

Committee To Investigate Foundations; with amendment (Rept. No. 2366). Referred to the House Calendar.

Mr. BROWN of Georgia: Joint Committee on Defense Production. Progress Report No. 20 on Aluminum Production, Defense Production Act (Rept. No. 2367). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H. R. 7408. A bill to amend Public Law 49, Seventy-seventh Congress, so as to provide for the prevention of major disasters in coal mines; with an amendment (Rept. No. 2368). 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. KILDAY:

H. R. 8426. A bill to permit retired members of the Armed Forces to provide annuities for their survivors, and for other purposes; to the Committee on Armed Services.

By Mr. TOLLEFSON:

H. R. 8427. A bill to promote the general welfare of the people of the United States by establishing a publicly supported labor extension program for wage and salary earners, and for other purposes; to the Committee on Education and Labor.

By Mr. HAGEN:

H. R. 8428. A bill to grant additional income-tax exemptions to taxpayers supporting blind or aged dependents; to the Committee on Ways and Means.

H. R. 8429. A bill to provide that each motor which is designed for use in the propulsion of a vehicle, and which is transported in interstate commerce, shall bear a stamp or impression indicating its serial number and year of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Mississippi:

H. R. 8430. A bill to repeal the Buy-American Act, and for other purposes; to the Committee on Public Works.

By Mr. JAVITS:

H. R. 8431. A bill to authorize a program of expanded housing research, loans, and other financial aids to assist in the provision of housing for families of moderate income, and for other purposes; to the Committee on Banking and Currency.

By Mr. WIER:

H. R. 8432. A bill to authorize the heads of the executive departments and the agencies and independent establishments of the Federal Government to provide for the promotion and maintenance of employee recreation programs; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHELF:

H. R. 8433. A bill for the relief of Helena Lewicka; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 8434. A bill for the relief of George A. Vratsanos; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 8435. A bill for the relief of Yuriko Suzuki; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 8436. A bill for the relief of Tony Ion Bonescu; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 8437. A bill for the relief of Michelangelo Catapano; to the Committee on the Judiciary.

By Mr. MASON:

H. R. 8438. A bill for the relief of Kim Mi Hae; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 8439. A bill for the relief of Antonio Cracolice; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 8440. A bill for the relief of Olindo Balboni, his wife and son; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 8441. A bill for the relief of Jaakko Olavi Hursti; to the Committee on the Judiciary.

By Mr. BENNETT of Michigan:

H. R. 8442. A bill for the relief of Theodore W. Carlson; to the Committee on the Judiciary.

PETITIONS, ETC.

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

781. By Mr. CRUMPACKER: Petition of residents of the Third District of Indiana, urging consideration and enactment of H. R. 2188, to penalize interstate transmission of alcoholic beverage advertisements and to prohibit radio advertising of such beverages; to the Committee on Interstate and Foreign Commerce.

782. By Mr. McDONOUGH: Petition of 113 citizens of the State of California in behalf of H. R. 2188, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and ban its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, JULY 1, 1952

(Legislative day of Friday, June 27, 1952)

The Senate met in executive session at 10 o'clock a. m., on the expiration of the recess.

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

Almighty God, from whom all thoughts of truth and peace proceed, kindle, we pray Thee, in the hearts of all men, in spite of the wide gulfs that now separate Thy children, the true love of concord and good will. Guide, we pray Thee, with Thy pure and peaceable wisdom, all those who in these disturbed days are taking counsel for the nations of this fear-haunted globe. Further their efforts that in tranquillity Thy kingdom of justice and righteousness may at last stretch forth its frontiers until the mantle of Thy love shall cover a redeemed earth. Where our deeds can help to make this a better world, where our words can help beaten and despondent men to their feet, where our prayers can hasten the coming of the social order in which Thy will shall be done among men, let us act and speak and pray. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 30, 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 June 30, 1952:

S. 1360. An act to confer jurisdiction on the Court of Claims to hear, determine, adjudicate, and render judgment on the claim of John J. Snoke;

S. 2421. An act to amend the act of January 12, 1951 (64 Stat. 1257), amending and extending title II of the First War Powers Act, 1941; and

S. 2594. An act to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.

On July 1, 1952:

S. 2198. An act to amend section 1708 of title 18, United States Code, relating to the theft or receipt of stolen mail matter generally; and

S. 2635. An act for the relief of Mrs. Marie Y. Mueller.

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 following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2572. An act to provide for the alteration, reconstruction, or relocation of certain highway and railroad bridges over the Columbia River or its navigable tributaries;

H. R. 7952. An act to authorize the combination of the Truck Crop Insect Laboratory and the Citrus Insect Laboratory of the Bureau of Entomology and Plant Quarantine, located at Alhambra and Whittier, Calif., respectively, and to provide for new quarters;

H. R. 8122. An act to continue the existing method of computing parity prices for basic agricultural commodities, and for other purposes;

H. R. 8170. An act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended;

H. R. 8190. An act to amend the act of February 7, 1905, as amended, authorizing the Kensington & Eastern Railroad Co. to construct a bridge across the Calumet River;

H. R. 8321. An act to authorize the improvement of Duluth-Superior Harbor, Minn. and Wis.; and

H. J. Res. 446. Joint resolution relating to the continuance on the payrolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 236) authorizing the printing of additional copies of the Immigration and Nationality Act, Public Law 414, Eighty-second Congress, second session, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint res-

olutions, and they were signed by the Vice President:

S. 1258. An act to authorize and direct the conveyance of a certain tract of land in the State of Mississippi to Louie H. Emfinger;

S. 2603. An act to authorize the transfer of certain lands to the State of Oregon;

H. R. 5768. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944;

H. R. 6578. An act to provide for research into and development of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, and for other purposes;

H. J. Res. 393. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1953, and for other purposes;

H. J. Res. 394. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in inaugural ceremonies; and

H. J. Res. 395. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies of 1953.

LEAVE OF ABSENCE

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

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSTON of South Carolina, and by unanimous consent, the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

CONVENTION ON RELATIONS BETWEEN THE THREE POWERS AND THE FEDERAL REPUBLIC OF GERMANY

The VICE PRESIDENT. The Senate is now in executive session, with the German Peace Treaty as the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the Convention, Executive Q (82d Cong., 2d sess.), a convention on relations between the Three Powers and the Federal Republic of Germany, signed at Bonn on May 26, 1952, which was read the second time, as follows:

The United States of America,
the United Kingdom of Great Britain and Northern Ireland
and the French Republic,
of the one part, and
the Federal Republic of Germany,
of the other part:

Whereas a peaceful and prosperous European Community of nations firmly bound to the other free nations of the world through dedication to the principles of the Charter of the United Nations can be attained only through united support and defence of the common freedom and the common heritage;

Whereas it is the common aim of the Signatory States to integrate the Federal Re-

public on a basis of equality within the European Community itself included in a developing Atlantic Community;

Whereas the achievement of a fully free and unified Germany through peaceful means and of a freely negotiated peace settlement, though prevented for the present by measures beyond their control, remains a fundamental and common goal of the Signatory States;

Whereas the retention of the Occupation Statute with its powers of intervention in the domestic affairs of the Federal Republic is inconsistent with the purpose of integrating the Federal Republic within the European Community;

Whereas the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic (hereinafter referred to as "the Three Powers") are therefore determined to retain only those special rights of which the retention is necessary, in the common interest of the Signatory States, having regard to the special international situation in Germany;

Whereas the Federal Republic has developed free and responsible political institutions and is determined to maintain the liberal-democratic federal constitution which guarantees human rights and is enshrined in its Basic Law;

Whereas the Three Powers and the Federal Republic recognize that both the new relationship to be established between them by the present Convention and its related Conventions and the Treaties for the creation of an integrated European community, in particular the Treaty on the Establishment of the European Community for Coal and Steel and the Treaty on the Establishment of the European Defence Community, are essential steps to the achievement of their common aim for a unified Germany integrated within the European Community;

Have entered into the following Convention setting forth the basis for their new relationship:

ARTICLE 1

1. The Federal Republic shall have full authority over its internal and external affairs, except as provided in the present Convention.

2. The Three Powers will revoke the Occupation Statute and abolish the Allied High Commission and the Offices of the Land Commissioners upon the entry into force of the present Convention and the Conventions listed in Article 8 (hereinafter referred to as "the related Conventions").

3. The Three Powers will thenceforth conduct their relations with the Federal Republic through Ambassadors who will act jointly in matters the Three Powers consider of common concern under the present Convention and the related Conventions.

ARTICLE 2

1. The Three Powers retain, in view of the international situation, the rights, heretofore exercised or held by them, relating to (a) the stationing of armed forces in Germany and the protection of their security, (b) Berlin, and (c) Germany as a whole, including the unification of Germany and a peace settlement.

2. The Federal Republic, on its part, will refrain from any action prejudicial to these rights and will cooperate with the Three Powers to facilitate their exercise.

ARTICLE 3

1. The Federal Republic agrees to conduct its policy in accordance with the principles set forth in the Charter of the United Nations and with the aims defined in the Statute of the Council of Europe.

2. The Federal Republic affirms its intention to associate itself fully with the community of free nations through membership in international organizations contributing to the common aims of the free world. The

Three Powers will support applications for such membership by the Federal Republic at appropriate times.

3. In their negotiations with States with which the Federal Republic maintains no relations, the Three Powers will consult with the Federal Republic in respect of matters directly involving its political interests.

4. At the request of the Federal Government, the Three Powers will arrange to represent the interests of the Federal Republic in relations with other States and in certain international organizations or conferences, whenever the Federal Republic is not in a position to do so itself.

ARTICLE 4

1. The mission of the armed forces stationed by the Three Powers in the Federal territory will be the defence of the free world, of which the Federal Republic and Berlin form part.

2. The Three Powers will consult with the Federal Republic, insofar as the military situation permits, regarding the stationing of such armed forces in the Federal territory. The Federal Republic will cooperate fully, in accordance with the present Convention and the related Conventions, in facilitating the tasks of such armed forces.

3. The Three Powers will obtain the consent of the Federal Republic before bringing into the Federal territory, as part of their forces, contingents of the armed forces of any nation not now providing such contingents. Such contingents may nevertheless be brought into the Federal territory without the consent of the Federal Republic in the event of external attack or imminent threat of such attack but, after the elimination of the danger, may only remain there with its consent.

4. The Federal Republic will participate in the European Defence Community in order to contribute to the common defence of the free world.

ARTICLE 5

1. In the exercise of their right to protect the security of the armed forces stationed in the Federal territory, the Three Powers will conform to the provisions of the following paragraphs of this Article.

2. In case the Federal Republic and the European Defence Community are unable to deal with a situation which is created by an attack on the Federal Republic or Berlin, subversion of the liberal democratic basic order,

a serious disturbance of public order or a grave threat of any of these events,

and which in the opinion of the Three Powers endangers the security of their forces, the Three Powers may, after consultation to the fullest extent possible with the Federal Government, proclaim a state of emergency in the whole or any part of the Federal Republic.

3. Upon the proclamation of a state of emergency, the Three Powers may take such measures as are necessary to maintain or restore order and to ensure the security of the Forces.

4. The proclamation will specify the area to which it applies. The state of emergency will not be maintained any longer than necessary to deal with the emergency.

5. The Three Powers shall consult the Federal Government to the fullest extent possible while the state of emergency continues. They will utilize to the greatest possible extent the assistance of the Federal Government and the competent German authorities.

6. If the Three Powers do not terminate a state of emergency within thirty days after a request by the Federal Government to do so, the Federal Government may submit a request to the Council of the North Atlantic

Treaty Organization to examine the situation and consider whether the state of emergency should be terminated. If the Council concludes that continuance of the state of emergency is no longer justified, the Three Powers will restore the normal situation as promptly as possible.

7. Independently of a state of emergency, any military commander may, if his forces are imminently menaced, take such immediate action appropriate for their protection (including the use of armed force) as is requisite to remove the danger.

8. In all other respects, the protection of the security of these forces is governed by the provisions of the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany referred to in Article 8 of the present Convention.

ARTICLE 6

1. The Three Powers will consult with the Federal Republic in regard to the exercise of their rights relating to Berlin.

2. The Federal Republic on its part, will cooperate with the Three Powers in order to facilitate the discharge of their responsibilities with regard to Berlin. The Federal Republic will continue its aid to the political, cultural, economic and financial reconstruction of Berlin and, in particular, will grant it such aid as is set out in the annexed declaration of the Federal Republic (Annex A to the present Convention).

ARTICLE 7

1. The Three Powers and the Federal Republic are agreed that an essential aim of their common policy is a peace settlement of the whole of Germany, freely negotiated between Germany and her former enemies, which should lay the foundation for a lasting peace. They further agree that the final termination of the boundaries of Germany must await such a settlement.

2. Pending the peace settlement, the Three Powers and the Federal Republic will cooperate to achieve, by peaceful means, their common aim of a unified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European Community.

3. In the event of the unification of Germany the Three Powers will, subject to such adjustments as may be agreed, extend to a unified Germany the rights which the Federal Republic has under the present Convention and the related Conventions and will for their part agree that the rights under the Treaties for the formation of an integrated European community should be similarly extended, upon the assumption by such a unified Germany of the obligations of the Federal Republic toward the Three Powers or to any of them under those Conventions and Treaties. Except by common consent of all the Signatory States the Federal Republic will not conclude any agreement or enter into any arrangement which would impair the rights of the Three Powers under those Conventions and Treaties or lessen the obligations of the Federal Republic thereunder.

4. The Three Powers will consult with the Federal Republic on all other matters involving the exercise of their rights relating to Germany as a whole.

ARTICLE 8

1. The Three Powers and the Federal Republic have concluded the following related Conventions which will enter into force simultaneously with the present Convention:

Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany; Finance Convention;

Convention on the Settlement of Matters Arising out of the War and the Occupation.

2. During the transitional period provided for in paragraph 4 of Article 6 of Chapter One

of the Convention on the Settlement of Matters Arising out of the War and the Occupation, the rights of the Three Powers referred to in that paragraph shall be deemed to be included within the exception set forth in paragraph 1 of Article 1 of the present Convention.

ARTICLE 9

1. There is hereby established an Arbitration Tribunal which shall function in accordance with the provisions of the annexed Charter (Annex B to the present Convention).

2. The Arbitration Tribunal shall have exclusive jurisdiction over all disputes arising between the Three Powers and the Federal Republic under the provisions of the present Convention or the annexed Charter or any of the related Conventions which the parties are not able to settle by negotiation, except as otherwise provided by paragraph 3 of this Article or in the annexed Charter or in the related Conventions.

3. Any dispute involving the rights of the Three Powers referred to in Article 2, or action taken thereunder, or involving the provisions of paragraphs 1 to 7 inclusive of Article 5, shall not be subject to the jurisdiction of the Arbitration Tribunal or of any other tribunal or court.

ARTICLE 10

The Three Powers and the Federal Republic will review the terms of the present Convention and the related Conventions

(a) upon the request of any one of them, in the event of the unification of Germany or the creation of a European federation; or

(b) upon the occurrence of any other event which all of the Signatory States recognize to be of a similarly fundamental character.

Thereupon, they will, by mutual agreement, modify the present Convention and related Conventions to the extent made necessary or advisable by the fundamental change in the situation.

ARTICLE 11

1. The present Convention and the related Conventions shall be ratified or approved by the Signatory States in accordance with their respective constitutional procedures. The instruments of ratification shall be deposited by the Signatory States with the Government of the Federal Republic of Germany.

2. The present Convention shall enter into force immediately upon

(a) the deposit by all the Signatory States of instruments of ratification of the present Convention and of all the Conventions listed in Article 8; and

(b) the entry into force of the Treaty on the Establishment of the European Defence Community.

3. The present Convention and the related Conventions shall be deposited in the Archives of the Government of the Federal Republic of Germany, which will furnish each Signatory State with certified copies thereof and notify each such State of the date of the entry into force of present Convention and the related Conventions.

In faith whereof the undersigned representatives duly authorized thereto by their respective Governments have signed the present Convention.

Done at Bonn this twenty-sixth day of May, 1952 in three texts, in the English, French and German languages, all being equally authentic.

For the United States of America:

s/ DEAN ACHESON

For the United Kingdom of Great Britain and Northern Ireland:

s/ ANTHONY EDEN

For the French Republic:

s/ ROBERT SCHUMAN

For the Federal Republic of Germany:

s/ ADENAUER

The VICE PRESIDENT. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

Mr. McFARLAND. Mr. President, 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:

Bridges	Green	McKellar
Butler, Md.	Hayden	Monroney
Carlson	Hendrickson	Pastore
Connally	Hickenlooper	Robertson
Dirksen	Hoyer	Schoeppel
Douglas	Ives	Seaton
Ferguson	Langer	Thye
Flanders	Lehman	Underwood
Fulbright	Magnuson	Welker
George	Martin	Wiley
Gillette	McFarland	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate because of illness.

The Senator from Oklahoma [Mr. KERR] is absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

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

The VICE PRESIDENT. A quorum is not present.

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

The motion was agreed to.

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

After a little delay, Mr. AIKEN, Mr. BENTON, Mr. BRICKER, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAIN, Mr. CASE, Mr. CHAVEZ, Mr. CLEMENTS, Mr. CORDON, Mr. DUFF, Mr. DWORSEAK, Mr. EASTLAND, Mr. ECTON, Mr. ELLENDER, Mr. FREAR, Mr. HENNING, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. HUNT, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KEM, Mr. KILGORE, Mr. KNOWLAND, Mr. LONG, Mr. MAYBANK, Mr. McCARRAN, Mr. McCARTHY, Mr. McCLELLAN, Mr. MOODY, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. O'CONNOR, Mr. O'MAHONEY, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SMITH of North Carolina, Mr. SPARKMAN, Mr. STENNIS, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

Mr. CONNALLY. Mr. President, the Senate today is considering extremely important executive business. I am glad to have been able to report the treaty with the Federal Republic of Germany—rather, the contractual relations with the Federal Republic of Germany—and the protocol to the North Atlantic Treaty, both of which are ready for consideration by the Senate.

Mr. President, one of our great English poets once said in one of his works that "He who did well in war just earns the right to begin doing well in peace." That is a solemn challenge—a solemn challenge to the United States and to the entire free world.

In spite of Soviet obstructionism, we have been doing our utmost to do well in peace. Not many months ago I had the privilege, on behalf of the Foreign Relations Committee, to present to the Senate the Japanese Peace Treaty. Today I should like to present two treaties with the Federal Republic of Germany, and to report to the Senate on what we have been able to do in working out a peace with that great nation.

The purpose of these agreements is twofold:

First, to end the occupation of Germany and to restore to the German people as much sovereignty as is possible at this time. That is accomplished by the Convention on Relations Between the Three Powers and the Federal Republic of Germany.

No formal treaty could be negotiated, because the Federal Republic of Germany has not attained to full sovereignty as a nation. Resort was therefore had to a contractual relationship with the Federal Republic of Germany.

Second, to make possible a German contribution to the common defense of Western Europe. That is of the highest importance. That is accomplished, so far as the United States is concerned, by a protocol to the North Atlantic Treaty extending that treaty to Western Germany.

Mr. President, if the arrangements provided for by these agreements are successful, Western Europe will be transformed. The benefits to the United States and to the whole free world will be tremendous. The importance of Germany is self-evident to anyone who takes a few minutes to study Europe. It has a highly skilled labor force and a technologically advanced industry. The country should long since have been united under a single democratic government. It is not necessary to elaborate on the reasons it has not been unified. The whole world knows the story of Soviet obstructionism, of how Russia has dropped the iron curtain between East and West Germany, and of how it is exploiting East Germany for its own selfish ends.

I wish it were a peace treaty I was presenting to the Senate today. But so long as Germany is divided as it is, there obviously cannot be a final treaty of peace. I do not believe the Russians want a peace treaty. They are fearful, with good reason, that a unified Germany would assert its independence and would not fit comfortably into their galaxy of

satellites. The Russians, of course, do not have any allies; they have only satellites. That is one of the significant differences between the Russians and ourselves. We are not interested in satellites; we want free and independent allies working together on behalf of world peace.

We have, therefore, gone ahead with the British and the French in promoting the establishment of a democratic government and democratic institutions in the three western zones which now comprise the Federal Republic of Germany.

The Convention on Relations Between the Three Powers and the Federal Republic of Germany returns the largest measure of sovereignty now possible to the Federal Republic, and establishes the basis for the future relations between the Federal Republic and the Three Powers. This convention also lays the foundation for three other conventions, which the Senate is not called upon to ratify, because they are more technical and administrative in nature and are, therefore, subject to more frequent changes. There is a recent precedent for this procedure in the Japanese Peace Treaty, which was ratified by the Senate, and the administrative agreement covering our troops in Japan, which was not submitted to the Senate.

The three conventions stemming from the convention on relations cover financial problems, the settlement of matters arising out of the war and the occupation, and the rights and obligations of foreign forces and their members in the Federal Republic of Germany. They will, in effect, be approved by the Senate when we ratify the main convention.

American interests are amply protected in these agreements. The status of Berlin is not affected. We retain all our essential rights relating to the whole of Germany and to our right to station troops in West Germany. At the same time, we are relieved of the burden of the occupation. It is high time the occupation was ended. After 7 years, it has reached the point of diminishing returns. It became particularly anomalous after the ending of the state of war by the Congress through a joint resolution passed last year.

Concurrently with establishing West Germany as an independent state, we have also succeeded in bringing it into the alliance for the common defense of Western Europe. The Senate specifically endorsed this objective last year when in Senate Resolution 99 it declared that—

Consideration should be given to the revision of plans for the defense of Europe as soon as possible so as to provide for utilization on a voluntary basis of the military and other resources of Western Germany.

It is obviously in our interest that Western Germany be defended, not only because the free world cannot afford to lose its manpower and industrial capacity but also because it pushes the boundary of freedom just that much farther east. The defense of Germany will, of course benefit the Germans themselves more immediately and directly than it will benefit any other nation. They

should, therefore, make every effort themselves in that direction.

The United States is willing to help any free people defend themselves against totalitarian aggression. But the United States is not willing—indeed, it is not able—to carry the whole burden of defending people who are not interested in their own self-defense. The Germans have pledged their best efforts, they have undertaken very heavy commitments, and they deserve our support.

However, many countries of Western Europe who suffered from Nazi aggression during World War II were naturally reluctant to agree to anything which looked like German rearmament. The French in particular have an understandable uneasiness over the rebuilding of German power. But the danger to France and to the rest of Western Europe does not come from across the Rhine; it comes from across the Elbe, and it is apparent to us all how much greater the danger would be if the Soviet sphere were extended westward to the Rhine. The French people and their leaders have displayed the highest order of statesmanship in recognizing this fact and in overcoming the national prejudices and hatreds of hundreds of years. Had it not been for the vision and leadership of such Frenchmen as Schuman and Pleven, the agreements which are now before us would never have been written.

Although the French have had probably the bitterest experience with German militarism, they are by no means alone in insisting on adequate safeguards against its revival. The American people did not fight Germany in two world wars for the privilege of rebuilding the German general staff. The American people, quite rightly, demand guaranties that the Germany which we now welcome into our defensive alliance will not in the future strike out on imperialistic ventures of its own.

These guaranties have been secured through the European Defense Community, which was the means devised for bringing Germany into our defense system.

The United States is not a party to the treaty providing for the European Defense Community; but the text of that treaty has been submitted to the Senate for our information, and it is a most remarkable document.

It is completely in line with the frequently expressed policy of Congress.

In 1949 Congress wrote a statement of policy "to encourage the unification of Europe" into the Economic Cooperation Act. In 1950 this was changed to read "to encourage the further unification of Europe." The Mutual Security Act of 1951 expressed the desire of Congress "to further encourage the economic unification and the political federation of Europe." The Mutual Security Act of 1952, which the Congress finally passed earlier this month, is even more emphatic. It says:

The Congress welcomes the recent progress in political federation, military integration, and economic unification in Europe and reaffirms its belief in the necessity of further vigorous efforts toward these ends as a means of building strength, establishing security,

and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this act should be so administered as to support concrete measures for political federation, military integration, and economic unification in Europe.

The six nations which are members of the EDC—France, Germany, Italy, Belgium, the Netherlands, and Luxembourg—have agreed to pool their armed forces into a common European army under an international command. They have further agreed that within 6 months the assembly of the EDC will lay before the respective governments a plan for the federalization of Europe.

Mr. President, this is such a breathtaking event that the full implications of it can be grasped but slowly. I do not believe the American people are yet aware of what a truly momentous development this is. I wish that more people could have heard Under Secretary Bruce's clear and eloquent statement before the Foreign Relations Committee.

I myself—

Mr. Bruce said—

feel that this creation of a European defense community is the most significant thing which has happened in western civilization, not in my time, not in our time, but for a period of hundreds of years.

The six nations who have signed this treaty have been at each other's throats throughout much of their history; yet now, in an atmosphere of cooperation and cordiality, they surrender control over their armed forces to a supranational body. They have voluntarily given up their sovereignty over the most sensitive portion of any country's national life—not entirely; not sovereignty over all the armed forces, but those who are committed to the European armies. If there is any comparable event in history, I cannot recall it.

This arrangement contains a built-in guarantee against a revival of German militarism. There will not be a German Army. There will simply be German units in a European army—an army under international command, wearing an international uniform, an army with the various nationalities so completely integrated that it will be physically impossible for the units of any one nationality to withdraw and maintain themselves independently.

Even the munitions industries of the various countries will be so integrated that no one country will have a self-sufficient production of articles of war. Therefore, no one country could go off on its own, even if it wanted to do so.

Mr. President, as I have said, the United States is not a part of the European Defense Community, and neither is the United Kingdom; but both countries have the most obvious interests in the success and integrity of the community. The governments of these two countries have, therefore, joined with the Government of France in a Tripartite Declaration stating that they will regard any action threatening the integrity or unity of the community as a threat to their own security and that they will act in accordance with article 4 of the

North Atlantic Treaty. This article provides simply for consultation. After consultation, each of the nations is free to take the course which seems to it best.

There is no commitment whatever to do anything but consult. We retain complete freedom of action as to how the threat should be met.

It should be apparent, Mr. President, that our own security would be threatened by the break-up of the European Defense Community, and all this declaration does is to state what is obviously the fact anyway. The declaration is signed by the Foreign Ministers of France and Great Britain and by the Secretary of State of the United States.

In addition to this Tripartite Declaration, we have expressed our interest in the European Defense Community in more binding terms in the second agreement which the Senate is called upon to ratify. This document, which is presented as a protocol to the North Atlantic Treaty, provides the means for relating the European Defense Community to the North Atlantic Treaty Organization. It would not have been necessary if it had not been for Germany, because Germany—and when I say Germany, I mean the Federal Republic of Germany—is the only member of the European Defense Community which is not already a member of NATO. The simplest way to have handled the problem would have been to add Germany as a North Atlantic Treaty partner, just as Greece and Turkey were added earlier this year. But that would have required the unanimous consent of all the present members of NATO, and unanimous consent could not be obtained at this time.

So the members of NATO, acting collectively, have agreed to extend the protection of the North Atlantic Treaty to the European territory of the members of the European Defense Community. Conversely, the members of EDC, also acting collectively, have given a reciprocal guaranty to the members of NATO.

We therefore have the same guarantee from Germany that we have from the North Atlantic Treaty countries. The net practical result of this somewhat cumbersome procedure is substantially the same as admitting Germany to NATO.

Mr. President, this arrangement does not really enlarge United States commitments in Europe. We already have troops stationed in Germany, and those troops will remain there under these agreements. They are already covered by the North Atlantic Treaty. If they should be attacked, with or without this protocol, the United States would back them up, and we all know it. All that this new protocol does is to make the North Atlantic Treaty cover the territory in which the troops are stationed, as well as the troops themselves. That is pretty much a distinction without a difference. What is important is that through this protocol we receive far-reaching guaranties from Germany. It is Germany which is extending her commitments, not the United States. Germany is agreeing not only to assume re-

sponsibilities for her own defense but to regard an attack upon, let us say, Turkey, or Iceland, or the United States, as an attack upon herself.

Mr. President, the Committee on Foreign Relations considered the Convention with Germany and the Protocol to the North Atlantic Treaty, article by article. We gave particular attention to the extent to which the United States is committing itself, which I have already discussed, and also to the effect, if any, which these two treaties might have on the constitutional separation of powers between the executive and legislative branches of our Government. It is my own view that neither treaty has anything to do with this question, that a resolution of ratification of a treaty is not an appropriate vehicle for dealing with American constitutional questions, and that any attempt to use it as such would have an unfortunate effect on our foreign relations. The committee, however, agreed to an interpretation of the Convention with Germany declaring that—

The constitutional procedures as used in this Convention require that any military implementation, other than the retained powers referred to in paragraph 1 of article 2 of this Convention (including all other conventions, agreements, or understandings, which may become effective as a result of ratification of this Convention) must have authorization by the Congress.

The retained powers which are referred to in paragraph 1 of article 2 and which are excepted from the interpretation are the rights which we have heretofore exercised or held relating to, first, the stationing of armed forces in Germany and the protection of their security, second, Berlin, and third, Germany as a whole, including the unification of Germany and a peace settlement.

The interpretation is much less objectionable with these exceptions than it would be without them. I do not believe its legal effect will amount to very much, because I do not believe we can change the constitutional procedures of the United States by an interpretation of a treaty. It is my view that the constitutional procedures of the United States are determined by the United States alone. We could not affect those procedures by putting something into a treaty. I do not believe a treaty itself can change those procedures, and certainly there is nothing in this treaty which attempted to do so.

The committee considered and rejected a similar interpretation to the Protocol to the North Atlantic Treaty. To put such an interpretation on the protocol would be to single out Germany among all the countries which are parties to the North Atlantic Treaty. It would be unjust and discriminatory and would weaken our position in Germany. In other words, Germany would be governed by different rules and different obligations than would apply to other members of the North Atlantic Treaty.

As a practical matter, the interpretation is wholly unnecessary. All it does is to repeat in substance what is already in the North Atlantic Treaty, of which this protocol will become a part, but to repeat it in a way that can only be taken

as a slap at Germany. After literally years of negotiation, we have now succeeded in bringing Western Germany into our grand alliance. Are we now going to take action which would jeopardize the results of years of effort? I sincerely hope the Senate will stand with the Foreign Relations Committee and reject any attempts to weaken our commitments to the Federal Republic of Germany.

Mr. President, the North Atlantic Treaty itself provides that it shall be carried out by the parties in accordance with their respective constitutional processes. That provision applies equally to this protocol concerning Germany. Whatever our constitutional processes are—and I admit there is some dispute about them—they will have to be followed in the implementation of this protocol. Whatever our constitutional processes are, we cannot change them by anything we do with respect to this protocol. The suggested interpretation would declare the processes to be followed with respect to Germany but would leave the question exactly where it is now with respect to every other country. Surely the Senate does not want to select Germany as its special victim in this matter. I appeal to the Senate to sustain the action of the committee, which gave the matter careful consideration and rejected the proposed interpretation by a vote of 8 to 4.

Mr. President, it has also been suggested that Senate action on these treaties could well be delayed, at least until some of the European signatories have acted. I hope the Senate will not follow that suggestion, Mr. President. I have often said on this floor that the United States occupies the position of leadership in the free world. I cannot repeat it too often or emphasize it too much. What we do here influences actions in parliaments throughout the free world and it influences actions in politburos throughout the slave world, as well. We do not want to encourage our enemies and dishearten our friends by any action which could be interpreted to indicate our indifference to these arrangements in Western Europe.

There are other reasons for prompt Senate action. We all know that the duration of this session of Congress is limited. If the Senate does not ratify these conventions now, it may not have another chance until next January. That would mean a delay of more than 6 months before the treaties could come into force. We cannot afford to proceed at so leisurely a pace.

The German parliament is expected to consider these treaties in July, the French soon thereafter, and it is hoped that all ratifications can be completed by next fall. Prompt action by the United States will be helpful in securing ratification by the other signatories. If we delay, we merely encourage the others to delay.

The United States has more to gain and less to lose than any other country involved in these treaties—with the exception of Western Germany, which will have its sovereignty largely restored. Why, then, should we hesitate? Even

if we ratify the treaties and some of the other signatories do not, we will have lost nothing, because the treaties will not then be effective.

Mr. President, the violence of the Communist reaction to these treaties shows how much the Communists fear what we are trying to do.

It is said that these treaties end forever the chance of a unified Germany. That is nonsense. That is what the Russians would like to have the Germans believe, because the Soviets fear that the example set by Western Germany will be contagious and that the East Germans will want to share in the progress which Western Germany will make under its democratic institutions—and has already made under British, French, and American occupation.

I believe that Soviet fear is well-founded, Mr. President. I believe freedom is contagious. I believe there is proof of that statement in the increasing numbers of East Germans who are seeking refuge in Western Germany and in the increasing reports of unrest in East Germany.

I hope the day will come when all of Germany will once more be united, under a democratic form of government, and will take its rightful, peaceful place in Europe and in the world. That remains the policy of the United States, and these treaties are a significant and important step in that direction.

Mr. President, some 35 years ago Woodrow Wilson, in a message to the joint session of the Congress, used words which reflect exactly my own view today. He said:

We believe that our own desire for a new international order under which reason and justice and the common interests of mankind shall prevail is the desire of enlightened men everywhere. Without that new order the world will be without peace, and human life will lack tolerable conditions of existence and development. Having set our hand to the task of achieving it, we shall not turn back.

No, Mr. President, we shall not turn back. Let us push on with our task whatever the obstacles. Let us take that step now which will enable Western Germany to return to the family of nations, and make her contribution to the cause of reason and justice in the world.

Mr. President, in conclusion let me say that I regard the action which was taken by the representatives of the three nations, the United States, Great Britain, and France, with respect to the Federal Republic of Germany as absolutely astounding. Think of grabbing Germany out of the clutches of the Soviets and bringing it into the free world and making it possible for Germany to regain its independence and freedom and its industrial power. That is something that history will long note.

The Soviets do not want Western Germany to attain its independence and freedom. They want to wait until such time as they can throw their python-like grasp around Western Germany and merge it with Eastern Germany, where Soviet policies and doctrines have been flourishing under the pressure and influence of the Kremlin.

This treaty is a significant advance in the cause of freedom and peace. The United States Senate must ratify this treaty to give new heart and new spirit to the forces of freedom and liberty, and to kindle in Germany itself an affection for democratic government and institutions, rather than the ambition to rule by the sword.

Mr. President, I hope the two treaties may be promptly ratified.

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

Mr. CONNALLY. I yield.

Mr. SCHOEPEL. I wish to say to the able Senator from Texas that I have appreciated listening to his remarks with reference to these important documents. I have been receiving some inquiries by mail from people who have relatives in Germany. I will say quite frankly to the able Senator from Texas that those communications have come from members of religious groups, both Protestant and Catholic. The writers have indicated in those letters some misgivings about the future of Germany as a whole. They are fearful with respect to the final unification of Germany somewhere down the line in the future, if these instruments are ratified.

I note that the distinguished Senator from Texas did not touch upon that phase of the question. Does the Senator have an opinion to express in that connection?

Mr. CONNALLY. I will say to the Senator from Kansas that the West German Federal Republic contains the largest area of any part of Germany. I think it is also greater in population. We believe that if the Federal Republic of Germany is given its freedom and independence it will soon demonstrate to the remaining portions of Germany the desirability of following the example of the Federal Republic of Germany.

No one can give assurances as to what may transpire in Germany. As the Senator knows, there are groups, factions, and beliefs which may be in constant conflict. Even in the Federal Republic of Germany there is an opposition party, led by Mr. Schumacher. He is not a Communist. He was not a Hitlerite, as I understand. He is a strong leader, and he is opposing the total action provided by these treaties. As I understand, he is advocating the unification of all Germany. But I will say to the Senator that, however desirable that may be, it is impossible at this time because of the conflicts and the lack of unity among the people themselves.

It is our belief that if we give to the Federal Republic of Germany an opportunity to demonstrate to the remaining people of Germany its own democratic processes, it will be much easier to bring about the total unification of Germany. Personally I regard the German people and Germany itself as great instrumentalities. They are great people. They are industrious and enterprising. They have invented many things for the comfort and welfare of the world. I have a high respect for them. However, I wish to eradicate, if possible, the militaristic feeling which resides in the breasts of many Germans and which makes them

believe that their destiny is not the economic conquest of the world, but military conquest, with a sword in their hands to compel the rest of the world to bow down and admit their power and their authority.

