necessary breadth of authority to deal with the entire problem. It was precisely in order to end this state of diffusion and overlapping responsibilities that Congress set up the SDPA, and provided that the President could transfer to it the functions and powers of other agencies relating to small business. If we liquidate the SDPA now, matters will just go back to the old and unsatisfactory state of affairs which existed before this legislation was unanimously adopted last year.

Very soon after his appointment as Administrator, Mr. Taylor wrote to the President—December 1, 1951—and proposed that, in order to end duplication, the functions of the Department of Commerce relating to financial aid to small business, and getting an increased share of Government procurement for small business, should be transferred over to the SDPA. As a result of this letter, the President issued an Executive order—Executive Order No. 1023, dated February 5, 1952—transferring the financial, procurement, and certain other small-business responsibilities of the Department of Commerce to the SDPA. This was the first step in streamlining the Government's small-business activities. No doubt others will follow if we give Mr. Taylor a chance to work things out. But if we wipe out the SDPA now, matters will simply fall back into the same old state of confusion and duplication that Congress found them in last year, and that Congress unanimously determined to correct by the legislation establishing the SDPA.

Now, the most important things that SDPA is doing have never been done by the Department of Commerce, or by any other agency ever since the liquidation of the old Smaller War Plants Corporation in 1946. Mr. Sawyer himself felt that these additional activities on behalf of small business were necessary and recommended that they be enacted into law. The Congress decided to put these new activities into an independent agency instead of in the Department of Commerce, because the Congress felt that there ought to be an agency whose sole purpose, unlike that of Commerce, would be to act as spokesman and claimant for small business in all phases of the Government's activities.

Now, Mr. Chairman, the only question before the House is whether we will vote to give small business this representation in the Government—this voice to speak for them and claim for them. That is what the SDPA is for, and that is what the small-business men want. The SDPA has been in existence only a little over 4 months, and already some 3,000 small-business men have written in to it or visited it to seek its assistance, whether in getting Government contracts, or for help on their metal allocations, or for financial assistance, or other reasons. If, as the Committee on Appropriations now tells us, the SDPA is just doing what other agencies do already, why have 3,000 small-business men come to it in the first 4 months of its existence? And bear in mind that this is just in Washington. There have been no field offices to help the small-business man out where he really does his business.

Mr. Chairman, I get a little impatient when I hear all these gentlemen talk about duplication under circumstances like these. If you ask the Department of Commerce whether they can help a small-business man get a loan from the RFC, they will have to tell you that they cannot do anything about it. They cannot help him get a contract either. We have given the SDPA that authority, and the President has transferred over to the SDPA those functions.

With all respect to the Committee on Appropriations, I do not think they have understood the situation at all clearly. I have been looking at the record of the hearings before the subcommittee, and I see that Mr. Taylor was asked to describe his plan for the future activities of his agency. After he had done that, the chairman of the subcommittee suggested to Mr. Taylor—hearings, page 460—that this was much too comprehensive a program to be accomplished in the 4 months remaining between now and June 30, when the legislation creating the SDPA will expire unless extended by Congress.

Mr. Chairman, if the SDPA program is too comprehensive, it certainly is not a duplication of what other people are doing already. And, of course, nobody ever expected the SDPA to accomplish its purpose in 4 months. Like the other agencies set up under the Defense Production Act, it was anticipated that the act would be extended for as long as the emergency lasts.

Mr. Chairman, there is abundant evidence to show that in the last war small business was struggling against a rising tide until there was established an independent agency whose only responsibility was to assist small business. A marvelous job was done in the last war by the Smaller War Plants Corporation. In this present emergency, small business was in exactly the plight it was in, in 1942, before SWPC was organized. Six months ago Congress showed that the experience of the last war had not been lost. It again set up by unanimous vote an independent agency whose only and primary responsibility was to assist small business. Just as that agency is starting active operations and getting to work on a desperately needed program, its very existence is threatened. Where does that leave small business?

The Congress of the United States set up this organization to do a job which was not being done. In the light of the experience had by Congress and the small-business people in World War II and the early days of the Korean conflict, small business had to have this

assistance. I sincerely hope the Members of the House will support the Fogarty amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, Congress should protect the small businessman. I rise in support of the Fogarty amendment to provide the appropriation of $325,000 requested by the Small Defense Plants Administration, to insure that small business would be assured an opportunity to get a fair share of the contracts placed by Government departments. I believe the Small Defense Plants Administration should be continued, and should be allowed to have this small appropriation, because the work they are doing is the thing that is keeping a lot of these small defense plants going. In fact, this is a real time where the Members should recognize that both the chamber of commerce and the workers want this program continued. Industry, both management and labor, is united in this position. As one of the original Members of Congress sponsoring the legislation establishing the Small Defense Plants Administration, I believe this program is well worth while.

Mr. Davies, of the Pittsburgh Chamber of Commerce, the executive director of the Smaller Manufacturer's Council of that body, called today by long-distance phone urging the Congressmen from Pennsylvania to vote and support this appropriation so that this agency will not be discontinued. My constituent, Philip Murray, from Pittsburgh, has also written the Congressmen urging the importance of this agency to small business and those employed by it. So I am very pleased to be able to say that both sides in industry in this instance believe firmly that this agency should be continued.

Of course, we are always hearing about big labor and big business. It is the poorly equipped businessman, the small businessman who is more limited in his overhead budget and types of administrative personnel, that finds that he cannot get these big agencies in the Government to stand up for him. He needs special advice and direction in the Government agencies to obtain fair treatment and justice for the problems that are so big to him, but so small in the total agency view. In this case we have the small-business man at a real disadvantage, and he is pushed from governmental pillar to governmental post. And we Congressmen have all seen the kicking around the small-business man takes in Washington—we need no examples.

I am sure where there are these other larger agencies that take care of the big business, that we in Congress ought equally to take care of the many little- and medium-business men and let them have just this few hundred thousand dollars to support the Small Defense Plants Administration as a particular agency for their own protection in the battle of the behemoths. The small-business man in the United States of America is entitled to his place in the sun—he has certainly earned it.

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

Mr. ROOSEVELT. Mr. Chairman, I want to ask one simple question: What did Charlie Sawyer, whom I think my colleague, the gentleman from New York [Mr. ROONEY] should have been referring to instead of the Department of Commerce—what did Charlie Sawyer and his department do for small business between the time that the Korean war started and the 16 months before we created this Small Defense Plants Administration last fall? The answer is nothing. It is the same Charlie Sawyer and the same Department of Commerce who opposed setting up of the special emergency agencies such as the ODM, the DPA, and the NPA. Charlie Sawyer was saying at the beginning of the Korean conflict, "I can do it all." Well, we in the Congress overruled him because we knew that once he started to do it all we would have a terrible time stopping him from doing it all, and because we were not satisfied with what he was doing at the time. Small-business men were not satisfied with what Charlie Sawyer and the Department of Commerce was then doing for them, and that is why they came to the Congress and asked us to set up this administration for their benefit. These small-business men still want this administration to continue. The Congress wants this administration to continue. Charlie Sawyer and the Committee on Appropriations want to veto our will as expressed last fall. As between the Fogarty amendment and the Cotton amendment, I suggest to you that we wholeheartedly support the Fogarty amendment because if we are going to cut down, as the Cotton amendment would cut down, we are going to eliminate the efficiency of the Small Defense Plants Administration. Those of us who are economy minded, and I have put in a bill on this subject, should seek to achieve our economy by transferring these duplicating efforts in NPA and in the Department of Commerce to the Small Defense Plants Administration. In this way we should economize rather than by adopting the Cotton amendment. Therefore, I strongly support the Fogarty amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I rise in support of the Fogarty amendment.