Mr. SCHOEPEL. Does not the able Senator from Texas feel that if these instruments are implemented and Western Germany takes its place among the nations of the world during the period and under the rules, contracts, and relations of the final treaty arrangements, it should demonstrate to the East Germans that there is no intention on the part of the Western Powers to abandon them, come what may with reference to the Soviet order? Is that a fair inference to draw?

Mr. CONNALLY. I am sure that I agree thoroughly with the Senator that that is an objective which we ought to have in mind, and which the Federal Republic of Germany, and all of Germany, ought to have in mind. The Republic of Germany should so conduct its affairs and so conserve the interests of all Germans as to demonstrate to Eastern Germany that it cannot afford to tie its fate up with the Soviets.

Mr. SCHOEPEL. I thank the Senator.

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

Mr. CONNALLY. I yield.

Mr. FULBRIGHT. There has been some question as to why we should ratify the treaty prior to the other ratifications. Does the Senator believe that, particularly with regard to the formation of the European defense community, it is important that we express ourselves on this protocol as well as the agreement with the Federal Republic of Germany?

Mr. CONNALLY. I thoroughly agree with the Senator, and thank him for asking the question.

I regard it as highly important, for one reason, that unless we ratify the treaty with a reasonable degree of promptness the European countries will say, "Oh, well, the United States is just leading us down a blind alley. We are not going to get anything out of this." But if we take the lead and show them that we mean what we say, and that we are going to be true to our commitments, they will be encouraged to ratify the treaties and join in the organizations which are to be established.

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

Mr. CONNALLY. I yield.

Mr. FULBRIGHT. The Schuman plan has recently been ratified, and the European countries are undertaking to set up a European defense community. It seems to me that that is the ultimate solution toward which the Marshall plan and the ECA have been directed. It would be a sort of culmination of our foreign policy of the past 5 years. Is that not the Senator's view?

Mr. CONNALLY. I agree with the Senator from Arkansas; I believe that is entirely true. After all why did we adopt the Marshall plan? It was not adopted for the purpose of crushing Europe; we wanted to rebuild Europe, and we wanted the world to grow and prosper. The Schuman plan was altruistic in concept,

and is a part of the picture, in that it contributes to the economy of the countries which have become parties to it. Back of it all was the altruistic desire to see the countries of Western Europe regain their place in the civilization and economy of the world. I believe the Senator from Arkansas is entirely correct.

Mr. FULBRIGHT. Mr. President, I must leave shortly to go to Arkansas to participate in the dedication of the Bull Shoals Dam. I wish to say a word or two with regard to the convention and protocol. I regret having to leave.

I hope that the Senate will ratify the convention with Germany and the protocol of the North Atlantic Treaty Organization. I think that in line with the answers of the chairman of the committee to the last questions I have put to him they may very well prove to be a very great step forward toward the unification of Europe.

I think in future years the world may well look back upon the establishment of the European Defense Community as an event as important in the history of the world as the adoption of our own Constitution in 1787. It seems to me that the unification of the countries of Western Europe is an essential step toward the stabilization of the political situation of the world, and a particularly important step in the effort to prevent the spread of communism throughout the universe. If the convention and protocol are ratified and implemented properly, there will be created a community in Europe which will not be subservient to the United States or to any other country, but will be an ally, because their institutions and their moral and political standards are in accord with ours.

I am very enthusiastic about this step which the European nations are proposing to take, and I believe we should do all we can to encourage it.

Actually, the obligations we assume under the protocol are not substantially greater than those we have already assumed under the North Atlantic Treaty. The addition of Germany is about the only new obligation; that is, it is an obligation to regard an attack upon her as equivalent to an attack upon any of the other members of the North Atlantic Treaty; so that there is no great increase in our obligations. However, the psychological effect of our ratification of the protocol would have a very profound effect, because it would give assurance to the nations affected that we are behind them in their efforts to create a strong and unified Europe.

Therefore, Mr. President, I hope that the Senate will ratify the treaty and protocol without any delay.

Mr. SMITH of New Jersey. Mr. President, I rise to support the chairman of the Committee on Foreign Relations [Mr. CONNALLY] in urging the prompt ratification of the convention with Germany and the accompanying protocol.

Since my first visit to Germany after the war, in 1947, I have felt that one of the most important steps for us to take with respect to the North Atlantic Treaty area was to consider the part Germany would play in any future development of

that kind. In the developments leading up to the North Atlantic Treaty, I was one of those who felt very strongly that the part Germany was to play in that organization was very important. So, having completed the negotiations whereby it is made possible for Western Germany to become a partner in NATO, I feel we should move promptly now to strengthen the structure by ratifying both the treaty and the protocol.

The chairman of the Committee on Foreign Relations, the senior Senator from Texas [Mr. CONNALLY], has outlined the contractual agreement with Germany and has given the Senate some of the compelling reasons why the Senate should give its advice and consent to its ratification at this time. The chairman has indicated that we are faced with a historical decision, not only as it applies to our own country, but for all of Europe, and logically for the world. I take this opportunity to endorse his view most heartily.

By ratification of the agreements and by carrying them out in good faith with our partners we can bring this new Western Germany, the new Federal Republic of Germany, with its potentially greater constructive power, into the family of free nations and thus make a tremendous advance toward a more secure world. But there are some grave obstacles in the way to this goal, and we need to act now, if we are to clear those obstacles.

I am frank to admit that when the subject first came up I wondered whether it would be wiser to wait until the other countries had ratified the convention, particularly Germany; but I am convinced that we should act now, and act promptly, certainly before Congress adjourns.

The agreements signed at Bonn on May 2, 1952, between the United States, Great Britain, France, and the Federal Republic of Germany are the culmination of the political and economic progress made by the people of West Germany since 1945 under the guidance and with the assistance of the three powers. The area of Germany we are discussing is that area which has been under occupation by the United States, Great Britain, and France. It is our collaboration in dealing with West Germany which has brought about a very happy ending to this period of occupation.

The war brought on Germany a threefold collapse—and I am speaking of all Germany now—political, economic, and, most important, spiritual. When the four powers took over the control of that country upon the cessation of hostilities, they had to deal with some 70,000,000 people whose economic system had collapsed, whose government had disintegrated, and who were ready prey to despair and disillusion.

We faced that situation with the thought that we had an ally in Russia who would go along with us in restoring this area and bringing it back into the family of nations. We were disillusioned in the Russian attitude, of course, and that attitude has made necessary the agreements we are now considering.

From the very outset of the occupation the three Western Powers sought to

effect the economic restoration of Germany, and to assist the Germans in developing a free, democratic society. In this endeavor they had hoped for and expected the cooperation of the Soviet Union, which had pledged itself to this task in the Potsdam agreement. But it soon became evident that such cooperation would not be forthcoming. Indeed, the Soviet Union not only failed to share in the reconstruction of Germany along democratic lines, but it made clear that its primary policy objective in Germany was the complete domination of the country by the U. S. S. R. and its inclusion in the Soviet orbit.

We had a similar experience in the Far East, with Japan. We had hoped to be of some assistance in helping Japan get back on her feet. We found that the Soviet determination in the Far East was to bring Japan and all her potentialities under Soviet control. Similarly, we found that the Soviet determination in Western Europe was to bring all Germany, including the Ruhr and its industrial capacity, under Soviet control. One need only contemplate that situation to realize the danger in which the free world, including the United States itself, might have been if Russia had succeeded in these objectives.

So those of us who have been working on the program, with Japan, in the Far East, on the one hand, and with West Germany and Western Europe, on the other hand, realized the importance of the situation confronting us.

Mr. CASE. Mr. President, will the Senator from New Jersey yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from New Jersey yield to the Senator from South Dakota?

Mr. SMITH of New Jersey. I shall yield if the Senator from South Dakota wishes to ask me a brief question, but at this time I prefer not to yield for lengthy debate. I should prefer to postpone that until I complete my initial presentation.

Mr. CASE. Very well; I shall wait until later.

Mr. SMITH of New Jersey. Faced with complete frustration in our attempts to achieve the political and economic unification of Germany on the basis of freedom, the United States and its Western Allies decided in the spring of 1949 to permit the 46,000,000 Germans—out of a total of 70,000,000 in all of Germany—at that time residing in the three western zones of occupation to set up their own freely elected government.

Parenthetically, I might say that we tried to bring about a unification plan with which the Russians would agree, but we could not obtain one. So we decided to proceed on our own in the areas we were occupying. That is the question we are discussing today, namely, whether we were correct in doing that, and whether we should follow through now in helping the new republic, constituting the western zones of Germany, to join us in alliance with the three other nations.

The jurisdiction of this Government was limited only by certain reserved

powers and controls which the Allies deemed necessary to retain for a time under an occupation statute. On September 21, 1949, approximately 4½ years after the capitulation of Germany, the democratically elected and constituted Federal Republic of Germany came into being.

At this point I think we should pay a very high tribute to two Americans whose names stand out in the accomplishment of that objective. One of them of course is Gen. Lucius Clay, who carried on so successfully, both during the Berlin airlift and during all the other difficulties in Germany. Succeeding him today is our High Commissioner, Mr. John J. McCloy. Both these gentlemen deserve the gratitude of the American people for the great service they have rendered and for having the vision to see the importance of a revived Germany, understanding the vital necessity of having Germany become a partner of the western democratic powers, and not be allowing her to drift into Soviet control.

Since that time—in 1949—the young Republic of West Germany has made considerable political progress. A stable, constitutional form of government, supported by the vast majority of the people, is flourishing. Despite the existence in Germany of clear traces of Nazi ideas and tendencies on the extreme right, and a small, but active, Communist apparatus on the left, it is a compelling fact that the great majority of the German people solidly support the parliamentary system of government and the democratic institutions which have grown and prospered under it. The committee inquired carefully into this matter, and feels confident that the Senate can be assured on this point.

Those of us who have been in Germany have been very much concerned over the question of whether the people there want a real democracy based on western principles, or whether they want to slip back into the old ideas of militarism and totalitarianism.

Mr. CONNALLY. Mr. President, will the Senator from New Jersey yield at this point?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New Jersey yield to the Senator from Texas?

Mr. SMITH of New Jersey. I yield.

Mr. CONNALLY. Let me ask the Senator from New Jersey if it is not true that the experiments which have been made in Western Germany have demonstrated the wisdom of our taking this step to stimulate their concern in their own government and in rebuilding their own industries and their relationships with the rest of the world. Is not that of the highest significance?

Mr. SMITH of New Jersey. I agree that it is of the utmost significance, and it indicates the success of the policy we have pursued in our occupation of that country.

Mr. CONNALLY. Will it not stimulate study and consideration of the unification of all Germany, and will it not set an example to the rest of Germany which is not in the Federal Republic as to the desirability of unification?

Mr. SMITH of New Jersey. I agree with the Senator from Texas, and I feel very strongly that what the Senate does here today will set a pattern which it is to be hoped will result in having Eastern Germany become a part of the new Federal Republic when the time comes.

As the committee report shows, freely elected bodies govern the nation from the local level to the national level. The German Bundestag, a freely elected parliament, functions in freedom, without fear or suppression. Even the substantial Social Democratic opposition, while not supporting the government of Chancellor Adenauer on many issues, has a long democratic tradition and is firmly anti-Communist.

There is no doubt, and I believe the Senator from Texas pointed out, that there is opposition. We do not close our eyes to it, and we are watching it very carefully. As we know, Mr. Schumacher is the head of the chief opposition party, and he is making a great deal of trouble for Mr. Adenauer. Mr. Schumacher is trying to press for unification today. However, it is clear that he is violently anti-Communist; he does not want to see communism come into his country, and he cannot be considered in any way to be allied with the Communist movement.

Economically, as well as politically, the recovery of West Germany is most impressive. Stimulated by generous assistance from the United States, the people of the Federal Republic have made great strides in erasing the devastation of the war and rebuilding a sound economy. Present production, according to the figures we have, is more than 140 percent of that of 1936—the peak prewar year. Exports are now beyond the \$4,000,000,000 figure, and the German dollar gap has been closing. Despite probable future need for economic assistance to enable it to make full contribution to the defense of the free world, through its rapid economic recovery the Federal Republic is becoming increasingly less dependent upon outside assistance. The entire picture is one which shows the importance and the effectiveness of our endeavor to help a nation find itself and become economically self-supporting.

As the people of West Germany continued their progress toward economic solvency and democratic self-government, it became increasingly clear that a prolonged extension of the occupation would have an increasingly negative effect on the very democratic institutions and processes we had sought so earnestly to nurture and advance. I repeat that the situation was brought to a head when the new Federal Republic of West Germany was set up and began to establish itself on a self-sustaining and self-governing basis. The occupation continued, however. We realized that that was the psychological time to consider ending the occupation. As the Senate knows, earlier this year we passed the joint resolution bringing an end to the state of war with Germany.

The next step, logically, is to recognize the new republic and to bring it into the family of nations. Thus, despite our inability to conclude a treaty of peace

with all of Germany, because of Soviet intransigence, we are endeavoring through the contractual agreements to effect a major change in our relationships with the largest part of this disunited country. So, Mr. President, by the convention now before the Senate, we are endeavoring to the best of our ability to bring about a treaty of peace with West Germany.

These agreements will put an end to the occupation of all of Germany outside of Soviet control, and will return to the Germans the greatest autonomy that is possible under present international conditions. They will have the effect of restoring to the great German people virtually complete control over their domestic and foreign affairs, and will result in the reestablishment of normal diplomatic relations between the Federal Republic and the three powers who are parties to this convention.

The contractual agreement, while returning to the Germans a maximum degree of control over their own affairs, does not by itself provide the answer to all the problems facing them and the other peoples of the free world. Therefore, the other step that is involved in these discussions is before us, and although we are not parties to these particular arrangements, I desire to describe them briefly.

Arrangements have been made for German participation in the so-called European defense community—a common-defense organization including, in addition to the Federal Republic of Germany, France, Italy, Belgium, the Netherlands, and Luxemburg. This community will provide in large measure for the security of the Federal Republic and will enable free Germany to participate in its own defense through machinery which will preclude the re-creation and revival in Germany of those military institutions and traditions that have endangered all Europe in the past. The big problem faced by the negotiators, and which we all face in considering this matter, is the problem of getting Germany into position to defend herself against aggression, without at the same time giving her a chance to move into such a military position that her militarism might again rise to threaten Europe. The European defense community was invented for the purpose of solving that difficulty. The Benelux countries, France, and Italy were brought into the NATO structure. These countries, therefore, constitute the group of European countries which, with Western Germany, will contribute to the forming of a European army which is to become a part of the NATO organization under General Ridgway.

These agreements, together with the Schuman plan for the pooling of the steel and coal industries of France, Germany, and of other western European countries, are integral parts of a promising development toward a united Europe where national boundaries will lose their former meaning and traditional rivalries and selfish national interests will be subordinated to a common striving for economic security and political stability.

As the Senator from Arkansas [Mr. FULBRIGHT] stated, we have been thinking in terms of a united Europe, and, by means of the agreements we are considering today, and of which we are asking ratification, we are moving toward a united Europe. That is, of course, the hope we have; that is what we are striving for.

There are still obstacles to be surmounted and crises to be faced before this goal can be reached. But a great start has been made. As this integrated European community comes closer to realization, the ability of the free peoples of the west to provide for their own economic needs will increase. So, too, will their capacity to contribute to their own defense and to the defense of the free world. In the community of which I am speaking, the European defense community, a free united Germany is needed.

These are some of the considerations which convince me that the Senate should give its prompt approval to the ratification of the agreements with the Federal Republic. I very much fear that if we drag our feet or delay matters, we may discourage a movement which seems to be well started.

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

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

Mr. SMITH of New Jersey. I shall be happy to yield, although I told the Senator from South Dakota [Mr. CASE] that I would prefer to conclude my presentation. If it is a very short question the Senator wishes to ask, I will yield. I do not, however, want to get into a discussion at this point.

Mr. WATKINS. As a matter of information only, have any of the eight nations who will be called upon to ratify this convention acted as yet?

Mr. SMITH of New Jersey. I think not. I think we are the first to act.

Mr. WATKINS. Will the Senator explain at some time during his remarks, or has he already explained why we should act first, in view of the fact that there is a great deal of opposition in West Germany to ratification, and in view of the further fact that there is a great deal of opposition, or at least substantial opposition, in France to its ratification? I would appreciate having the Senator's viewpoint.

Mr. SMITH of New Jersey. I expect at the close of my remarks to give a brief summary, because I have been asked the same question as to why I feel that the treaty should first be ratified by the United States. One is, of course, that we want to do all we can to help Adenauer in the job he is trying to do in West Germany, and to assure him that we are behind him in his effort to bring the new Federal Republic of Germany into effective working alliance with the Western Powers. But I shall develop that a little further on. If my explanation of it is not satisfactory, the Senator may then inquire.

Mr. WATKINS. If the Senator will yield for one further question, it is reported that the leader of the Socialist

Party in West Germany has said that if he should be elected in 1953, he would promptly move to repudiate the treaty. Has that statement been taken into consideration by the Committee on Foreign Relations and by the Senator from New Jersey?

Mr. SMITH of New Jersey. I think that has been very fully considered. It is reasonable to expect that he probably would take that position. He is trying in every way possible to prevent ratification of the treaty, just as there is a great deal of communistic propaganda and agitation against it. But it is my judgment that we must face the issue. It is always necessary for us to answer the question, "Shall we take this alternative or that?" Here is one positive plan we have developed. The alternative would be to do nothing, possibly to leave Germany to Soviet Russia, and let her become one of the satellite countries, with obvious menace to Western Europe, and, in the long run, to ourselves. I am stating alternatives that are difficult, I admit; but it seems to me that this is the right attitude to take.

These are some of the considerations which convince me that the Senate should give its prompt approval to the ratification of the agreements with the Federal Republic. I think it crystal clear that on the basis of the progress made during the past 3 years, the people of West Germany have demonstrated a degree of political maturity that shows them to be worthy of the freedom which these new arrangements will provide. Added to this fact is the consideration that through the conclusion of these agreements, the promising movement toward the integration of the Western European-Atlantic community will be greatly strengthened. Therefore, in order for the German people to make a maximum contribution to European integration and to the building up of the defensive strength of the free world, it is most desirable to bring the occupation period to a close. Our future relations with Germany would be similar to our relations with Japan, where we keep troops for defensive purposes, but not as an occupying power.

Mr. WATKINS. Mr. President will the Senator yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. In bringing the occupation period to a close, does the Senator understand that that means we shall be able to bring to a close the powers of the President under the occupation status?

Mr. SMITH of New Jersey. In regard to that situation, when we come to the interpretation which the Senator from Iowa [Mr. HICKENLOOPER] and I are supporting, we shall try to make it clear that any military implementation of these documents must be done by congressional approval.

Mr. WATKINS. I understand that.

Mr. SMITH of New Jersey. I am entirely for such an interpretation.

Mr. WATKINS. But, except for that, the Senator would accept and would by inference at least admit that certain occupation powers will be lodged in the President or in the executive department.

Mr. SMITH of New Jersey. That would be true. We retain certain occupation powers. I will read the exact text of that provision in a moment, when I come to it.

Mr. WATKINS. The point I make is that if we are to end the period of occupation—and the Senator thinks it should be ended—why should not the powers incident to the occupation also be ended, since the occupation is the excuse for them, and the basis for them.

Mr. SMITH of New Jersey. There would still be certain responsibilities having to do with the defense of Germany in case of aggression.

However, I would prefer not to debate the question now. I prefer to finish my address, and then there can be brought up these other questions, which are collateral, but which, I admit, are very important.

Mr. WATKINS. I hope the Senator will discuss them, because it seems to me that if we are to end the period of occupation we also ought to end the occupation powers, in the absence of some good reason to the contrary, of which I am not advised at the moment.

Mr. SMITH of New Jersey. It would be impossible to withdraw entirely, and to leave things in a vacuum. It must be remembered that we are dealing with a very critical area of Germany, an area which we cannot afford to allow to fall into hostile hands. That is the purpose of our excepting paragraph 1 of article II, which I shall read in full when we come to the discussion of that particular phase of this problem.

Only a free Germany can become a lasting partner in our great effort to achieve a peaceful world. Another and perhaps more compelling reason for these agreements is the desirability for effecting the closest possible identification of the German people with the cause of the free world. This can best be achieved by affording a free German Government the earliest possible opportunity voluntarily to participate in the common effort.

More than a year ago, when the negotiations between the Three Powers and the Federal Republic of these agreements were initiated, the Soviet Union and its East German puppets launched an intensive propaganda campaign through Western Europe, designed to impede the progress of the negotiations and later to prevent their signature. This, I should say, Mr. President, is another reason why I think it is desirable to ratify these treaties promptly.

In this campaign, the Russians have used all techniques and have sought all means to sabotage the agreements. In Germany they have alternated between blandishments of peace and threats of war. In the face of their unenviable record on the unification issue, the Russians have sought to place the onus for the continued division of Germany on the western allies and the West German Government, charging that the conclusion of the contractual agreements would result in the indefinite division of the country.

The Senator from Texas [Mr. CONNALLY] brought that out a moment ago.

We are thinking in terms of the ultimate unification of Germany, but at the present time we have no alternative except to build up the strength of West Germany.

On the other hand, the Soviet Union has openly suggested that the inevitable result of the conclusion of the contractual and EDC agreements, would be war, thus attempting to intimidate the people of West Germany and cause them to reconsider the desirability of going ahead with the agreements. This campaign of fear has been reinforced by concrete action. In West Berlin, the Soviets have recommenced their harassing tactics, of cutting communication lines, blocking off streets leading into the Soviet sector, and of kidnaping West Berlin residents.

In the Soviet zone of Germany they have accelerated the expansion of the so-called people's police and the "Bereitschaften," the East German Army against whose formation the Western Allies protested in May 1950. This terror campaign has also been directed against the American radio station in Berlin, RIAS, which has served as a voice of freedom to the captive people of the Soviet zone. I remember when Mr. McCloy was here he explained the effectiveness of this radio station in Berlin. Its listeners are being threatened, fined, and imprisoned. In Western Germany, the small but active Communist apparatus has been doing its utmost to contribute to the increased feeling of uncertainty and insecurity. But this campaign has not only been directed at the German people. Through the vehicle of Communist parties throughout Western Europe, particularly in France, the Soviets have endeavored to revive the intensity of traditional Western European animosities and suspicion in an effort to convince these nations of the danger of restoring the Germans to a position of equality and permitting them to participate in western defense.

Despite all these attempts to undercut the efforts of the Three Powers to restore the Germans to a place of equal status and equal responsibility in the European-Atlantic community of nations these agreements were signed. But I want to emphasize here that the battle has not been won, since these agreements cannot be implemented until the legislative bodies of the participating countries have ratified them. It is clear that this period between the signature and the ratification of the contractual agreements is a most crucial one. Communist divisive propaganda has already increased in tempo and Communist blandishments and threats can be expected to become intensified. The effects of the Communist campaign have already been felt and the greater the delay in ratifying these agreements, the greater will be the danger that Communist efforts to sabotage them will succeed.

Referring to the question of the Senator from Utah [Mr. WATKINS], it could be that these Communist efforts to sabotage the whole scheme might succeed. We should think of the matter from the standpoint of our own security and the danger to us if the Soviets

should take over all Germany, especially the western industrial area, which is the heart of Germany. They would probably sabotage the Schuman plan and everything else. It seems to me that we have a personal selfish interest in this matter.

We have, of course, been aware of the recent exchange of notes between the Soviet Union and the Three Powers relating to the question of German unification. The Western Powers have from the outset indicated a willingness to negotiate with the Soviet Union on this issue but have insisted that, in view of the discouraging experiences of past conferences, certain underlying principles must be agreed upon before such a meeting can be held. During the period following the cessation of hostilities, the Soviet Union has repeatedly demonstrated in diplomatic correspondence and around the conference table its unwillingness to accept any plan for the reunification of Germany which would guarantee basic freedoms to the German people and free choice to the German Government to associate itself with the other free nations of the world. They simply will not go in with us on any basis of that kind, to give real freedom to Germany.

This Communist campaign in both the diplomatic and publicity fields has been directed at the understandable desire of the German people for the reunification of their country and the fear of taking steps which might make the present split of the country a permanent one. This campaign has had some effect particularly since the major opposition party in the Federal Republic, the Social Democratic Party, Schumacher's party, is opposed to ratification of the agreements and in its opposition has frequently found itself alined with the Communist and neo-Nazi fringe parties which are also opposed to the agreements. Mr. Schumacher is constantly saying that he has no interest in the Communists.

I believe it is imperative that the United States exercise greatest possible leadership in order to convince both the Parliament and the peoples of West Germany and the Parliaments of France and Great Britain of the necessity of early ratification and implementation of the contractual agreements. If the Senate of the United States takes immediate and decisive action on the agreements before the conclusion of the current session, it will demonstrate the determination of the United States to see through this program for the strengthening of the free world, and support those who are behind this just unification effort. The other three parties to these agreements are in effect looking to us for that leadership. If we fail them now, we may, through our failure to act, help the Communists accomplish that which they have been unable to accomplish through their own efforts.

Oppositional elements in France, Germany, and Great Britain have, in an effort to forestall ratification, repeatedly cast doubt upon our sincerity and determination to carry out our own responsibility with respect to these agreements.

There could be no better answer to these efforts than prompt action by the United States Senate to ratify these agreements.

Mr. President, having presented what I believe to be the main arguments for immediate ratification, I desire now to discuss the interpretation which the Senator from Iowa [Mr. HICKENLOOPER] and I presented in the committee and which is attached to the main convention with Germany.

Mr. WATKINS. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. I should like to ask a question or two about the program for the protection of Germany and for the co-operation of the European powers, the United States, and others. As I understand, France was not willing to enter into this arrangement and become a party to these conventions unless the United States and Great Britain would, in effect, guarantee her against any aggression whatsoever from Germany. Is that correct?

Mr. SMITH of New Jersey. It might be well to read into the RECORD the tripartite declaration, in order to understand—

Mr. WATKINS. If the Senator can give it to me in general terms, so the general public can understand it, I should appreciate it. I am not asking to have it in legal terms.

Mr. SMITH of New Jersey. It is simply an interpretation by France and other nations with reference to the convention which has been signed with Germany and which is now subject to ratification. It virtually supports the European Defense Community to the extent of making it clear, I think, that we will support the spirit of the European Defense Community in the sense that Germany shall not arm herself unilaterally or individually. She is a part of the larger European Army program.

Mr. WATKINS. Does it in any degree guarantee France against aggression by Germany—the Germany which we have set up and recognized?

Mr. SMITH of New Jersey. Let me read from the committee report on the subject. It is called, "The EDC and the Tripartite Declaration." I think it is well to put the language right into the discussion.

The deep interest of the United States in the EDC is reflected in the tripartite declaration issued by the governments of Great Britain, France, and the United States at the time of the signing of the EDC Treaty. In that declaration the United States and Great Britain made it clear that they would regard any action affecting the unity or integrity of the EDC as a threat to their own security.

Of course, any action affecting the integrity or unity of Germany would be considered an attempt by an aggressor to attack Germany, so we would consider that as a threat to our own security. The report continues:

The pertinent language of the declaration follows:

"Accordingly, if any action from whatever quarter threatens the integrity or unity of the community, the two governments will regard this as a threat to their own security. They will act in accordance with article 4 of the North Atlantic Treaty. Moreover, they

have each expressed their resolve to station such forces on the continent of Europe, including the Federal Republic of Germany, as they deem necessary and appropriate to contribute to the joint defense of the North Atlantic Treaty area, having regard to their obligations under the North Atlantic Treaty, their interest in the integrity of the European defense community, and their special responsibilities in Germany."

I may say that because of this very declaration, the Senator from Iowa [Mr. HICKENLOOPER] and I felt it was desirable that the interpretation which I shall read presently be made a part of the convention. In brief terms, it says that any military implementation of the convention can be had only with the authorization of Congress.

In other words, we are trying to get away from the possible implication that the relationships or interrelationships between these documents might be interpreted as giving to the Executive a power, for example, to send troops abroad, with the old "troops to Europe" issue again arising. We are seeking, once and for all, to put an end to that discussion by an interpretation making it clear that that is not the intention.

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

Mr. SMITH of New Jersey. I shall be glad to yield to the Senator from Iowa, because he was the author of the interpretation, which I supported, and he could probably make the position clear.

Mr. WATKINS. The question I had in mind should probably precede an explanation.

Mr. HICKENLOOPER. I am trying to answer the Senator's question.

Mr. WATKINS. I am now calling attention to a particular point, so that when the Senator answers, he may take it into consideration.

On Wednesday, June 11, 1952, Hon. Dean Acheson, Secretary of State, resumed his statement to the Committee on Foreign Relations. He was asked a question by the Senator from Iowa [Mr. GILLETTE], a part of which is as follows:

Now, in this particular case, we have before us—you have brought back—two conventions for ratification. The first is the so-called convention on relations, and the second is the protocol amendatory to the North Atlantic Treaty. In addition to that, however, you have brought back a statement signed by Great Britain, France, and ourselves, which has no legal effect.

That is the matter to which I call the Senator's attention, and I am asking questions about it at this moment.

The answer of Secretary Acheson was:

That is correct, Senator.

What I should like to have the Senator from Iowa and the Senator from New Jersey explain is just what relationship, what bearing, or what force and effect, that statement has, if it has no legal effect. I take it for granted that probably Secretary Acheson knew what he was talking about when he said that the tripartite agreement had no legal effect.

Mr. SMITH of New Jersey. The Senator from Utah has read a query which was made when the hearings were being held, or when we were considering the documents which gave rise to the pro-

posal of the Senator from Iowa, and which I supported, interpreting the language so that it could not be construed to have an effect beyond what appeared on the surface.

At this point, before the Senator from Iowa speaks on the subject, I should like to finish the quotation from page 16, which continues to give the committee's interpretation of the language I have just read.

The committee points out that there is no particular obligation on the part of the United States except to consult, in accordance with article 4 of the Atlantic Pact, in the event the integrity or unity of the EDC is threatened. Under article 4, NATO members agree to consult whenever any party so requests on the ground that the territorial integrity, political independence or security of any of them is threatened. There is, however, no obligation to take any action as a result of consultation. In line with this formula the Three Powers would meet together to consider the nature of the threat and then determine, within their own constitutional requirements, what action, if any, the situation required.

A question was raised in the minds of some Senators, in connection with all the interrelated documents, treaties, and responsibilities, as to whether it would not be advisable to make it clear that there was no intention to imply any authority—for example, military implementation—without the concurrence of Congress. We know that if troops are to be sent to Europe, or equipment for troops, there is no legislative authorization for sending them. An issue has arisen over sending troops to Europe without congressional action. We felt that by this interpretation this point would be covered.

Mr. WATKINS. May I ask the Senator if he agrees with Secretary Acheson and the junior Senator from Iowa [Mr. GILLETTE], that the tripartite settlement has no legal effect?

Mr. SMITH of New Jersey. Because I was in doubt as to whether it did or did not have legal effect, I joined with the senior Senator from Iowa in suggesting this interpretation.

Mr. WATKINS. I call attention to what it is reported Secretary Acheson said day before yesterday in Berlin. I quote from the New York Times of June 30, 1952. The article apparently was written by Walter Sullivan, the New York Times correspondent in Berlin:

An hour later at the laying of a cornerstone for a United States memorial library, Mr. Acheson cited the recent declarations of Britain, France, and the United States on Berlin. He said these indicated in "unmistakable terms" that the three powers would regard any attack on Berlin "from whatever quarter" as an attack against their forces and themselves.

Is it the understanding, or can it be inferred from that statement and from Secretary Acheson's statement—and apparently the New York Times article is stating again the objectives of the tripartite settlement—that there is at least some kind of moral force or moral obligation to take some action in a certain situation, if it should arise?

Mr. SMITH of New Jersey. I think the tripartite declaration from which I read—I have not read it all, but I have

read part of it—implies certain responsibilities, and we have tried to make it perfectly clear that if there was to be any military implementation of this program, it should be with the concurrence of Congress.

Mr. WATKINS. Could it not be considered, as a matter of law, a holding out to other parties that if a certain situation existed, we would act; and if they relied upon that, we might have an obligation legally, if you please, to defend them and help take care of them?

Mr. SMITH of New Jersey. Of course, the Atlantic Pact refers to such an attack, with all of its various implications. We have discussed that before.

Mr. WATKINS. Yes. I do not care to go back to that.

Mr. SMITH of New Jersey. No one does at this point, because we discussed it at length and adopted Resolution No. 99, which expressed the view of the Senate on that subject. But undoubtedly in bringing Germany virtually under the North Atlantic Pact, by bringing the EDC under it, we have brought about a situation in which an attack on Germany would raise the question of whether it was an attack on all of us.

Mr. WATKINS. Are they in a twilight zone, where they may be considered to be, in some circumstances, within the provisions of the North Atlantic Pact, and in other conditions outside the pact?

Mr. SMITH of New Jersey. I do not think so, because we have made it clear that in case of any military aggression, there would have to be authorization by Congress to achieve the implementation about which the Senator is thinking.

Mr. President, I now yield further to the senior Senator from Iowa because he has drafted this interpretation. He took up the matter and began to work on this clause. I yield temporarily to the Senator from Iowa to explain it.

Mr. HICKENLOOPER. I should like to say to the Senator from Utah that, in my judgment, I do not think there is any question that the combination of treaties and agreements which seems so complex will become one binding whole when the Senate approves the treaty now under consideration.

I invite the attention of the Senate and of the Senator to article 4 of the treaty, paragraph 1. That paragraph reads as follows:

The mission of the Armed Forces stationed by the three powers in the Federal territory will be the defense of the free world, of which the Federal Republic and Berlin form part.

Nothing can be more clear than that. We are tied right into it.

Mr. WATKINS. That takes in not only territory in Europe, in Germany and France, but also takes in all the rest of the free world, does it not, if there is any meaning behind it?

Mr. HICKENLOOPER. It takes in whatever we define as the "free world." It is up to the determination of the three powers.

Mr. WATKINS. It may be broad enough to take in South America.

Mr. HICKENLOOPER. If we determine that it is a part of the free world, I presume that is true.

A moment ago the Senator raised a point as to what guaranties or assurances have been given in connection with the tripartite declaration. I am aware of the answer of the Secretary of State to my colleague from Iowa [Mr. GILLETTE] when he asked the question in committee. I have a great respect for the legal research of the State Department, and I have great respect for the considered opinion of the Secretary of State when he gives it on a legal matter. Therefore, I do not consider his answer lightly, but I disagree with him. I do not agree that the tripartite declaration has no legal effect. I think it has complete legal effect when we adopt the treaty, because the tripartite declaration and the other documents are all interwoven in the treaty. In effect, as the chairman of the Foreign Relations Committee stated a moment ago, we ratify them when we ratify the treaty. These documents are implementing documents. They are explanatory documents, and they inhere in the ratification of the treaty, in my judgment. So I think the tripartite declaration does have legal effect.

I must take the positive statement of the Secretary of State, because I have no other evidence. He says that all the documents and all the agreements involved in this treaty complex which we are discussing have been submitted to us in this booklet. I am referring to Executives Q and R, together with the message of the President of the United States submitting the documents. I wish to state my understanding of the guaranties which we are assuming, or which we should be interpreted as assuming. This is one of the reasons laying the foundation for the interpretation which has been placed upon the treaty in the resolution of ratification.

Several questions were asked of the Secretary along this line. He was asked, "Suppose Germany should decide to withdraw from this agreement in a few years. What would be our obligations?"

Under the tripartite declaration that becomes a most serious threat for Germany as well as for the other countries. It endangers this organization. It becomes a most serious threat to the three countries, Great Britain, France, and the United States. We will then consult on the highest level of solemnity, which, in diplomatic double talk, means that the situation is becoming pretty hot. Under the understandings which have not been written down, I am convinced in my own mind that verbal assurances have been given that France does not need to worry, that we will come to her assistance at any time her integrity is in the least threatened from any quarter. So, taken all together, these documents are guaranties of the physical security of France.

We went further in the hearings. I and other Senators asked about the position we found ourselves jockeyed into with respect to protecting the French overlordship in Morocco and Tunisia, and perhaps Indochina. How far have we gone with silent understandings to guarantee the French colonial sovereignty in those places? The answer which we received to that question was

that our interests in Africa, for example, run along the line of the French interests, which relate to the defense of the free world. We never received the answer that we were defending the French colonial system as such, but that we were attempting to defend our own security and the security of the so-called free world, and that that is what the French are trying to do.

I have my own views on that subject, which are slightly different, but I think we have made guaranties, whether they are in writing or not. By the implications of the tripartite declaration and the statements in the Charter, I think we have made some rather far-reaching guaranties. That is why I want Congress to authorize military implementation of this treaty. I want to make certain that it does. I do not want to leave the situation in the twilight zone, for the Executive to interpret either way he wishes to interpret it, and plunge us into a conflict at some future date based upon Executive whim.

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

Mr. HICKENLOOPER. I yield.

Mr. WATKINS. How long, in the Senator's opinion, are these so-called guaranties, implied or direct, or however we may describe them, to run?

Mr. HICKENLOOPER. The whole complex of treaties potentially runs for 50 years. That is one of the dangerous things about it.

Mr. WATKINS. That involves an expansion of the duration of the North Atlantic Treaty.

Mr. HICKENLOOPER. The European Defense Community Compact runs for 50 years. NATO runs for 20 years. At the end of 20 years any party may cease to be a party 1 year after its notice of denunciation has been given. At the end of 10 years the parties may consult for the purpose of reviewing the treaty. However, we have tied NATO into the European Defense Community for a term of 50 years. That is why it is important.

Mr. WATKINS. I should like to ask the Senator if, in effect, the main provisions of the North Atlantic Treaty are extended for 50 years?

Mr. HICKENLOOPER. I presume the legal experts could interpret it both ways. In effect, I think it is extended for a period of 50 years. In my opinion, that is the basic effect. We are tied into a European entanglement for 50 years. Perhaps that is a good thing. I do not say that it is necessarily not a good thing, properly approached and properly safeguarded. There are some escape devices which could be used; but we might as well face the situation. We are hooking ourselves up to Europe for 50 years, subject to the qualification that there are certain means and methods by which we might be able to disentangle ourselves under certain circumstances. However, that is what it amounts to.

Mr. WATKINS. Can we disentangle ourselves without breaking our pledged word?

Mr. HICKENLOOPER. There are certain devices for disentangling ourselves. Let us assume that one or two nations should decide to withdraw and

and not cooperate. That would give us a reason to withdraw and not cooperate. At the end of 10 years we can consult the other nations with reference to the North Atlantic Treaty. No one can tell just what the attitude of all the parties will be at that time. There may be an opportunity to withdraw then, if certain nations do not do their share and implement the treaty as they should and can. Undoubtedly under such circumstances there would be ways and means for withdrawing under honorable conditions. I do not think the door is entirely locked. However, to all intents and purposes, under any kind of good-faith interpretation, and with reasonable co-operation on the part of the other parties, it is a 50-year deal.

Mr. SMITH of New Jersey. Mr. President, I think it might be relevant at this point to read articles 12 and 13 of the North Atlantic Treaty into the RECORD, because they provide for consultation at the end of a 10-year period, and for withdrawal at the end of 20 years.

Article 12 reads as follows:

After the treaty has been in force for 10 years, or at any time thereafter, the parties shall, if any of them so request, consult together for the purpose of reviewing the treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

Article 13 reads as follows:

After the treaty has been in force for 20 years, any party may cease to be a party 1 year after its notice of denunciation has been given to the Government of the United States of America, which will inform the governments of the other parties of the deposit of each notice of denunciation.

So apparently, under the North Atlantic Treaty, we could withdraw after 20 years.

Mr. WATKINS. Can we get out of this organization?

Mr. SMITH of New Jersey. In the light of the connection between the North Atlantic Treaty and the European Defense Community, the question is whether there is involved an additional length of time for all the agreements. The European Defense Community, to which we are not a party, is a 50-year proposition.

Mr. WATKINS. Is the Senator from New Jersey of the same opinion as the Senator from Iowa, that in effect this is an agreement which will run for 50 years?

Mr. SMITH of New Jersey. I do not so construe it. I do not know what the obligations would be.

Mr. WATKINS. Does anyone know how long it will run?

Mr. HICKENLOOPER. I should like to speak to that point if the Senator from New Jersey will yield.

Mr. SMITH of New Jersey. I yield.

Mr. HICKENLOOPER. We have not signed the European Defense Community Treaty, but we have agreed to guarantee the integrity of the nations belonging to it against attack. There is no doubt that we are caught in it, even

though we have not signed the treaty. I do not say that we should not be in it. Perhaps we should be. I am trying to look at the situation fairly and objectively. When we make such a guarantee we are tied up with a great responsibility, whether we actually sign the treaty.

Mr. WATKINS. In other words, it is an obligation from which we cannot withdraw before 50 years.

Mr. HICKENLOOPER. I think that we assume obligations which may easily continue for 50 years under many conditions. There are conditions under which we probably can get out of our obligations. We discussed some of the possibilities. A sovereign nation can always serve notice of repudiation of any treaty after a period of time. There is often involved the question of national honor, and whether the world will criticize a nation for going back on its word or accept its excuse as a good reason for withdrawing. We try to be an honorable nation, and we try to honor our obligations. We always do. I am sure that we will continue to honor our obligations.

Mr. WATKINS. What was the point of view of the State Department as to the length of time we were obligated?

Mr. HICKENLOOPER. That point is very fuzzy, so far as my understanding is concerned. I do not think it is clear in the record. The State Department has the view that we are implicated in several documents, and they take the position, I believe, that we can, under various conditions, get out of the North Atlantic Treaty. However, so long as everything goes all right, what difference does it make how long it continues? If it does not go all right, and other nations do not live up to their obligations, we can get out of our obligations.

Mr. WATKINS. I have in mind that they will live up to their obligations.

Mr. HICKENLOOPER. I will say to the Senator from Utah that if the European Nations had up to this time done their full share under their agreements and understandings and honorable interpretations of what they said they would do, I would have no hesitation about going forward with this proposal under reasonable safeguards.

Had the European community been a success up to this time, I would have no hesitation, as I say, but I think, in the main, it has been all paper and all talk.

I should like to call attention to the fact that every time the French Government attempts to implement their participation in the North Atlantic Treaty the Cabinet falls. They can sign all the documents they want to sign, but every time when it comes down to hard-rock implementation, the Parliament which proposes it is kicked out of office. That will happen again, in my opinion, when the chips are down and the French must put their nose to the grindstone and implement their obligations in the physical operation of NATO. I hope they can get to the point where they will be able to implement it. However, that is the history up to now. I would feel better if it were not a one-horse, one-rabbit trade, in which we give the horse and get the rabbit from the other countries. I

want to go along with everything we can reasonably do to help create unity, but I should like to see a greater practical implementation on the part of the European nations who will be the first to be attacked in any invasion from the east.

Mr. SMITH of New Jersey. That comment applies to NATO as well as to the new convention and protocol.

Mr. HICKENLOOPER. There is a little difference, however. The convention and protocol are contractual agreements with Germany, and they are tied into NATO and the defense set-up by some clauses in the contract. However, the major purpose is to define the legal situation of Germany and to bring West Germany into the defense community, as well as hold out an opportunity for a later unification of a free Germany oriented to the west.

Mr. SMITH of New Jersey. That is correct. That is a worth-while objective.

Mr. HICKENLOOPER. I think the objective is worthy.

Mr. SMITH of New Jersey. It is most desirable to bring West Germany into the picture.

Mr. WATKINS. May I ask the Senator from Iowa one other question?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. In view of what he had said about the reluctance of the French to implement the North Atlantic pact and the programs worked out under it, what opinion does he have with respect to whether the French nation will ratify the convention and protocol?

Mr. HICKENLOOPER. I do not know what the French are going to do. I can only call attention to a statement I read in the press last Friday or Saturday. It was made by General Juin, who is now the ground commander of the so-called NATO troops in Europe. He had just returned from Tunis in French Morocco, where he was the French commander. Before a meeting of Frenchmen last week he said that if America was not careful the French would walk out of the deal and withdraw from it. That was the report which I read in the press. Therefore, I do not know what the French are going to do. General Juin is a very important man in France. He is the top military man, as I understand. According to the dispatches, he said that France would step out of this deal if America were not careful. In other words, they will take their ball and bat and glove and go home if we do not play the game according to their rules.

Mr. WATKINS. And pick up all of the machinery and plants and everything else we have given them. I suppose they will take all of that, too.

Mr. HICKENLOOPER. Oh, yes; that is something that we should speculate on.

Mr. SMITH of New Jersey. The convention with Germany which we are discussing does not go into effect unless EDC is ratified by the parties.

Mr. HICKENLOOPER. That is correct.

Mr. SMITH of New Jersey. The convention with Germany is tied up with all the countries which ratify the European Defense Community agreement.

Mr. HICKENLOOPER. The convention does not go into effect until the European Defense Community agreement or treaty has been ratified. Incidentally, not one European nation has ratified the European Defense Community agreement. My personal feeling is that we are rushing into this situation too fast. I do not see any necessity for our considering it now. There is no real basis for the United States rushing into it. However, as always during the past few years, we are rushing in first and getting ourselves tied up. I have not made any motion to postpone consideration of the convention, but my personal view is that we are rushing into it too swiftly. There is no necessity for rushing into it. However, I am perfectly willing to go along, and I shall make no attempt to slow it up, because the majority opinion seems to be that we should rush into this agreement, without any other European nation even indicating that it will ratify it. We know that Germany is not going to debate the issue until late in September or November.

Mr. WATKINS. I should like to say to the Senator from Iowa, in view of what he has said, and in view of the fact that he is a member of the Committee on Foreign Relations, that he has made a very significant statement. We are being rushed, during the last session of the Eighty-second Congress, to ratify a convention which I doubt as many as half a dozen Senators have read, or know what it contains. Nevertheless, we are asked to ratify it in the last few days of the last session of the Congress, even though we do not know that the other parties are going to ratify it.

Mr. HICKENLOOPER. I may say in all candor that my position on the Committee on Foreign Relations is a very humble one indeed. In the past few years I have found myself in many cases a very small minority of the Committee on Foreign Relations. I have great respect for the judgment of my colleagues on the committee, but I have been unable to agree with them. So my position is a very humble one, and no doubt it is a completely ineffective one as well.

Mr. SMITH of New Jersey. I wish to say that I think the Senator has always made a very important contribution. I have agreed with him on many occasions, although not always.

I do not agree with him with respect to any delay in ratifying the treaty. I believe we should ratify the treaty promptly.

Mr. WATKINS. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. In view of what the Senator from Iowa has said, does the Senator from New Jersey think it highly important that we ratify this treaty before there is stronger public opinion behind it in Europe among the other countries which must ratify it?

Mr. SMITH of New Jersey. Of course, if the other countries do not wish to ratify it, it will not go into effect.

The European Defense Community is the key to the whole program, and it must go through, too. That is what

General Eisenhower gave so much of his attention to, in order that there might be a European Army and the necessary number of divisions formed. That is the very thing I have hoped to have brought about by means of the Mutual Security program. All those things are parts of the picture.

That is why I favor early ratification of the treaty, in order that we may be able to carry through the program as quickly as possible.

If the treaty is not ratified by the other countries, even though we ratify it promptly, at least the blame will not be ours.

Mr. WATKINS. It seems to me that in view of all that we have been doing to help the people of Europe, if they are not converted to this treaty, we shall have some very shaky and weak allies there.

Mr. SMITH of New Jersey. I am sure that Adenauer and Schumacher are thoroughly converted to it.

The question facing us is whether we shall turn our backs on the entire plan, in which case it will be in very great danger of failing entirely, or whether we shall lead in this effort. If we give the necessary leadership, we shall have done all we can do to fulfill our responsibility. As I view the matter, as one Member of the Senate, we shall be saying, "We are willing to do this, and we trust that you will ratify the treaty promptly. If you do not ratify it, our action will not count."

Mr. WATKINS. Mr. President, I have been very much interested in what the Senator from Iowa has said regarding the fact that up to date all the plans are on paper.

Mr. SMITH of New Jersey. I agree in part, but not entirely. When some of us were abroad and had detailed conversations with our representatives there, we became convinced that although the plans are largely on paper, yet a great deal has actually been done.

Mr. WATKINS. Specifically, aside from passing resolutions, what have those countries done to implement a program upon which we can rely in the future?

Mr. SMITH of New Jersey. Of course, we covered that matter in detail in connection with the mutual security program. The nearest to what the Senator from Utah has in mind is the Lisbon agreement, which provides for the formation of a certain number of divisions by the end of 1952 in various of the European countries.

Mr. WATKINS. That is another agreement. But what have the Western European countries done to implement the agreement?

Mr. SMITH of New Jersey. The divisions are being formed.

Mr. HICKENLOOPER. Three days after the French Premier who signed the Lisbon agreement returned to Paris, his cabinet fell and he no longer was Premier.

Mr. SMITH of New Jersey. Of course, that is one of the problems we face. On the other hand, those countries are really taking action.

Mr. WATKINS. It is one thing to sign agreements, but it is quite another to carry them out.

I wish to go along with the program; but I believe the American people desire to know, as I do, what the other countries will do under the program, before we authorize it.

Mr. SMITH of New Jersey. The Senator from Utah has always been most cooperative, and I think he takes a correct position.

Mr. WATKINS. This agreement will affect generations of Americans yet to come, and I believe we must be sure that our people will not be tied up in an organization which will be a drag on our future and may endanger our very existence.

If this plan has the backing of the peoples of the other countries, that is one thing. On the other hand, if the opposition to the plan in those countries, which has been described in the dispatches which have come to us, is so strong that there is no likelihood of having unity in those countries in favor of the agreement, it may be a dangerous one for us to enter into.

In other words, if we are to have allies, our allies must be ready to go all the way with us. On the other hand, if they are split in the middle, they are not likely to help us to defend the free world.

Mr. SMITH of New Jersey. The Senator from Utah's points are very well taken, and I do not disagree with him at all.

We must choose as between the alternatives: Shall we take the initiative and move along the road that is before us; or shall we say, "No; we will do nothing"? If we say we will do nothing, I believe nothing will come from this movement. I say this very frankly, because I do not believe any other country is in a position to take the leadership.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. HICKENLOOPER. I wish to say to the Senator from New Jersey and to the Senator from Utah that it is entirely possible that the Senate of the United States has seldom taken a step so important as the decision it will make on this treaty, in addition to the decision the Senate has made on the protocol to the North Atlantic Treaty, and all the arrangements which thereby will be brought into being.

I am sorry indeed to see that the Senate Chamber is almost empty at the time when this question is being discussed. Whether the Senate as a whole agrees with my position in every case or does not agree with my position, makes little difference.

I believe the Senate as a whole should have heard the discussion on the part of the chairman of the Committee on Foreign Relations, and I believe that more Senators should have been in the Chamber to hear the discussion by the Senator from New Jersey. Senators should be here to learn more about this most vital and historic matter and the step that it is proposed the Senate take in connection with this treaty.

Mr. SMITH of New Jersey. I agree with the Senator from Iowa.

Mr. HICKENLOOPER. I hope the Senate will become a little more attentive to this matter before the vote is taken on a proposal which may determine the destiny of our country for unknown generations to come.

Mr. WATKINS. Mr. President, if the Senator from New Jersey will yield to me, permit me to say that I agree wholeheartedly with what the Senator from Iowa has just said. If we spend more time in investigating proposals before we agree to them, we probably shall have less difficulty in the future. As a shining example of that situation, I refer to the present Korean war. If we had given more thought to that situation before we entered it, we probably would not be in the position in which we find ourselves today. We cannot afford many more Korean episodes. We cannot afford to be tied to a commitment to send our materials and our men all over the world, and at the same time leave ourselves practically undefended at home, unless we are to be reasonably sure of the wholehearted cooperation of the peoples who believe as we do.

On the other hand, if those peoples are split, as the recent dispatches indicate is the case in England, Germany, and France, we should know about that situation and should give our serious consideration to it.

I deplore that not more Senators are on the floor at this time, for what we do in the foreign field has tremendous effect upon our lives, and determines whether there will be controls, inflation, heavy expenditures, heavy taxes, and broken homes, as a result of having men of America taken from their families and their ordinary pursuits. Moreover, we know that steps such as the one now proposed may completely endanger the entire future of our country.

So it seems to me we must give greater consideration to the agreements we make, unless we intend to take them lightly and to say, "Oh, well, if this agreement does not work out all right, we shall get out of it." Certainly we do not wish to take that attitude. I have the highest respect for the honor of our Nation, and we must honor our obligations.

Therefore we should give more careful consideration to the steps it is proposed that we take, and we must give more consideration to avoiding getting into trouble, so that we shall not have to spend so much time and trouble and so many human lives in getting out of trouble.

Mr. SMITH of New Jersey. I agree with the Senator from Utah.

Previously in my speech on the Mutual Security Program, Mr. President, I gave the figures in regard to the foreign forces that are in being at the present time. Today those forces have reached more than 50 percent of the Lisbon goal, as set for the end of 1952. In other words, in about one-half of the time about 50 percent of that goal has been reached.

Mr. FERGUSON. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. FERGUSON. Are the actual numbers secret?

Mr. SMITH of New Jersey. The actual numbers by country are secret.

Mr. FERGUSON. I so understood.

Mr. SMITH of New Jersey. The Lisbon goal, of course, calls for 50 divisions, of which 25 shall be fully active by December 1952, and the others readily mobilizable.

Mr. FERGUSON. Then is the Senator from New Jersey saying that at the present time 25 divisions are actually in existence and armed?

Mr. SMITH of New Jersey. The goal at the end of 1952 is 50 divisions, of which 25 are to be fully armed and combat worthy, and the other 25 are to be partially equipped, depending upon the speed of our implementation of equipment. I am not sure of this, but I think that at the present time approximately 25 divisions are in being.

Mr. FERGUSON. That is what I had in mind. In other words, that would be about half the goal.

Mr. SMITH of New Jersey. That would be half the total goal for the year 1952. Mr. President, I yield the floor, unless there are further questions.

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

Mr. SMITH of New Jersey. I apologize. I remember that the Senator from South Dakota told me he wanted to ask some questions. I yield to the Senator from South Dakota for a question.

Mr. CASE. What would the Senator say is to be the position of Berlin with respect to the Federal Republic of Germany, under the compact?

Mr. SMITH of New Jersey. I think the best answer to that is to read the section of the compact which is accepted in the Hickenlooper interpretation. Article 2 provides as follows:

1. The Three Powers—

That is, the three occupying powers who are parties to this convention with Germany—

1. The Three Powers retain, in view of the international situation, the rights, heretofore exercised or held by them, relating to (a) the stationing of armed forces in Germany and the protection of their security, (b) Berlin, and (c) Germany as a whole, including the unification of Germany and a peace settlement.

2. The Federal Republic, on its part, will refrain from any action prejudicial to these rights and will cooperate with the Three Powers to facilitate their exercise.

Mr. CASE. I noticed that article 6 contains references to Berlin.

Mr. SMITH of New Jersey. Let me add that Berlin is still occupied by Russia, on the one side, and by the Three Powers on the other. There is no change in that status.

Mr. CASE. Article 7 provides:

3. In the event of the unification of Germany the Three Powers will, subject to such adjustments as may be agreed, extend to a unified Germany the rights which the Federal Republic has under the present Convention and the related Conventions and will for their part agree that the rights under the treaties for the formation of an integrated European community should be similarly extended.

That contemplates the possible unification of the Russian zone, but not particularly of Berlin.

Mr. SMITH of New Jersey. Of course, if and when the Russian zone comes in and complete unification is achieved, that will bring Berlin in, also. At the same time, Berlin was treated as a separate problem. I may call to the attention of Senators the status of the city of Berlin, which appears on page 23 of the committee's report under the heading "City of Berlin."

Mr. CASE. Going back a little bit, in article 7 we read:

2. Pending the peace settlement, the Three Powers and the Federal Republic will cooperate to achieve, by peaceful means, their common aim of a unified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European community.

In other words, the compact contemplates that if there should be a unification of Germany, or if Berlin itself should be brought into the same status as that of the Federal Republic, it would not necessarily be the Federal Republic, but would be an organization similar to that of the Federal Republic.

Mr. SMITH of New Jersey. I believe that is what is contemplated. I know that during the hearing we asked what was meant by "a liberal-democratic constitution," and on page 11 of the same document from which the Senator is reading mention is made of the basic democratic order. The best definition we could get of the words "a liberal-democratic constitution" was the kind of constitution which the present Federal Republic of Germany has. It would not get away from the pattern.

Mr. CASE. The basic question about which I was thinking was this: Assuming that Berlin, in the Soviet zone, were to become a part of unified Germany, with a government like that of the Federal Republic, would the succeeding government automatically assume the obligations toward the Three Powers which are established for the Federal Republic in this compact?

Mr. SMITH of New Jersey. I should not think that that would happen automatically. I think we would have come to the place in unification where we would have to have a reconsideration of the whole subject. We are now merely contemplating unification in the future. I am not sure of that. I am now stating my opinion. But my judgment would be that we would have to have a reconsideration of the situation, if we were to bring about the unification of all Germany.

Mr. CASE. Does that imply that an escape from the obligations of the compact would be made possible by the unification of Germany?

Mr. HICKENLOOPER. Mr. President, if the Senator will yield, I should like to offer a suggestion.

Mr. SMITH of New Jersey. I yield.

Mr. HICKENLOOPER. There is in this treaty a provision that, if the circumstances change, the powers may then get together for the purpose of modifying or altering the treaty. In my judgment the situation referred to by the Senator from South Dakota would

be treated in that way. I mean the circumstances would be such that that clause might be brought into play.

Mr. CASE. Let there be no misunderstanding in the record, so far as the position of the junior Senator from South Dakota is concerned. I am thoroughly in favor of a compact with the Federal Republic. I thoroughly favor granting the Federal Republic the widest possible latitude in the control of its affairs, internal and external. If anything, I think a treaty with Germany has been too long delayed.

I remember saying, at the time the Japanese Peace Treaty was before us, it was anomalous that we should be ratifying a treaty with Japan before we had made a treaty with Germany. In fact, in 1947, when I was a member of a special committee of the House on aid for Europe, I said that we should not hesitate to do what we are now proposing to do, and that we should encourage the formation of Germany into a free republic, and should encourage unity between Germany and the Western World. So, Mr. President, let there be no misunderstanding about my attitude. It seems to me, however, it ought to be perfectly clear that the addition of Berlin, or the addition of the Soviet zone to unified Germany, should not mean a lessening of the responsibilities accepted by the Federal Republic. I do not think that in any sense the mere creation of a like republic should, so far as they are concerned, give the Federal Republic an escape from the obligations which they are now assuming, nor a lessening of their responsibilities. Through this compact we join with them in asking for the maintenance of peace in Western Europe.

Mr. SMITH of New Jersey. I do not think it would release them, but I agree with the Senator from Iowa [Mr. HICKENLOOPER] in thinking that a new situation would be created.

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

Mr. SMITH of New Jersey. I yield to the Senator from Michigan.

Mr. FERGUSON. As a rule, are not treaty obligations to be construed in the light of changed facts and circumstances? If an important change were to occur, such as the inclusion of East Germany with the Federal Republic, it might even require a change on our part, or, depending upon the circumstances, we might desire a modification of the treaty.

Mr. SMITH of New Jersey. I should think so. I believe article 10 covers the point raised by the Senator from Michigan. I read from page 13 of the compilation of documents:

ARTICLE 10

The Three Powers and the Federal Republic will review the terms of the present Convention and the related Conventions—

(a) upon the request of any one of them, in the event of the unification of Germany or the creation of a European federation; or
(b) upon the occurrence of any other event which all of the Signatory States recognize to be of a similarly fundamental character.

Thereupon, they will, by mutual agreement, modify the present Convention and related

Conventions to the extent made necessary or advisable by the fundamental change in the situation.

Mr. HICKENLOOPER. May I suggest to the Senator from South Dakota, if the Senator from New Jersey will permit, that I think one important point is that the Federal Republic of Germany is being dealt with in this treaty as and when it comes into effect as a sovereign nation subject to certain retained limitations on its sovereignty. In other words, we have troop rights, military rights, and there is established a board with some members appointed by Germany, some by the three powers, and some independent members which will pass on certain questions which may arise in connection with the settlement of the rights of foreigners and difficulties growing out of the war.

So I think the point is that West Germany is dealt with in the main and in principle on the basis that it is a sovereign nation. If that sovereign nation then undertakes to take in East Germany on unification, or to take in Berlin, that becomes a problem of whether this sovereign nation which has made a firm commitment can withdraw from it or can alter or change it without the conference to which the Senator from New Jersey has referred as contained in the treaty.

Mr. CASE. Of course, I would hope that it could not withdraw.

Mr. HICKENLOOPER. If we wanted to take some other country into the United States, the question of whether that country becoming a part of this country would assume and agree to obligations, or whether we would want to alter them in the light of changed conditions, is a matter similar to that which is covered by the treaty.

Mr. SMITH of New Jersey. Does that answer the Senator's question?

Mr. CASE. I think it does.

I should like to express the hope, however, that when unification comes—and I hope it does come for both Berlin and the eastern zone—it will be a joining of those additional areas with the Federal Republic, rather than the creation of a new government nearly like the present government. I should like to build on the foundations established in Western Germany for a new united Germany.

Mr. SMITH of New Jersey. I think I agree with the Senator. We have laid the foundation, and we should follow through with it.

Mr. HICKENLOOPER. So long as the Senator has brought up the subject, let me say that no one can tell exactly what the situation will be in the future. But assuming, for instance, that East Germany, with a satisfactory east boundary—and, of course, that is a problem which may not be settled for a long time—should become incorporated with West Germany into the Federal Republic of Germany, which is a technical name for the new nation which is being created; suppose they wanted to come in and accept the conditions, and make a completely unified Germany, accepting all the terms and conditions of the treaty; there probably would be very little discussion, but probably paper

work and detail. Suppose, however, the Federal Republic of Germany wanted to unite with East Germany and create a new entity, with a different approach to some of their basic laws and a different approach to some of their international situations, that would involve the Federal Republic of Germany withdrawing from the obligations which it has assumed in the treaty, thus endangering the unity which is being created under the compact, and ending the so-called consultations which are provided for in the treaty.

Mr. SMITH of New Jersey. That would bring article 10 into operation.

Mr. CASE. My question was whether they would create a new government or join the present Government. My hope would be that it would be the present Republic which would be extended, rather than creating a new government.

Mr. SMITH of New Jersey. Mr. President, I yield the floor.

During the remarks of Mr. SMITH of New Jersey,

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

Mr. SMITH of New Jersey. I yield to the Senator from New York.

Mr. LEHMAN. I ask unanimous consent to have printed in the body of the RECORD, at the conclusion of the remarks of the Senator from New Jersey, a statement which I have prepared on the subject of the convention on relations between the three powers and the Federal Republic of Germany and the protocol to the North Atlantic Treaty.

The PRESIDING OFFICER. Is there objection?

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

STATEMENT BY SENATOR LEHMAN

I shall vote to approve the proposed compact with the Western German Republic. In my opinion, at the present moment, under the circumstances we face, and on the basis of the arrangements made, we have no alternative.

But I would be false to my conscience if I did not pronounce my fears and express my misgivings. I wish we did have an alternative.

But today we are in the grip of forces we cannot control; we can only keep alert to them. We have had to make a choice between including Western Germany as an equal partner in the Atlantic community of free nations or of taking the chance that Western Germany would fall under Soviet domination.

We have made what has seemed to our own foreign and military policy makers the only possible choice. I accept that choice. And I must vote for the compact which has been worked out to implement that choice.

I do not believe in fact that Western Germany is yet ready to assume the full obligations and responsibilities of equal partnership in a defensive alliance of the free world. It is only 8 years and a month since Nazi Germany surrendered, after the most terrible world conflict, the most awful destruction, and the most barbaric interlude the world had known up to that time. It seemed almost a miracle, in retrospect, that the world was saved from conquest and enslavement by this same nation, whom we must now, perforce, embrace as an ally.

It is true that this nation or that part of it west of the Elbe had adopted a democratic regime. Its leaders are today believers in democracy. The party in power

and the chief opposition party accept constitutional processes.

But no observer who has been in Germany is satisfied that the elements within Germany which gave rise to nazism have been rooted out or even permanently chastened. Super-nationalism is still there. Racial prejudice and racial philosophy still have powerful tap roots into the subsurface of the national life. And the martial spirit which we once condemned so bitterly is now being encouraged by us, for Germany must contribute, it is said, to the defense of Europe.

The German people, naturally enough, are demanding a price for their participation in the defense of Western Europe. It could not be otherwise. That price is set down, in part, in the pending compact. Germany must be freed of most of the restrictions imposed upon her in defeat and surrender. She is to be regarded as a sovereign nation, with all the attributes of sovereignty, including responsibility for keeping the peace and maintaining a democratic regime.

If the price set down in the compact were the full payment no one could object; it would certainly be, in major respects, an equitable arrangement. But there are many keen observers of the German scene who believe, regretfully, that this is but a down payment, and that, by the natural force of events, greater and greater payments will continuously be demanded, and that we shall have no alternative but to make those payments.

No one questions the good faith of the present leaders of Western Germany. Chancellor Adenauer is, according to all accounts, sincerely devoted to, even determined, to honor all the obligations which Germany has accepted under the pending contract. Chancellor Adenauer is, I believe, a firm believer in democracy, and is deeply committed to the cause of freedom and of a free and united world. He understands more clearly than most the dangers of resurgent nationalism and racism in Germany. He is firmly committed to the cause of the west.

The leader of the chief opposition party, Dr. Kurt Schumacher, is equally, I am told, a convinced believer in democracy. He is a fervent crusader for freedom and for social justice, although his attitude toward German participation in the European defense effort on the present terms is less than enthusiastic.

My uneasiness and mental reservations in regard to the proposed pact do not stem from either of these leaders. They stem from the fact that, in my judgment, Germany is being cast in a role in which extreme elements may have an increasing appeal to the German people. And the safeguards against such a development may be, I fear, insufficient to control the course of events.

I do not say that at this time we are in a position to establish more adequate safeguards. Perhaps it is too late for truly effective safeguards.

But when we had the authority and the power, we did not use them effectively for the purpose of strengthening the internal forces within Germany which could have banished the fears some of us now entertain. Perhaps it was not possible. Certainly the tension of struggle between East and West within Germany and over Germany left little time or disposition for a basic treatment of the real problem of Germany.

So today we can only hope that what we have done, and what we are here doing will contribute to the cause of peace and security, and the cause of justice. We can only hope that what we have done and are doing will redound to the best interests—the long-range best interests—of the German people.

I wish the German people well. With a whole heart I would welcome them back into

the Atlantic community of free and equal peoples, to dedicate their unquestioned genius and talents to the cause of a peaceful and prosperous world. Whether we have done and are doing the right thing to provide a true welcome, and a true return is a mystery I cannot fathom. Time holds the answer to that riddle.

I only say, before casting my vote in favor of this compact, that we must not be blind to the dangers we create by this act. We must never cease to encourage the democratic elements within Germany, nor to discourage and to resist, in every proper way, the growth of elements which can endanger the peace and security of Europe and the world just as surely as do the evil forces on the other side of the Elbe. We must remember that the will in Western Germany to reunification with Eastern Germany is a force so potent that it cannot be measured in purely diplomatic, ideological, or military terms. That force must always be reckoned with.

I pray with all my heart that what we are doing here today will be for the benefit not only of the German people, and of the American people, but of all the peoples of Europe and will not come back to plague us in the years ahead.

Mr. GILLETTE. Mr. President, the colloquy which has taken place within the past 10 minutes between Senators on the other side of the aisle illustrates the provisional or temporary nature of the compacts which are now before the Senate.

It is encouraging to everyone who has engaged in the titanic struggle to secure and maintain the peace of the world that the hearings held on the pending convention by the Senate Foreign Relations Committee show conclusively that that committee was fully alert to the gravity, the scope, and the implications of these compacts, and examined with great care the realities lying below the surface of these agreements and also the possible consequences which may flow from putting them into effect.

That was the subject of the discussion we have just heard. We have been ready to act speedily on these agreements so as to have a desirable effect on the deliberations of the parliaments of France and Germany. We must certainly act in such a way as to produce the desired result. But in our discussions with the committee we did not hurry over these questions which have such a profound bearing on the future peace of the world and of the survival of our civilization.

The committee approved the agreements, and the Senate is going to ratify them, I am sure, very speedily and unanimously. In the circumstances, this is the only conceivable action for us to take. Delay or hesitation on our part would be open to misinterpretation abroad. Refusal to ratify, in view of the leadership of our Government in bringing about these agreements, is unthinkable.

With respect to the rearming of Germany and establishing a community containing only a portion of the partitioned Germany, we cannot at this time revise United States policy. If we accept the military estimate that Europe cannot be defended against Russia without an armed German force, then we must accept the consequences

of the estimate and proceed with the rearmament of that portion of Germany which is subject to our influence and negotiation. Whether this rearmament of Germany should take place within the framework of the European defense community rather than within a larger structure is a matter which the Senate cannot debate at this time. That is the way it is going to be done, whatever we may think of it.

Nevertheless, Mr. President, let us have no illusions about what we are doing. We must be prepared to assume the enormous risks and tremendous commitments which rearmament of Germany within a European framework entails. It must never be said that the Senate of the United States approved this policy and its implementation without knowing precisely and fully what was involved. It should also be recognized that these agreements are not going to bring about a permanent structure in Europe. They are not the culmination of policy; they are the barest beginnings of a policy. They are provisional and temporary. They will be revised and amended as time goes on.

When these agreements and the European defense community treaty have been ratified by all interested parties, the process of German rearmament can begin.

The signatories to the EDC treaty hope and believe that the rearmed Germany can be contained within the framework of the European defense community. It seems vital that the Senate know the assurances that exist to further the realization of this expectation.

During the hearings on these conventions, I submitted seven written questions to Commissioner McCloy. Question No. 5, which is found on page 103 of the hearings, is as follows:

This is question No. 5:

What is the exact nature of the guaranties which the United States and her European allies have against a possible withdrawal of Germany from the European Defense Community?

This is the answer of Commissioner McCloy:

Answer. The US and UK Governments have made an explicit statement in the tripartite declaration issued at Paris on May 27, 1952, that any action from whatever quarter which threatens the integrity or unity of the European Defense Community will be regarded by the two Governments as a threat to their own security. Such a threat could come either from without or within the Community. Although the US/UK Armed Forces in Europe (including the Federal Republic of Germany) will be stationed there for purposes of the common defense and the statement is not directed against any particular country, it seems clear that action by any single country to withdraw from the Community would in practice be impossible while such forces continue to be stationed in Europe for the defense of the North Atlantic Treaty area. Furthermore, the close interrelationship between NATO and EDC and the fact that the European Defense Forces will be under the Allied Supreme Commander will be further safeguards against such a possibility. The complete interrelationship of the basic industries of the participating countries through the Schuman plan will be an

additional practical guaranty against withdrawal by any one nation.

Mr. President, I wish to comment on the guaranties which were listed by Commissioner McCloy in answer to my question as to what guaranties existed. First, in the tripartite declaration of May 27, 1952, the United States and Britain have explicitly stated that any action which threatens the integrity of unity of the EDC will be regarded as a threat to their own security. This means that if Germany withdrew from the EDC, we would consult with our allies and seek some other means of meeting the threat to our security. The declaration does not itself constitute a real guaranty, but only a diplomatic or legal guaranty. It would have to be backed up by force of some kind.

This is the second guaranty he listed: Action by a single country to withdraw from the EDC would in practice, Mr. McCloy further states, be impossible while the United States and the United Kingdom forces continued to be stationed in Europe. They are to stay in Germany under the terms of the contractual agreement so long as the agreement remains in effect in its present form. Thus, the physical presence of six American divisions and a number of British divisions in Western Germany constitutes a real guaranty so long as they are there.

The third guaranty to which the Commissioner alluded was that EDC forces will be under the Allied Supreme Commander. This is another legal-type guaranty. If the Allied Supreme Commander were defied, his control over the EDC would prove purely nominal, unless he used troops to compel obedience. It is the troops again who provide the real assurance, not the treaty terms.