In this debate, it seems to me too many questions have been raised. There are really three separate questions.

First, should the Federal Government do something for small business in a period where we have emergency controls?

Second, by what method should the Federal Government afford that assistance and relief?

Third, how much money should we give the Federal agency created to carry out that task?

The first two of those questions have already been decided by the Congress. In my judgment, they are not appropriately before the House in this debate on an appropriation bill. We passed a law which established the Small Defense Plants Administration as the means whereby the Federal Government would give aid and assistance to small business in the defense period to facilitate conversion from normal civilian production to defense production, and to minimize the disruption of production and employment resulting from the imposition of materials allocations and other economic controls.

If we want to change that method of assisting small business, now is not the time to do it. The time to do that is when we consider the extension of the Defense Production Act. That problem should go before the proper committee and that committee should study the action or the policy it thinks desirable and make its recommendations to the House. That is a matter of substantive legislative policy, which has been decided, and which should not be tampered with in this appropriation bill.

Now, with respect to the amount of money involved, we have heard a great deal about mushrooming. If we decide that we are going to help small business and we are going to do it through this agency, let us really help, not just make idle gestures. Do not tell me that 129 people can do much good. They want 500 people.

I hold no brief for the Administrator of this agency, for the job that the agency has done in the past, and I make no predictions about what it is going to do in the future. That is a problem of administration. We cannot do very much about that except to outline the policy, create the agency, and appropriate adequate funds. Later we can investigate to see whether the job is properly done, but it is too early to go into that now.

This agency is only 4 months old, and it is not too much to expect it to grow in the beginning. It will have to be of some size if it is going to afford any effective relief to the small-business men of your district and mine who come down here needing copper, aluminum, or other scarce materials, or have other problems and who cannot get anywhere themselves.

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

Mr. MULTER. Mr. Chairman, the Small Defense Plants Administration is by law mandated to do the work which was supposed to be done, but which was not being performed by at least six other agencies.

The Department of Commerce least of all has any right to complain about this new agency because they had no less than 150 men and a budget of $800,000 assigned to its Office of Small Business.

If you do not make this appropriation in accordance with the Fogarty amendment for this Small Defense Plants Administration, there will be nobody in the Department of Commerce to do the work because the duty to perform that work has already been transferred by Executive order from the Department of Commerce to this administration and the

Department of Commerce has already let go of two-thirds of its staff, which was assigned to this job that they were not doing.

If you want this job done for small business, there is only one way to get it done, and that is through this agency.

We took thousands of pages of testimony, both the Small Business Committee of this House and the Small Business Committee in the other body, all through the country, and wherever we went we were told that the Commerce Department was not doing anything at all for them; the RFC was not doing anything for them; the Army was not doing anything for them; the Munitions Board was not doing anything for them; and until we got this agency on the job, after you authorized it a few months ago, then, for the first time, did small business begin to get some real help in connection with the defense effort. If you want that program carried on, you must support the Fogarty amendment and give them the money and the manpower with which to do the job.

You can show the small-business men of America today whether the House of Representatives is for them or against them. The issue is as simple as that.

Not to provide an appropriation for the Small Defense Plants Administration, as has been recommended by the Appropriations Subcommittee, is the same as saying to thousands upon thousands of small independent businessmen that we do not care whether they sink or swim.

The disruptions of the mobilization program demanded that an agency be created to safeguard the interests of small business. Congress responded to that demand only last July when it established the Small Defense Plants Administration without a dissenting vote. I repeat, without a dissenting vote.

Do not we know our own minds? Are we trying to establish a record for inconsistency? If we were right 8 months ago in setting up this much-needed agency to assist the smaller producers of the Nation, how can we be anything but wrong—dead wrong—in abolishing it today.

It is an open secret that certain persons in Government do not want a single centralized point within Government where small and medium-size companies can go for help. No—that would be too sensible, too efficient. They prefer to see businessmen run around to a dozen different departments and bureaus with all the waste, delay, duplications, and red tape that that involves.

Why? Because before we established the Small Defense Plants Administration, these departments and bureaus each had a small-business unit of their own, albeit an inefficient one in almost every insaance. It was because of this duplication and ineffectiveness that a single agency was created.

But the empire builders have been busy. For months they have been lobbying against the Small Defense Plants Administration. The reason is clear. SDPA in a few short months, and with limited funds and personnel, has done such an outstanding job of aiding small-business men that the former efforts of some other bureaus appear pitiful in comparison.

Today, perhaps more than ever before, small business needs help from its Government. The way to give it that help is to keep alive the small business agency created by us for that very purpose. Not to do so will be more than merely a mistake, it will be a rank injustice to all of the small-business men who have come to look upon the Small Defense Plants Administration as the embodiment of their Government's desire and duty to help them over the rough spots of our presently dislocated economy.

The Small Defense Plants Administration must be continued as long as the present world emergency lasts.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as I may have to the gentleman from Michigan [Mr. CRAWFORD].

The CHAIRMAN. The Chair will state that can only be done by unanimous consent.

Mr. HOFFMAN of Michigan. Very well.

Mr. Chairman——

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

Mr. HOFFMAN of Michigan. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to ask the gentleman these two questions: In his opinion is the force of excessive taxation on small business today doing greater harm, and also is the force of the absence of military spending at the present time doing more harm to small business than the creation of this agency now before us?

Mr. HOFFMAN of Michigan. Before answering that, I would like to have the gentleman's views on that question.

Mr. CRAWFORD. In my opinion, the two greatest forces operating against small business in this country today is the fantastic tax burden imposed on small business only last year by the Congress; and, secondly, the small amount of military expenditures, as related to appropriations, which the Congress has approved for military purposes. I think those two forces are doing much greater harm to small industry in this country than either the presence or absence of this agency we have been discussing this afternoon. Reference has been made, if the gentleman will yield further——

Mr. HOFFMAN of Michigan. Yes; I yield.

Mr. CRAWFORD. Reference has been made to the small percentage of military contracts which are being filled by small business concerns today as compared with the percentage filled during World War II at the peak of expenditures. This Congress has appropriated and is appropriating approximately $7,250,000,000 average for monthly military expenditures.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

The gentleman from Michigan [Mr. CRAWFORD] is recognized.

Mr. CRAWFORD. Mr. Chairman, may I say, with all due respect, that this is no facetious statement I am making, because the people in my district understand what I am talking about. I have discussed it with them many times within the past 60 days.

If this Government was spending this money—and I mean $7,000,000,000—each month for military expenditures, you would have a volume of business which would keep all industry busy, large as well as small industry. If with a military expenditure of over $7,000,000,000 a month along with peacetime requirements you cannot supply the industry of this country with the necessary business; if with that kind of expenditure you cannot keep people employed in this country in reasonably full employment, I wish you would tell this Congress how you expect to run this country in the coming months and years, and after the heavy military appropriations cease and the expenditures for military equipment on a large scale are discontinued.