The fourth guaranty he listed was the Schuman plan. The Schuman plan will bring about such a complete inter-relationship of the basic industries of the member countries that it will be an added practical guaranty against one member withdrawing, says Mr. McCloy. This sounds like a real guaranty; but since it is based on legal and diplomatic arrangements which can be altered or broken, it is not a real guaranty in the same sense as the presence of British and American troops.

Then, Mr. President, since the really effective guaranty of the integrity and unity of the EDC is the presence of British and American troops on German soil, we may properly ask what would happen to the EDC and to Germany's relationship to the EDC if those troops were no longer there? If the really effective guaranty is removed, does it not follow that, should any member nation wish to withdraw from the EDC, or from the Schuman plan, she could do so by her own decision, and with no power able to prevent it?

Conditions now prevailing in Europe, in Britain or the United States are not going to remain permanently as they are today. What if a new administration came into office in the United States and decided to pull American troops out of

Germany? What if a new government in Britain decided to cut its continental commitments and withdraw its troops? What real guaranty would then remain to the other allies in Europe that Germany would not withdraw from the EDC?

Or, approaching the same problem from another angle, suppose that, as Germany resumes its independence and grows stronger, the nationalist spirit becomes dominant again. This is certainly not out of the question. Suppose that the Germans demand that United States troops leave their country, and suppose popular passions sweep Germany as they have swept India and Egypt and Indonesia and other countries occupied by foreign troops, or where foreign troops have been stationed in the name of common defense. How will we deal with this problem before world opinion, if the Germans say they do not want us to remain there and do not need the defense of our troops?

If we are obliged by German public opinion, encouraged by Communists, neutralists, nationalists, and so forth, to pull our troops back from Germany, what then remains of the real guaranty backing the EDC?

It can be argued that this will not happen, because the German people in large numbers are now eagerly European-minded, and that the German Government is one of the principal supporters of the idea of European union. But we will not always have the same German leaders to deal with. Not only will the composition and the policy of Western Germany change, but if Germany is reunited, as the overwhelming majority of Germans want it to be, a wholly different set of forces, with new leadership, will come to power in Germany. The climate of opinion in the country will surely change, and not necessarily for the better.

I am not saying those things are likely to occur, but in estimating the commitments we are making and the responsibility we are assuming, we would be derelict in our estimate of our responsibilities if we did not anticipate what might possibly occur.

Article 10 of the contractual agreement, which the eminent Senator from New Jersey has cited two or three times, specifies that the agreement will be reviewed and revised under certain conditions. One of these conditions is the unification of Germany. What would we do if a unified Germany of 70,000,000 people decided that they did not want to remain in the EDC, that they wanted to be neutral or set up a third force, that they wanted us to withdraw our Armed Forces from their country, that they wanted to work with the Soviet bloc against the west? Where would be the guaranties against this kind of threat?

Furthermore, all these agreements are essentially predicated on the continued partition of Germany—the very thing which the Germans want to end as soon as possible—a desire with which we fully sympathize.

If the West Germans come to believe that their membership in the EDC pre-

vents unification of their country, will they not strain every muscle to break away from the west—especially if the Russians offer the tempting bids they have at their disposal: Return of the eastern provinces, return of the territories occupied by Poland, markets in the Soviet bloc and in China, even partnership in a new try for conquest of the world? The Russians have most of the trumps in the game of unifying Germany. If our troops were obliged to leave Germany, for one reason or another, what real power would then remain to us to prevent their accepting these Russian offers?

In answer to another question of mine, No. 6, Mr. McCloy replied that Germany would not be able to dominate the EDC because (a) of the structure and procedures of the European Defense Community and the voting power of its members; (b) and the nature and size of the German contribution to the EDC which are not fixed by Germany but by the EDC.

Yet again, this is predicated on Germany remaining partitioned, with the western part in the EDC and the eastern part held by the Communists. Even if German reunification does not take place, the tremendous economic and industrial revival in Western Germany is going to increase Germany's weight in the EDC regardless of what the other members think or do.

If Germany is reunited, does anyone expect that the EDC will retain the same structure and procedures and voting power? Will 70,000,000 Germans be content to accept a position of equality with 45,000,000 Frenchmen or 45,000,000 Italians, especially in view of the immensely superior German economy?

Whenever Germany is strong enough or the situation is ripe enough, she will try to reunite. The minute this occurs, the whole European picture will change in radical fashion. Whenever Germany is united she will be strong enough—in manpower, in industry, in organization, in efficiency—to dominate Western Europe, regardless of what the French or the British or we want to do about it. Is there a man alive willing to predict that such a German-led Europe would necessarily remain within the Atlantic framework? Our whole policy is to place Germany in a purely European continental framework, and hope to keep that European structure within the larger Atlantic frame. But if Germany succeeds in dominating the European structure, it will be she, and not we, who will determine whether a German-dominated Europe stays with the west, takes a neutral third force position, or collaborates with the Russians.

We must and should proceed with the ratification of these agreements. But we should all keep in our minds that this is not the last word on this problem, but is only one of the first words. We are not building an edifice. We are building a foundation for an edifice. If we imagine that by approving these agreements, we shall obtain a German contribution to European defense which will then make it possible for us to withdraw

our troops and bring our boys home again, then we will be making the greatest mistaken assumption of the year.

My only positive contribution to this problem is the suggestion that we think less about integrating Europe, which most probably cannot contain Germany, united or not, and more about integrating the Atlantic community so as to bring Germany into a framework where she can be a vital but not dominant force because of British and American power in that framework. To have a united Germany within NATO and the Atlantic community will be imminently desirable and it will be far more possible than to try to hold her in a European community and keep the European community on our side in the critical months and years ahead.

I close with this repeated statement: It is my fervent hope that there will not be a vote cast against the ratification of the conventions which are before the Senate, that there will be no crippling reservations, and that the action will be as speedy as possible.

Mr. President, I wish to emphasize, with all the force I can bring to bear, that this is a preliminary step. It is a provisional step, and until it is supplemented by something that is more definite, we have nothing in the way of a guaranty to our hopes except the mutual confidence and the stationing of American and British troops in the area affected.

Mr. WILEY. Mr. President, I rise to join with the distinguished Members of the Senate who have spoken before me to urge ratification of the two agreements with respect to Germany which have been presented to the Senate for ratification.

I fully recognize what the distinguished Senator from Iowa [Mr. GILLETTE] has just said, that this is not the consummation of a problem. It is the first step toward a consummation which may require 50 or even 100 years, or may never occur. We are facing international facts, and we are shaping international policy. We are recognizing that the world is still on fire. We have put out some of the bonfires on the globe, but in putting out the Nazi fire we have created a source for still greater fires, namely, the Kremlin.

THE NATURE OF THE TWO AGREEMENTS

The first of these agreements is the convention on relations between the Three Powers and the Federal Republic of Germany. This important measure was signed at Bonn, capital of the Federal Republic on May 26, at a ceremony which I was privileged to attend.

The second is a protocol to the North Atlantic Treaty extending the guaranties of that treaty to the European territory of the members of the European defense community. There are six members of the European defense community; five of them are already members of the North Atlantic Treaty. Thus, the only practical effect of this protocol is to extend the protection of the North Atlantic Treaty to Germany. That is very significant. We must recognize that in trying to understand what we are doing here today.

Mr. President, anticipating the favorable report by the Senate Foreign Relations Committee, I had already spoken in the Senate on June 6 in favor of ratification of these agreements.

I wonder if we should not stop to ask ourselves: What other course is open? What do we want to do? Do we want to maintain the status quo? What is the status quo?

No one knows what the status quo will be tomorrow, because the Kremlin is in the saddle over there. But when we move, as we are moving today, we are taking over the reins and we are indicating to the Kremlin and to the world that we are planning for a united, effective Europe; and that the free nations of Europe are moving, slowly at times and more rapidly at other times, toward unification, politically and economically.

I pointed out that we really had no feasible alternative but to ratify. I based my conclusion on my personal experiences in Europe, on my first-hand talks with diplomatic leaders of the German Federal Republic and other western nations.

At this time I shall not take a great deal of time of the Senate to present in elaborate detail further reasons for approval of these agreements. I believe that by and large the importance of these agreements is clearly understood and, besides, the hour is growing late in this, the second session of the Eighty-second Congress.

I should like first, however, to ask unanimous consent that there be printed a brief résumé of the principal agreements which were signed relative to Germany.

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

RÉSUMÉ OF AGREEMENTS

The first of these treaties, and one of the two which are before us for ratification, is the Convention on Relations Between the Three Powers and the Federal Republic of Germany. This convention restores to the Federal Republic full authority over its external and internal affairs except for matters relating to (a) the stationing of armed forces of the Three Powers in Germany; (b) Berlin; (c) Germany as a whole, including the unification of Germany and a peace settlement.

The Three Powers also retain ample authority to deal with any emergency which may arise.

There are three subsidiary conventions to this main convention. They are provided for by the main convention; and although they are not themselves before the Senate, they will be approved when we ratify the main convention. These subsidiary conventions are:

1. Convention on the Settlement of Matters Arising Out of the War and the Occupation: This is something of a housekeeping convention, providing for winding up all the odds and ends left over from the occupation. It deals with such matters as the decartelization and deconcentration of industry, the restitution of property seized by the Nazis, displaced persons and refugees, foreign claims, civil aviation in Germany, and diplomatic facilities of the Three Powers in the Federal Republic.

2. Convention on the Rights and Obligations of Foreign Forces and Their Members in the Federal Republic of Germany: This

convention establishes the conditions under which our Armed Forces will be stationed in Germany. It was negotiated in close consultation with the Department of Defense, which has expressed its entire satisfaction with what has been provided. The convention deals with such matters as criminal and civil jurisdiction over the members of our forces in Germany; the rights of the forces to move about the country, to use communication and transportation facilities, and to take other measures necessary for defense; the German customs and tax treatment of the forces, and German support of the forces through the provision of supplies, services, and labor.

3. Finance convention: This convention regulates the financial arrangements for the foreign forces stationed in Germany. Perhaps its most important provision is the obligation of the Federal Republic to make a continuing contribution to western defense comparable to the contributions of other participants. Until June 30, 1953, this contribution is set at 850,000,000 Deutsche marks a month—about \$210,000,000. After June 30, 1953, the contribution will be determined on the same basis that the contribution of NATO countries to the common defense is determined.

The second document before the Senate for ratification is a protocol to the North Atlantic Treaty extending the guaranties of that treaty to the European territory of the members of the European Defense Community. There are six members of EDC, and five of them are already members of NATO; so the only practical effect of this protocol is to extend the North Atlantic Treaty to Germany.

As I indicated, these treaties are only part of a much more complex network of agreements, which the Senate is not called upon to ratify but which are nonetheless of transcendent importance. I shall try to summarize these agreements, statements, and understandings briefly:

First, the treaty constituting the European Defense Community. This is signed by France, Italy, Belgium, the Netherlands, Luxemburg, and West Germany. Those six countries agree to pool their national armies into an international European army, which will have a common uniform and a common training program and will be under the international command of General Ridgway.

Second, a protocol to this treaty in which the members of the European Defense Community agree to regard any attack on a member of the North Atlantic Treaty Organization as an attack on themselves.

Third, a treaty between the United Kingdom and the member states of the European Defense Community in which the United Kingdom and the members of the EDC give one another reciprocal pledges of assistance in case of armed attack on either.

Fourth, a tripartite declaration by the Governments of the United States, the United Kingdom, and France stating their great interest in the success of the new security arrangements in Western Europe. The Governments of the United States and the United Kingdom declare that they will regard any action threatening the integrity or unity of the European Defense Community as a threat to their own security and that they will act in accordance with article 4 of the North Atlantic Treaty, which provides for consultation. The three powers also reaffirm their intention to maintain armed forces in Berlin and declare that they will treat any attack against Berlin as an attack against themselves.

Fifth, the treaty constituting the European Coal and Steel Community. This brings into being the much-discussed Schuman plan for integrating the West European coal and steel industry. The parties to this treaty are the same as to the European Defense Community Treaty. The coal and

steel community accomplishes in the field of industry what the defense community does in the field of the military. It has been ratified by all the parties, and representatives are meeting this week to bring the organizations provided for into being.

WE MUST NOT HARM FABRIC OF COOPERATION

Mr. WILEY. Mr. President, it should be remembered that while the Senate is being confronted with but two such agreements, all of the various European nations involved, 15 in all, will have a total of 47 separate ratification actions.

These actions comprise in total a delicate pattern of European cooperation. If any one country is to break that pattern, then dire consequences will be felt in all of the remaining countries. The entire structure has been built painstakingly, and I have cautioned any group or any individual who would possibly damage that structure and thereby bring closer the ominous cloud of world war III.

RESOUNDING BIPARTISAN APPROVAL NECESSARY

Mr. President, within this next week, one of the great parties of our country, the Republican Party, will nominate its choice for President of the United States. Two weeks later, the Democratic Party will nominate its choice. It is most fitting that in this period prior to the actions by the respective parties, the members of both political parties in the Senate decisively and resoundingly agree on this subject of German security.

Anyone who is familiar at all with the history of Germany and with the great, dynamic qualities of the German people, knows how important it is that Germany be made part of the west. That is what we are playing for today. We realize that if Germany should fall into the Russian orbit the real struggle for the world would be on. From my own personal experience, and from talking with the leaders of West Germany and with the common people, I know that there is no kinship between the German and communism.

The German people in the west know what the German people in the east are undergoing. We have been credibly informed by those who know, from contact with the 18,000,000 Germans in East Germany, that if the east Germans had a chance to vote, less than 10 percent would go with the Communists. The Germans of East Germany have had an opportunity to go into West Germany and to see the difference in the economy, in the standard of living, and in political freedom. Whatever may be said about the German, it must be admitted that he is keen to observe, keen to apprehend, and keen in many other ways. Consequently, if and when the treaties become the law of the treaty-making nations, it will be a step in the right direction toward building a unified Europe and bringing, we trust, a unified Germany into being in the future.

I am convinced that no partisan factor will enter into this particular vote on the German agreements, because it is recognized by Republicans and Democrats alike that Germany is the key to Western Europe.

If Germany falls into the lap of communism, as I said, Western Europe

will no doubt similarly fall. If Germany is preserved as a bulwark for a peaceful, prosperous Europe, then we shall have been able to hold the ramparts against the communistic onslaught.

LET THERE BE NO PLAYING WITH THE POWDER KEG

Let there be no playing with matches near the powder keg. The hydrogen bomb is in the offing, and with it the possibility of wiping out life on this planet. Let no man, let no party seek partisan advantage in a situation which could lead to war and the suicide of civilization. If Russia controlled Germany, she would be infinitely stronger, infinitely more likely to light the fuse which could ignite world war III. That must not happen.

INTERPRETATIONS WERE ADVISABLE, BUT NOT CRUCIAL

In the course of these further remarks, Mr. President, I should like to make but a few additional points. First, however, I should like to clarify the matter of the interpretations which were proposed to both of these agreements.

The committee agreed to an interpretation to the convention with Germany, but rejected an interpretation to the North Atlantic Treaty protocol.

I voted for both of these interpretations because I felt that they would provide additional safeguards for our own constitutional processes without damaging our foreign relations or interfering in any way with the substantive provisions of the treaties.

But now, Mr. President, I should like to spell out the background of the exact reasons for prompt ratification. I emphasize "prompt" because I do feel that it would be inconceivable for this session to conclude without such action being taken.

Events are moving fast in Europe. The Secretary of State has just held a conference with British Foreign Secretary Eden and French Foreign Minister Schuman. The diplomats agreed to open negotiations for a 4-power conference with the Russians, with the agenda to be strictly limited to the question of proposed elections in Communist Germany.

We all know of the tremendous propaganda drive which the Communists have put on (backed by so-called neutralists) in which they have urged that a Big Four conference be held. We, however, remember Communist tactics in previous such conferences, and have been extremely skeptical and have wisely limited the agenda.

REDS HAVE SET UP NO-MAN'S LAND AT GERMAN BORDER

Another important development has been the establishment by the Soviets of a so-called security zone between the borders of Eastern Germany and Western Germany.

This is an ominous 3-mile wide cordon running for the entire 830 miles of the frontier's length. In this zone, bridges have been blown up, roads blocked, towns and villages evacuated, in order to establish a complete no-man's land between the east and the west. This is a grim

indication of the Soviet attitude. It shows what cards the Soviets will play.

Meanwhile, throughout the length and breadth of the iron curtain, a "hate America," "hate the warmonger" propaganda campaign is increasing in fury. There is grave doubt as to the ultimate significance of that campaign. Often, we know dictatorships prepare their people for aggressive war by falsely attributing plans for aggressive war to their possible enemy.

With this background in mind, let us ask who principally opposes these German agreements. The answer is clear. We all know that it is the Soviet Union which is making a superhuman effort to secure the rejection of the German peace agreements. The Communists in Western Germany have been ordered to produce as much riot, disturbance, and conflict as possible so as to secure rejection of these treaties. They know that if they can defeat the agreements, they can win a battle in the war to control Germany and thereby control Europe.

In France, too, Communist forces have been agitating against the German agreements. As a matter of fact, it has been predicted that in France there will be an extremely close margin by which the German agreements will either be rejected or ratified.

SLIM MARGIN OF POWER AGAINST NEUTRALISTS

We should not presume, therefore, Mr. President, that we have all the leeway in the world in the present international situation.

On the contrary, we are skating on very thin ice indeed. The margin of power between our friends and our enemies, and/or the neutralists in Western Europe is exceedingly slim. Mr. Bevan's wing of the Labor Party in England, Dr. Schumacher's Socialists in Germany, the French Socialists and Communists in France, the Italian Communists in that land—all are actively striving for power; and if they should gain power, the entire structure of the western cooperation could come tumbling down.

So, I have urged that we do nothing or say nothing, therefore, which would impair that structure.

THERE IS NO ALTERNATIVE

To state simply and categorically exactly why we should approve these agreements, the first and most basic reason is and has always been that we do not actually have a feasible alternative.

If the Senate were to reject these agreements we would be recklessly issuing an invitation to Russia to take over all of Germany.

Second, we must ratify these agreements because they are indispensable, in part, to what I have described as the basic pattern of intra-European cooperation. They will fit in with the broad-vised European Defense Community by which the age-old enemies, France and Germany, may be able to work henceforth as allies. There cannot be stability in Western Europe unless there is such French-German cooperation. So far, no one has suggested any other means by which such cooperation can be achieved, except through the European

defense community—an agreement which dovetails with the matters now before us.

We must never forget that not only are we confronted with enemies of the extreme left, but we are confronted with enemies of the extreme right. In southern Italy, followers of Mussolini's fascism are once again gaining power. In Germany, the supernationalism which brought Germany to ruin has been gaining in strength.

We must do nothing which would help bring to power either the extremists of the right or the extremists of the left. We must try to strengthen the hands of those moderates, those statesmen, like Premier de Gasperi and Chancellor Adenauer, who are trying to pilot their countries through both dangers.

GERMAN AGREEMENTS INVOLVE PATRIOTIC UNITY

Mr. President, I have on a number of occasions spoken on the question of bipartisan foreign policy. My approach to that subject has always boiled down to this point: We should commend that which deserves commendation, and oppose that which is unworthy of support.

In this instance, that of the German agreements, we have a splendid example of a patriotic issue on which there can be and must be no partisan differences. The fact that these German agreements have been written by a Democratic administration does not mean and must not mean that Republicans should or would condemn them. On the contrary, the label, the origin, the authorship does not matter. What does matter is the soundness and the merit of the proposal. There is abundant soundness, abundant merit here.

REDS TRY TO PORTRAY UNITED STATES AS DISUNITED

During the 1952 political campaign, we can be sure that the master propagandist of the Soviet Kremlin have been taking down every single harsh word which (a) Republicans have said about Democrats; (b) Republicans have said about Republicans; (c) Democrats have said about Republicans, and (d) Democrats have said about Democrats.

The Kremlin propagandists want to show the people behind the iron curtain, and the peoples of the free areas that America is allegedly hopelessly disunited, that there is chaos in America, that there is no continuity of policy here, that after November the people of Europe may anticipate a complete break in previous American policy, and that we may leave Europe in the lurch.

This is what the Soviet propagandists want to get across to Europe's peoples, and this is the diabolic effort which we must combat.

So I have appealed to the great leaders of both the Republican and Democratic Parties to avoid, if we can possibly avoid it, giving any ammunition to the Soviet propaganda artillery. I have urged that we avoid creating the false impression that we Americans are disunited even on basic principles. One such basic principle is that Germany must not be allowed to fall into the lap of Soviet communism. On that point, we are and will be definitely united.

Representing, as I do, a State in which German-Americans have made great contributions from the very first day that the first immigrant from Germany stepped ashore, I know of the warm ties between our own and the German people.

I know that in my State and throughout the Nation there is a tremendous admiration for the great contributions which Germany has traditionally made to western civilization. German theological leaders and leaders of art, science, music, poetry, and literature, have written themselves indelibly into the history of the world.

On the other hand, we realize full well the harm which has been wrought by German militarism in the past, militarism which we trust will never again rise—thanks to the Schuman plan and thanks to the European Defense Community—to do damage to the people of Germany themselves or to the people of the world.

Mr. President, we must and will ratify these agreements because we do not actually have any feasible alternative. The interpretations which we have made or attempted to make can in no way be used as an argument against approval of these agreements. I know the Senate will overwhelmingly approve these agreements, and I believe that the world will be the better for it.

Mr. President, previously I stated that I supported in committee the Hickenlooper amendment to the protocol.

In the committee I tried to obtain unanimous agreement on the part of the committee, so that we could come to the floor of the Senate with the appropriate provision. However, that was impossible in connection with the Hickenlooper amendment to the protocol.

I wish to state my present position regarding the Hickenlooper amendment to the protocol. The principal arguments against the Hickenlooper interpretation to the protocol to the North Atlantic Treaty are that it discriminates against Germany; it would have a destructive impact on all operations under the North Atlantic Treaty; it would be self-defeating; and it is wholly unnecessary.

IT DISCRIMINATES AGAINST GERMANY

First. The United States did not attach this string when it originally ratified the North Atlantic Treaty Organization.

Second. After considerable discussions, the Senate did not see fit to apply any qualifications designed to go further than the troops-for-Europe resolution when it recently admitted Greece and Turkey to NATO. Why should Germany be treated differently?

Third. If we now attach this rider, we shall be telling Western Germans they are second-class members of the community. Will they ratify under such clear discrimination?

Fourth. The Communist propagandists would like nothing better than such action by us, which would jeopardize German ratification, which already is a hard job for Adenauer.

IT WOULD WEAKEN NATO

You will recall, Mr. President, that the troops-for-Europe resolution deals only with the sending of additional troops to implement our commitments to the North Atlantic Treaty. The Hickenlooper amendment, however, deals with military implementation, not solely with dispatch of troops. This has serious and dangerous implications.

First. Most of the work of the North Atlantic Treaty Organization is military implementation. The drawing up of joint strategic plans involving Germany would be military implementation, as would be agreement on sharing the cost of air bases or facilities in Germany, development of common communications facilities, and so on. Should General Ridgway's hands be completely tied in redeploying NATO troops in Germany to meet a new Soviet threat, until the Senate can consider his proposal? Do we want to air in public debate, for the benefit of the Communists, all military implementation of our NATO planning?

Second. What is military implementation? Is it the assignment of any single United States soldier or officer to our forces in Germany? Is it the delivery of a single replacement part? Is it the transfer of a single aircraft from Europe to Germany? Obviously, it would be ridiculous to tie the President's hands to this extent in carrying out a policy already approved by the Senate in ratifying the North Atlantic Treaty.

DAMAGING EFFECT WITHIN OTHER COUNTRIES

First. The Hickenlooper amendment would create grave doubts and suspicions concerning United States intentions and whether we really want ratification and German participation.

Second. It would give powerful ammunition to Communist propagandists who now are waging bitter campaigns to prevent ratification by other countries.

Third. It would inevitably invite additional conflicting interpretations or even reservations by some countries, which would nullify even prevent ratification by the other 15 countries.

IT IS UNNECESSARY

First. Senate Resolution 99 is on the books, and retains full force and effectiveness quite apart from the action on this treaty. That resolution is a clear statement of policy. The Hickenlooper amendment is so ambiguous that its effect could be to weaken, not strengthen, Senate Resolution 99.

Second. The administration has neither acted nor given any indication of an intention to act in any way inconsistent with Senate Resolution 99.

Third. The Secretary of State has testified that contractual agreements and NATO protocol do not enlarge presidential power.

Fourth. The ratification of this treaty can in no way increase or limit the constitutional powers of the President as we know them.

I have stated that the adoption of these interpretations might have an adverse effect upon certain of the European powers. That causes me to pause, in view of the fact that the situation in Europe is not a very healthful one, and

we must watch our step. I believe these agreements to be so important to the security of the United States that I would not want to do anything which might jeopardize their success. The countries of Europe must understand our constitutional processes, of course. I think the first limitation, known as the Hickenlooper limitation, is a proper one. I understand that it has been accepted, and that there will be no contest over it.

I feel, however, that the making of reservations to the protocol might result in misunderstanding and hindrance in obtaining ratification of the treaty by the various other powers; something has been said on the floor, about the other powers not having taken action.

Mr. President, we have taken the lead in this matter. America has been called to leadership, and I feel must continue it. I know of no better way of indicating that we are to lead, and will continue to lead, than to be the first to ratify and make effective these agreements. As has been said many times on this floor, the world is looking to us. Furthermore, the Kremlin looks to us. If there should be any hesitancy in ratifying this treaty, there would be a direct reaction in the Kremlin. We must not hesitate. The Kremlin knows but one answer to any international problem, and that is force. America must grow strong. Yesterday we voted to increase our Air Force to 143 wings. By that action we indicated that we recognized the critical nature of the world situation at the present time. Yes, we indicated by that step that we recognized the seriousness of the world situation.

Let us now indicate that we recognize that it is all-important that we take steps to unify the 300,000,000 of the west who feel that in unity there is strength and safety, and that by unifying the minds, the energy, the inventive genius, and the resources of these 300,000,000 people we shall be able to oppose any aggression undertaken by the Kremlin.

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

Mr. WILEY. I yield.

Mr. KNOWLAND. I regret that I was attending a committee meeting and was unable to hear all the Senator's remarks. I am merely seeking information, because I am disposed generally to support the ratification of the treaty which is now before the Senate. But I should like to inquire of the distinguished Senator from Wisconsin, the ranking minority member of the Foreign Relations Committee, whether, assuming that the Senate were to ratify the treaty and the protocol, there would be a time limitation on ratification by other powers. I do not know whether there is precedent for it, but when a constitutional amendment is sent to the States for ratification in some cases a time limit is set and in other cases not. The general practice is to say that unless the constitutional amendment is ratified by the requisite number of States within a given period of time, it shall be of no force or effect. I am wondering whether there is a time limitation upon ratification by other powers, or whether, once we ratified the treaty and protocol, we would then be

committed, and the entire initiative would then pass to the other countries, who might theoretically delay action for 10 years. Furthermore, I am wondering whether we would be bound during that entire period of time, and would lose our freedom of action, when conditions then might be quite different from what they are at present. It would seem to me that certainly some reasonable time limitation should be included, if there is precedent for so doing, so that we would not be committed to an open-ended situation.

Mr. WILEY. I do not think there is any question of our being committed until four signatory nations shall have ratified the convention which is now before the Senate, and also the three conventions mentioned in article 8, in accordance with constitutional processes, and the nations shall have deposited the instruments of ratification with the German Government. Of course, as in the case of an ordinary contract, until the minds of the parties meet, there is no contract. One may indicate his willingness, but, in this case, unless the minds of the parties meet, there is no contract binding them to observe the provisions of the treaty.

Mr. KNOWLAND. Of course, even in the case of an escrow agreement, often time limitations are written into the agreement as to when the final papers shall be deposited or the final amounts paid. I am merely seeking information as to whether, in the history of our treaty making, this Government or any other government has ever found it necessary or desirable to place some reasonable time limitation upon the ratification of a treaty by other nations, rather than leaving the matter completely open.

Mr. WILEY. I am informed by Dr. Wilcox that in some treaties there is a limitation of the time for signing. In this instance, there is no particular time stated, except as it may be inferred from the language of article 11, which provides that the instruments of ratification shall be deposited by the signatory states with the Government of the Federal Republic of Germany, and that the convention shall enter into force immediately upon the deposit by all the signatory states of instruments of ratification. There is no specific time limit.

Mr. KNOWLAND. I wonder whether the distinguished Senator from Wisconsin, or Dr. Wilcox, chief of staff of the Foreign Relations Committee, who sits beside him, could furnish the Senator from California any information as to treaties made during recent years which have contained a time limitation, or, if the information is not immediately available, whether it could be obtained and could be supplied to the senior Senator from California.

Mr. WILEY. I am sure the request of the Senator from California will be complied with. We have a fine staff. I am sure the staff will be glad to comply with the request of the Senator.

Mr. President, I am about to conclude. I think the Senate today has probably heard for the last time in debate the voice of a distinguished Senator, a distinguished citizen, and a distinguished

American, the chairman of the Foreign Relations Committee. The Senator from Texas [Mr. CONNALLY] spoke today very dramatically in support of these agreements. I remember that it was almost 14 years ago when I came to the Senate. I have heard the distinguished Senator from Texas speak on many occasions. Of course, no one is exactly like Tom CONNALLY. He is "Tom" to all of us. When Tom appeared upon this earthly scene, I presume the pattern was broken, and that there will never be another man exactly like him. But time brings many changes, not only on the world stage, but also on the floor of the Senate of the United States. As I heard the great Senator from the State of Texas speak today, I could not but reflect that this was probably his last utterance in this forum in a great cause. He has been a patriot. We have not always agreed. Thank God we did not, because disagreement, difference in thinking, is what keeps America safe. Men with different ideas can clash, but out of the clash will come clarification, so that we can see our way through the difficulty.

I invite attention to the fact that, so far as I know, there will be no other occasion when the senior Senator from Texas will speak to us in the Senate in a great cause.

Mr. President, it was good to be with him in committee. He did a grand job and carried on through the years, at times "ornery," as we might say, but always lovable, always willing to help and assist. It is going to be kind of lonesome, Mr. President, next year when we return, not to see on the other side of the aisle that good friend and great American, TOM CONNALLY.

Mr. DIRKSEN. Mr. President, during the French Revolution a question was addressed to a very distinguished French scholar. Someone asked him what he had done during the revolution, and he replied, "I lived."

With respect to the treaty which is now before the Senate, Mr. President, I think that probably the only answer I can make is that I must protest. I recognize that my feeble talent is not going to stay the action which the Senate will take today, but I express the hope that it might be postponed, coming as it does on the very threshold of adjournment and at a time when political fevers are in the air.

There has been no opportunity carefully to evaluate the document presented to us. I have something of a personal interest in it because, once upon a time, I was affected by a treaty, and I had an interest in a treaty which was discussed in the Senate a long time ago. I think back to the Treaty of Versailles. I had a personal interest in it, because I served abroad in the war that was concluded by the Versailles Treaty. I followed it when I returned and put aside the uniform of my country. I followed it insofar as I could, and also the discussions by distinguished Members of this body who went abroad in the land to argue the merits pro and con of some of the clauses of that treaty.

There was a military clause to delimit the size of the German Air Corps; a naval clause that sharply restricted any

naval authority and any naval power. There were economic clauses.

Then, with a sense of whimsicality, I think back to how meticulously that treaty was framed. It even provided for the trial court of the Kaiser, and recited, in a general way, who would sit as judges on that high tribunal.

I remember clauses relating to Japan, in connection with that huge area known as Chantung, in a country which is now in the grip of Red Russia. I wondered, as a matter of fact, how long that treaty would last. I thought of the ethnic dislocations occasioned by that treaty, and the little countries that were carved out and the ethnic considerations which were ignored at that time, and as a result of which there was planted some of the seed of ferment and turmoil with which we are dealing in Europe at the present time.

Eighteen years after that treaty was signed the legions began to roll in Europe, and once more we found that a treaty which was couched in fine language, and which was promulgated as an assurance of peace, did not bring peace to the world.

As I think of that, Mr. President, I cannot help alluding to the fact that on VE-day in 1945 I was in Paris. When the commander of the conquered zone said to me, "Congressman, what would you like to do?" I said, "Just give me an automobile and a GI." So, with a GI at the wheel, I went out through the Bois de Boulogne, and finally arrived at Versailles. I recall that on that day at 3 o'clock there was to be an official announcement of VE-day. When I arrived at Versailles, I heard a great host of Frenchmen, with fine spirit, singing the Marseillaise. I went through the iron grill and up to the formal buildings there, edifices dating back to the Bourbon dynasty. I saw a sign in the window which said "Ferme," which meant that the place was closed; the day was to be a holiday. I saw an American gun squad, with a French 75-millimeter field piece, ready to boom a great salute in honor of Victory in Europe Day.

I finally found a caretaker, an old poilu, who had lost an arm at Cantigny. He admitted me, notwithstanding the fact that the place was closed. I told him I wanted to go to the Salon de la Guerre—the Hall of War.

When I got there, I asked him where the table had been where the peace treaty was signed a generation before. As we went into the room, I said "Tell me, my old friend, comrade in arms, where did Woodrow Wilson sit?"

He said, "Voilà."

I said, "Tell me where Clemenceau sat."

He said, "Voilà."

I said, "Where sat Orlando, Lloyd George, and all the rest of the great and near great, who were there that day to affix their signatures and bring about the treaty in the hope that it would give an assurance of peace to the world and to our own country?"

Precisely at the hour of 3 o'clock, that 75-millimeter field piece, with which I was so familiar, because once I myself served in a battery of artillery, boomed

upon the afternoon air, and then I knew that victory was a reality. There was shouting, and there were expressions of triumph. For the first time Paris was gaily decorated and festooned with flags, and the lights came on everywhere. It was a gala day.

But at 3 o'clock I thought back a generation, Mr. President. I thought back to the cemeteries in France, and I thought back to the frustrations of people who had pinned their hopes to a piece of paper, to the pious expressions and the glittering generalities of statesmen from all corners of the world. As I thought of the dead, I thought of the futility of it all, of what a lot of stupidities had been uttered, and what a lot of nonsense we had heard. I decided I would be as realistic as I knew how to be, if ever a time came for me to pass upon a treaty.

Mr. President, I remember another piece of paper, a paper that was signed at Yalta on the 11th of February, 1945. I was the guest of the British Government, and sat in the House of Commons, where I heard Winston Churchill make his report upon what was contrived at Yalta. I read what the President of the United States said to a joint session of Congress at the other end of the Capitol, and ever so often I go back and refresh myself on those rather liquid phrases in order the better to realize the complete futility which they betokened. Oh, they were so lovely and so expressive until the whole and the brutal truth came out, a truth that is being expiated by holy young American blood in Korea this afternoon, as the Senate Chamber is empty, a condition of which the country ought to know. Yes, I remember that, also, and I shall be a long time forgetting it, as I address myself, as I very infrequently do, to the subject of foreign affairs.

But now there is another protocol and another convention before the Senate, and I am a little distressed that they have been taken up during this particular season, within a few days of adjournment. I wonder why they cannot be delayed. I had first thought that I would offer a motion to postpone to a certain day in 1953. But I do not believe I shall offer such a motion. I shall be content to utter my protest and to assign my reasons today.

In the first place, the Federal German Republic has not signed these documents. They are the primary party in interest. Why are not they signing? Are we to be placed in such a position that we shall be ridiculed if they fail to sign? The Secretary of State said that we ought to sign and ratify so that our action could be a lever to drive the treaties through the parliaments of the other countries that must be signatory to these rather solemn undertakings.

I do not like to go about it in that way. The German Government is the primary party in interest. Why should we pass upon these documents first? Oh, I know it has been uttered a thousand times that we must blaze a course of leadership. Well, too often we have inherited a lot of contempt and ill will for ourselves by so doing.

I still raise the question: Why does not the German Government at Bonn first sign, since they are the primary party in interest? There is no assurance they will ever sign. The Adenauer Government has 148 votes in the German Bundestag. The Schumacher Party has 130 votes, and Mr. Schumacher has stated that if he becomes Minister in 1953, his first action will be to revoke this undertaking. We cannot throw scorn upon Mr. Schumacher. The United States Government thought enough of him to bring him to this country some years ago. I was in the office of the head of the FBI with the Secretary of the Navy in a conference when Mr. Schumacher was there. The United States Government thought enough of him to bring him here in order to elicit some information. He is identified with the Socialist wing in Germany, but he says he will bring about the revocation of such action as is contemplated in this treaty if he comes into power. If that should happen, it would put us in a very peculiar light.

So why should not this matter wait until the German Federal Republic has first signed? I do not think that question has been adequately answered.

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

Mr. DIRKSEN. I yield.

Mr. CONNALLY. The Senator does not mean signed, does he? He means ratified.

Mr. DIRKSEN. Yes; ratified. I am sorry for the inadvertence of my language. I should have said ratified.

No action has been taken by France on the treaty. I do not pretend to know what the Pinay government will do, but it seems to me, from what examination I have been able to make, that they are going to ask for other and more guaranties. They are rather uncertain about it. Certainly Mr. De Gaulle has referred to these documents as protocols of abandonment.

Will the French Chamber of Deputies ratify? I do not know. But I know that they are next door to Germany, and they have raised so many issues in connection with the whole European controversy that they ought to act first, instead of depending upon a country 4,000 miles away to assume leadership, because they are next door to a crisis, and they are the neighbors to trouble, if there is ever going to be trouble over there.

Here we are confronted with still a new organization, the European Defense Community. Insofar as I can spell myself out of this bewilderment, it is another organization, largely because there is being established no parity of power or equality with Germany in the North Atlantic Treaty Organization. If that be the case, here is an action that is predicated upon suspicion and upon distrust.

How long can it last? Not very long. Unless there is a spirit of understanding and a little more tolerance, this sort of thing cannot last.

So the Federal German Republic has not ratified. The French Chamber of Deputies has not ratified. Why should

they not take action first? They are the primary parties.

The Parliament of Great Britain has taken no action on the treaties. As a matter of fact, Mr. Aneurin Bevan, who represents one wing in the British Parliament, has expressed his hostility on the ground that, first of all, it would be costly to carry out the commitments which would be imposed upon Great Britain, and it would be likely to increase their tax rate. Oh, how sensitive they are about taxes. Somehow the suggestion that there be a slight increase in taxes has a way of bringing about the fall of governments over there. Why should not Great Britain sign? Great Britain was at one time mistress of the seas. At one time she was a great imperial power, such as the world had never before seen, and probably will never see again. Why should not the British sign, inasmuch as Britain is so close to the continent?

If I correctly remember, the European Defense Community comes into being only if there are eight ratifications. Obviously what we might do here today would have no great force and effect unless the European Defense Community came into being. But where are the ratifiers? Where are those who ought to express their approval of this action before the United States Senate undertakes action on this treaty on the very threshold of adjournment, when the minds of Members are being diverted by the crush and the pressure of conference reports, appropriation bills, legislation of various kinds, and all the other tumult and fever in the air at the present time? Members of Congress are desirous of getting away to the national conventions; and, Mr. President, that goes for me. I find it difficult to disengage my mind from some of the considerations which have been so freely discussed in the cloakrooms and on the hustings. I do not apologize for that. That is a part of the American system. We are standing on the threshold of two assemblies which are soon to select new leaders to uphold the standards of the respective parties. That is one of the fevers in the air. It is difficult to disengage one's self from the activities of this season, with adjournment imminent, and preparations being made by everyone to get away. Is this the time, and is this the attitude in which we ought to dispose of a matter so solemn that it may involve many American lives and much American treasure before we are through?

I do not pretend to be an expert. As a matter of fact, I confess that I am no expert in this field, but only an amateur. Nevertheless, I have had to stay up rather late in order to hew out of the hearings, out of the convention, and out of the committee report as much information as I could find. I am dissatisfied with my own concept of this proposal. It may be all right. I should like to give my hand and heart to it, but I do not want to go down a blind alley. I do not want to go down a dismal road, where this action must be expiated by holy young American blood. I have not yet commanded enough confidence in the Secretary of State to take him on faith.

Other Members of the Senate may be able to do so. Frankly I cannot, under these circumstances.

Now it is proposed to create another organization. It is interesting to look at the committee report, on page 15, and note the bewildering array of organizations. Sometimes I wonder whether we shall have so many that we will lose track of them and be unable even to find alphabetical designations to characterize them. We have the United Nations, the European Defense Community, which is before us, the North Atlantic Treaty Organization, the European Coal and Steel Community, the Council of Europe, the European Army, and the Organization for European Economic Cooperation. Where are we finally to end? Where does this system, wheels within wheels, lead? Is there not, in fact, some simple approach to this problem and to the responsibility which rests upon us?

I admonish those who listen today that this is a commitment for 50 years. I ask the Senator from Wisconsin [Mr. WILEY] if that is not correct. That is half a century. What will be the changes in circumstances? What will be the combination of circumstances which might conceivably cause us much grief? When one gives his hand and heart to a commitment which is to last for 50 years, he had better be sure that his wits are about him. There is not a Member of this body who, if he were to enter into a contract for something which involved a substantial sum or an obligation of service for 50 years, would not have his eyes open and carefully study and puzzle over what the commitment must mean. NATO is to run for 20 years. Three years have already passed. It still has 17 years to go. But, in the light of the commitment for half a century, I raise the simple question, Why the haste? I am reminded of a sign which I saw at a junkyard beside a railroad track in Denver. It read, "Go ahead and try to beat the train. We will buy the wreck."

I do not want to buy any wreck. I do not want to beat any train. I believe that a commitment of 50 years calls for sober reflection to a greater degree than the Senate can give to it now. I do not want to be stamped into action or to be in too much of a hurry. This proposal seems to me to be a rather insecure foundation.

In addition to everything else, I do not know that I am satisfied on the question as to whether or not an enlargement of executive power is involved. It may be that the proposal or interpretation which was offered to the protocol by the distinguished Senator from Iowa [Mr. HICKENLOOPER] would remedy that defect. However, if I am correctly advised, I do not believe that the reservation which the Senator from Iowa offers is a part of the treaty or convention.

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

Mr. DIRKSEN. I yield.

Mr. HICKENLOOPER. The interpretation is not a part of the original convention, but, according to my view, it inheres in the conditions under which

the Senate is willing to advise and consent. It is an inherent part and a limitation upon the implementation under the terms of the convention.

Mr. DIRKSEN. That has reference, of course, to the tripartite declaration which has been referred to, and which appears on page 253 of the exhibit in connection with this case.

I went through the record and noted some of the exchanges between the senior Senator from Iowa [Mr. HICKENLOOPER], the junior Senator from Iowa [Mr. GILLETTE], the Secretary of State, and others. I noticed that the Secretary of State stated that this proposal or interpretation had no legal effect. I notice also, from Walter Sullivan's dispatch from Berlin on the 29th of June, which appears on the front page of the New York Times, that the Secretary of State of the United States, while in Berlin, was laying a cornerstone for a United States memorial library. I read briefly from the dispatch:

An hour later at the laying of a cornerstone for a United States memorial library, Mr. Acheson cited the declarations of Britain, France, and the United States on Berlin. He said these indicated in "unmistakable terms" that the three powers would regard any attack on Berlin "from whatever quarter" as an attack against their forces and themselves.

What is the obligation, Mr. President? I do not know. I should like to see it spelled out. I do not care to buy a pig in a poke. The question is, Is there in truth and in fact an enlargement of executive power which brings back the echoes of a debate in this Chamber last year when we dealt with the troops-to-Europe issue?

Still another thing is the question of the unresolved issues. I should like to be tolerant about this matter; but I am not happy about a piecemeal peace, such as the report describes. Some issues have been unresolved, and are not alluded to. They are packed and charged with headaches. What will come out of it all I do not know.

There is, for example, the question of the Saar. That is an issue. It is one which I explored when I was in Europe a few years ago. I read in the Washington Post of yesterday a short article datelined at Trier, Germany. Incidentally, it was at Trier where I was headquartered for a long time after the armistice following World War I. It is datelined at Trier, June 29. It says:

Jakob Kaiser, West German Minister for All-German Affairs, tonight called for the return of the coal-rich Saar to Germany. He also accused the Western Powers of handing over 18,000,000 East Germans "to a dictatorial system of terror"—

And so forth. That is an issue about which nothing is said in discussing the subject which is before the Senate today. Perhaps it was contemplated that nothing should be said about it. But I do not like to see such an explosive force in existence.

There is the issue of troops.

There is the question of unification. Mr. President, I am not sure that I share the happy hopes of some that what we do today will aid unification in Europe.

It may not. That is the big issue in Germany now. If anyone has any doubt about it, let him go there and talk to the people. I have done it. I know how they feel. I know also that a poll was taken there last year. At that time 39 percent of those polled, who would so vote, were more interested in maintaining neutrality than anything else. Another poll was taken not so long ago. The number who would so vote had increased to 56 percent.

Mr. President, there is a rising tide of neutralism in Europe. Will they say, "You have undertaken a course to use ratification in the United State Senate as a lever to force this plan through the parliaments of Europe, but we are not prepared to ratify?" I do not want to be in that unhappy frame of mind. It seems to me that the parties who have the primary interest should be the first to ratify before the issue comes to the Senate.

I would be strange, indeed, if this matter entirely escaped some political intonations. One newspaper, in Paris, said that prompt action was proposed for strengthening the electoral position of the European candidates in the United States. I do not propose to comment on that statement. I simply utter it for what it is worth. I would not want to be in that unhappy position, however.

Mr. President, I shall not offer a motion to postpone to a day certain consideration of the treaty. I merely say that I am unhappy about it. I am frightfully unhappy over the fact that the treaty should come to us in the last week of the final session of the Eighty-second Congress, when every mind is charged with so much responsibility, and there is haste to dispose of the legislative agenda, then repair to the various conventions, and then go home for a merited vacation.

Could not the treaty go over? Why must it be brought up now? I am a little timid about saying it, but in my considered judgment I do not believe it is receiving adequate consideration on the part of the Senate. That is not meant in derogation of the earnest efforts and the sincere endeavors of the Committee on Foreign Relations. They heard the testimony. I have great respect for them. However, I must satisfy my own conscience. I must satisfy my own conviction. Having observed as a soldier what has happened in other days to solemn treaties which were launched with scintillating language and iridescent hopes, I am not prepared to say "Yes" to the resolution of ratification which is before us.

Mr. HICKENLOOPER. Mr. President, it is not my intention to take a great deal of the time of the Senate this afternoon. I shall not attempt to discuss in detail all the provisions of the convention and the protocol to the North Atlantic Treaty, both of which are before the Senate for advice and consent; nor the three documents which become effective as a result of the ratification of the convention with the Federal Republic of Germany.

I do desire, however, to discuss the interpretation which has been attached by the Committee on Foreign Relations

to the resolution of ratification of the convention with Germany.

In the first place I should like to recite some history. When the North Atlantic Treaty was ratified by the Senate approximately 3 years ago it was clearly understood by the Senate that because of its terms and conditions it was not a self-executing treaty, but that all the terms of the treaty in their major details would have to be submitted to the Senate and the House of Representatives for implementation before they could become effective.

I should like to read the article in the North Atlantic Treaty which deals with ratification. It is very significant. Article 11 reads:

This treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes.

Mr. President, it was clearly established at the time of the discussion of the North Atlantic Treaty, and later at the time of the discussion of the Greek-Turkish protocol, which included Greece and Turkey in the North Atlantic Treaty, that the provisions of the treaty were not self-executing, but that it required authorization by Congress to implement and put into effect programs and policies under the treaty.

Indeed, under the North Atlantic Treaty the military implementation of it, with respect to the furnishing of arms and supplies to troops in the European countries was submitted to Congress, and the military assistance program became law. Congress authorized the giving of matériel and materials to those countries.

To that extent the Chief Executive respected the constitutional processes of this Government. But then came the question of manpower, and the question of the lives of American boys. The Executive then promptly forgot about submitting that question to Congress in order to obtain authority, but delegated unto himself the right to assign four divisions or any number of divisions of American troops to an international command overseas, in what he called implementation of the North Atlantic Treaty, without any authority of Congress whatever and in direct violation of all the understandings of the Members of the Senate when they ratified the North Atlantic Treaty and permitted it to go into effect.

Of course, I understand that the Executive took the position that congressional authority was required to give away inanimate goods, but that he had within his own whim and caprice the right to rule the destiny and lives of American citizens, by committing them to foreign armies.

Mr. President, in view of that history and record of a disregard of the reserved powers of Congress in connection with these matters, I read with great interest this German convention.

I notice that the ratification provision of the convention with Germany and with the other two powers involved with us is as follows, as contained in article 11, paragraph 1:

The present convention and the related conventions shall be ratified or approved by

the signatory states in accordance with their respective constitutional procedures.

Mr. President, the omission from that sentence is most significant, because it does not include the words: "and its provisions carried out."

In other words, "carried out by the signatory states in accordance with their respective constitutional procedures."

That significant phrase was inserted in the North Atlantic Treaty in order to make doubly sure that the treaty was not self-executing and that the Executive had to come to Congress for authority for its implementation.

However, for some mysterious reason, that phrase was eliminated from this convention between the three powers and the Federal Republic of Germany. I wondered why it was omitted. To this day I do not know why it was omitted.

In my judgment the convention upon which we are acting today between the three powers and the Federal Republic of Germany is no more self-executing than was the North Atlantic Treaty. However, because we had one experience in which the Executive overrode the obligation to come to Congress for authority to send American troops to an international command, I wanted to be sure. So I proposed an interpretation to the convention we are now considering. That interpretation is as follows:

The constitutional procedures as referred to in this convention require that any military implementation of the provisions, other than the retained powers referred to in paragraph 1 of article 2 of this convention (including all other conventions, agreements, or understandings, which may become effective as a result of ratification of this convention) must have authorization by the Congress.

Mr. President, as the proposer, sponsor, and author of that interpretation, I am advising the Senate now what I intended it to mean and what its purpose is. I want no confusion or misunderstanding about it. I say this because there have been mysterious goings and comings around the Capitol, emanating from the general direction of the State Department, indicating that this interpretation does not mean very much, anyway. Certainly, apparently inspired stories have appeared in the public press, to the effect that, "Ha, ha! This is nothing but surplusage. It does not really mean anything and, in fact, it concedes many things to the executive power."

Mr. President, I wish to say that nothing could be further from the truth. I wish to give as clearly as I know how an explanation of the intent of this interpretation; namely, that any military implementation of this convention, any military implementation arising under this convention, must have authorization by the Congress of the United States before it can become effective.

At this point I wish to refer to a statement I have on this subject:

With respect to the interpretation contained in the resolution of advice and consent to the Convention on Relations Between the Three Powers and the Federal Republic of Germany, and as the sponsor and author of this interpretation, I want to make perfectly clear my views as to its meaning.

In the first place, this convention and the protocol to the North Atlantic Treaty signed at Paris on May 27, 1952, which will come before the Senate shortly, create a complex of international agreements of vital and far-reaching importance. Accompanying the convention and the protocol are three other documents referred to in article 8 of the Convention on Relations with the Federal Republic of Germany, which will come into effect with that convention. These three are:

First. Convention on the rights and obligations of foreign forces and their members in the Federal Republic of Germany.

Second. Finance convention.

Third. Convention on settlement of matters arising out of the war and the occupation.

There are also texts of certain letters exchanged, a copy of the treaty constituting the European Defense Community, the tripartite declaration made between the United States, the United Kingdom and France at the signing of the European Defense Community Treaty, and a copy of the treaty constituting the European Coal and Steel Community. All of these have a bearing upon the convention with Germany and upon the protocol to the North Atlantic Treaty. In the absence of clear interpretation, this complex of documents and the various provisions and interrelated agreements might lend themselves to a strained interpretation by the Executive, to the effect that military implementation by the United States is a self-executing authority. With this theory I completely disagree.

Therefore, I filed an interpretation to the convention with the Federal Republic of Germany, in order to make it perfectly clear that neither the convention nor other conventions, agreements or understandings which may become effective as a result of ratification, neither create nor affirm any authority in the executive branch of the government to implement any of their provisions; but, on the contrary, any military implementation of this convention must be authorized by the Congress under our constitutional procedures and processes. In the interpretation, reference is made to paragraph 1 of article 2 of the convention, with the Federal Republic of Germany, which is as follows:

1. The Three Powers retain, in view of the international situation, the rights, heretofore exercised or held by them, relating to (a) the stationing of armed forces in Germany and the protection of their security, (b) Berlin, and (c) Germany as a whole, including the unification of Germany and a peace settlement.

A reference to this retention of the rights by the three powers was made in the interpretation in order to make clear such rights as the United States now has, under the surrender and occupation of Germany, with respect to our own military forces in Germany, in keeping with our responsibilities growing out of the surrender of Germany, are retained. In my view, paragraph 1 of article 2 neither commits the United States to participation of American military

strength in any international army or command, nor does it authorize the President to order such participation without congressional authority.

I think it is essential, Mr. President, to make this situation clear and especially in view of the fact that, since the Foreign Relations Committee adopted the interpretation to the resolution of ratification of this convention, there have appeared certain articles in public press attempting to explain this interpretation as actually authorizing and approving our participation in international adventures, such as an international military force, without congressional authorization. Nothing could be further from the truth.

Mr. WATKINS. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. WATKINS. I note that the Senator called attention to certain newspaper articles, which apparently took the position that this interpretation itself was an authorization for the President to do the very things, I think, that it sought to prevent. I call the Senator's attention to an article entitled "Senate Unit Votes Accord with Bonn," which appeared in the New York Times of June 24, 1952, and particularly to the following language:

EUROPEAN REGION SPECIFIED

Mr. HICKENLOOPER's declaration would require the President to seek congressional sanction before sending troops specifically to the new international army being raised by the west Europeans, to which the Germans are to contribute 12 divisions.

It would not, however, offer any new congressional bar to the dispatch of fresh troops to Germany itself and the area of West Germany, as well as all the rest of the area of the alliance, will be under the command of Gen. Matthew B. Ridgway, the Supreme Allied Commander.

Senator HICKENLOOPER's original proposed interpretation would have required congressional approval of troop movements to Germany itself.

The issue of Presidential power to order troop movements without consultation with Congress appeared, in short, to have been left about where it had been since the Senate called upon Mr. Truman last year to send no more soldiers abroad without a congressional approval of a nature that was not defined.

At other places in this statement it is indicated that this reservation, in effect, does not accomplish the purpose which I think the Senator from Iowa had in mind when he offered it. I desire to inquire of the Senator—

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

Mr. HICKENLOOPER. Before the Senator asks a question, I desire to comment on that article. I read it, and it is as wrong as it can be, so far as this reservation is concerned. I desire to make it perfectly clear that that is the interpretation which the State Department would like to have placed on it, and that is one of what seem to be rather inspired interpretations. It is simply wrong. That is all I can say. The reference to retained powers in the res-

ervation means only that such powers as we, as a nation, already have in Germany are retained.

Mr. WATKINS. To what particular powers does the Senator have reference?

Mr. HICKENLOOPER. I would have to get all the surrender documents and the agreements which were made between the four powers, including agreements covering the occupation of Germany, and so on. There is a very vast delineation of powers, but largely they are powers going to our responsibility as an occupying power.

Mr. WATKINS. And they grew out of World War II. Is that correct?

Mr. HICKENLOOPER. They grew out of the surrender of Germany. They grew out of the fact that we were one of the conquering powers. They have nothing to do with the general international-convention defense arrangement by way of united defensive forces. I want to make that clear. The purpose is to make certain that we shall not be handicapped in carrying out any continuing duties which we may have as a result of the surrender of Germany.

Mr. WATKINS. As a matter of fact, these documents would practically end the occupation of Germany by the Allied forces, would they not? The agreements are so intended, are they not?

Mr. HICKENLOOPER. This convention states that the forces in Germany—that is, in the Federal Republic of Germany—cease to be occupation forces and are to be defensive forces. But the treaty apparently makes clear that the forces in Berlin are to continue to be occupation forces under the terms of surrender and the conditions of the surrender of Germany.

Mr. WATKINS. If I may continue with the question—

Mr. HICKENLOOPER. Yes; I am sorry.

Mr. WATKINS. If the troops in West Germany and outside Berlin are still retained there, they are not, under the provisions of this convention, retained as a part of the occupation forces of the United States. Is that correct?

Mr. HICKENLOOPER. They are retained there, without doubt, as a supplemental force to our occupation of Berlin. In other words, for us merely to leave a few troops in Berlin as occupation forces without any additional power to protect them or to back them up would be a rather silly thing to do. Our forces in Berlin are there as occupation forces.

Mr. WATKINS. Where is the line drawn between the forces we have there for that purpose and for the purpose of participating under the North Atlantic Treaty Organization, and the European army which has been set up pursuant to a new treaty entered into by the European nations?

Mr. HICKENLOOPER. The difference is that our troops in Germany today are still there because of the limited sovereignty of Germany. Our troops are not there today because a sovereign nation of Germany has made a solemn authoritative treaty with us, because Germany is not a sovereign nation. Even under this convention, Germany

is still a nation subject to certain overriding controls and restraints of the victorious powers in the war. That is the basis upon which our troops are in Germany, and that is the basis upon which they will remain there. That is the basis upon which our troops will continue to have certain overriding privileges and rights in Germany; Germany is not a sovereign power, for she has not since the war received the restoration of her full autonomy.

Mr. WATKINS. Will the Senator distinguish between the troops we can send for that purpose under the surrender documents and the state of war that was created by reason of the declaration of war, and the forces that are supposed to be there to defend Germany or to become a part of the North Atlantic Troops Organization?

Mr. HICKENLOOPER. I do not assume that all these forces can become a part of the North Atlantic Troops Organization without authorization of Congress. But I do think that, under all of the surrender documents and under all of the agreements which flowed from them after the war, we have a right to maintain troops there to meet our obligations arising from the surrender, and until Germany is completely restored to unlimited sovereignty as an equal nation among nations.

Mr. WATKINS. What do we give up actually, then, when we sign this treaty? What do we give up to Germany in the way of sovereignty and in the way of ending the occupation, particularly the occupation by our troops?

Mr. HICKENLOOPER. We give up, for instance, as I understand, the right to have our nationals in Germany tried by American courts in Germany, by an American system, either by courts martial or by a special-court system. Civil cases will be turned over to the German authorities. Even our Armed Forces, in civil matters, will be subject in most instances to the German authorities. In military matters, we still retain the jurisdiction to try our own nationals as military offenders, in our own courts martial. That applies to the sovereignty of the United States over its troops. It does not mean that we can try British troops in American courts. It does not mean that we can try French troops in American courts. But we reserve the right to try American troops. However, we turn over to Germany the supervision of their transportation, and we get on more of a basis of equality in the matter of rail fare, for instance. Our troops, however, enjoy a very great discount on railroad tickets and other things in Germany, in the way of transportation. They have rights which the German population have not enjoyed. Conditions will be equalized now, and our troops will come under the rules of the German Legislature. The situation will be changed a great deal, but we will still have authority, under proper conditions, to handle with our troops emergencies in which we can temporarily set aside any German authority and act for the security and the safeguarding of our American troops and our position there. We will have occupying troops, but they will be there to defend and support our whole

position which includes the military occupation of Berlin.

Mr. WATKINS. Then it is more or less qualified; it is not an actual and complete severance of our occupation status?

Mr. HICKENLOOPER. The ending of the occupation is a technical and peculiar procedure. The so-called ending of the occupation is not had as the result of a restoration of sovereignty. If we return complete sovereignty to Germany, we have no basis for overriding rights on certain occasions. So long as Germany has only limited sovereignty, even though it is almost 100 percent, so long as it is limited, it is really, in my judgment, still an occupied country under the terms of surrender and the results of the war.

Mr. WATKINS. Suppose we consider the case of the four divisions which the President announced some years ago would be sent to Europe as a part of the forces of the North Atlantic Treaty Organization. Would they be a part of the occupation army, or, under the Senator's reservation, would they be first authorized by the Congress, if the reservation is given the intent which the Senator applies to it?

Mr. HICKENLOOPER. The use of any troops or military equipment or material must have the authorization of Congress. In my view, those four divisions are still not legally assigned to any international army. I do not think the President had the right to do it. The Senate said he did not have the right to do it. It adopted a resolution saying he should come to Congress for authority. So far as the Senate was concerned, it was O. K.'d but it did not go through the Congress, so that authority has never been obtained.

Mr. WATKINS. Is the Senator of the opinion that Congress has the right and the duty to implement all portions of the North Atlantic Treaty?

Mr. HICKENLOOPER. Yes; I do not think there can be any question about that.

Mr. WATKINS. And particularly with respect to the sending of troops and putting this country into war?

Mr. HICKENLOOPER. Not only the sending of troops, but the sending of equipment. The administration asked for authority to send equipment; they said they had no right to send our goods over there; but when it comes to human lives and assigning American boys to an international army, they say they do not need the authority of Congress to send them all over the world.

I still think they did not have the right to do so, but they did. It is like the old story of the lawyer who said to his client, "They cannot put you in jail for that." The client looked through the bars and said, "But I am here."

Mr. WATKINS. Irrespective of the treaty, the President sent the troops abroad and disregarded the Congress.

Mr. HICKENLOOPER. That is correct.

Mr. WATKINS. Does the Senator have in mind the legislative history that was developed during the debate on the North Atlantic Pact, that it had to be

implemented according to the Constitution, and that Congress had to approve the declaring of war and the sending of troops?

Mr. HICKENLOOPER. I am not only familiar with it, but I have checked on it and rechecked on it as a member of the Foreign Relations Committee. I recall being present when the distinguished Senator from Georgia [Mr. GEORGE] specifically, and in concert with the Secretary of State, sat at the table and put these provisions into the treaty, so it could not be self-implementing, with the positive assurance that the language would require the administration to come to Congress for the implementation of every portion of the treaty. It is that understanding which was violated by the sending of four divisions of troops to Europe, which makes me gun-shy as to any comparable assurances given by the administration or its representatives. It is for that reason that I offered this interpretation.

Mr. WATKINS. If that is now the legislative history of the meaning of article 11 of the North Atlantic Treaty, and we have here, maybe, an extension of it, why it is now necessary to have this interpretation if it has already heretofore been adopted by the Congress, and made a part of the record? Why does the Senator want this reservation on page 3 of the report of the committee? It is a committee interpretation, and I understand the Senator from Iowa was the author of it. I should like to know why he considers it necessary, in view of the fact that we have a clear-cut interpretation by legislative history and its meaning was agreed upon before the North Atlantic Treaty was ratified.

Mr. HICKENLOOPER. The Senator comes from the great State of Utah, and has probably heard the story of the wise old Indian who said, "White man fooled me once—shame on him. White man fool me twice—shame on me."

The administration fooled us once on the North Atlantic Treaty. It made to us the most solemn declarations that the treaty would not be self-executing. It fooled us, because the President sent four divisions of troops and assigned them to an international army.

The administration fooled us once—shame on it. If it fools us twice, shame on us.

That is why I am putting this interpretation into the treaty. If the administration would follow the clear record of the Congress as to what the North Atlantic Treaty meant, we would not need this interpretation. But I want to do everything I can to keep the administration from fooling me twice, because it will be my fault if it does.

Mr. WATKINS. I might call attention to the fact that I did not intend to be fooled at all, and I offered a reservation to the pact before it was ratified, and not afterward.

Mr. HICKENLOOPER. I may say to the Senator from Utah that he has exhibited one of the most far-seeing pieces of judgment on the North Atlantic Treaty I have seen since I have been a Member of the Senate. The Senator from Utah called the turn and expressed concern that this position might be taken

by the administration, but he received solemn assurance on the floor—and I was one of those who assured him, because I relied on the solemn assurance of the representatives of the administration. I assured him that, in my judgment, the President could not send troops without authority of Congress. The Senator from Utah was assured by other Members of the Senate that his reservation was surplusage, and that the treaty would not permit that to be done. Therefore, the Senator from Utah, in reliance upon that representation and assurances from the Committee on Foreign Relations, and others, withdrew his reservation. He had hardly withdrawn his amendment until the administration fooled him.

Mr. WATKINS. I call attention to the fact that was when the North Atlantic Pact was before the Senate. I think the incident the Senator has in mind occurred last February, when we were discussing the accession of Greece and Turkey to the North Atlantic Pact. But back in 1949, when I offered a reservation, I was told, as the Senator has just said, that what I sought to prevent could not possibly happen, that it all had to be approved by Congress. I said, "That is wonderful."

In Europe it was thought that we were making an automatic commitment; that the President could take care of the situation without action by Congress. I said, "Let us write a reservation, so that our people will understand, and Europe will understand." The answer I received was, "If that is done, the heart will be cut out of the treaty." All I was attempting to do was to write, in formal language, what I had been assured the treaty meant.

Mr. HICKENLOOPER. That is correct. The Senator was just as correct as he could be. He was farsighted.

Mr. WATKINS. I was one of those Indians to whom the Senator referred. I did not want to wait and be fooled. I believed that what I was endeavoring to prevent might happen, because the Europeans had an entirely different understanding. The treaty meant one thing in Europe, and another thing in the United States. To the Europeans it meant automatic commitment. It meant that an attack on one of the European nations would bring the United States into the war. To them it meant the sending of United States troops. At least we were told that it meant that to Europe. That was why I offered my reservation. I said that if the reservation had been accepted, I would have voted for the treaty.

Now we are considering an extension of the treaty for a period of nearly 30 years beyond what was originally provided, and I want to be very certain this time we will have a clear-cut understanding of precisely what is meant. I think possibly some language has been omitted from the German convention and the Protocol, and that action of the Senate is required with reference to the language.

Mr. HICKENLOOPER. I referred to that a while ago.

Mr. WATKINS. I am sorry I was not here, but I refer to article 11 of the Atlantic Pact, which says that the treaty

must be ratified and carried out—I emphasize the words "carried out"—by the constitutional processes of the parties. The phrase "carried out" is omitted from the present agreement, as I understand.

Mr. HICKENLOOPER. In the North Atlantic Treaty the words are "shall be ratified and its provisions carried out."

Mr. WATKINS. That was in the North Atlantic Treaty.

Mr. HICKENLOOPER. That is correct. But the words "and its provisions carried out" are mysteriously missing from the German Treaty.

Mr. WATKINS. There must have been some intent to leave them out.

Mr. HICKENLOOPER. Oh, I do not know. My idea is that the writers of the treaty must have worked late on several days and left out the words. But that provision is in the North Atlantic Treaty.

Mr. WATKINS. The Senator is now trying to have the language of the German Treaty conform with that of the North Atlantic Treaty. The whole theory, was to provide for implementation according to constitutional process. It seems to me that Congress must authorize the sending of troops and must be the authority to declare war.

Mr. HICKENLOOPER. Let me tell the Senator why I am a little gun-shy about this.

Mr. WATKINS. I can readily understand why. The Senator has been fooled once.

Mr. HICKENLOOPER. This question has been discussed once before, if the Senator will recall, in the hearings on the North Atlantic Treaty, in April 1949, I was concerned about what we were going to do in the situation, so when the Secretary of State, Mr. Acheson, was before the committee, I asked him a question. As I have said, this matter has been discussed repeatedly on the floor of the Senate. I said to the Secretary of State:

I am interested in getting the answers as to whether or not we are expected to supply substantial numbers—by that, I do not mean a thousand or two, or 500, or anything of that kind, but very substantial numbers—of troops and troop organizations, of American troops, to implement the land power of Western Europe prior to aggression.

Is that contemplated under article 3, where we agree to maintain and develop the collective capacity to resist? In other words, are we going to be expected to send substantial numbers of troops over there as a more or less permanent contribution to the development of those countries' capacity to resist?

Secretary Acheson said:

The answer to that question, Senator, is a clear and absolute "No."

Mr. WATKINS. By that answer the Senator thought the Secretary meant that the treaty did not provide for the sending of troops prior to aggression, did he not?

Mr. HICKENLOOPER. That is correct.

Mr. WATKINS. It was not that kind of agreement at all. I think the understanding the Senator had at the time the treaty was drafted—at least at the time article 11 was drafted, which is still in force and effect—was that it had been agreed that Congress had to implement every provision of the treaty, specifically with reference to the send-

ing of troops abroad and the making of war. Such action required the approval of Congress first.

With that theory in mind, I can readily understand why the Secretary of State answered as he did, and I can understand the concern of the Senator from Iowa in asking the question, because he wanted to make the understanding perfectly clear as a matter of public record.

Mr. HICKENLOOPER. That is correct.

Mr. WATKINS. The other matter, with reference to the agreement with the Secretary of State, happened in executive session, did it not?

Mr. HICKENLOOPER. That occurred in executive session, but I was present, and there have been statements on the floor of the Senate as to what occurred.

Furthermore, the Senator from Georgia [Mr. GEORGE] in a discussion with the Senator from Utah, so stated at the time the Greek and Turkish treaty was before the Senate.

But let me bring to bear a little more evidence for the benefit of the Senator from Utah. In the Senate hearings on the North Atlantic Treaty, the late Senator Vandenberg of Michigan, interrogating General Bradley, asked the following question:

Senator VANDENBERG. I only want to ask you this further question, if you can appropriately answer it: In connection with any discussions of implementation of this treaty, is there any thought that we must contribute mass manpower under any circumstances connected with the implementation of the treaty?

That was the question. General Bradley, who was Chairman of the Joint Chiefs of Staff, replied.

Mr. WATKINS. He was, of course, fully acquainted with the situation.

Mr. HICKENLOOPER. Yes. I read his answer.

General BRADLEY. I do not see how it is implied in the pact itself. In case of war you probably would act in concert with them, and that would, of course, depend upon the circumstances, and eventually would be at the will of the people, expressed through their Congress, after due consideration.

Mr. WATKINS. I thank the Senator for that quotation, because that goes to the very heart of the whole question.

Mr. HICKENLOOPER. Again I say to the Senator from Utah that we get back to the Indian who said:

White man fooled me once, shame on white man.

White man fool me twice, shame on Indian.

I am like the Indian. I do not intend to be fooled twice if I can help it.

Mr. WATKINS. There were many other "Indians" in the Senate.

Mr. HICKENLOOPER. That is the reason why I think such an interpretation as I have offered is most vital. It is in full keeping with Senate Resolution 99, adopted by the Senate in connection with the "troops to Europe" issue. It is in full keeping with Senate Concurrent Resolution 19. Both resolutions require that congressional authorization be given.

I desire to have such a reservation placed in this treaty, so that nothing in the treaty, or in the whole complex group of documents which would come into effect with the treaty, would create any authority in the President to implement the treaty, or establish any authority in him to do so. I do not wish to see any provision made for implementing the treaty without the authority of Congress. I wish to make that clear to the Senate. A statement has been made to the effect that we cannot affect other matters by attaching a provision to a particular treaty. No one is trying to do that. The interpretation would apply only to this treaty and the terms of the treaty. If it were desired to reach any treaty not related to or associated with this treaty, that would have to be done in another way. The interpretation would apply to the terms of this treaty, would be a limitation upon it, and would be a condition upon which advice and consent would be given.

Mr. WATKINS. I invite the Senator's attention to some words in the reservation found on page 3, which reads:

Resolved, That the Senate advise and consent to the ratification of Executive Q, Eighty-second Congress, second session, the convention on relations between the Three Powers and the Federal Republic of Germany, signed by the United Kingdom, the French Republic, the United States, and the Federal Republic of Germany at Bonn on May 26, 1952, with the following interpretation:

1. The constitutional procedures as referred to in this convention require that any military implementation of the provisions, other than the retained powers referred to in paragraph 1 of article 2, of this Convention (including all other conventions, agreements, or understandings, which may become effective as a result of ratification of this convention) must have authorization by the Congress.

What does the Senator understand "military implementation of the provisions" to mean? I should like to have a clear-cut definition of the intention and meaning of that language.

Mr. HICKENLOOPER. I mean the furnishing of any military manpower or military matériel which may be considered desirable.

Mr. WATKINS. Does it include the establishment of bases?

Mr. HICKENLOOPER. Certainly.

Mr. WATKINS. Does it include naval support?

Mr. HICKENLOOPER. By "military implementation" I mean the human beings or the goods or services which contribute to military operations or military strength.