Mr. Chairman, little business faces the great productive capacity of the plants under the control of so-called big business, not just the capacity now ready for production, but that greatly expanded capacity which is now taking form throughout the expanse of this whole land. These new military plants now being constructed at the cost of many billions of dollars will have capacity in the coming years and where will that capacity or production be sold. I might also mention another great harm that is coming to little industry in the United States: I refer to the insistent and consistent policy of the State Department wherein that great arm of this Government insists on surrendering the market here in the United States to the producers located in other lands and who desire to send their goods here for sale. This comes about through the reciprocal trade-agreements program, the mutual-aid-assistance program, the point-4 program of the President. All these programs cost billions of tax dollars and little industry and little business must contribute greatly to these programs. The State Department wants the trade or tariff barriers removed so foreign goods can come into this country and the net effect of all of this is to take markets away from our little business here in the United States. Only within the past 15 days I have been before the Tariff Commission protesting against the State Department policy and speaking in behalf of little business in my own congressional district.

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

The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I certainly hope this great Committee on Appropriations is not going to get itself in the position of marching up the hill and then down the hill again. Such a policy in my opinion is dangerous at this time. The issue here as I see it is not so much trying to take care of anyone, for

I think American business can pretty well take care of itself, but is one of production so badly needed at present. I wish I had 30 minutes to go into detail as to the actual production and show you how far we are behind, and give you some of the reasons and opinions I believe are sound as to why I believe this Congress has got to tackle the problem with all means, efforts, and with everything we can possibly put to work in this effort.

I am deeply concerned; I am concerned because of the fact our boys are still in Korea. I do not want to sit here in this body and assume the responsibility of not being able to put planes, tanks, or guns anywhere in the world where we are involved and where needed. It is a deadly vicious thing that we are in, and we will be in it a long time. I am not concerned about the characters in the Small Defense Plants Corporation; this Congress can make it work; I know it has possibilities, and Americans, the American Government, and everybody else needs every ounce of production capacity we can secure from every and all agencies and sources.

Mr. Chairman, it is tragic, tragic. This program we are in for rearming America has been extended over a 3-year period instead of 2. Where are we now? Six months, 12 months, and 18 months behind on items that are needed and are presently short. Small business can throw into this program if properly advised and consulted and well planned a source of support we sorely need. We need to cut out this jealousy that exists in all Government agencies and get to work. This is no small task.

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

Mr. WICKERSHAM. Mr. Chairman, one of the Members who spoke in opposition to the Fogarty amendment inadvertently stated that none of the employees of this Small Defense Plants Administration were competent. I happen to know some of those employees—one a respected lady from my home town, Mrs. Marie Moore Stewart. She has worked in some of the most important Government agencies over a period of several years. She is thoroughly competent, and far above the average. She had a son-in-law in World War II, and now in world war III, fighting for our country. Most all of you Members of the House and I are acquainted with John E. House, who worked on the Hill for many years. I know he, too, is thoroughly competent. He is typical of the high caliber of the Small Defense Plants Administration employees, and I know several others who are likewise competent, who are now employed by this agency, who are rendering a valuable service to small business in such capacity.

I think all of us should support this Fogarty amendment. I urge you to do so. If we fail to do it, it will be comparable to a parent bringing a child into this world and then failing to accept the responsibility of supporting that child. All of us voted for the Small Defense Plants Administration some months ago and now we should at least appropriate for its continuance. We are interested in economy. It will save us a lot of money in the long run, and will save a lot of small businesses.

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

Mr. JAVITS. Mr. Chairman, the two Members of the House who had the most to do with putting through the provision for the Small Defense Plants Administration were the gentleman from Indiana [Mr. HALLECK] and the gentleman from Texas [Mr. PATMAN]. This is therefore distinctly a matter not based upon partisanship, as has been shown by that joint sponsorship and by the debate.

It is based upon social philosophy and the social philosophy is this: Will you give subsidies to small business when small business gets in trouble, or will you give small business the opportunity to get advice, technical guidance, and marketing facilities, in all of which every study of small business has shown that it falls short? Will you give small business that opportunity through this Small Defense Plants Administration and through this very modest sum of money? That is the fundamental social question facing us.

The fault I find with the amendment of my very good friend, the gentleman from New Hampshire [Mr. COTTON], who had such a great victory yesterday, is that it proposes to continue the Small Defense Plants Administration only to the extent that it has been operating today, which has given the very opening for saying that there is duplication. It has perhaps been unable to take over fast enough the functions of the other agencies operating in the field; well, if we vote down the Fogarty amendment and we vote up the Cotton amendment, all we are doing is bolstering the opposition based on the alleged duplication. Let us decide it decisively on the fundamental question of social philosophy, pass the Fogarty amendment and show that we know how to deal with the small-business problem in the defense mobilization period.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, in the 2 minutes I have left I want to commend the remarks of my friend the gentleman from New York, and remind the members of the Committee of three facts: First, the Fogarty amendment involved $825,000. Part of that $825,000 is to be used to administer a revolving fund that would undoubtedly be presented to you in a later amendment, a $10,000,000 revolving fund which involves making loans.

During World War I the agency which was the predecessor of this agency made in 5 years, according to the testimony before our committee, some $30,000,000 of loans, and it must have cost the Government more than $30,000,000.

Second. This $825,000 is to be used, in part, to establish branch offices, 13 or 14 of them, throughout the United States where there are branch offices of the Department and the RFC at the present time. That in my book is duplication.

Third. Mr. Taylor testified himself that he had no teeth in the usual sense, he could only report to Congress if he did not have the cooperation of these agencies.

My amendment, Mr. Chairman, would preserve and keep alive your Bureau until we can avoid duplication and give it proper growth. It is not a matter of going up the hill and walking back; it is a matter of going up the hill reasonably and gradually. It is not a matter of not supporting your child; it is a matter of not trying to let your child become 21 years in 1 year. Therefore, I want to suggest that if you want to save this agency, and I believe the small-business people want it saved reasonably and with economy, vote for my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON] to close debate.

Mr. CANNON. Mr. Chairman, the Committee on Appropriations approached this question from a purely factual point of view. No one on the committee had any predisposition, or any preconceived opinions. We went into every phase of the question solely on its merit and we were unable to find where this agency up to this time has done anything worth while or that they proposed to do anything that was not already being satisfactorily done by other and more experienced agencies.

For example, the Department of Defense agencies have taken steps to have their large contractors designate a top executive as a small business liaison officer. For example, over 2,000 have been so designated by various Air Force contractors. These men have the responsibilities of utilizing small firms in subcontracting work thus enlarging the industrial base. The effectiveness of the program can be gathered from two examples:

First. Wright Aeronautical-Curtiss-Wright are one of the largest contractors for jet engines. Over 38 percent of their prime contract dollars already committed have gone to small business by subcontracts in the first tier.

Second. Republic Aviation, which has the new control for the F–84 plane, has committed over 30 percent of their prime contract funds to small businesses in the first tier.

An analysis of 13 large prime Army contracts in the latter part of 1951 showed that 42 percent of the dollar volume went to small firms.

The maximum of small business potential in Air Force procurement in the first half of fiscal year 1952 was 10.8 percent of the total contract values. Of this amount small firms secured 61 percent. Through February 1952 this percentage has risen to 62 percent. This percentage is comparable to that of the Navy and the Army.

The latest Navy statistics show that small firms received over 25 percent of the $657,240,943 awarded by the Navy in prime contracts in January 1952.

Prime contracts have been awarded by the Navy to small firms at an average of $187,000,000 monthly during the

present fiscal year, over three times larger than the average for the same period in fiscal year 1951.

An analysis is now being made of 91 prime contracts of the Army. Of this number, 19 of the 91 have been completed to date, and they show over 40 percent of the total prime-contract dollars were subcontracted to small firms.

In fiscal year 1951 over 58 percent of the value of contracts awarded by the General Services Administration were awarded to small firms. This increased to over 69 percent in the first quarter of 1952.

In fiscal year 1951 over 29 percent of the value of contracts awarded by the Department of the Army were awarded to small firms. This increased to 32 percent in the first quarter of 1952.

In fiscal year 1951 over 29 percent of the value of Atomic Energy Commission contracts reached small firms through either prime or subcontracts. In the second quarter of 1952 over 67 percent of the value of the contracts awarded reach small business.

This situation is fully appreciated and approved by small-business men themselves. Here is a telegram which came unsolicited this morning from one of the outstanding small manufacturers of St. Louis:

ST. LOUIS, MO., *March 12, 1952.*

Congressman CANNON:

The stand of the Committee on Appropriations for discontinuing the separate Small Defense Plant agency is certainly correct. The Department of Commerce is set up to do this job. Why have a competing agency? Basically there is no difference in the activities of a small or large business. We small fellows must operate efficiently and within the price the customer is willing to pay; otherwise we have no right to be in business. I spoke on this very subject before the Nebraska Small Business Association and they agreed in toto.

WALTER SIEGERIST.

In that connection a great many people have been misled as to what constitutes small business. Grocers, confectioners, druggists, and drygoods men have been led to believe it will help them.

It does not include any of them. The most restrictive definition of small business which the committee could get was that it included business of less than 500 employees, and in the heavy-manufacturing business, such as steel, it included business of less than 2,500 employees. Still another definition—the definition which seemed most acceptable to the Agency—was any business the stock of which was not quoted on the stock exchange. And that would include the Ford Motor Co., as its stock is not quoted on the exchange. A lot of people selling shoestrings and popcorn consider themselves as benefited by this legislation. As a matter of fact, the proposed appropriation applies only to manufacturers. And, so far as the committee could find, it had not perceptibly provided anything they are not already getting.

When it comes to loans, a feature on which great emphasis is laid, it is apparent at a glance that the Agency is ineffectual. Someone here on the floor attempted to leave the impression that RFC could not grant a loan unless it was recommended by the Small Business Agency. RFC cannot only grant any such loan without a recommendation, but even when a recommendation is made RFC processes the application as if it had never been brought to their attention. So any work by the Agency is a duplication and is utterly wasted. It is not only a duplication; it is a triplication, a quadruplication, a quintuplication. It is lost motion and is an intermediate step for which there is no need or excuse. It slows down the processing of the application and delays the receipt of the money by the applicant. And it will cost the taxpayer more and more money every year of its useless existence.

The committee which recommends the discontinuation of this waste of time and money consists of 50 men. Among them are some of the most experienced men in the House. Not a one of them has any reason to oppose service to small business. On the contrary, all of them would prefer to serve small business. But after exhaustive consideration and on a cold statistical review of the whole situation we urgently recommend that this money be saved. And we at the same time assure the House and the country that small business will receive more adequate service and prompter service through existing agencies.

It should also be noted that the House is not committed to this provision of law or to support any appropriation proposed in support of it. Much has been said about the vote by which the original authorization passed the House when there was no contest. But they entirely overlook that fact that last session when the question of implementing the legislation was before us, the House did not appropriate a penny for it and sent it to the Senate without a dollar of the estimate. In short, the House thereby completely nullified its action in adopting the legislation. The only reason the $350,000 was provided was because the Senate put it on and we had to agree to it in conference.

Incidentally somebody here on the floor, indignant that a larger appropriation was not made, referred to the amount as a "paltry" $350,000. If he will inquire in his district as to how many of his constituents had to come in and plank down their income taxes to make up that $350,000, it will not seem quite so paltry.

If there was ever a time when any question of doubt should be resolved in favor of economy it is in this session of Congress. This is a fifth wheel to the wagon. If its unwarranted and unnecessary cost is saddled on the already overburdened taxpayer, the free-spending Congressmen who voted for it will not soon be forgotten.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New Hampshire [Mr. COTTON] to the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The question was taken; and on a division (demanded by Mr. COTTON) there were—ayes 91, noes 123.

Mr. COTTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FOGARTY and Mr. COTTON.

The Committee again divided; and the tellers reported that there were—ayes 113, noes 130.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 19, after line 11, insert the following:

"SMALL DEFENSE PLANTS ADMINISTRATION REVOLVING FUND

"For the revolving fund authorized by paragraph 2 of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, $10,000,000."

Mr. FOGARTY. Mr. Chairman——

Mr. CANNON. Mr. Chairman, pending the consideration of this amendment, if the gentleman will yield to me, I move that the Committee do now rise.

Mr. FOGARTY. Mr. Chairman, I did not yield.

The CHAIRMAN. Does the gentleman from Rhode Island yield for that purpose?

Mr. FOGARTY. No; I do not, Mr. Chairman.

The CHAIRMAN. The gentleman from Rhode Island does not yield for that purpose.

Mr. FOGARTY. Mr. Chairman, I do not intend to take long on this amendment because I know each and every one of you wants to finish this bill early tonight and get home.

This amendment goes along with the one that was just offered and carried in the Committee of the Whole. As you know, when this legislation was offered by the House, the House authorized a $50,000,000 revolving fund under the same procedure that was used on the Smaller War Plants Corporation during the last war. The House authorized this fund but never matched that action with an implementing appropriation.

This revolving fund is not a drain on the Federal Treasury. This $10,000,000 which is being asked for at this time is just for the purpose of being used as a revolving fund. There will be no money lost to the general funds of the Treasury of the United States. The revolving fund is for the purpose of helping the Small Defense Plants Administration force some of these defense agencies to hand out some of the defense contracts to small business. Maybe they will not use a dollar of it. There were only a few instances in the last war when a similar fund was invoked, but the Smaller War Plants Corporation used this revolving fund effectively. Then it was only to force some of the military agencies which refused to cooperate with small business to break up some of their contracts and force them into the channels of small business. That is the only reason for the authorization of this $10,000,000. Perhaps none of it will be used. If some of it is used, it will be used in exactly the same manner as in the case

of prime contracts. The money will be paid back into the general funds of the Treasury so there will be no loss to the Government of the United States at all. The money will be there for that purpose if they need it. They can use it if they need it, and then the money will be returned to the Treasury of the United States. In view of the fact that the other amendment was adopted, I hope you will adopt this companion amendment because it gives SDPA just that added weapon to bring to bear on defense agencies that have the authority to let these subcontracts and forces them to give at least a fair percentage of the contracts to small-business firms throughout the country.

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

Mr. FOGARTY. I yield.

Mr. CANFIELD. This is the organization's big weapon. This is what makes the organization tick, and no money is lost by the taxpayers of the country.

Mr. FOGARTY. You are absolutely right. This will make the Small Plants Administration more effective. It gives them something to work with. Congress authorized a $50,000,000 revolving fund, and all we are requesting here is a $10,000,000 revolving fund. I repeat it is not a drain on the funds of the General Treasury. It is merely a working tool.

The best explanation I can make, Mr. Chairman, of this revolving fund, its purpose and efficacy is to say that in World War II it was the signal and the actual authority for the SWPC to say to the procurement agencies: Here is a contract that we say small business can perform; we certify to that effect. To make the proposition operative we will take the contract in our own name, serve as the prime contractor and then sublet it to small business.