Mr. WATKINS. Does that include naval forces?

Mr. HICKENLOOPER. Certainly.

Mr. WATKINS. Does it include air forces?

Mr. HICKENLOOPER. Certainly—naval and air forces, or anything else. I use the word "military" in the broadest sense of the word.

Mr. WATKINS. If any economic relief were going directly to the point of military implementation, would that likewise be defined as military implementation?

Mr. HICKENLOOPER. The Senator refers to economic relief. If we erect buildings or factories for military pur-

poses, certainly that is military implementation.

Mr. WATKINS. That would be a part of the military implementation?

Mr. HICKENLOOPER. Certainly.

Mr. WATKINS. That is what the Senator means when he uses that language?

Mr. HICKENLOOPER. If we furnish food and arms to other soldiers over there, not our own nationals, that is military implementation on our part. I think all those things must have the authorization of the Congress of the United States under this treaty, and that the administration must come to the Congress to have its program authorized.

Mr. WATKINS. That reservation was accepted by the Foreign Relations Committee and made a part of the document which is presented here today for our consideration.

Mr. HICKENLOOPER. That is correct. I am not quarreling with the committee on this subject, but I am glad of the opportunity for this discussion, because I want to make it as clear as discussion can make it what is meant by this interpretation. I do not know what the Executive will do, but this is all I know of that I can do to make assurance double sure, in order that the Congress of the United States may pass upon the question of whether American troops shall be assigned to international armies and American equipment given to international ventures or used in connection therewith.

Mr. WATKINS. That seems to cover the field very well, and I thank the Senator for his explanation.

With respect to the protocol to the North Atlantic Treaty the Senator refers to a proposed interpretation with regard to the constitutional processes of the United States.

It reads as follows:

Subject to the interpretation that the constitutional processes of the United States requires that any military implementation of this protocol by the United States must be authorized by the Congress.

Mr. HICKENLOOPER. Is the Senator referring to a proposed interpretation?

Mr. WATKINS. That is correct.

Mr. HICKENLOOPER. To the protocol to the North Atlantic Treaty?

Mr. WATKINS. That is correct.

Mr. HICKENLOOPER. We are considering the treaty with Germany.

Mr. WATKINS. I wanted to ask about the other matter while I was on my feet.

Mr. HICKENLOOPER. I have not offered that reservation, because the protocol has not yet come before the Senate for consideration. However, I shall be glad to discuss it with the Senator.

Mr. WATKINS. In view of that fact, I shall not go forward with the discussion.

Mr. HICKENLOOPER. If it will save the Senator any time, I shall be glad to discuss it at this time.

Mr. WATKINS. The Senator proposed the following reservation or interpretation with respect to the protocol:

Subject to the interpretation that the constitutional processes of the United States require that any military implementation of

this protocol by the United States must be authorized by the Congress.

Does the Senator have in mind the same definition of military implementation as he described in connection with the treaty?

Mr. HICKENLOOPER. I am very much honored to say that the Senator from Utah joined me in offering that interpretation, so it is as much his as mine.

Mr. WATKINS. I wanted to make clear what the Senator had in mind.

Mr. HICKENLOOPER. That is what I had in mind.

Mr. WATKINS. I wanted to make it clear that military implementation covers the whole waterfront, in connection with anything which may be considered military.

Mr. HICKENLOOPER. I intend to make it perfectly clear that military implementation under this treaty must have the authorization of Congress.

Has the Senator concluded?

Mr. WATKINS. I have concluded.

Mr. HICKENLOOPER. Mr. President, I have little more to say. I do not care to enter upon a discussion of the philosophy of peace and war at this time. I am very sympathetic with many of the things which the Senator from Illinois [Mr. DIRKSEN] said a few moments ago. I, too, vividly remember, as do other Members of the Senate, the days in 1917, 1918, and 1919, when the "peace" of Europe was again established. I remember going back to college in 1919 and taking a course in political science, after the war, in 1920.

I remember a wise instructor whom I had in that course saying at that time that the ethnic mistakes, the mistakes in major policy, the bitterness, and the suspicion which existed among the allies of that day in establishing the peace of Versailles had laid the basis for another world war in 20 years. That was his thesis in 1920.

That wise professor is now in retirement. A few years ago I wrote him a letter and recalled to him that series of lectures on what he called the atrocious peace of Versailles. He remembered the course of lectures, and said that occasionally when his ego was a little low and he thought he was not much of a prophet he dug out the series of lectures of 1920, in which he pointed out exactly what stupidity and mistakes can do to the peace of the world.

I shall not attempt to amplify the very magnificent portrayal by the Senator from Illinois [Mr. DIRKSEN] of the tragedy of Yalta and of the tragedy of Potsdam. I shall not dwell on the fact that we are today drinking the bitter dregs of the defeat, militarily and otherwise, which was served up to us at the close of this war. The territorial settlements in central Europe and in Berlin are major causes of the world's suffering today. The gift to Stalin of a third of the population of the world at Yalta and elsewhere will haunt generations of freemen for long and undetermined periods of time.

Mr. President, we find ourselves in a situation, and we must make the best we can of it. I think we have been making about the worst we could of it

in the years since the war. But certainly I believe that one of the things we must do is to aid in every way we can toward a revived, self-supporting Germany. I think it is important. We did not love the Nazis. We did not love their system; but the German people as individuals and in a collective society are a strong and vigorous people. They have been the key to the industrial movement in Europe. They have been the crossroads for the flow of raw materials and finished products back and forth. They are industrious and they can be of great help in the hope of assuring a peaceful Europe if the treaty is successful.

With the inclusion of the interpretation with reference to military implementation, I shall support the treaty. I can understand the difficulties of a return of complete sovereignty to Germany. I can also understand that far more important than unity with Western Europe in any military or economic alliance on the part of West Germany is the constantly present hope of a unified Germany under a proper and stable administration, because in my judgment it will override all other considerations and arguments of the German people if and when such an argument is properly presented and put to them.

Mr. President, sometimes I think that we may have moved too rapidly in connection with some of our international agreements and international treaties. Be that as it may, we have before us the convention with Germany which I believe is a step forward.

But let us not make a mistake about it, Mr. President; we are being asked to ratify the convention prematurely, in my opinion. I am not objecting to voting on it today or tomorrow, or whenever we come to it. But I cannot bring myself to believe that it is necessary to act with such speed. Not one of the European Defense Community countries has ratified even the European Defense Community agreement, and the convention before us does not go into effect until that is ratified. Not one of the parties to this convention has yet ratified it.

I have read in the newspapers—and I believe it is probably true, because it is stated by both sides—that the Germans will not give consideration to the treaty until sometime in September, at the very earliest. We do not know what the volatile situation of the French Government will be. We have had notice served on us, as the Senator from Illinois [Mr. DIRKSEN] has stated, that if Mr. Bevan gets into power in Great Britain within a short season, he will do everything he can to nullify the treaty if it is adopted.

We have had notice served on us that Mr. Schumacher in Berlin, according to some newspaper reports from Europe which I saw, stated he would "denounce the treaty if it went into effect and he came into power in Germany." He is not so far away from power at this time.

Mr. President, if the military implementation of the treaty is to be subject to the authorization of Congress, as it must be under the interpretation, and if the authority to use military force and military equipment in implementing the con-

vention must be authorized by Congress, we have one way of advising and consenting to the treaty and yet withholding the military equipment or a part of it until we determine whether our so-called allies over the seas are going to do their part. If we should advise and consent to the treaty, and if the President should arrogate to himself the power to send military equipment and men over there without authority of Congress, we could find ourselves even more inextricably bound to the responsibility for the defense of Europe than we are now, without Europe turning a major hand in the joint venture.

Therefore we have an opportunity to take a look at the so-called cooperation of the other countries and to take a look at what they are doing in their own defense. I think there is an advantage in that. We can advise and consent to the treaty and still hold within the authorization of Congress the power of implementation. That power can be used. I am perfectly willing to vote for a reasonable implementation of the treaty, as rapidly as the allied countries overseas convince us that they are doing their share in their own behalf.

I know all the arguments about the hardships which they have suffered, and I am sympathetic. I know all about their losses, and I am sympathetic. But by the same token, I know that they are at the forefront where the attack will come first, and it is their own liberty and their own salvation that are at stake, and their own contribution must be commensurate as they value their own liberty and their own property.

Mr. President, I shall not discuss the subject any further this afternoon, unless it may be by question or answer during the course of the debate. I shall vote reluctantly for the treaty. I shall vote reluctantly because I believe it is not necessary for us to consider it at this time and that we could well wait until January.

Mr. President, I am becoming a little weary of the constant and repeated argument that the United States must rush forth and show its good faith. We have been rushing forth and showing our good faith toward Europe and our so-called allies ever since 1917. One day I hope there will be a little reverse lend-lease coming from some of those countries to the United States.

Mr. President, I commend to your reading an article in this week's Saturday Evening Post dealing with North Africa, if you want to know what could be done for us, but is not done. In the article you will read about taxes which France has charged us and is trying to charge us for building installations for their own defense in North Africa; about the charges which they have imposed upon us for ground which they could well give us. Meanwhile we give them hundreds of millions and possibly billions of dollars.

Mr. President, it is very impressive that on occasions when reverse mutual help could come back, within the power of some of the other countries to give it, without costing them a cent, it simply is not forthcoming. Nevertheless, I am willing to go along and vote on the con-

vention today. I am willing to go along because I think we have done everything we can in the treaty and have again made crystal clear that military implementation of the treaty must be authorized by Congress. I do not know of any other way in which to reach that objective and I believe we have done it.

However, I say that peace is still in the hearts and minds of men, that cooperation is still in the hearts and minds of men. I hope that the determination for cooperation and the determination for contribution will be equally as strong in the hearts and minds of our allies who will be affected by the treaty as it is when it is expressed by the sacrifice of the American people in gratuitously and freely contributing their substance toward a better world and toward a better life for those friends whom we would like so much to have with us.

Mr. WATKINS. Mr. President, will the Senator from Iowa yield for a question?

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator from Iowa yield to the Senator from Utah?

Mr. HICKENLOOPER. I yield.

Mr. WATKINS. I wish to point out that the reservation accepted and adopted by the committee to the German convention seems to be sufficiently broad to take care of the power of Congress and the right of the people to speak through their representatives in Congress in regard to implementation of the treaty. That reservation has been recommended by the committee, and in my judgment it probably will receive the approval of the Senate.

If the interpretation which the Senator from Iowa, together with myself and other Senators, will offer is not accepted to the protocol, and if the protocol were then to be rejected, would that seriously interfere with this program? Or, to put the question in another way, is the protocol absolutely necessary to the implementation and carrying out of the program with the Germans?

Mr. HICKENLOOPER. I think the protocol which brings the Germans into the North Atlantic community is very important. I think it should be ratified, but it is fully as important and vital, I believe, that a similar interpretation be added to the protocol, in order to protect American institutions. I believe it is essential that the interpretation be added to the protocol.

I also believe the protocol is important. It is very important to bring Germany into the North Atlantic Treaty.

Mr. WATKINS. I fully agree with the Senator from Iowa on that point.

At the time when the North Atlantic Pact was before the Senate, I stated that if my reservation to that pact was accepted, I would vote for the pact. On the other hand, without that protection of the right of the people to speak on that matter through their representatives in Congress, I could not go along with the pact.

In the case of the convention with the Federal Republic of Germany, the interpretation seems to be almost as important as the one I offered to the North Atlantic Pact. I hope the Senate will

accept the interpretation of the protocol, for I shall be in a difficult position if the interpretation to the protocol is not accepted, because then I shall be put in a position similar to that in which I was put before, in connection with the North Atlantic Pact.

I do not intend by my vote or by my support to interfere in any way with the right of the people of the United States to speak through their representatives in Congress on the question of peace or war or on the question of the sending of troops abroad prior to an aggression or on the question of the sending of military implementation abroad prior to an aggression.

Mr. HICKENLOOPER. Let me say to the Senator from Utah that in the Foreign Relations Committee, I voted against the protocol, not because I disagreed with its theory, but because I thought the protocol must be protected and safeguarded by means of the interpretation which I offered in the committee.

A majority of the committee took the position that adoption of the interpretation to the protocol was not necessary; that the record had been fixed in connection with the North Atlantic Treaty, and that the protocol was not self-executing, in that it had to come to Congress.

Mr. WATKINS. Was there any explanation of the omission of the words "and be carried out," immediately preceding the words "by the signatory states in accordance with their respective constitutional procedures"?

Mr. HICKENLOOPER. No; there was not.

Mr. WATKINS. Was the significance of that omission developed?

Mr. HICKENLOOPER. It was significant to me, although I do not know whether it was significant to others.

At any rate, the majority of the committee did not vote to add the interpretation to the protocol.

If the Senate refuses to accept the interpretation to the protocol, the Senator from Utah will be in no more of a quandary than will I. I shall be very much distressed.

Mr. WATKINS. I have made up my mind that since the North Atlantic Pact has become the law of the land, I shall do everything within my power to see that it is implemented as it should be implemented, namely, in accordance with our constitutional processes; and I have determined that I will vote for measures to support it and for appropriations to make it effective. That treaty does not provide for procedure in the way I favored; but since we had to have some kind of program as the law of the land, I felt that once the treaty became the law of the land, I should support it, as a loyal American. So I support that program. Likewise, I shall support this program if it is ratified by the Senate.

On the other hand, I do not believe it is proper for Congress to declare, in one breath, that there must be an interpretation in regard to the German convention, but, in the next breath, to say that the same interpretation is not nec-

essary or desirable with respect to the protocol.

Certainly the omission of the interpretation may be regarded as being of some significance.

If article 11 of the protocol means what the interpretation says it means, then that meaning should be expressed in clear words. The interpretation proposed by the Senator from Iowa and other Senators can do no harm if it is added to the protocol; but the omission of the interpretation might do harm to both the Senate and the people of the United States.

Mr. HICKENLOOPER. Mr. President, I think the Senator from Utah has made a wise interpretation of this matter.

I now yield the floor.

Mr. FLANDERS. Mr. President, I shall vote for the ratification of this convention with more than ordinary conviction. This I would have done in any case, but my conviction has been strengthened by a recent visit to Europe, in the course of which I witnessed the signing of the document at Bonn. This was a privilege which I appreciated, though it added nothing to my conviction.

What did become clear was that this pact represents a delicate balance between the need for German resistance to the Soviet, on one hand, and the fear of German rearmament, on the other. As for myself, I am convinced that so long as the present Christian spirit in the German Government is continued, Europe is safe.

I went to Europe primarily to attend a conference of the International Conference on Christian Leadership, held at The Hague on the invitation of the Queen Mother, who calls herself Princess Wilhelmina. The subject of the conference was the application of Christian principles to the solution of world problems. As most of us know, it is my strong belief that there is no other solution, and that peace will not come to the world until we face Soviet devilry with the sword of the spirit.

Those attending came from all European countries outside the iron curtain except Spain, Portugal, Yugoslavia, and Eire. There was a particularly strong delegation from Greece and from Germany. Among the latter were the Minister for Displaced Persons and President Ehlers, of the Bundestag. These two and Chancellor Adenauer, whom we met later at Bonn, are sincere Christians. In this fact lies the hope for peace in Europe, insofar as Germany is concerned.

The dramatic incident of the conference was the public meeting in the audience hall, where the Queen addresses Parliament. It was filled with citizens of The Hague, and was addressed by President Ehlers. The significant thing was that he spoke in German, in a hall that had never heard a German word since the war began, and to a people for whom everything German aroused fear and hatred. Faces were strained and hostile, as he began. There seemed to be danger of an angry protest. But his message was a truly Christian

one, and his audience was finally won over to a sympathetic attitude. Those who ought to know assure me that the occasion was an historic one.

How different is the attitude of the present German Government from that which prevailed in Germany after the First World War. Then the Germans, unused to defeat, were frustrated, resentful, and revengeful. They had no sense of wrongdoing. In their own eyes they were pursuing their historic course, following the ethical standards of power and patriotism to which they had been bred in birth and taught from early childhood. This frustration and resentment was fertile soil for the intensified revenge and evil policies of Hitler. The Second World War was automatic, in view of the mishandling by the Allied Powers of successive crises.

The old frustration remains in a minority of the people and in a minority party, but the present Government represents another mood. There is within it a new spirit of humility and repentance. It could scarcely be otherwise in a moral people, steeped in sincere Christian principles.

Dachau and Buchenwald cannot be laughed off or put aside. It is in true humility and repentance that the Adenauer government has begun negotiations for a money indemnity to the Jews. An indemnity will not compensate for the slaughter, but it does recognize moral responsibility.

There are those who feel that in this pact we are giving the Germans but a half loaf of freedom, and that in return we shall receive but a half loaf of military support. In a sense this is true. The half loaf represents a delicate balance between the European fear of Soviet power and fear of a re-armed Germany. Those who feel that a completely rearmed Germany is in our interest even if it results in a neutral France, are running terrible risks.

One risk is in arousing a chauvinistic German nationalism, which has twice destroyed Europe. The risk is real for us as well as for France, the Low Countries, and our other allies.

The other risk is in strengthening Dr. Schumacher's opposition party which the Communists are already infiltrating by the simple device of withdrawing their candidates in constituencies where, by so doing, they can elect an opposition candidate. It is by means such as this that Soviet power has won its political victories in satellite after satellite. This must not happen in Germany.

At first thought it may seem strange that the Communists should team up with a nationalist party which expresses strongly anti-Communist sentiments. Really it is not strange at all. The Soviet Government can work much more effectively with a chauvinistic nationalism than with a liberal group which adheres to Christian principles. The strangest contrast is not between nationalism and Soviet totalitarianism, it is between Christianity and the Devil.

Mr. President, let us make no mistake. Let us not refuse or delay con-

firmation and thus force Europe even a step backward to dissension and chaos. Let us recognize this pact as a well-conceived upward step, and put the seal of our approval upon it.

WHY HURRY WITH THE GERMAN PEACE TREATY?

Mr. JENNER. Mr. President, a few days ago I cut a record for a broadcast on the subject "Why hurry with the German Peace Treaty?" At this time, as a part of my remarks, I ask unanimous consent to have the manuscript printed in the body of the RECORD.

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

WHY HURRY WITH THE GERMAN PEACE TREATY?

Question. We do not hear much about the German Peace Treaty, Senator. What about it? Is it a good treaty?

Senator JENNER. I don't know, Bob. It is 300 pages of fine print, full of technical legal provisions. I should hesitate to sign it after reading it only three or four times.

Question. What does it say, Senator, that it takes 300 pages?

Senator JENNER. There are really eight documents, Bob. Two are being submitted to the Senate for its advice and consent. Six agreements are submitted to the Senate for information only.

The first document sets up a curious peace settlement for a Germany half dependent, half free. The second document, an amendment of the North Atlantic Treaty, brings the problem right to our door. It says if there is an armed attack on the territory of what they call the European Defense Community, which now includes West Germany, that attack, and here I quote exactly, "shall be considered an attack against all the parties to the treaty." That means us. If someone is murdered on the German-Soviet border, and a party of German soldiers and Russian soldiers get into a fight, it may be the start of a war, and we have already signed up to join as soon as it starts.

Question. Not so fast, Senator, we cannot sign a blank check.

Senator JENNER. We can, Bob, nowadays. We did it recently when we signed the North Atlantic Treaty. We agreed that an attack on any of the 11 other signers would be an attack on us. That meant we guaranteed all Western Europe from Norway to the French possessions in Africa. Recently, we included Greece and Turkey. Now we add West Germany.

Question. Exactly what do we promise to do, Senator?

Senator JENNER. To answer that we must go back to the North Atlantic Treaty. Those who do not have a copy of the North Atlantic Treaty handy—that is, most people—will be left in the dark even if they read all 300 pages.

In the North Atlantic Treaty each party agreed that if any signer was attacked, the signer would, and I quote exactly again, "assist the party or parties so attacking by taking * * * such action as it deems necessary, including the use of armed force."

Question. But we still decide on what we think is necessary.

Senator JENNER. Oh, no, Bob. We have nothing to say. Our officials have agreed to act in accordance with the Charter of the United Nations. That Charter says, in article 51, each member has the inherent right of self-defense until the Security Council decides what steps to take. That is a very limited and short-lived right of self-defense, if our decisions can be changed as fast as orders can be radioed from the Security Council.

Question. But the Security Council includes the Soviet Union, Senator. Surely you do not mean that our plans for the defense of Germany, if it were attacked by Russia, would be subject to immediate veto by the Soviet Union.

Senator JENNER. That is what it says, Bob. This is a game of button, button, who's got the button? In the German agreement, we promise to defend West Germany or any other signer, under NATO. Under NATO we promise to defend cosigners under the U. N. Treaty. Under the U. N. Treaty, we agree to limit our right of self-defense to the period before the Security Council acts. And when we come to the Security Council, there is the Soviet Union sitting as solid as a rock, or perhaps I should say, as secretive as the serpent under the rock.

Question. What will the U. S. S. R. do?

Senator JENNER. She will do what is best for the U. S. S. R. She may veto any action in support of NATO forces, or she may sit tight and do nothing, as she is doing today about Korea. Or she may work to win over allies on the Council to some evil plan of her own that we can hardly see, like setting up a neutral Germany that she will soon make into a puppet state.

Question. This is fantastic, Senator. You say we have signed an agreement by which we must come to the aid of any of the 14 nations now interlocked with NATO, but Russia is left perfectly free, to egg us on, to sit and watch, or to throw a monkey wrench into the whole thing.

Senator JENNER. Fantastic it is, Bob. I'd be the last one to quarrel with that. But why do people think we don't do things because they are fantastic? It's so obvious we do.

Question. You certainly picture a tangle, Senator. I am not sure I have it clear.

Senator JENNER. I'm sure you haven't got it clear, Bob. I don't try to keep it clear. I just start in all over at the beginning every time I have to decide something about NATO and U. N. and HICOG and SACLANI. Just start in all over every time, as if it was all Greek to you and you'll be all right.

So far, I've mentioned only a little treaty protocol, a page and a half long. The basic German Treaty is 14 pages long. It is an agreement between Britain, France and us on one side, and Germany on the other, to end the occupation of Germany as a conquered power.

Question. You mean it restores her to full national sovereignty, Senator?

Senator JENNER. No, Bob; again, no. The West German Republic is left free and sovereign, if it commits itself, and again I quote from the treaty, "to conduct its policy in accordance with the principles set forth in the Charter of the United Nations."

You see, there isn't any freedom left anywhere in the world, now. No one is outside the United Nations. No member nation may legally negotiate with any other nation except through the machinery of the United Nations. No nation will negotiate with it. All the regional and special agreements have been very cleverly tied into the U. N.

The nations today are like a kind father who has given his fortune to a trust fund for his sons. Everything goes along beautifully for a long time. No quarrels, no disputes. The trust fund works without much attention. The sons who are managing it are discretion itself. Then, suddenly, the father wants to do something new and really important. But he cannot get started. No one says, "No." It's just that no one does anything. He tries to find out what is going on. He hears words—words—words, but he has no information. He decides that, if he is not free to do what he thinks right, he will get out of the trust fund, take a small share

of his money, go off by himself, and do what he likes. Then, he finds he has no share of his own in the fund. He has no rights. He cannot even act alone.

As I see it, that is where we are now in U. N. That is where Britain and France and Italy and all the nations are. Only Ireland and Spain and Switzerland find themselves free today.

Question. A new administration could get out of this spider web of commitments, Senator.

Senator JENNER. I don't think so, Bob. I don't think a Republican President could get us out of these commitments. I don't think a Democratic President who opposed Mr. Acheson's policies could get us out. Of course, a nation can always cut herself loose, but that is a drastic business. We have not been making commitments for Mr. Truman's administration only. We have been making them for eternity. It is planned that we shall never get out. Some of the agreements last for 20 years, some for 50. But 50 years from now who will cut the bonds and start over?

Question. Does Germany like this new treaty, Senator?

Senator JENNER. To answer you, I should like to quote from someone else, Bob. Recently, the American Legion magazine published an article by Richard S. Well called, "Are We Trying To Lose Germany?"

Mr. Well said, "The Germans, wondrously for a conquered, occupied people, were deeply receptive to all things American. Hitler * * * was totally discredited. The survivors * * * raised their eyes in expectation to the winners.

"Today, almost against their will, the Germans are embittered and despairing. It is we who failed them, rather than the other way around. If we lose Germany, it will be our fault and that of no one else."

Question. Haven't we given them billions in relief, Senator? Didn't we carry on the Berlin airlift at a tremendous cost, to keep their capital in the western zone?

Senator JENNER. Our experience in post-war Germany falls into three parts, Bob. We started in Germany, where we started in Japan, with miraculous good will. But in Germany, we carried out the Hiss-Lattimore plan to destroy the industry of Russia's closest rival. General MacArthur refused to carry out their plan in Japan. Dismantling Germany's steel mills was part of the first stage of destruction. The airlift represents the second stage, when we won back much of what we had lost. Then we ended military government and the State Department took over the work of the Army in Germany. Quietly, we slipped back to the sabotage of Germany's economic life. We did not notice. Our papers told us nothing. But the Germans noticed.

Question. Who is responsible, Senator, for our falling back again?

Senator JENNER. The credit must be given Mr. Acheson. He sent John J. McCloy to Germany. McCloy's principal deputy was the man at whose home Alger Hiss stayed after his first trial. Mr. McCloy's political adviser was John Davies who is one of the members of the famous John's—like John Stewart Service, and John Carter Vincent—who worked with General Stilwell to destroy free China and help the Reds get control there. McCloy started dismantling again. The Germans knew he was destroying Germany's power to defend herself against Russia, even if half the Germans had to die of starvation.

Finally, Mr. McCloy was deeply involved in what is known as the Kemnitz case. Dr. Hans Kemnitz was a double agent, that is, a Nazi who turned Communist. He was employed, after the war, by the American occupation. His forte was kidnaping anti-Communist Germans, or luring them to

Communist death camps. How the Germans hated him.

When the German occupation was lifted, the Germans arrested Kemnitz and awarded indemnity to the relatives of one of his victims. Now just imagine the situation—an ex-Nazi, a Communist agent, accused of luring many anti-Communists to certain death, while under the protection of the American Government, is convicted in open court. Suddenly, the American high commissioner stepped in, voided the order of the German courts, and took Kemnitz under American protection. American soldiers were sent to guard his house.

Senator JENNER. The German peace settlement was made by the very same people—the men who supported Alger Hiss, the men who helped defeat Chiang Kai Shek, the men who wanted to reduce Japan to a pastoral village economy on Russia's eastern flank.

The treaty was approved by Mr. Acheson and Phillip Jessup, whose record in the IPR and elsewhere was so very dubious that even the Democratic majority in the Senate would not confirm his appointment to represent us at the U. N. in Paris.

The administration says, "Hurry, hurry, hurry, sign the treaty at once." But I do not think the Senate should hurry. I think we should take our time, and look very thoroughly into the whole bewildering situation in Western Europe before we sign any more treaties, make any more commitments, or give up any more of our American sovereignty, under the guidance of the men of Yalta, who engineered our disastrous failure in China.

The PRESIDING OFFICER. The resolution of ratification, with accompanying interpretation, will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive Q, Eighty-second Congress, second session, the convention on relations between the Three Powers and the Federal Republic of Germany, signed by the United Kingdom, the French Republic, the United States, and the Federal Republic of Germany at Bonn on May 26, 1952, with the following interpretation:

1. The constitutional procedures as referred to in this convention require that any military implementation of the provisions, other than the retained powers referred to in paragraph 1 of article 2, of this convention (including all other conventions, agreements, or understandings, which may become effective as a result of ratification of this convention) must have authorization by the Congress.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification, with the accompanying interpretation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Parliamentarian proceeded to call the roll.

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

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

The question is on agreeing to the interpretation offered in the form of a reservation.

Mr. CONNALLY. The vote will be on the treaty, will it not?

The PRESIDING OFFICER. The first question is on agreeing to the interpretation—

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. My understanding is that the question is on agreeing to the resolution as reported by the Foreign Relations Committee, which contains the interpretation. Is that correct?

Mr. CONNALLY. Mr. President, that is the way I understand the situation.

The PRESIDING OFFICER. The present occupant of the chair was not in the Chamber when the unanimous-consent agreement was entered into, but he is advised by the Parliamentarian that the interpretation, which is in the nature of a reservation, will be voted upon first, the same as an amendment reported by a committee would first be voted on.

Mr. CONNALLY. Mr. President, I do not ask for the yeas and nays on that question. I ask for the yeas and nays on the question of the ratification of the treaty.

The PRESIDING OFFICER. Without objection, the demand for the yeas and nays of the reservation will be withdrawn.

The question is on agreeing to the interpretative reservation. [Putting the question.] In the opinion of the Chair, the interpretative reservation is agreed to.

The question now recurs on agreeing to the resolution of ratification, as amended.

Mr. CONNALLY. Mr. President, on that question I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate because of illness.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from Oklahoma [Mr. KERR], and the Senator from Arkansas [Mr. FULBRIGHT] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], and the Senator from Connecticut [Mr. McMAHON] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], and the Senator from Ohio [Mr. TAFT] are necessarily absent. The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

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

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The yeas and nays resulted—yeas 77, nays 5, as follows:

YEAS—77

Alken	Hennings	Moody
Benton	Hickenlooper	Morse
Bricker	Hill	Mundt
Bridges	Hoey	Murray
Butler, Md.	Holland	Neely
Butler, Nebr.	Humphrey	O'Connor
Cain	Hunt	O'Mahoney
Carlson	Ives	Pastore
Case	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Fussell
Clements	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoepfel
Cordon	Kem	Seaton
Douglas	Kilgore	Smathers
Duff	Knowland	Smith, Maine
Eastland	Lehman	Smith, N. J.
Ecton	Long	Smith, N. C.
Ellender	Magnuson	Sparkman
Ferguson	Martin	Stennis
Flanders	Maybank	Thye
Frear	McCarran	Underwood
George	McCarthy	Watkins
Gillette	McClellan	Wiley
Green	McFarland	Williams
Hayden	McKellar	Young
Hendrickson	Monroney	

NAYS—5

Dirksen	Jenner	Welker
Dworshak	Langer	

NOT VOTING—14

Anderson	Fulbright	Millikin
Bennett	Kerr	Nixon
Brewster	Lodge	Taft
Byrd	Malone	Tobey
Capehart	McMahon	

The VICE PRESIDENT. On this question the yeas are 77 and the nays are 5. Two-thirds of the Senators present concurring, the Senate advises and consents to the ratification of the treaty.

PROTOCOL TO THE NORTH ATLANTIC TREATY ON GUARANTIES GIVEN BY THE PARTIES TO THE NORTH ATLANTIC TREATY TO THE MEMBERS OF THE EUROPEAN DEFENSE COMMUNITY

Mr. CONNALLY. Mr. President, I move that the Senate, as in Committee of the Whole, proceed to the consideration of the protocol to the North Atlantic Treaty.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive R (82d Cong., 2d sess.), a protocol to the North Atlantic Treaty signed at Paris on May 27, 1952, which was read the second time, as follows:

The Parties to the North Atlantic Treaty, signed at Washington on 4th April 1949,

Being satisfied that the creation of the European Defence Community set up under the Treaty signed at Paris on 27th May 1952 will strengthen the North Atlantic Community and the integrated defence of the North Atlantic area, and promote the closer association of the countries of Western Europe, and

Considering that the Parties to the Treaty setting up the European Defence Community have signed a Protocol, which will enter into force at the same time as the present Protocol, giving to the Parties to the North At-

Atlantic Treaty guarantees equivalent to the guarantees contained in Article 5 of the North Atlantic Treaty;

Agree as follows:

ARTICLE I

An armed attack

(i) on the territory of any of the members of the European Defence Community in Europe or in the area described in Article 6 (i) of the North Atlantic Treaty or

(ii) on the forces, vessels or aircraft of the European Defence Community when in the area described in Article 6 (ii) of the said Treaty,

shall be considered an attack against all the Parties to the North Atlantic Treaty, within the meaning of Article 5 of the said Treaty, and Article 5 shall apply accordingly.

The expression "member of the European Defence Community" in paragraph (i) of this Article means any of the following States which is a member of the Community, namely, Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands.

ARTICLE II

The present Protocol shall enter into force as soon as each of the Parties has notified the Government of the United States of America of its acceptance and the Council of the European Defence Community has notified the North Atlantic Council of the entry into force of the Treaty setting up the European Defence Community. The Government of the United States of America shall inform all the Parties to the North Atlantic Treaty of the date of the receipt of each such notification and of the date of the entry into force of the present Protocol.

ARTICLE III

The present Protocol shall remain in force for so long as the North Atlantic Treaty and the Treaty setting up the European Defence Community remain in force and the Parties to the latter Treaty continue to give, in respect of themselves and the European Defence forces, guarantees to the Parties to the North Atlantic Treaty equivalent to the guarantees contained in the present Protocol.

ARTICLE IV

The present Protocol, of which the English and French texts are equally authentic, shall be deposited in the Archives of the Government of the United States of America. Duly certified copies thereof shall be transmitted by that Government to the Governments of all the Parties to the North Atlantic Treaty and of all the Parties to the Treaty setting up the European Defence Community.

In witness whereof, the undersigned plenipotentiaries have signed the present protocol. Done at Paris, the 27th day of May 1952.

PAUL VAN ZEELAND
A. D. P. HEENEY
STEESEN-LETH
SCHUMAN
PAN. PIPINELIS
GUNNLAUGUR PETURSSON
DE GASPERI
BECH
STIKKER
ARNE SKAUG
TOVAR
M. A. TINEY
ANTHONY EDEN
DEAN ACHESON

The VICE PRESIDENT. The protocol is open to amendment. If there be no amendment to be proposed the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R, Eighty-second Congress, second session, a protocol to the North Atlantic Treaty, covering security guarantees to the members of the European defense community by the parties to the North Atlantic Treaty, signed at Paris on May 27, 1952.

Mr. HICKENLOOPER. Mr. President, on behalf of myself, the Senator from New Jersey [Mr. SMITH], and the Senator from Utah [Mr. WATKINS], I offer an understanding to the resolution of ratification.

The VICE PRESIDENT. The clerk will state the understanding.

The CHIEF CLERK. It is proposed to amend the resolution of advice and consent to the ratification of Executive R, Eighty-second Congress, second session, by striking the period after the figure 1952 at the end thereof and adding thereto the following:

Subject to the interpretation that the constitutional processes of the United States require that any military implementation of this protocol by the United States must be authorized by the Congress.

Mr. HICKENLOOPER. Mr. President, we have had discussion all afternoon of the basic principle which is involved in the interpretation. Fundamentally it is the same as the interpretation in the resolution of ratification of the German treaty. The protocol which is now under consideration for advice and consent of the Senate is a protocol which takes Germany into the North Atlantic Treaty Organization. As I understand, that is the sole purpose of the protocol to the North Atlantic Treaty.

The interpretation I propose is exactly the same as the one agreed to in connection with the resolution of ratification of the treaty, except that it does not refer to the exception which was noted in the German treaty; otherwise, it is exactly the same as the interpretation placed in the German treaty. It reads:

Subject to the interpretation that the constitutional processes of the United States require that any military implementation of this protocol by the United States must be authorized by the Congress.

The purpose of the interpretation has been fully explored. As I said earlier in the afternoon, we have been fooled once by our failure to add an interpretative provision. In the North Atlantic Treaty itself, of which the protocol will become a part, article 11 reads:

This treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes.

Again I call attention to the phrase "and its provisions carried out." By some peculiar circumstance or occurrence, that phrase was omitted from the convention with Germany; but it is that phrase and the one with respect to constitutional ratification which laid the basis for clearly establishing, in connection with the adoption of the North Atlantic Treaty, that it was the opinion of the Senate that all provisions of the North Atlantic Treaty must be implemented by authorization by Congress.

As I have pointed out, the administration came to Congress for authorization for the military arms implementation of the North Atlantic Treaty. However, when it came to sending manpower—human lives—to a joint European army, the administration did not see fit to come to Congress for such authorization, despite the fact that it was clearly established that it must be implemented by authorization of the Congress.