Now it is worthy of note that the SWPC did not run hog wild with that authority. They used it sparingly, they used it constructively, they used it fruitfully. In all, the SWPC invoked this authority to act as a prime contractor itself some 12 times. It was able to do so because of the revolving fund it had so that it could actually proceed along business lines to bring about the production of the item it had assumed responsibility for.

As I say, the Smaller War Plants Corporation used that authority 12 times and the contracts it took in this way amounted to between $30,000,000 and $35,000,000.

Now I want you to follow me closely on this: The very fact that the Smaller War Plants Corporation had the power to do all of this and had a revolving fund to make this idea operative, was the "cop on the beat" that soon compelled the procurement agencies to award many hundreds of other prime contracts to small business. In this way the war production effort was speeded, concentration of war contracts to big business was flouted and an equitable share of contracts was spread out to small business. This is how it worked out in World War II, and this was herein proposed. And again I wish to stress the fact that the funds used to finance these prime contracts taken in the name of SWPC were ultimately reclaimed to the United States Treasury.

I hope the amendment will be adopted.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 102, noes 107.

Mr. CANNON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FOGARTY and Mr. TABER.

The Committee again divided; and the tellers reported there were—ayes 132, noes 103.

So the motion was agreed to.

Thereupon the Committee rose; and Mr. COOPER having assumed the Chair as Speaker pro tempore, Mr. BOGGS of Louisiana, 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. 6947, the third supplemental appropriation bill, 1952, had come to no resolution thereon.

GENERAL PERMISSION TO REVISE AND EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill today may have three legislative days in which to revise and extend their remarks on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROGRAM FOR REST OF WEEK

Mr. McCORMACK. 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 Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to make an announcement in relation to the program for tomorrow and the rest of the week. Tomorrow there will be the consideration of the conference report on the Mexican labor wetback bill and a continuation of consideration of the appropriation bill that has been before us today.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARTIN of Massachusetts. Can the gentleman from Massachusetts tell me which will be taken up first?

Mr. McCORMACK. The conference report will come up first.

On the program there is the Immigration and Naturalization Code. At the request of the chairman of the Committee on the Judiciary that is being taken off the program and will not come up this week and it is not being programed for next week.

The other bill relates to the jurisdiction of the United States Code in certain cases. The chairman of the Committee on the Judiciary informs me that when they were before the Rules Committee there was some suggestion by some of the members of the Rules Committee in relation to the reports, both majority and minority, being filed and the chairman of the committee either expressly or by implication promised that the reports would be filed. I was not aware of that when I programed the bill. In view of the fact that the reports have not been filed as yet, so the chairman of the Judiciary Committee informed me this afternoon, that bill will not come up and will not be programed for next week either.

MOTOR CARRIER CLAIMS COMMISSION

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 396, making an appropriation for the Motor Carrier Claims Commission for the fiscal year 1952 with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "sum" and insert "sums".

Page 1 after line 5 insert:

"LEGISLATIVE BRANCH

"SENATE

"Salaries, officers, and employees

"The appropriation for salaries of officers and employees of the Senate contained in the Legislative Branch Appropriation Act, 1952, is made available for the employment of additional clerical assistants for each Senator from the State of Minnesota, so that the allowance for administrative and clerical assistants for such Senators will be equal to that allowed other Senators from States having a population of more than 3,000,000 but less than 5,000,000, the population of said State having exceeded 3,000,000 inhabitants.

"Contingent expenses of the Senate

"For an additional amount for 'Joint Committee on Atomic Energy,' $15,000.

"For an additional amount for 'Expenses of inquiries and investigations,' $400,000.

"HOUSE OF REPRESENTATIVES

"For an additional amount for expenses of 'Special and select committees,' $400,000."

Amend the title so as to read: "Joint resolution making additional appropriations for the legislative branch and the Motor Carrier Claims Commission for the fiscal year 1952, and for other purposes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Speaker, reserving the right to object, and I shall not, the changes that have been made in the resolution by the other body were all relative to the legislative establishment to take care of increased expense of certain committees.

Mr. McGRATH. That is correct.

Mr. TABER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 5 minutes.

IMMIGRATION, NATURALIZATION, AND NATIONALITY

Mr. HOLIFIELD. Mr. Speaker, the House of Representatives will consider this week a very important bill, H. R. 5678, revising the laws relating to immigration, naturalization, and nationality.

A careful study of this bill will leave the reader with mixed emotions. Undoubtedly, many improvements have been included in this bill. However, there are certain provisions in the bill which, in my opinion, should be changed by amendment before its final passage.

I believe that section 212 (a), which transfers from Congress to the President the right to prohibit the immigration of any and all foreigners to the United States upon his own determination is a very unwise provision. I shall vote to eliminate it. I believe that Congress should retain this control, which is given it by the Constitution. In my opinion, were this provision ever tested in the courts it would be declared unconstitutional.

I do not like the feature which restricts future immigration, by in effect mortgaging future quotas, through charging against those quotas people who have entered the United States under the Displaced Persons Act.

While previous laws have not been free of racial discrimination, I regret that a new provision is contained in this bill which changes the principle of national origin by providing an additional restriction on those citizens of other countries who are descended from Asiatic ancestors. I fear that this provision will be capitalized upon by the Communists in their propaganda throughout the Asiatic world.

Another fault of the bill, in my opinion, is the omission of a provision which would allow the pooling of unused quotas. I realize that the 1924 law did not contain such a provision and it is a matter of policy, which, in my opinion, should be changed in this current legislation.

There are some other portions of the bill which I find objectionable. I sincerely hope that the House will give detailed attention to each section in reviewing the bill for amendment. We should take time to listen to members of the Committee on the Judiciary explain what effect is sought by each section, and all of us who question or disagree with the intent or language should have ample opportunity to be heard. Provisions in this bill have far-reaching effects upon human lives all over the world.

Among the provisions of the bill which I consider desirable is section 311 establishing the principle that race shall have no bearing on any person's eligibility for citizenship. In discussing this section which applies to Japanese and other Asiatics in the South Pacific area, I have conferred with Mr. Mike Masaoka, national legislative director of the Anti-Discrimination Committee of the Japanese American Citizens League. As my colleagues will remember, Mike was one of the heroes of the Four Hundred and Forty-second Regimental Combat Team and is a fine American citizen, known and respected by many Members of Congress. In reply to certain specific questions which I directed to him he has given me a letter dated today, March 12, 1952. In order to give my colleagues the benefit of the information contained therein, I include Mr. Masaoka's letter in the CONGRESSIONAL RECORD before the debate opens on H. R. 5678:

JAPANESE AMERICAN CITIZENS LEAGUE,
Washington, D. C., March 12, 1952.

Hon. CHET HOLIFIELD,
Congressman from California,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN HOLIFIELD: You have asked us specific questions about the Walter omnibus immigration and naturalization bill and for our answers to certain objections raised by various individuals and organizations against this measure.

In preparing our replies, we approached the omnibus bill not as technicians but as laymen interested and concerned with improving our immigration and naturalization policy as much as possible consistent with the security of our Nation and the promotion of our international relations.

We also appreciate that because of the personal nature of this problem to so many, emotionalism often overcomes reason and logic.

Appraisal of this legislation should not be piecemeal nor on the basis of what we believe to be the ideal in immigration and naturalization; it should be judged on its over-all impact in the field and whether taken as a whole it is better or worse than existing law.

As you are well aware, legislation of this magnitude and complexity is always a compromise, of trying to secure the greatest agreement of divergent opinions and interests. Because the omnibus bill is compromise legislation, it will not satisfy every individual in every respect. But the question is whether as new legislation it represents improvement over present statutes.

Consideration should also be given to the fact that more than 4 years of intensive and exhaustive study, first by a Senate subcommittee and later by a joint Senate and House subcommittee, with professional experts, were devoted to this complicated subject, including several months of public hearings, before the omnibus bill was drafted.

A 328 page report by the Judiciary Committee, which includes a section by section comparison of the proposed bill with existing law, explains the background and the committee reasons for the various individual provisions.

Thus, our comments will be expositions of our own thinking, rather than a repetition of the committee report with possibly one or two exceptions.

THE INTERNAL SECURITY ACT

A major criticism is the charge that the Internal Security Act of 1950 is made a part of the permanent immigration and naturalization law and in a far more restrictive form.

In the first place, it must be remembered that this act is already on the statute books and that it affects immigration and naturalization practices. Even if the omnibus bill is not passed, the Internal Security Act remains as a serious factor in immigration and naturalization policies.

In the second place, the very fact that legislation so seriously affecting immigration and naturalization is not considered part and parcel of the basic laws creates confusion and misunderstanding, especially among aliens who may not understand the English language very well. By codifying such pertinent parts of the Internal Security Act as it relates to this field, a public service is rendered by making available in a single statute all the aspects of the subject.

Finally, and most important, except for simply restating the language of the pertinent sections of the 1950 Internal Security Act, all substantive changes are liberalizations rather than restrictions. Take for example the proviso relating to the so-called "redemption" clauses. Under the omnibus bill, discretionary authority is given the Attorney General to admit an alien who at least 5 years prior to applying for a visa has withdrawn from membership in a proscribed organization and who since that time has opposed that subversive doctrine. Under existing law, this principle of redemption is not recognized and these aliens are forever barred from admission into the United States unless their membership was involuntary, while under the age of 16, or for purposes of obtaining employment, food, or other essentials of living.

POOLING OF QUOTAS

Another major criticism is that the omnibus bill does not provide for the so-called pooling of unused quotas. "Pooling" means that the unused visas are assigned to a general immigration visa pool and issued to applicants under various conditions.

Without commenting on the desirability of such a provision, or on the validity of the national origins principle, it should, nevertheless, be pointed out that such promiscuous pooling of quotas is contrary to the spirit and the intent of the national origins principle which was adopted as basic in 1924. It should also be noted that in the present legislative atmosphere of the Congress, such a departure from established practices would, in our opinion, be overwhelmingly defeated. We believe, therefore, that insistence upon this ideal objective will prevent passage of any immigration and naturalization legislation, no matter how much improved such legislation may be over existing law.

COLONIES AND DEPENDENCIES

Still another criticism has been directed at the provisions limiting immigration quotas to 100 per year for colonies and dependencies. While we do not necessarily approve of the practical results of this new provision, we do recognize that, as the committee report declares, colonies or dependent areas should not have a greater preference than independent countries as, for example, India, Israel, and Australia, which have annual minimum quotas of 100.

BIRTHPLACE VERSUS ANCESTRY

A question may be raised that the omnibus bill continues the discrimination in immigration against persons of Asian ancestry born outside the Orient by making them chargeable to the quota of their ancestral land rather than their birthplace. While this is true, there is no denying that the proposed legislation marks a significant advance by eliminating complete exclusion.

We reluctantly acknowledge that the political realities which conceived this formula for the Chinese and East Indians remain today. Opening wide the doors of immigration to the hundreds of thousands of Orientals now residing in Canada and Central and South America would threaten to revive the now dead antiorientalism of the west coast.

Insistence upon complete equality of immigration at this time means no legislation on this subject at all. We submit that the overriding considerations of extending annual quotas to all Asian and Pacific peoples are such that the United States should not fail to take the major forward step proposed in this bill.

While the matter of lifting immigration barriers is important to the nations involved, of even greater practical and personal

concern to us, as an organization representing persons of Japanese ancestry presently residing in the United States, is the naturalization privilege which the omnibus bill extends to resident aliens.

Under the annual quotas for Japan, for example, 185 immigrants per year may be admitted into the United States. Korea and the others are authorized minimum quotas of 100 each annually. Less than 500 additional immigrants would be admitted under these new quotas every year.

Today, according to the most reliable census figures, approximately 88,000 resident aliens are ineligible for naturalization because of race, 85,000 of whom are Japanese. Accordingly, in terms of numbers alone, since it would take several centuries under the proposed quotas for as many aliens to enter this country as are now here who are ineligible to citizenship, this matter of naturalization transcends other considerations. We sincerely feel that it is far more important to secure naturalization privileges for our 85,000 aged parents now than to increase the risk of losing this opportunity for citizenship by demanding the politically impossible concession of substituting for immigration purposes place of birth for land of ancestry.

EXCLUSION AND DEPORTATION

Other criticisms relate to the exclusion and deportation of aliens and the denaturalization of naturalized citizens.

In the light of world conditions and in the interest of internal security, we can see the necessity for the careful screening of prospective immigrants. Intelligent self-interest dictates the barring of those individuals who may become economic liabilities to this Nation or who are hostile to the primary precepts on which this Government is founded. Neither can we quarrel with the desire of the Government to exclude those who are patently unfit to become useful members of the community, that is, dope peddlers, prostitutes, criminals, mental incompetents, sex deviates, and carriers of contagious diseases.

The proposed deportation procedures, though they may seem stringent, are designed to close the loopholes in existing law which, in too many cases, reward the unscrupulous and penalize the law abiding.

The committee report noted:

"The committee is aware, too, of the progressively increasing number of cases in which aliens are deliberately flouting our immigration laws by the processes of gaining admission into the United States illegally or ostensibly as nonimmigrants but with the intention of establishing themselves in a situation in which they may subsequently have access to some administrative remedy to adjust their status to that of permanent residents. This practice is grossly unfair to aliens who await abroad their turn on the quota waiting lists and who are deprived of their quota numbers in favor of aliens who indulge in the abuse. This practice is threatening our entire immigration system and the incentive for the practice must be removed."

Denaturalization procedures, too, are amended generally with the security interests of the Nation given priority.

Finally, it should be remembered that the congressional prerogative of introducing private bills to correct individual injustices is not in anyway circumscribed.

EQUALITY IN IMMIGRATION AND NATURALIZATION

On the clearly positive side, we submit the following as among the more significant improvements that the omnibus bill proposes over existing legislation.

The most important is the elimination of race as a bar to immigration and naturalization.

For the first time in American law, this provision would establish the principle of equal opportunity in immigration and naturalization, to all persons without regard to race. At the present time only the Japanese, Koreans, and the peoples of southeast Asia are denied these opportunities. Chinese, East Indians, and Filipinos, who comprise most of the peoples of Asia, enjoy these immigration and naturalization privileges. The obvious selection of some peoples over others simply highlights the contradictory status of our immigration and naturalization laws.

In this delicate hour of world history, when we are trying to rally the freedom-loving peoples everywhere to our banner, we can ill afford to maintain so flagrant a discrepancy between what we profess as a democracy and what we in fact practice. It is ironical that while we invest our very lifeblood in Korea to thwart Communist advances there and labor to win the allegiance of Japan and southeast Asia to our cause, we render suspect the sincerity of our enterprise abroad by our discriminatory policy at home.

The number involved is small, but the principle gained is important. For Asians there can be no sharper rebuttal of Communist arguments.

The House has approved on at least four separate occasions legislation to authorize the naturalization of lawfully admitted resident aliens, but because of Senate reluctance to act upon this issue as a single and separate item, this inequity has yet to be abolished.

We do not think this is too much to ask for our parents, who reared their children to be exemplary Americans, who sent their sons first to World War II and now to Korea to fight as American soldiers for an American ideal.

SEX DISCRIMINATION

A further ameliorative provision in the omnibus bill is the elimination of discrimination between sexes. At the present time, the citizen husband is accorded preferential treatment in that he is allowed to bring his alien wife into this country as a nonquota immigrant. An American citizen wife with an alien husband, however, cannot bring him into the United States as a nonquota immigrant if they were married after January 1, 1948.

The omnibus bill provides for nonquota status for the spouses (husbands and wives) of American citizens and their minor, unmarried children. Together with the preference quotas authorized for parents of United States citizens, spouses and children of alien residents, and the alien brothers, sisters, or married children, or children over 21 years of age, the measure implements the underlying intention of our immigration laws to preserve, insofar as possible, family units.

Enactment of the omnibus bill will obviate the necessity for extending the so-called Soldier Brides Act, which expires March 18, 1952, providing for the admission for permanent residence of the racially ineligible alien spouses of American veterans and servicemen married prior to the expiration date of the law. It will also eliminate the need for private bills for the admission of the racially ineligible alien spouses of civilian occupation employees in Japan and elsewhere in Asia and destroy the existing discrimination in general legislation on this subject between service and civilian personnel.

This particular nonquota provision for the spouses and children of American citizens proposed by the omnibus bill will in itself authorize the admission of considerably more immigrants per year than actually enter under existing statutes. This, we suggest, is a significant fact to keep in mind: there will be more immigrants admitted into the United States annually under the proposed measure than can enter under present law.

SELECTIVE IMMIGRATION

The bill under consideration introduces a new and overdue concept into American immigration law by providing for a system of selective immigration. Not more than 50 percent of the quota for each country is to be made available to immigrants, including their spouses and minor children, "whose services are determined by the Attorney General * * * to be urgently needed in the United States to be substantially beneficial prospectively to the national economy, cultural interests, or welfare of the United States." This proposal is based upon the assumption that this Nation has a right to select from among applicants for admission those whose training and background will contribute most to the welfare of the United States. We do not think this unreasonable, especially since it has been provided that the unused quotas of one category or preference group will be made available to the next lower preference quota.

"New seed" immigration, such as that which developed this Nation in its early history, is not excluded.

There are, of course, many aspects of the Walter omnibus bill which we have not discussed, but we believe that we have touched upon the major points of controversy.

IMPROVEMENT OVER LAW

As stated in the beginning, legislation of this magnitude is necessarily a compromise and the test should be not whether a Utopian situation is created but whether the Walter omnibus immigration and naturalization bill is an improvement over existing law.

In this connection it is interesting to observe that Chairman EMANUEL CELLER, of the Judiciary Committee, one of the leading advocates of liberal policy, states in his additional views appended to the committee report that "improvement over existing law cannot be doubted."

The committee report quotes the State Department to the effect "that the revised bill is in many respects an improvement over existing law. The Department endorses the idea of an omnibus immigration measure which will constitute a codification of all existing laws on the subject. The bill constitutes a step in the direction of better relations with foreign countries."

We, too, are of the judgment that, after all the factors have been carefully weighed, the Walter omnibus immigration and naturalization bill makes substantial improvements in the present law.

Enactment of this legislation does not preclude later amendments; quite the contrary may be true. By bringing together all the laws, Executive orders, and regulations, by codifying the present hodgepodge of documents, and by revising in the light of present world tensions defective statutes, as in the case of the Nationality Act of 1940, further amendment and revision might be facilitated.

The way to better law is a step-by-step proposition of improving basic legislation through appropriate amendments. The Walter omnibus immigration and naturalization bill, by bringing order out of chaos, is a logical first step.

Sincerely,

MIKE MASAOKA,
National Legislative Director.

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. HOLIFIELD in two instances and to include additional material.

Mr. ASPINALL in two instances and to include extraneous matter.

Mr. THOMPSON of Texas and to include an editorial.

Mr. MULTER and to include extraneous matter.

Mr. DURHAM.

Mr. GREEN in three instances and to include extraneous matter.

Mr. SIMPSON of Pennsylvania, and to include a paper prepared by Charles M. Steese.

Mr. DAGUE and to include a speech by Philip L. Graham, publisher of the Washington Post.

Mr. CRAWFORD and to include brief quotations on defense housing.

Mr. DENNY.

Mr. POULSON in four instances and to include extraneous matter.

Mr. WHARTON and to include extraneous matter.

Mr. SITTLER and to include three editorials.

Mr. ADAIR and to include a newspaper article.

Mr. BERRY and to include extraneous matter.

Mr. KERSTEN of Wisconsin in five instances; to include in one a speech by Dr. Lev E. Dobriansky, notwithstanding the fact it exceeds the limit and is estimated by the Public Printer to cost $189; and in four instances, to include extraneous matter.

Mr. JACKSON of Washington to revise and extend his remarks on H. R. 6947 and to include extraneous matter.

Mr. FOGARTY to revise and extend the remarks he made in the Committee of the Whole and include several letters.

Mr. MUMMA (at the request of Mr. MARTIN of Massachusetts) and to include an excerpt.

Mr. RABAUT in two separate instances, in each to include extraneous matter.

Mr. D'EWART and to include an excerpt from the Agricultural Research Administration.

Mr. STEED and to include an editorial.

Mr. OSTERTAG.

Mr. ROOSEVELT in three instances and to include extraneous matter in each instance.

Mr. BRAY in two instances, in one to include an editorial from the Indianapolis News of March 8.

Mr. AYRES (at the request of Mr. BRAY).

Mr. FLOOD (at the request of Mr. MORGAN) in four instances.

Mr. SHELLEY and to include an editorial.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FLOOD (at the request of Mr. GREEN), for the balance of week, on account of official business.

Mr. FURCOLO (at the request of Mr. MACHROWICZ), from March 12 to March 16, on account of official business of Katyn Forest Massacre Committee.

Mr. MACHROWICZ, for balance of the week, on account of official business.

Mr. MADDEN for balance of week, on account of official business.

Mr. YATES, for today, on account of official business.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Thursday, March 13, 1952, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1242. Under clause 2 of rule XXIV, a letter from the Acting Assistant Secretary of the Interior, transmitting a copy of Public Law 23, a law enacted by the First Guam Legislature, pursuant to section 19 of Public Law 630, Eighty-first Congress, was taken from the Speaker's table, and referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 6383. A bill to restore to 70 pounds and 100 inches in girth and length combined the maximum weight and size limitations for appliances, or parts thereof, for the blind sent through the mails; without amendment (Rept. No. 1511). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 5790. A bill to amend chapter 33 of title 18 of the United States Code by adding a new section to be known as section 711; with amendment (Rept. No. 1512). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRIS:

H. R. 7020. A bill to provide for a delegate from the District of Columbia to the House of Representatives; to the Committee on the District of Columbia.

By Mr. AUCHINCLOSS:

H. R. 7021. A bill to provide for a delegate from the District of Columbia to the House of Representatives; to the Committee on the District of Columbia.

By Mr. ADAIR (by request):

H. R. 7022. A bill to amend veterans regulations to establish for persons who served in the Armed Forces during wartime a further presumption of service connection for nonpulmonary tuberculosis; to the Committee on Veterans' Affairs.

By Mr. COOLEY:

H. R. 7023. A bill to protect the surface values of lands within the national forests, and for other purposes; to the Committee on Agriculture.

By Mr. HAND:

H. R. 7024. A bill to provide for the opening of an area of not less than 20 percent of the total area of the Brigantine National Wildlife Refuge for hunting each year; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRISON of Wyoming:

H. R. 7025. A bill to provide for exemption from the land limitation provisions of the Federal reclamation laws as applied to supplemental water projects; to the Committee on Interior and Insular Affairs.

By Mr. JACKSON of Washington:

H. R. 7026. A bill to require the payment of prevailing wage rates to employees of contractors under contracts with the Post Office Department for transportation of mail by motor vehicle; to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

H. R. 7027. A bill to amend the Social Security Act, as amended, to permit individuals entitled to old-age or survivors insurance benefits to earn $100 per month without deductions being made from the benefits; to the Committee on Ways and Means.

By Mr. MANSFIELD:

H. R. 7028. A bill to amend the Interstate Commerce Act to alleviate shortages in railroad freight cars and other vehicles during periods of emergency, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H. R. 7029. A bill to amend the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes", approved July 2, 1940, as amended; to the Committee on the District of Columbia.

By Mr. MURRAY of Tennessee:

H. R. 7030. A bill to amend certain acts and parts of acts which require the submission of documents to the Post Office Department under oath, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H. R. 7031. A bill to amend the Veterans' Regulations to establish a conclusive presumption of service connection for poliomyelitis becoming manifest within 1 year after separation from active wartime service, or service after June 26, 1950; to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT:

H. R. 7032. A bill to revise the laws relating to immigration, naturalization, and nationality; and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 7033. A bill to amend the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes", approved July 2, 1940, as amended; to the Committee on the District of Columbia.

H. R. 7034. A bill to amend the Code of Law of the District of Columbia in respect to the recording, in the Office of the Recorder of Deeds, of bills of sale, mortgages, deeds of trust, and conditional sales of personal property, and for other purposes; to the Committee on the District of Columbia.

By Mr. BETTS:

H. R. 7035. A bill to confer jurisdiction upon the United States District Court for the District of Columbia to review certain claims for benefits and payments under laws administered by the Veterans' Administration; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 7036. A bill to amend the Social Security Act so as to prescribe circumstances under which the Federal old-age and survivors insurance system may be extended to State and local employees who are covered by retirement systems; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 7037. A bill to amend section 1310 of the Supplemental Appropriation Act, 1952; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H. R. 7038. A bill to amend the Railroad Retirement Act of 1937 to provide full retirement annuities for employees who retire after 30 years of service (regardless of age) or at age 60, to reduce the age requirement for an annuity for a spouse or a surviving widow, widower, or parent from age 65 to age 60, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHUDOFF:

H. R. 7039. A bill to authorize the United States to accept the gift of certain land in Chester County, Pa., for use as a national cemetery; to the Committee on Interior and Insular Affairs.

By Mr. McGUIRE:

H. R. 7040. A bill declaring Good Friday in each year a legal public holiday; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 7041. A bill to provide for adjustment in the salary of certain rural carriers attached to post offices of the first class; to the Committee on Post Office and Civil Service.

By Mr. MORANO:

H. R. 7042. A bill to amend section 23 (x) of the Internal Revenue Code to increase the maximum allowable deduction for medical expenses; to the Committee on Ways and Means.

By Mr. MURPHY:

H. J. Res. 400. Joint resolution to authorize the Secretary of the Army to reimburse the State of New York for funds expended in improving the New York State canal system between the Hudson River and Oswego, N. Y., to the extent of $1,500,000; to the Committee on Public Works.

By Mr. BURDICK:

H. Res. 564. Resolution requesting the Secretary of the Interior to investigate the activities of James E. Curry as attorney for the Indians of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of Texas:

H. Res. 565. Resolution requesting a review of the reports on the Gulf Intracoastal Waterway; to the Committee on Public Works.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States, relative to a resolution adopted by the New York State Defense Council on February 21, 1952, pertaining to a civil-defense shelter program in accordance with recommendations of the New York State Civil Defense Commission; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANGELL:

H. R. 7043. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary K. Reynolds, as successor in interest to the Colonial Realty Co.; to the Committee on the Judiciary.

By Mr. BARING (by request):

H. R. 7044. A bill for the relief of certain Basque aliens; to the Committee on the Judiciary.

By Mrs. BOSONE:

H. R. 7045. A bill for the relief of Mrs. Mitsu Watanabe Cohen; to the Committee on the Judiciary.

H. R. 7046. A bill for the relief of Mrs. Toyo M. Kuroishi; to the Committee on the Judiciary.

By Mr. FINE:

H. R. 7047. A bill for the relief of Artur Swislocki or Arthur Svislotzki; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 7048. A bill for the relief of Lionginas Kublickas, Juozas Grismanauskas, and Edmundas Paulauskas; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 7049. A bill for the relief of Beryl Williams; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. R. 7050. A bill for the relief of Frank Morettin or Frank Francesco Morettin; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 7051. A bill for the relief of Antonio Del Ponte; to the Committee on the Judiciary.

By Mr. MORTON:

H. R. 7052. A bill for the relief of Masuko Kosaka; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 7053. A bill for the relief of the estate of George Jacobus, deceased; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 7054. A bill for the relief of Miyako Toda; to the Committee on the Judiciary.

By Mr. WILLIAMS of Mississippi:

H. R. 7055. A bill for the relief of Mrs. Eunice Weaver Bula; to the Committee on the Judiciary.

By Mr. RODINO:

H. Res. 566. Resolution, providing for sending to the United States Court of Claims the bill (H. R. 2779) for the relief of the Gay Street Corp., of Baltimore, Md.; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 13, 1952

(Legislative day of Monday, February 25, 1952)

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:

Our Father God, in a world where all without is change and decay and where within is fear of failure and of the unknown future, at the springs of Thy abiding presence we would keep alive our faith in values that are permanent and that cannot be shaken.

For this still moment may we hush all other sounds save the divine knocking and the entreating voice which says: "If any man will open the door, I will come in." We know, O Master Divine, that when our heart's door swings on its hesitant hinges and Thou dost enter, those things which are unlovely and unclean cannot stay to embitter and pollute. Help us to walk and work in His overshadowing presence, in the peace that the world giveth not, in the charity that thinketh no evil, in the good will that bridges all chasms, and when the sunset comes may we face its summons with a conscience void of offense toward Thee and our fellow men. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 12, 1952, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 396) making an appropriation for the Motor Carrier Claims Commission for the fiscal year 1952.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1851) to assist in preventing aliens from entering or remaining in the United States illegally.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 396) making additional appropriations for the legislative branch and the Motor Carrier Claims Commission for the fiscal year 1952, and for other purposes.

LEAVE OF ABSENCE

Mr. LANGER. Mr. President, I ask unanimous consent to be excused from attendance on the sessions of the Senate during the coming week, for the reason that in my State the farmers, the small-business men, and the laboring people who compose a nonpartisan league are having a biennial convention, one which I have attended ever since 1915. I have been invited to attend the convention, and, therefore, I make this unanimous-consent request in the belief that my attendance there will produce more good and will profit the people of the United States more than if I remained here.

The VICE PRESIDENT. Without objection, leave is granted.

CALL OF THE ROLL AND ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that after a quorum call Senators be permitted to transact routine business, without debate, and without the time being charged to either side.

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

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

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