Here we are tying Germany into the North Atlantic Treaty. I believe that is sound; I favor it. I merely wish to attach to the protocol this interpretation, which I personally believe is already the law, but which the Executive has disregarded and has failed to follow. I wish to add this interpretation, so that it will be completely clear that military implementation must be authorized by the Congress of the United States.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield to me?

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

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I am not exactly clear about the effect of the interpretation. If it is adopted, will it mean that under the present congressional authority to supply aid to the other NATO countries, we could continue to supply aid to them, but not to Germany; or would the interpretation mean that Germany would have the same status as that of the other NATO countries?

Mr. HICKENLOOPER. I do not have a formal legal opinion on this point, but it is my personal view that under existing legislation which authorizes the implementation of the North Atlantic Treaty by furnishing military arms, ammunition, and so forth, when Germany enters the North Atlantic community of nations, the legislation already in existence will authorize such aid to Germany as has been authorized by statute to the North Atlantic community of nations—that is, subject to various divisions and allocations.

So I believe that the terms of this interpretation have already been complied with, insofar as certain guns and equipment are concerned, through the military-assistance program.

It is the principle of congressional action authorizing such aid that I wish to preserve.

Mr. McCARTHY. In view of the fact that in connection with the submission of an amendment to an ordinary piece of legislation, if there is any ambiguity in the language of the amendment, the intent of the author of the amendment normally is controlling, especially if Congress fully understands his intent, obviously it is important that the intent of the Senator from Iowa be clear in this instance. In my opinion, the language of the proposed interpretation is not clear.

Therefore I should like to ask a question: Is it the intention of the Senator from Iowa that if the protocol is adopted, Germany will be in the same status as that of France or that of any of the other

NATO countries, insofar as concerns receiving arms, ammunition, or other military help or aid?

Mr. HICKENLOOPER. It is my intention that Germany shall receive equitable and equal treatment in the common interest under the North Atlantic Treaty Organization, along with all of the other NATO countries. When this interpretation goes into effect, I believe that under existing law substantial amounts of military equipment and supplies will be available, under existing authority, to help Germany, along with the other NATO nations.

It is entirely possible that under some of the present statutes, some funds may be specifically earmarked for one particular country or another; but I believe there are some general allocations which would enable the matériel to go to Germany.

If not, if there is any handicap, then there is no reason in the world why the administration should not come to Congress immediately and request such enlargement or alteration or change in the law as to place Germany on an equal basis, so as to permit Germany to have such reasonable assistance as other NATO countries may be receiving for the common good.

I have no desire whatsoever to curtail proper aid to Germany in connection with the common defense.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield further to me?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. It occurs to me that it would be extremely difficult to operate an effective defense of the NATO countries unless all of them received adequate assistance. In other words, an effective defense would be extremely difficult if we were barred in any way from giving any implementation to one of the NATO countries.

Mr. HICKENLOOPER. This interpretation does not bar an act of Congress or action by Congress. If there is any restriction of any kind in that connection, such action as Congress deems wise can be taken.

As I have said, in some cases there may be specific allocations to certain countries for certain purposes, under existing legislation. However, I believe there is ample leeway, so that substantial aid could be given.

Furthermore, it is the duty of the administration to point out to Congress any inequity that may be done; and in that case the Executive should come to Congress, in the common interest, and request the enactment of legislation adequate for that purpose. I believe such legislation would be passed very quickly.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield for a further question?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I understand that congressional action would be required to extend further military aid to the NATO countries.

Mr. HICKENLOOPER. No; I beg the Senator's pardon. The extension of further military aid will require only such

legislation as might be necessary because of the expiration of legislation now existing. We have been legislating for NATO aid now since 1949. These laws expire from year to year. So each year it has been necessary to renew the legislation. That is only routine.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield for a further question?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. Is it the understanding of the Senator from Iowa that the interpretation he proposes to add would in no way affect the aid now going to NATO countries other than Germany?

Mr. HICKENLOOPER. That is correct; in my judgment it would not affect any aid now going under the law to NATO countries other than Germany. There is no confusion in my own mind, at least, about that.

Mr. McCARTHY. If addition of the interpretation would in no way affect the aid going to any other NATO countries, why should we adopt a provision which may or may not affect the military implementation insofar as Germany is concerned, in view of the fact that Western Germany may well be a key to the defense of Europe?

Mr. HICKENLOOPER. Because—and I think it is a very fundamental reason—I do not believe the Executive has any more power or authority to give military implementation to Germany without authorization by Congress than the Executive has to give military implementation to France, Italy, or any other country without authorization by Congress.

If we ratify the protocol without adding this interpretation to it, the protocol might be interpreted as meaning that the Executive had a special right to give aid to Germany, but not to the other NATO countries.

It is very simple for the Executive to come to Congress and request any authorization that is necessary by way of law, just as we provided such authorization to help Britain, France, and Italy in connection with the arms program.

This interpretation is only a safeguard and declaration of principle. The interpretation is not directed at Germany at all. The interpretation is a very simple one. It will not complicate matters in the least.

On the other hand, the interpretation, if adopted, will require the Executive, if he wishes to implement this protocol, to come to Congress and request for that purpose the enactment, if such legislation is not already in existence, of legislation which would authorize doing that in aid of the NATO countries.

Mr. CASE, Mr. WATKINS, and other Senators addressed the Chair.

Mr. HICKENLOOPER. Let me inquire whether the Senator from Wisconsin has concluded his questions.

Mr. McCARTHY. I should like to ask one more question.

Mr. HICKENLOOPER. Very well, I yield further to the Senator from Wisconsin.

Mr. McCARTHY. I may say to the Senator that I certainly would have no

objection whatever to this amendment, if it is very clear, or if it can be made clear, that it will in no way hamstring the NATO commander. For example, let us assume that he decides that certain of the NATO aid which has been authorized, for which money has been appropriated, should be transferred from France or from England to Western Germany. Assume that he decides it is the best way by which to defend Western Europe. I should hate to wake up to discover that we had prevented his doing that, and to find that the President had to call us back into special session in order to grant such authority.

If the Senator can give us his unqualified assurance—and I think his intent will be controlling, in view of the fact that it is his amendment—that it is his intention to affect in no way the rights of the President or of the NATO commander to shift from country to country—and I refer to the NATO countries—the aid which has been authorized, then I can see no objection to the amendment. At the same time, I question the necessity of this amendment, when it applies only to Germany and not to the other NATO countries.

Mr. HICKENLOOPER. I may say to the Senator from Wisconsin I think the principle applies to the other NATO countries. The reason for adding it to this protocol is that we were deceived on previous occasions. The record was made on the floor of the Senate that it did apply. The Senator from Iowa and other Senators who wanted to attach a similar reservation to the North Atlantic Treaty withdrew it, based upon those assurances. We were then deceived by the sending of troops to Europe without any authority. Therefore I want to have the reservation included at every appropriate opportunity, in order to make sure that we are not derelict in asserting our continued belief that the authority must come from Congress.

I may say to the Senator from Wisconsin that the protocol is not going into effect for a long time. The Senator does not need to be concerned about that, because in the first place it must be approved by about 16 countries. If the Senator will read it, he will find that it goes into effect when authorized by the signatories; and a list of them is set forth. I think the Senator may rest assured, and so may the Senate, that this protocol is not going into effect until after the convention on relations with the Federal Republic of Germany has gone into effect. In Germany, the debate on that convention is not even going to start until late this fall. No one knows when France will adopt it. No one knows when England will ratify it. So, in my opinion, the Senate will be in session for quite a while next year before this protocol goes into effect, and I think there will be ample opportunity, if legislation should be needed, to give aid to Germany through existing programs. I believe there is plenty of time from a practical standpoint.

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

Mr. HICKENLOOPER. I yield.

Mr. WATKINS. As a matter of fact, is not the Mutual Security Program and the act we passed broad enough to permit the executive department to give aid to Germany? It is a rather broad authorization.

Mr. HICKENLOOPER. According to my view, there can be no question that the implementing legislation with respect to any of these treaties including the German treaty agreement, the European Defense Community, the North Atlantic pact, and the tripartite agreement will be sufficiently broad because when they are adopted and finally go into effect, all of them are going to be so interlocked in one bill that it will be impossible to tell which is which. What we do about one piece of legislation affects the situation throughout. But I think what we must keep in mind is, that there simply is no chance of these treaties going into effect, in my judgment, before the Congress returns in January. Even the German treaty or convention which we have today ratified will not go into effect until the European Defense Community pact goes into effect. Not one nation of the European Defense Community has approved that convention as yet, and I do not think any of them will do so before the snow falls. In fact, I do not think any of them will do it before the birds come back from the south next spring, if they do it by then. So I believe there will be plenty of time. Also, so much of this is dependent upon certain other things. This protocol will not go into effect first, until all the signatories to the North Atlantic Treaty have approved it. From a practical standpoint, I am sure they are not going to approve it until the convention on Relations with the Federal Republic of Germany has finally gone into effect; and it will then take them into the North Atlantic Treaty.

Mr. WATKINS and Mr. CASE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa yield, and if so, to whom?

Mr. HICKENLOOPER. I yield first to the Senator from Utah, after which I shall be glad to yield to the Senator from South Dakota.

Mr. WATKINS. I call the attention of the Senator to the fact that the Mutual Security Act, passed some time ago, was very broad in its scope. It authorized aid for Asiatic nations, the Near East, Europe, and in fact all around the world. Under that act itself I take it there would be sufficient authority to take care of Germany in the meantime. But is not the principal purpose of this reservation to establish with respect to this protocol, what now has appeared to be the legislative history, the meaning of the North Atlantic pact?

Mr. HICKENLOOPER. That is correct. It is an affirmation of what practically all the Members of the Senate thought was the legal effect at the time we ratified the North Atlantic Pact; and at least I and a number of other Senators still think it is the legal effect of the North Atlantic Pact. With that the

President disagrees when he says he does not have to come to the Congress before sending troops on an international adventure.

Mr. WATKINS. The reservation simply puts this protocol in harmony with the convention ratified today by the Senate.

Mr. HICKENLOOPER. That is correct.

Mr. WATKINS. In other words, this is a similar interpretation.

Mr. HICKENLOOPER. We today ratified a convention with the Federal Republic of Germany, to which we attached this interpretation. This is a protocol, taking the Federal Republic of Germany into the North Atlantic Treaty Organization. It is utterly consistent to attach this identical interpretation to that protocol. I think it is perfectly consistent. I agree in part with the position taken by the Senator from Georgia [Mr. GEORGE] a few days ago, when he said he did not think this was necessary in connection with the protocol. I agree that it may not be necessary. I think it necessary from a practical standpoint, but from the standpoint of the law, it should not be necessary. But it is because of the action of the Executive in disregarding the implementing provisions of the North Atlantic Treaty that this interpretation is proposed, and I think we would be derelict in our duty did we not attach it to the protocol. That is my position. I now yield to the Senator from South Dakota.

Mr. CASE. The Senator from Iowa has stated that in his judgment the interpretation he proposes does not add anything to the situation so far as the signatories to the North Atlantic Treaty are concerned because it coincides with his interpretation of what the prior agreements meant. However, by expressing it at this time, does it not establish as to Germany a requirement that does not exist with respect to the members of the North Atlantic Organization?

Mr. HICKENLOOPER. No; I do not think so, because I think the legislative record is clear, not only from the hearings before the Foreign Relations Committee, but also from the statements made on the floor of the Senate. I think the record is clear—in fact, the statement was made in the record repeatedly—that the North Atlantic Treaty requires that all military implementations under the North Atlantic Treaty require the authority of the Congress; so I think that is already the law.

Mr. CASE. There is one problem which bothers me.

Mr. HICKENLOOPER. The President has violated that understanding in sending troops to Europe. I merely want to add such an interpretation to the protocol at this time. It is, I believe, already required that the Executive shall follow that law. But if he will not do so, then I want to lay it down to him every chance I get.

Mr. CASE. It has been my understanding that the interpretation of the North Atlantic Treaty was as the Senator has described.

Mr. HICKENLOOPER. I beg the Senator's pardon. During the so-called great debate in connection with sending troops to Europe, the Senate stated that the President must receive the authority of Congress before he sent troops abroad to become a part of an international force. But the administration filed a brief with the Foreign Relations Committee in which the administration took the position that the President did not have to ask Congress for authority; he could do it on his own account. That was another instance of the inherent power of the President which permits him to seize coal mines and to seize newspapers, if he wants to. This mysterious power has become quite a jinni out of the bottle, and I think we had better start putting it back into the bottle before it runs riot and destroys the legislative authority.

Mr. CASE. I have no more sympathy with the so-called inherent powers of the President than has the Senator from Iowa, but what bothers me is that if we assert it in writing, and it does not exist in writing in prior statements of the Congress, are we not recognizing that we have a different situation with Germany than with other nations?

Mr. HICKENLOOPER. Not so far as I am concerned.

Mr. CASE. I am not a lawyer, but I have always understood that the specification of certain things in a statute operates to exclude other things. Is the Senator's reservation so stated that it latches it only on Germany?

Mr. HICKENLOOPER. It latches it onto this particular document. That is the only one to which we can latch it. I agree that we cannot make a treaty on X subject and legislate on Y subject. We must make our limitations and conditions applicable to the particular treaty which is being considered. I think we must limit our expression to this protocol. It is a rather technical and narrow situation, but that is what we have to do.

Mr. CASE. Does the reservation apply wholly to the German Federal Republic or to the states which are named in the latter part of article 1, namely, France, the German Federal Republic, Italy, Luxemburg, and the Netherlands? Does the reservation which the Senator is suggesting apply with equal force to the named members of the European Defense Community, which include the German Republic?

Mr. HICKENLOOPER. It applies to this protocol which includes an armed attack on the territory of any of the members of the European Defense Community.

Mr. CASE. Then it would apply to Belgium, France, Italy, Luxemburg, and the Netherlands, as well as to the German Federal Republic?

Mr. HICKENLOOPER. In my judgment, if it is implemented under the North Atlantic Treaty as it affects the European Defense Community, which is a very technical and a fuzzy thing, it must be by legislation. They are all in the North Atlantic Defense Community except Germany. Their implementation is to be provided by the North Atlantic

Defense authorization. Sometimes they can put on one hat and sometimes they can put on the European defense hat. When the attempt is made to implement these nations as European Defense Community countries, I think this protocol would apply. But they do not have to do that, because they have already come to the point where they can eat their cake as defense community countries.

Mr. CASE. Article 1 also provides that an armed attack on any of the members of the European Defense Community in Europe or in the area described in article 6 (1) of the North Atlantic Treaty is an attack on all. In other words, it is a fuzzy distinction, because the North Atlantic Treaty criteria are used to define an attack on the European Defense Community.

Mr. HICKENLOOPER. I think that is put in because there are certain specialized limitations or obligations on the North Atlantic Defense Community which might, under some interpretations, lend themselves to special consideration. I think the attempt is being made to bring them all in, so that if anyone shoots a skyrocket and hits anything, we will be in it and a part of it. The effort is to bring all the nations into an interlocked situation which reminds me of a well-tangled ball of string.

Mr. CASE. I appreciate the Senator's having raised this issue, but I must confess that in my mind a very great doubt has been created, namely, that the adoption of the reservation would clearly and unmistakably apply the action as set forth in the protocol, but it raises a very great doubt in my mind whether by specification and by spelling it out we have not weakened the declared interpretation as to the members of the North Atlantic Treaty Organization who are not members of the defense community.

Mr. HICKENLOOPER. That same argument was used when we persuaded the Senator from Utah [Mr. WATKINS] to withdraw his reservation to the North Atlantic Treaty. He withdrew it, and then the administration violated the treaty. I do not think it weakens it. I believe it reiterates a perfectly sound legislative stand. If the National Legislature of this country does not protect its own prerogatives, the Executive will usurp them with great rapidity.

Mr. McCARTHY. Mr. President, I have a suggested amendment to the Senator's amendment. I shall not offer it unless he cares to accept it. I personally have felt that we cannot have a sound defense of Western Europe unless we utilize all the manpower and resources of Germany and Spain. For that reason I think we made a great step forward in taking Germany into NATO. Anything else would be unrealistic. I am worried, however, that the Senator's amendment may be interpreted to apply only to Germany, which would mean that the NATO commander, attempting to build a defense of Europe, might find himself hamstrung to some extent.

Would the Senator care to insert the following language after the words "United States", "other than military implementation already authorized for NATO countries"?

This would mean that there would be no restriction on the part of any NATO commander, who could distribute his resources anywhere he thought best. I do not think it would weaken the Senator's reservation.

Does the Senator have in mind the language I have suggested? If he would insert the language I suggest at this point, the Senator's reservation would read:

Subject to the interpretation that the constitutional processes of the United States require that any military implementation of this protocol by the United States, other than military implementation already authorized for NATO countries, must be authorized by the Congress.

Mr. HICKENLOOPER. I suggest that the Senator from Wisconsin gets into difficulty there. The President says he is already authorized to send troops to Europe, but Congress has not authorized him to do so. The President takes the position that he was authorized under an interpretation. I think the Senator has a point in his suggestion. I see what he is driving at.

Mr. McCARTHY. I may say further to the Senator that I suppose the President, in authorizing the movement of our troops to Europe, assumed he went beyond his authority, and assumed he went beyond his authority in authorizing certain other military implementations. The point is that he has done so.

Let us assume that war will break out in Europe. It would seem to me that the NATO commander should not have a different rule for different countries. He should be able to use whatever military implementation has been authorized where he sees fit to use it.

Mr. HICKENLOOPER. I think the Senator from Wisconsin will find that the law now makes certain provisions which amount to military implementation—so much money for one section, so much for another. Personally I think there would be no difficulty at all. I think it is probably mostly authorized already by act of Congress. Certainly, the interpretation I propose would not go into effect until January or February, if it went into effect then.

Mr. McCARTHY. I may suggest to the Senator that I shall not offer an amendment to his amendment, but I believe his amendment could be improved considerably by the insertion of the language I have suggested.

Mr. HICKENLOOPER. If the Senator could clarify the language, so that it would refer to authorization by Congress already provided, it would be all right. I do not want to concede that the President has any right to authorize anything without congressional action.

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

Mr. HICKENLOOPER. I yield.

Mr. WATKINS. Neither should we approve what the President has done, as I believe, illegally. We do not wish to give any back-door approval or after-the-fact approval. It seems to me that if we kept in mind the purpose of the protocol, it would be easier to understand why it is necessary to have this kind of reservation. It is an attempt to, and

it will, bring Germany into almost full membership within the North Atlantic Treaty Organization. That is, it will give Germany all the benefits, without actually bringing her in and requiring her to submit with entire agreement to all the parties to the Atlantic Pact. The approval must be unanimous before any nation can become a member. But recognizing Germany as a member of the European Defense Community, and accepting Germany as a member of the community, is an attempt to provide her with the benefits which flow from membership. If we are going to have the kind of agreement that covers Germany, then we shall be considered as taking on all the parties to the treaty. We ought to indicate very clearly that we are expecting the same rule to apply under this protocol that applies under the North Atlantic Pact itself, which is that the constitutional processes of a party to the treaty shall be carried out.

According to the statement of the Senator from Georgia [Mr. GEORGE], and according to the Foreign Relations Committee, the phrase "constitutional processes," as set forth in the North Atlantic Pact, means that all the processes followed under that pact are to be authorized and implemented by Congress, with particular reference to the sending of Armed Forces and the declaration of war. There is no question about the meaning, because Secretary of State Acheson agreed to that understanding. It was insisted upon by the Senator from Georgia, and agreed, that that was the correct interpretation.

Personally, I should have liked to go further than the Senator from Iowa [Mr. HICKENLOOPER] has gone in his proposed reservation. But "military implementation" seems to "cover the waterfront," and that is the reason why I am willing to join in accepting his reservation. In view of what happened in February, when we considered the accession of Greece and Turkey to the North Atlantic Pact, I think we now have legislative history that fixes clearly and specifically the understanding between the executive department and the Senate that the phrase "constitutional processes" refers to implementation by Congress of all provisions of the pact, especially the sending of troops abroad and the making of war or peace.

Mr. HICKENLOOPER. I am glad the Senator from Utah referred to the Senator from Georgia [Mr. GEORGE] as having made the statement he quoted. I wish to refer to what the Senator from Texas, the chairman of the Committee on Foreign Relations, said on February 7, 1952, in connection with the Greek-Turkish protocol. The Senator from Utah was interrogating the chairman of the Foreign Relations Committee about how article 11 would be implemented, whether by Congress or by the President. The colloquy was as follows:

Mr. WATKINS. I want to know if article 11 means that the provisions of this treaty are to be implemented by the Congress.

Mr. CONNALLY. How does the Senator think they are to be implemented? Does he think they are to be implemented by the bootblack in the barbershop? Of course, they are to be

implemented by the Congress, within its constitutional powers.

No, Mr. President, the record is clear that the Senate thought these actions were to be implemented by Congress. But nobody told the President that, I suppose, because he thought he had the power to act without the consent of Congress. That is all there is to it. In my judgment, if legislation is needed, it can be obtained.

I do not think there will be any question, if any technical difficulty is involved. The reservation is not directed at Germany. It is not directed at any country in particular. It is directed to the power of Congress to legislate on the question of war or peace.

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

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

Mr. CASE. Would the Senator state, then, as the author of the reservation, that it is intended to establish the same requirement which now exists for military implementation of the North Atlantic Treaty?

Mr. HICKENLOOPER. In my opinion, the answer to the Senator's question is, "Yes, absolutely." My complaint is that there is a difference between what Congress, the Senate, or the Committee on Foreign Relations thought was the law with regard to implementation, and what the President thought.

Mr. CASE. What I am seeking to nail down in the legislative consideration of the subject is that this reservation does not in any sense destroy the present requirement that the use of constitutional processes means action by Congress.

Mr. HICKENLOOPER. No; it in no way destroys it. As I said a while ago, I personally believe the requirement may be surplusage; but because the President disregarded what I believe was intended, I think it is necessary to include it in the reservation and reiterate it.

Mr. CONNALLY. Mr. President, I am very anxious to have a vote, but first I desire to say a few words.

If the pending proposal were adopted, it would set up a different standard for Germany than for the other North Atlantic Treaty countries. Why do I say that? Because the language of the proposal is:

Subject to the interpretation that the constitutional processes of the United States require that any military implementation of this protocol by the United States must be authorized by the Congress.

That is all that is affected by the amendment. The protocol simply admits Germany into the North Atlantic Treaty. She will have a different standing under the Treaty. If she receives any military aid from the United States, it will be necessary to obtain congressional approval of it. If other nations in the North Atlantic Treaty get military aid, they will not have to come to Congress; they will have to come under the regular proceedings of the North Atlantic Treaty Council.

The Senator from Wisconsin was exactly correct in his first approach to this

subject when he asked, "Will the treatment of Germany and the other countries of the North Atlantic Treaty Organization be different?" Of course it will. If that were not so, all that would be necessary would be to say that Germany is admitted to the North Atlantic Treaty Organization, and stop there. We would not be required to say "military implementation of this protocol." All we would need to do would be to pass a resolution that we agree to the admission of Germany to the North Atlantic Treaty Organization. That is all that would be necessary.

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

Mr. CONNALLY. I yield.

Mr. HICKENLOOPER. This protocol does not merely admit Germany to the North Atlantic Treaty Organization. The protocol admits the European defense community, as a technical community.

Mr. CONNALLY. The other nations are already in.

Mr. HICKENLOOPER. That is correct.

Mr. CONNALLY. Then this protocol does not admit anyone but Germany.

Mr. HICKENLOOPER. Germany is only a part of the European Defense Community.

Mr. CONNALLY. The answer is perfectly simple. All the other members of the European Defense Community are already members of the North Atlantic Treaty Organization. This protocol, in effect, merely brings Germany into the North Atlantic Treaty Organization; but when Germany is brought into the North Atlantic Treaty Organization, it is limited to this protocol, and a heavier burden is levied upon Germany than upon the other countries in the North Atlantic Treaty Organization. Do we want to discriminate against Germany?

Mr. HICKENLOOPER. Mr. President—

Mr. CONNALLY. Just a moment. Do we want to discriminate against Germany? We are trying to bring Germany in to help strengthen Western Europe. We are bringing Germany in because we want to see her reestablished as a great power, imbued with democratic principles. Do we want to start by saying, "You cannot come in the front door. Go around to the back door. We are going to discriminate against you. We are going to segregate you. Do not come in the front door. Go around and knock on the back door and say, 'Boss, can I come in?'"

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

Mr. CONNALLY. I yield.

Mr. HICKENLOOPER. I take it the Senator's contention is that congressional authority is not required to implement the North Atlantic Treaty.

Mr. CONNALLY. It is already implemented.

Mr. HICKENLOOPER. By what means? By congressional authority?

Mr. CONNALLY. It is implemented by the authority which was granted when the North Atlantic Treaty Organ-

ization was established. There is a council to deal with these questions.

Mr. HICKENLOOPER. Why not extend the North Atlantic Treaty to Germany as well as to the others?

Mr. CONNALLY. The Senator from Iowa is not in favor of this plan at all. He said he voted for that treaty only to bring in Germany. He said he voted for it reluctantly. He dragged his feet. When he voted, he could hardly get his feet off the ground. Now he wants to amend it, tinker with it, and hornswoogle it. We tried to please him in the committee. We adopted his interpretation with respect to the treaty with Germany after we watered it down and took off some of its paraphernalia. After eliminating some of the ornaments and getting it down to its bare bones, we voted for it and adopted it.

The Senator from Iowa admits in his argument that he doubts very much whether the proposal he now makes is at all necessary. If it is not necessary, why spend the afternoon discussing it and debating it, and talking about implementation? Many people use words without knowing what they mean. I challenge anyone to tell us what "implementation" means in this connection.

The Senator from Iowa talks about sending troops to Europe. We voted on that question in the Senate. We said that congressional approval was necessary before that was done. But this is a broader term. It includes any military implementation. If we were to send over a gun, that would be military implementation. It would be necessary to call up Washington and have Congress pass a resolution every time it was desired to shoot a cannon over there. If we send shells over there, that is military implementation. The captain would say "Wait a minute, sergeant. Don't you pull that string. Don't you fire that cannon. That is military implementation, and we have to call upon Congress to pass an act before we can shoot. Bide your time. Wait until we get authority."

I know that is true, because the Senator from Iowa said it was so. His interpretation applies to any military implementation. It would apply to any kind of ammunition. There must be military implementation by Congress.

Mr. President, this interpretation ought not to be attached to the protocol. We thought, when we adopted the interpretation of the Senator from Iowa with respect to the main treaty, that that ought to meet the situation. If this interpretation had another paragraph to it, the Senator from Iowa would add another amendment to the next paragraph, to "implement" something; and if it had two more paragraphs he would have two more reservations and interpretations.

The Senator from Iowa is not in sympathy with the whole plan. I mean that in all kindness. I do not mean to imply any lack of good faith; but he is responsible for what happens in his head. Brain processes, like constitutional processes, must be regarded.

Mr. President, I hope very much that the Senate will reject this so-called interpretation, because it applies only to

Germany. It does not apply to any other country in the North Atlantic Treaty Organization. I do not think it is fair to discriminate against Germany when we are asking her to come in, to lock shields with us, to stand by our side to defend the independence and integrity of Western Germany. But when we say that to her we should not ask her to take a back seat. We should not ask her to sit in some row that is not occupied by her equals. She ought to be an equal. I favor making Germany an equal in the North Atlantic Treaty Organization. The way to bring her in is simply to admit her, and not tie on strings, understandings, interpretations, and all the folderol that goes with a reservation of this kind.

The PRESIDING OFFICER. The question is on agreeing to the interpretation offered by the Senator from Iowa [Mr. HICKENLOOPER].

Mr. McCARTHY. Mr. President, I should like to address a final question to the Senator from Iowa.

Am I correct in saying that if this interpretation has any effect at all, it sets a different standard for Germany?

Mr. HICKENLOOPER. No; I think not.

Mr. McCARTHY. If this provision is necessary, if we are doing something which we did not do in connection with the North Atlantic Treaty, we are setting up a different standard; are we not?

Mr. HICKENLOOPER. I do not think it sets up any different standard for Germany than for any of the other countries. I think the Senator from Texas [Mr. CONNALLY] amply proved that in his argument, if the Senator will read what he said. He proves that it does not set up any different standard. He says that the question of implementation of the North Atlantic Treaty must be referred to the Congress. All this interpretation would say, even according to the argument made by the excitable Senator from Texas, is that if there is any action for which Congress would have to authorize implementation with respect to Germany, that is what has already been done with respect to the North Atlantic Treaty. My point is that the President does not so regard it. He says that he can implement these things without authority. Therefore I wish to put this interpretation in the protocol, to make certain. It does not single out Germany. It does not deny Germany a single thing to which the other countries are legally entitled.

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

Mr. HICKENLOOPER. The Senator from Wisconsin [Mr. McCARTHY] has the floor.

Mr. WATKINS. I wanted to ask the Senator from Iowa a question.

Mr. McCARTHY. Mr. President, I ask unanimous consent that the Senator from Utah may ask the Senator from Iowa a question without my losing the floor.

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

Mr. WATKINS. The question is this: Does this protocol actually and legally

bring Germany in as a member of the North Atlantic Treaty Organization?

Mr. HICKENLOOPER. To all intents and purposes; yes. It brings in the European defense community as one of the defensive areas, with an attack on any of its members being considered an attack on any of the North Atlantic countries. All of them are already in the North Atlantic defense community with the exception of Germany. This protocol, in naming the members of the European defense community, names all the countries which are already in the community and adds the name of Germany as a member of the community. Germany is brought under the protective cloak of the North Atlantic Treaty. In a back-door and labyrinthine way Germany is brought under the wings of the North Atlantic Treaty.

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

Mr. McCARTHY. I yield.

Mr. WATKINS. The North Atlantic Treaty requires, before any other nation can be brought into it, unanimous consent on the part of all the parties to the treaty. Must all the parties to the North Atlantic Pact ratify this protocol?

Mr. HICKENLOOPER. That is in accordance with the terms of the protocol.

Mr. WATKINS. I do not see them named in the protocol.

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

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. McCARTHY. I am glad to yield.

Mr. CASE. If I may inject myself into the discussion, I do not believe that the protocol admits Germany into the North Atlantic Pact.

Mr. WATKINS. I do not see the Canadian signature on the protocol, for example. As I understand, Germany is not actually and legally brought within the North Atlantic Pact.

Mr. HICKENLOOPER. There are 14 signatories to the protocol. I believe all of them signed the North Atlantic Treaty.

Mr. McCARTHY. I may say that I shall have to vote against the interpretation or reservation offered by the Senator from Iowa. I think the interpretation which he suggests would certainly be the correct interpretation for the entire North Atlantic Treaty. If it is not so interpreted, an attempt to add the interpretation and have it affect only one of the NATO countries would, in my opinion, possibly hamstring any NATO commander from attempting to work out an effective and efficient defense of Western Europe.

Let me repeat that I think the interpretation of the Senator from Iowa is the interpretation which does apply in any event. I think it applies to the entire North Atlantic Treaty. I think it would be a mistake to tack it on to this particular protocol.

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

Mr. McCARTHY. I gladly yield for a question.

Mr. WATKINS. The Senator from Wisconsin has heard the statement made

by the Senator from Iowa that the North Atlantic Treaty in all of its provisions must be implemented by act of Congress. That includes military implementation. Where is anything being taken away from Germany? It has to be done for Germany, too. The legislative history which was developed in the February debate on the accession of Turkey and Greece to the North Atlantic Treaty Organization shows that the entire North Atlantic Pact, and every portion of it, must be implemented by Congress. That is all that would be done by the reservation. It would merely reaffirm that interpretation with respect to Germany.

Mr. McCARTHY. I believe the Senator from Utah is correct. If he is correct, then the reservation interpretation is unnecessary. If he is not correct, and it is necessary, then it creates a different standard for a new nation being admitted into the North Atlantic Treaty. Does the Senator from Utah follow me?

Mr. WATKINS. No; I cannot follow the Senator from Wisconsin in that connection. All that it does is what the Senator from Iowa explains it does, namely, to say to the President in no uncertain terms: "The Senate wants you to understand that this protocol must be implemented by Congress." It is another message to the White House; that is all it is.

Mr. McCARTHY. I believe it says to the President in no uncertain terms that this protocol must be implemented by Congress. I agree with the Senator that the North Atlantic Treaty must be implemented by Congress. If that is correct, then this interpretation is unnecessary. If on the other hand the Senator from Utah and I are not correct in our interpretation of the law, and this reservation is necessary, then it does set up a different standard for Germany.

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

Mr. McCARTHY. I gladly yield.

The PRESIDING OFFICER. The yeas and nays have been requested. The request is sufficiently seconded, and the yeas and nays are ordered.

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

Mr. CASE. I may say to the Senator from Wisconsin that personally I am inclined to agree with the logic which he expresses. If one is passing candy out to a certain group of people on the same basis, and then attempts to pass out candy to another person, but with strings attached, a different basis is established. If the interpretation as to all is the same, it is not necessary to spell it out with respect to one. To spell it out with reference to one weakens, I fear, the interpretation with respect to the prior nations.

Mr. McCARTHY. I thank the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WATKINS. Mr. President, I ask unanimous consent that the order for

a quorum call be rescinded, and that further proceedings under the call be suspended.

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

The question is on agreeing to the interpretation to the resolution of ratification offered by the Senator from Iowa [Mr. HICKENLOOPER].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHOEPEL (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mr. FULBRIGHT]. If the Senator from Arkansas were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate because of illness.

The Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. KERR] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

I announce further that, if present and voting, the Senator from Oklahoma [Mr. KERR] and the Senator from Connecticut [Mr. McMAHON] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

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

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Missouri [Mr. KEM] are detained on official business.

The Senator from Utah [Mr. BENNETT] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Massachusetts would vote "nay."

On this vote the Senator from Ohio [Mr. TAFT] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from New Hampshire would vote "nay."

If present and voting the Senator from Indiana [Mr. CAPEHART] would vote "yea."

On this vote the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from California [Mr.

NIXON]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from California would vote "nay."

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Aiken	Flanders	Smith, N. J.
Bricker	Hendrickson	Stennis
Butler, Nebr.	Hickenlooper	Thye
Cain	Hunt	Watkins
Cordon	Jenner	Welker
Dirksen	Langer	Williams
Dworshak	Martin	Young
Ecton	Mundt	
Ferguson	Saltonstall	

NAYS—51

Benton	Hoey	McKellar
Butler, Md.	Holland	Monroney
Case	Humphrey	Moody
Chavez	Ives	Morse
Clements	Johnson, Colo.	Murray
Connally	Johnson, Tex.	Neely
Douglas	Johnston, S. C.	O'Connor
Duff	Kilgore	Pastore
Eastland	Knowland	Robertson
Ellender	Lehman	Russell
Frear	Long	Seaton
George	Magnuson	Smathers
Gillette	Maybank	Smith, Maine
Green	McCarran	Smith, N. C.
Hayden	McCarthy	Sparkman
Hennings	McClellan	Underwood
Hill	McFarland	Wiley

NOT VOTING—20

Anderson	Fulbright	Millikin
Bennett	Kefauver	Nixon
Brewster	Kem	O'Mahoney
Bridges	Kerr	Schoeppel
Byrd	Lodge	Taft
Capehart	Malone	Tobey
Carlson	McMahon	

So Mr. HICKENLOOPER's interpretation was rejected.

The VICE PRESIDENT. The question now is, Will the Senate advise and consent to the resolution of ratification?

Mr. CONNALLY and other Senators asked for the yeas and nays, and the yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate because of illness.

The Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. KERR] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

I announce further that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from Nevada [Mr. McCARRAN], and the Senator from Connecticut [Mr. McMAHON] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

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

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Missouri [Mr. KEM] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The yeas and nays resulted—yeas 72, nays 5, as follows:

YEAS—72

Aiken	Hennings	Morse
Benton	Hickenlooper	Mundt
Bricker	Hill	Murray
Butler, Md.	Hoey	Neely
Butler, Nebr.	Holland	O'Connor
Cain	Humphrey	O'Mahoney
Case	Hunt	Pastore
Chavez	Ives	Robertson
Clements	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Douglas	Kilgore	Seaton
Duff	Knowland	Smathers
Eastland	Lehman	Smith, Maine
Ecton	Long	Smith, N. J.
Ellender	Magnuson	Smith, N. C.
Ferguson	Martin	Sparkman
Flanders	Maybank	Stennis
Frear	McCarthy	Thye
George	McClellan	Underwood
Gillette	McFarland	Watkins
Green	McKellar	Wiley
Hayden	Monroney	Williams
Hendrickson	Moody	Young

NAYS—5

Dirksen	Jenner	Welker
Dworshak	Langer	

NOT VOTING—19

Anderson	Fulbright	McMahon
Bennett	Kefauver	Millikin
Brewster	Kem	Nixon
Bridges	Kerr	Taft
Byrd	Lodge	Tobey
Capehart	Malone	
Carlson	McCarran	

The VICE PRESIDENT. On this vote the yeas are 72, the nays 5. Two-thirds of the Senators present concurring therein, the resolution advising and consenting to the ratification is agreed to.

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. McCARRAN, from the Committee on the Judiciary:

Ashton H. Williams, of South Carolina, to be United States district judge for the eastern district of South Carolina, vice J. Waties Waring, retired;

Herman E. Moore, of Illinois, to be judge of the district court of the Virgin Islands;

Guthrie F. Crowe, of Kentucky, to be United States district judge for the District of the Canal Zone, vice Joseph J. Hancock, resigned;

David J. Coddalre, of Massachusetts, to be a member of the Subversive Activities Control Board; and

Edward M. McEntee, of Rhode Island, to be United States attorney for the district of Rhode Island, vice George F. Troy, retired.

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

Kathryn McHale, of Indiana, to be a member of the Subversive Activities Control Board, reappointment.

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

Sundry postmasters.

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

Walter L. Greene, of Alabama, to be Federal Housing Commissioner, vice Franklin D. Richards, resigned.

CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. McFARLAND. I now ask unanimous consent that the Senate proceed to consider the nominations on the Executive Calendar.

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

Mr. McFARLAND. Mr. President, in connection with the nomination of Earl Wayne Beck to be Recorder of Deeds for the District of Columbia, I understand that that is no longer an appointive position. I therefore ask unanimous consent that that appointment be indefinitely postponed.

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

POSTMASTER AT BOISE, IDAHO

The VICE PRESIDENT. The nominations on the Executive Calendar will be stated.

The legislative clerk read the nomination of James F. Hughes to be postmaster at Boise, Idaho.

Mr. McFARLAND. Mr. President, I previously requested that consideration of the appointment of Mr. Hughes as postmaster at Boise, Idaho, be passed over. I do not object to consideration of the nomination at this time.

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

RENEGOTIATION BOARD

The legislative clerk read the nomination of B. Bernard Greidinger to be a member of the Renegotiation Board.

Mr. McFARLAND. Mr. President, this nomination was reported adversely.

Mr. GEORGE. The nomination was reported adversely, Mr. President, but the committee would like to have the nomination passed over for the day.

Mr. McFARLAND. I have no objection.

The VICE PRESIDENT. The nomination will be passed over.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Anthony F. Arpaia to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1957.

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

The legislative clerk read the nomination of Martin Kelso Elliott to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1956.

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

The legislative clerk read the nomination of Charles D. Mahaffie to be Interstate Commerce Commissioner for the term expiring December 31, 1958.

Mr. BRICKER. Mr. President, is the Senate now considering the nomination of Mr. Mahaffie to be a member of the Interstate Commerce Commission?

The VICE PRESIDENT. That is correct.

Mr. BRICKER. I desire to invite the attention of the Senate to a report which has been filed in regard to Mr. Mahaffie. His nomination was reported by unanimous vote of the members of the committee. There was no opposing vote. There has been a report filed by the Senator from Colorado [Mr. JOHNSON], Chairman of the Committee on Interstate and Foreign Commerce, for the Senator from New Hampshire [Mr. TOBEY]. That report is very critical of Mr. Mahaffie and of the actions, decisions, workings, and organization of the Interstate Commerce Commission. I should like the RECORD to show that no other member of the committee, so far as I know, and certainly not the Senator from Ohio, supports the views stated in this report. It certainly does not represent the recommendations of the Committee on Interstate and Foreign Commerce.

Throughout the report the phrase "your committee" appears. There is no authorization for the use of any such phrase. I think it is an entirely improper report to have filed when a majority of the committee has not been given the opportunity of filing a report in support of Commissioner Mahaffie. His nomination met with the unanimous approval of the committee. One case was picked out with which one Member did not agree, and the Member put before the Senate and Mr. Mahaffie's colleagues on the Commission a reflection on the integrity and the ability of Commissioner Mahaffie.

An effort was then made to cure it by a plaudit given to Mr. Mahaffie in the last paragraph.

I want the RECORD to be straight, and I ask the chairman of the committee to confirm what I have said.

Mr. JOHNSON of Colorado. Mr. President, I confirm everything the Senator has said except that there is one difference I have with him pertaining to the report to which he has referred.

At the time when our committee voted on the nomination of Commissioner

Mahaffie, and voted to report it by a unanimous vote, the Senator from New Hampshire [Mr. TOBEY] requested permission to file a report. That permission was given. That does not mean, however, that the report that was filed was a report by the committee.

The Senator from Ohio is correct in that regard. The Senator from New Hampshire was given permission to file a report.

Mr. BRICKER. No one objected. Any individual Member can file a report. My objection to the report is that throughout it speaks of "your committee," on the assumption that it represents the views of the committee; but it represents nothing under the sun but the views of one individual who did not vote either for or against the nomination in the committee. I think it is an entirely improper report.

Mr. JOHNSON of Colorado. The Senator is correct in that the report is the individual report of the Senator from New Hampshire [Mr. TOBEY]. I assume responsibility for not catching that point at the time the report was filed. I filed it for the Senator from New Hampshire, he being absent. I should have caught the point that the report purports to cover more than the Senator's own views. I presume it is entirely my fault, because I did not notice it. I take second place to no Senator in my admiration and respect for Commissioner Mahaffie. He is one of the ablest men in public service today.

Mr. BRICKER. I appreciate the statement of the chairman of the committee. I brought up the matter only so that the RECORD might show that there is no criticism of the character or record of this nominee by the other members of the committee.

There may be certain cases which Mr. Mahaffie has decided, supported by the remainder of the Commission, with which we would not agree, but that would not justify a report such as the one the Senator from New Hampshire has filed.

I do not want to hold up the nomination. I think the gentleman who is nominated is one of the ablest men who has ever served on the Interstate Commerce Commission. He is particularly well qualified to deal with matters under the jurisdiction of the Commission.

Mr. O'CONNOR. Mr. President, I should like to have incorporated in the RECORD at this point a statement of approval of Mr. Mahaffie.

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

STATEMENT BY SENATOR O'CONNOR

As a member of the Interstate and Foreign Commerce Committee, in submitting a favorable report to the Senate on the reappointment of Commissioner Mahaffie, I took such action because of the excellent record the nominee has made in his three previous terms as a member of the Commission. I likewise am influenced by the strong recommendations that were received from persons acquainted with this work and his record.

In favoring this nomination, I did not attempt to substitute my judgment on the issues or merits of cases that have come be-

fore Commissioner Mahaffie during his terms of office.

In thus presenting to the Senate this view, I desire to inform the Senate that not only has Commissioner Mahaffie made a most creditable record as a member of the Commission but that he is a man of integrity, industry, and courage, who can be relied upon in the future, as was the case in the past, to handle with complete fairness the duties assigned to him.

Mr. SMITH of New Jersey. Mr. President, I should like to say a word in behalf of Commissioner Mahaffie. I do not know him personally, but I know people who do know him, and I know of his record. One of those persons said he hoped Commissioner Mahaffie's nomination would be confirmed, and I am glad to have an opportunity to make that statement as a part of the Record.

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

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Abe Murdock, of Utah, to be a member of the National Labor Relations Board for the term expiring December 16, 1957.

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

TECHNICAL COOPERATION

The Chief Clerk read the nomination of Jonathan B. Bingham, of New York, to be Deputy Administrator for Technical Cooperation.

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

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Maurice Sanchez, of New Mexico, to be United States attorney for the district of New Mexico.

The VICE PRESIDENT. Without objection, the nomination is confirmed; and, without objection, the President will be notified of the confirmation of all nominations made today.

LEGISLATIVE SESSION

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

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

ORDER FOR CALL OF THE CALENDAR ON THURSDAY

Mr. McFARLAND. Mr. President, yesterday I gave notice of a night session in order that we might be sure to adjourn next Saturday. I would rather have shorter hours at the end of the week than to be uncertain about whether we can finish our work. If we are going to have long hours, I think it is better to have them at this time of the week, rather than on Saturday, with long sessions such as we have had in the past. I appreciate the fact that the Senate has been willing to cooperate in the program. We have made progress, and it has been

because all the Members of the Senate have cooperated.

Mr. President, I ask unanimous consent that, beginning at 9:30 a. m. on Thursday, there be a call of the calendar from the beginning of bills to which there is no objection.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 54. An act for the relief of Stella Jean Stathopoulou;

S. 1037. An act for the relief of Wai Hsueh Tan, Mrs. May Jane Tan, Robert Tingsing Tan, and Ellen Tan;

S. 1324. An act for the relief of Dr. Nicola M. Melucci;

S. 1422. An act for the relief of Jerry J. Lencioni;

S. 1470. An act for the relief of Penagiotes Roumeliotis;

S. 1513. An act for the relief of Thorvald Nin;

S. 1580. An act for the relief of Alevtina Olson and Tatiana Snejnina;

S. 1639. An act for the relief of Osvaldo Castro y Lopez;

S. 1724. An act for the relief of Elina Branlund;

S. 1731. An act for the relief of Rhee Song Wu;

S. 1846. An act for the relief of Misako Watanabe and her daughter, Irene Terumi;

S. 1863. An act to effect the entry into the United States of Yukio Niimura, a minor Japanese national;

S. 2006. An act for the relief of Heidi Geraldine Connelly;

S. 2067. An act for the relief of Maria Welland;

S. 2084. An act for the relief of Mathilde Kohar Halebian;

S. 2232. An act for the relief of the Detroit Automotive Products Co.;

S. 2334. An act for the relief of Miguel Narciso Ossorio;

S. 2357. An act to provide that horticultural commodities shall be included within the term "agricultural commodities" for the purpose of the agricultural exemption for motor carriers in the Interstate Commerce Act;

S. 2360. An act to amend the Interstate Commerce Act to increase the amounts of securities issued by motor carriers without requiring approval by the Interstate Commerce Commission;

S. 2545. An act to amend section 1823 (a) of title 28, United States Code, to permit the advance or payment of expenses of travel and subsistence to Federal officers or employees by one agency and reimbursement by another agency;

S. 2582. An act to authorize and direct the Secretary of the Army to convey a certain tract of land in Russell County, Ala., to W. T. Heard;

S. 2630. An act for the relief of Mary Fox;

S. 2637. An act for the relief of Peter Rousetos, also known as Panagiotis Rousetos, also known as Panagiotis Rousetos Metritikas;

S. 3007. An act for the relief of Jimmy Lee Davis; and

S. 3008. An act for the relief of Karen Christene Eisen Murdock.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3168) to

amend section 113 (b) (1) (B) of the Internal Revenue Code with respect to the adjustment of the basis of property for depreciation, obsolescence, amortization, and depletion.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3707) for the relief of Edgar L. Dimmick.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7391) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1953, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPARD, Mr. SIKES, Mr. RILEY, Mr. GORE, Mr. FERNANDEZ, Mr. FLOOD, Mr. FURCOLO, Mr. CANNON, Mr. TABER, Mr. WIGGLESWORTH, Mr. SCRIVNER, Mr. DAVIS of Wisconsin, Mr. PHILLIPS, and Mr. COTTON were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. DINGELL, Mr. MILLS, Mr. REED of New York, and Mr. JENKINS were appointed managers on the part of the House at the conference.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

APPLICATION TO INTERNATIONAL JOINT COMMISSION FOR APPROVAL OF CERTAIN WORKS IN CONNECTION WITH ST. LAWRENCE SEAWAY AND POWER PROJECT

A communication from the President of the United States, transmitting, for the information of the Congress, the application to the International Joint Commission, dated June 30, 1952, for approval of certain works in connection with the St. Lawrence seaway and power project, and an exchange of notes, of the same date, between the Canadian Government and the United States Government concerning the St. Lawrence project (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE PRESIDENT'S MATERIALS POLICY COMMISSION ON RESOURCES AND FREEDOM

A communication from the President of the United States, transmitting the report of the President's Materials Policy Commission on Resources for Freedom (with accompanying papers); to the Committee on Armed Services.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 159)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$240,000, for the Department of the Interior, fiscal year 1953 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 160)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$400,000, for the Department of the Interior, fiscal year 1953 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF LIBRARIAN OF CONGRESS

A letter from the Librarian of Congress, transmitting, pursuant to law, his report for the fiscal year 1951, together with a set of the Quarterly Journal of Current Acquisitions (with an accompanying report); to the Committee on Rules and Administration.

PUBLIC POWER—RESOLUTION OF TENNESSEE INDUSTRIAL UNION COUNCIL

Mr. KEFAUVER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution which was adopted by the 1952 annual convention of the Tennessee Industrial Union Council, at Chattanooga, Tenn., June 13 and 14, 1952, relating to public power.

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

RESOLUTION ON PUBLIC POWER ADOPTED BY THE 1952 ANNUAL CONVENTION OF THE TENNESSEE INDUSTRIAL UNION COUNCIL, CHATTANOOGA, TENN., JUNE 13-14, 1952

All Americans, as consumers and citizens—laborers, farmers, housewives, manufacturers, merchants—have a fundamental interest in the production, distribution, and utilization of the power resources of our Nation. Abundance of low cost electrical energy or its scarcity and consequent high cost affect the standards of living of all, and the productivity and strength of our Nation itself. We as citizens of Tennessee, having personally experienced the growth and achievement of TVA, know that low cost power is vital to a full production economy. The assurance and provision of an abundant supply of power at lowest possible cost is a public responsibility; and

The American people's heritage of power resources is threatened today by unreformed private power monopolists, defending their high-cost, scarcity-supply policies by the immoral use of rate-payers' funds to corrupt our sources of information, our educational institutions and the democratic processes themselves: Therefore be it

Resolved—

1. There must be the best possible electric service to consumers everywhere—residential, agricultural, commercial or industrial—at the lowest rates consistent with sound business principles.

2. All feasible potential power resources of the Nation, hydro or other, must be developed as rapidly as they can be soundly undertaken. Public and cooperative agencies must be permitted to build and operate fuel burning generating plants and to integrate them with hydro power.

3. River basins should be developed not only for power production but in accordance with comprehensive, basin-wide plans which will assure soil and forest conservation, flood control, reclamation and irrigation of land, improvement of navigation, abatement of pollution, municipal and industrial water supply, protection of fish and wildlife, expansion of recreational and cultural facilities, salinity control, and other benefits. Such development can and must be done only by public agencies with widest practical participation of local public agencies and cooperatives. The obstruction of such unified development by licensing of the economically advantageous projects to private exploitative interests must be stopped.

4. Benefits of the development of the public's power resources must reach consumers undiminished by any unnecessary added costs. Public transmission facilities and aid to local agencies or cooperatives in the establishment and acquisition of distribution systems must be provided wherever need exists.

5. Electric power publicly produced belongs to the public. The public has first preference right to it as such owners. It should not be supplied to industries or private profit distributors (1) if needed by public agencies and consumers' cooperatives, or (2) without such control of resale rates and conditions of service by the producing agency as will assure that all publicly created benefits reach the public in the form of lowest possible rates.

6. The private power industry in America must be cleaned. Although its illegal, immoral, and degrading activities were exposed and condemned only two decades ago, the unreformed and unrepentant industry given a privileged monopoly position to supply a necessity of our lives, is today again charging and expending rate-payers' money as operating expense, to corrupt public sources of information, educational institutions, public agencies, and the functioning of our democratic institutions. There must be immediately established at every level of private utility operation as thorough and continuing investigation of all expenditures of moneys by power monopolists for propaganda, lobbying, political activity, or corruption of public servants or institutions. Regulatory bodies, law-enforcement agencies, legislatures, and the Congress itself must discharge their duty to the American people to expose, punish, and publicize unethical, immoral, or illegal practices on a vigorous and continuing basis. There must be immediate and continuous action to assure that benefits of tax concessions, accelerated amortization subsidies, and similar windfalls to private companies reach consumers and that inflated valuations, watering, and inefficiency are not charged in expense.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations:

H. R. 6129. A bill to provide for the transfer of certain lands and interests in lands at Mill Rock Island in the East River, N. Y.; without amendment (Rept. No. 1991).

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

S. 624. A bill for the relief of Hajna Sepsi (Rept. No. 1993);

S. 1358. A bill for the relief of George Prokofieff de Seversky and Isabelle Prokofieff de Seversky (Rept. No. 1994);

S. 1780. A bill for the relief of Dr. Alexander D. Moruzi (Rept. No. 2004);

S. 1966. A bill for the relief of Michael Cosmo Zullo (Rept. No. 2005);

S. 2212. A bill for the relief of Charles Michell (Rept. No. 1995);

S. 2473. A bill for the relief of Luciano Pellegrini (Rept. No. 1996);

S. 2479. A bill for the relief of Mary Bouessa Deeb (Rept. No. 1997);

S. 2577. A bill for the relief of Mikio Abe (Rept. No. 1998);

S. 2681. A bill for the relief of Carlotta Olimpia Forguone (Rept. No. 1999);

S. 2869. A bill for the relief of Yuriko Nishimoto (Rept. No. 2000);

S. 2989. A bill for the relief of Commander John J. O'Donnell, United States Naval Reserve (Rept. No. 2001);

S. 3050. A bill to authorize the payment of certain claims for damage to private property, loss of wages, personal injuries, and death, arising out of noncombat activities of the Army (Rept. No. 2002);

S. 3356. A bill for the relief of Homer C. Boozer, Terry Davis, Leopole A. Fraczkowski, Earl W. Keating, and Charles A. Paris (Rept. No. 2003);

H. R. 1092. A bill for the relief of Mrs. Mercedes Hernandez Saguar (Rept. No. 2006);

H. R. 1151. A bill for the relief of Sumiko Yamamoto (Rept. No. 2007);

H. R. 2073. A bill for the relief of Mr. and Mrs. Thomas H. Campbell (Rept. No. 2008);

H. R. 2166. A bill for the relief of Sister Antia (Vincenzina Di Franco) (Rept. No. 2009);

H. R. 2789. A bill for the relief of Howard S. Lawson; Winifred G. Lawson, his wife; Walter P. Lawson; and Nita R. Lawson, his wife (Rept. No. 2010);

H. R. 2860. A bill for the relief of Inez Pryer (Sister Mary Carmel) (Rept. No. 2011);

H. R. 3071. A bill for the relief of Vito Aiuto (Rept. No. 2012);

H. R. 3211. A bill for the relief of the Alma Cooperative Equity Exchange, Alma, Nebr., and others (Rept. No. 2013);

H. R. 3705. A bill for the relief of the legal guardian of William Mooney (Rept. No. 2014);

H. R. 4002. A bill for the relief of Sandra E. Dennett (Rept. No. 2015);

H. R. 4396. A bill for the relief of Elias Papadopoulos (Rept. No. 2016);

H. R. 4590. A bill for the relief of Jose Luis Segimont de Plandolt and Fuencisla Segimont (Rept. No. 2017);

H. R. 4921. A bill for the relief of Sllas B. Morris (Rept. No. 2018);

H. R. 5004. A bill for the relief of Terminal Warehouse Co. (Rept. No. 2019);

H. R. 5006. A bill for the relief of Gallagher's Warehouses, Inc. (Rept. No. 2020);

H. R. 5095. A bill for the relief of the estate of Edward B. Formanek, deceased (Rept. No. 2021);

H. R. 5458. A bill for the relief of Joyce Oerlemans Haug (Rept. No. 2022);

H. R. 5481. A bill for the relief of Norman E. Doie, Jr., William F. Smith, John G. Harris, and James E. Chamberlain (Rept. No. 2023);

H. R. 5578. A bill for the relief of Rollins F. Baker and other employees of the Alaska Railroad (Rept. No. 2024);

H. R. 5911. A bill for the relief of David Braithwaite and Orvin E. Wilde (Rept. No. 2025);

H. R. 6070. A bill for the relief of Paul Gust Williams (Rept. No. 2026);

H. R. 6083. A bill for the relief of Amalia Architetto (Rept. No. 2027);

H. R. 6109. A bill for the relief of Helga Eveline Matz (Rept. No. 2028);

H. R. 6356. A bill for the relief of William J. Martin (Rept. No. 2029);

H. R. 6637. A bill for the relief of Gaetana Giambruno Tomasino (Rept. No. 2030);

H. R. 6641. A bill for the relief of Leu Wai Ung (Wong Wai Ung) and Leu Wai Chiu (Wong Wai Chiu) (Rept. No. 2031);

H. R. 6640. A bill for the relief of Hitomi Matsushita (Rept. No. 2032);

H. R. 6732. A bill for the relief of the alien Iona Lindelof (Rept. No. 2033);

H. R. 6869. A bill for the relief of Wong Yang Yee and Wong Sue Chee (Rept. No. 2034); and

H. R. 7366. A bill for the relief of Erika O. Eder, and her son, James Robert Eder (Rept. No. 2035).

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

S. 525. A bill for the relief of Jacob Gitlin (Rept. No. 2037);

S. 2763. A bill for the relief of Harry Ray Smith (Rept. No. 2038);

H. R. 3060. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Oklahoma to hear, determine, and render judgment upon the claims of the Commerce Trust Co. (Rept. No. 2039); and

H. R. 4188. A bill for the relief of Josephine F. Garrett (Rept. No. 2040).

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

H. R. 3653. A bill for the relief of Angelina Marsiglia (Rept. No. 2041);

H. R. 4163. A bill for the relief of Francis C. Dennis and Marvin Spires, of Eastover, S. C. (Rept. No. 2042);

H. R. 4842. A bill for the relief of Joseph Manchion (Rept. No. 2043);

H. R. 4932. A bill for the relief of Edward J. Voltin and others (Rept. No. 2044); and

H. R. 7331. A bill for the relief of Adrienne Luiz and John Luiz (Rept. No. 2045).

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

H. R. 3975. A bill to amend section 1498 of title 28, United States Code, so as to permit a joint patentee to bring suit on a patent in the Court of Claims in certain cases where one or more of his copatentees is barred from doing so; with an amendment (Rept. No. 1992).

By Mr. SMITH of North Carolina, from the Committee on the Judiciary:

S. 3303. A bill to incorporate the National Conference on Citizenship, and for other purposes; with amendments (Rept. No. 2046).

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

S. J. Res. 127. Joint resolution proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of eighteen the right to vote; without amendment (Rept. No. 2036).

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

S. 3200. A bill to extend the benefits of the Veterans' Preference Act of 1944 to persons serving in the Armed Forces of the United States after the termination of the state of war between the United States and the Government of Japan and prior to July 2, 1955; without amendment (Rept. No. 2047).

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1689, EIGHTY-FIRST CONGRESS, RELATING TO OPERATIONS OF RECONSTRUCTION FINANCE CORPORATION

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably Senate resolution 345, to print additional copies of Senate Report 1689, Eighty-first Congress, relative to operations of the Reconstruction Finance Corporation. The cost of printing the report will be \$250. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 345), submitted by Mr.

GREEN on June 30, 1952, was considered and agreed to, as follows:

Resolved, That there be printed for the use of the document room 5,000 copies of Senate Report No. 1689, Eighty-first Congress, second session, a report of the Committee on Banking and Currency pursuant to Senate Resolution 219, Eighty-first Congress.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 1, 1952, he presented to the President of the United States the following enrolled bills:

S. 1258. An act to authorize and direct the conveyance of a certain tract of land in the State of Mississippi to Louie H. Emfinger; and

S. 2603. An act to authorize the transfer of certain lands to the State of Oregon.

INTERIM STAFF REPORT OF JOINT COMMITTEE ON DEFENSE PRODUCTION

During the delivery of Mr. DOUGLAS' speech, later in the afternoon,

Mr. MAYBANK. Mr. President, I wonder if the distinguished Senator from Illinois will yield to me in order that I may submit a report, without his losing his place on the floor.

Mr. DOUGLAS. Certainly. Mr. MAYBANK. Mr. President, I submit an interim staff report of the Joint Committee on Defense Production, showing the damage which has been done to America. The report has been compiled by the staff of the Joint Committee. The report is provided for by the law which was enacted the other day. It is signed by Mr. Warren, representing the House, and Mr. Pierce, representing the Senate. The report shows that if the men started back to work tomorrow, steel production this year would be less than last year. I submit the report without criticism. I wish to show only the actual facts and figures with respect to production.

Mr. DOUGLAS. Mr. President, there is no one in this body whom we love more than the Senator from South Carolina. It is always a pleasure to yield to him.

Mr. MAYBANK. I may say that this is an act of brotherly love. My only hope, as the distinguished Senator from Illinois knows, is that we can get the steel mills started again, with all due respect to management and to the members of the Murray union, the CIO.

Mr. President, I ask unanimous consent that the report which I have submitted be printed in the RECORD at this point as a part of my remarks.

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

JULY 1, 1952.

Memorandum to Senator MAYBANK.

Interim staff report of the Joint Committee on Defense Production on the impact of the steel strike (through June 30) on defense production:

1952 steel ingot losses due to strikes:
April and May strikes...tons... 2, 400, 000
June strike.....do..... 9, 000, 000

Estimated total losses to
June 30.....tons... 11, 400, 000

Total 1952 ingot production
(original estimate).....tons... 112, 230, 000
Losses to June 30.....do..... 11, 400, 000

1952 estimate (less losses
to date).....tons... 100, 830, 000
Percent of original 1952 estimate..... 90

Total 1951 ingot production.....tons... 105, 000, 000
1952 estimate (less losses to
date).....tons... 100, 830, 000

Difference.....do..... 4, 170, 000
Percent decrease..... 4

Start-up losses: Additional production losses estimated during first week steel plants resume operation.....tons... 2, 000, 000

Steel produced during June:
Estimated production from plants in operation.....tons... 1, 000, 000

Impact of the strike on the iron ore industry: It has been stated by the industry that approximately 3,000,000 tons of ore was lost in shipment each week during the strike which will be badly needed for steel production next winter when the lakes are frozen.

A. E. PIERCE, Staff Director.
H. J. WARREN, Clerk.

BILLS INTRODUCED

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

By Mr. WATKINS:
S. 3431. A bill for the relief of George H. Crow; and

S. 3432. A bill to renew and extend certain letters patent; to the Committee on the Judiciary.

By Mr. MURRAY:
S. 3433. A bill for the relief of Nobuko Sengoku; to the Committee on the Judiciary.

By Mr. DIRKSEN:
S. 3434. A bill to amend Part II of the Interstate Commerce Act to provide for filing of equipment-trust agreements and other documents evidencing or relating to the lease, mortgage, conditional sale, or bailment of trucks and truck-trailers; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHOEPEL:
S. 3435. A bill to authorize the Postmaster General to provide for the use in first- and second-class post offices of special canceling stamps or postmarking dies in order to encourage voting in general elections; to the Committee on Post Office and Civil Service.

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

By Mr. STENNIS:
S. 3436. A bill to clarify the status of certain officers heretofore retired and granted retirement pay, and for other purposes; to the Committee on Armed Services.

By Mr. THYE:
S. 3437. A bill to authorize the improvement of Duluth-Superior Harbor, Minn., and Wis.; to the Committee on Public Works.

By Mr. MAGNUSON:
S. 3438. A bill to extend the provisions of the act of May 20, 1926, as amended, so as to further regulate the interstate shipment of fish; to the Committee on Interstate and Foreign Commerce.

By Mr. CORDON:
S. 3439. A bill for the relief of Joseph Amin Kehdi; to the Committee on the Judiciary.

By Mr. NEELY:
S. 3440. A bill to limit the cases in which persons charged with offenses cognizable by the criminal branch of the municipal court

for the District of Columbia may forfeit collateral in lieu of appearing for trial;

S. 3441. A bill to provide for the better control of dangerous weapons in the District of Columbia;

S. 3442. A bill to make uniform the procedure on interstate extradition in the District of Columbia;

S. 3443. A bill to amend the Narcotic Drug Act of the District of Columbia, and for other purposes;

S. 3444. A bill to make certain transactions involving the making of gifts to, or the receiving of gifts by, officials of the District of Columbia prima facie evidence of a violation of certain statutes relating to bribery;

S. 3445. A bill to prescribe certain penalties applicable to present and former officers and employees of the District of Columbia who refuse to testify concerning matters relating to their public office;

S. 3446. A bill to provide for the more effective prevention and punishment of all gambling, except casual social gambling, in the District of Columbia; and

S. 3447. A bill to provide criminal penalties for the unlawful possession of narcotic drugs with intent to barter, exchange, sell or give the same to another; to the Committee on the District of Columbia.

SPECIAL CANCELING STAMPS OR POSTMARKING DIES IN CERTAIN POST OFFICES TO ENCOURAGE VOTING IN GENERAL ELECTIONS

Mr. SCHOEPEL. Mr. President, I introduce for appropriate reference a bill to authorize the Postmaster General to provide for the use in first- and second-class post offices of special canceling stamps or postmarking dies in order to encourage voting in general elections.

I ask unanimous consent to have a statement of the Honorable EDWARD H. REES, a Representative from my State of Kansas, which he made before the so-called Karsten subcommittee on H. R. 7871, introduced by Representative REES in the House of Representatives, be printed in the RECORD.

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

The bill (S. 3435) to authorize the Postmaster General to provide for the use in first- and second-class post offices of special canceling stamps or postmarking dies in order to encourage voting in general elections, introduced by Mr. SCHOEPEL, was read twice by its title and referred to the Committee on Post Office and Civil Service.

The statement is as follows:

STATEMENT OF REPRESENTATIVE REES OF KANSAS ON HOUSE BILL 7871

My bill, H. R. 7871, presently under consideration by this subcommittee, authorizes the Postmaster General to permit the use of special canceling stamps or postmarking dies to encourage citizens to register and vote in general elections. This permission will be granted to first- and second-class post offices. The legislation would further what I regard as a very real public purpose.

The Junior Chamber of Commerce of Wichita, Kans., one of the larger organizations of its kind, has been gravely concerned, as many other public spirited organizations and citizens are concerned, with respect to the failure of American citizens to exercise their privilege of suffrage. The Junior Chamber of Commerce has made considerable effort to publicize the need and the duty of all citizens to exercise their voting

franchise. The organization has suggested, as one of the most effective means of encouraging citizens to register and vote, the use of a special canceling stamp at the Wichita post office using the words "Register now—then vote" on outgoing mail.

I submitted this proposal to the Post Office Department, with an additional suggestion that the Department sponsor a special cancellation slogan at the time of the general election. I was informed that the law authorizing special cancellations does not contemplate that a slogan of the type proposed shall be used in postmarking mail. As to my suggestion for a special cancellation slogan at the time of the general election, I was told that even if it were possible to authorize such a slogan, postal funds or appropriations could not be used to purchase the special equipment which would be needed, and that the cost of such equipment for slogans which are authorized must be borne by private sponsors.

The Postmaster General's report on H. R. 7871 does not recommend enactment of the bill because, it says, "in some areas of public opinion there would be objection * * * since it would be felt that the suggested activity on the part of the Post Office Department would be in the nature of a partisan act" and "the Post Office Department was established for the transmission of mail matter and not as an instrument for influencing public action." We shall see whether these reasons hold water.

The Bureau of the Budget has submitted a report on this bill that supports my belief that the Department can authorize such cancellation messages. In view of this report, it is possible the Department may change its opinion as to the adequacy of present law to authorize this special cancellation. However, for the record I should like to present supporting data that I collected prior to receiving a copy of the Bureau of the Budget report.

A 1923 opinion by an acting solicitor of the Post Office Department on the policy for the use of special dies advertising various projects appears to me clearly to approve the authorization of projects such as that proposed by the Junior Chamber of Commerce of Wichita, when the cost is borne by private sponsors. The opinion stressed the part of the law authorizing special canceling stamps or postmarking dies "where the event to be advertised is of general public interest and importance and is to endure for a definite period of time and is not to be conducted for private gain or profit." It was pointed out that while what is or is not of "general public interest" is largely a matter of judgment, the apparent intent is "to exclude an interest entertained by merely small classes of the public to the exclusion of the majority." No other exclusion was mentioned. The opinion indicated the propriety of authorizations for matters of "intelligent concern" to people or involving a "degree of importance which would justify unusual recognition by people with respect thereto, * * * say the automobile industry, or the tire industry" as a whole.

I have secured samplings and press releases of recent special cancellations, sponsors, and the like. Here are some examples:

One cancellation was to advertise a lilac festival at Rochester, N. Y., sponsored by the Rochester Lilac Time Committee.

Another was to advertise a tulip festival at Albany, sponsored by the Albany Tulip Festival.

Still another was to advertise a State laurel festival at Wellsboro, Pa., sponsored by the Wellsboro Chamber of Commerce.

And still another one was to advertise Aloha Week in Honolulu, Hawaii, sponsored by the Jaycee Old Timers of Hawaii.

It is entirely inconsistent and incongruous to me that the Postmaster General should deem it appropriate to authorize

use of special canceling stamps for events such as these, and not to urge all citizens to exercise their greatest of all rights and privileges, the right of the secret ballot.

In 1925 Harry S. New, Solicitor of the Post Office Department, said in answer to objections raised against the use of special cancellations designed to promote the national welfare:

"All such cancellation stamps have authority of law and only such are used as in the judgment of the administration are in the interest of the United States. In no sense is the cancellation stamp placed upon letters to be taken as the view of the sender or of the addressee of mail matter, its purpose being solely to convey a message from the United States Government to citizens."

I do not conceive it to be the function of this committee to delve into the reasons behind the steady increase in the number of people who are failing to exercise their right to vote. But by the very nature of our office as Members of Congress, the fact of this increase is constantly hammered home to us. I agree it is unfortunate that people should have to be reminded of the privilege, as well as the responsibility, of casting their votes at election. Incredible as it may seem, only 49 percent of those entitled to vote in the 1948 election actually voted. Enactment of H. R. 7871, of course, will not automatically bring to the polls all of the 39,000,000 persons who failed to vote in the last Presidential election. I do believe it will be one effective means of stirring eligible voters of all parties to more active participation in general elections. For too long people have not been reminded of the dignity and seriousness clothing this privilege of voting.

Post Office Department objections to the canceling stamp "Register Now—Then Vote" are inconsistent, to say the least, with the past policy not only of the Department but of the executive branch. Presidents regardless of affiliations have always been leaders in urging citizens to vote. Theodore Roosevelt said: "It is not only your right to vote, but it is your duty if you are indeed free men and American citizens. I want to see every man vote. I would rather have you come to the polls even if you voted against me than have you shirk your duty." Lincoln was not thinking in terms of party policy when he wrote "it is not the qualified voters, but the qualified voters who choose to vote, that constitute the political power of the state." Thomas Jefferson wrote "that government is strongest of which every man feels himself a part." If ever political leaders in this country have been united in a common cause, it has been to get out the vote.

I am sure you will agree that it most certainly is as much a duty of the Government to remind its citizens of general election dates and their corollaries, the registration dates, as it is to advertise such matters as flower festivals, to say nothing of Aloha Week in Hawaii. To the extent we increase the number of voters who register and go to the polls, to that extent we strengthen our democracy.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 2572. An act to provide for the alteration, reconstruction, or relocation of certain highway and railroad bridges over the Columbia River or its navigable tributaries;

H. R. 8190. An act to amend the act of February 7, 1905, as amended, authorizing the Kensington and Eastern Railroad Company to construct a bridge across the Calumet River; and

H. R. 8321. An act to authorize the improvement of Duluth-Superior Harbor, Minn., and Wis.; to the Committee on Public Works.

H. R. 7952. An act to authorize the combination of the Truck Crop Insect Laboratory and the Citrus Insect Laboratory of the Bureau of Entomology and Plant Quarantine, located at Alhambra and Whittier, Calif., respectively, and to provide for new quarters; and

H. R. 8170. An act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

H. R. 8122. An act to continue the existing method of computing parity prices for basic agricultural commodities, and for other purposes; ordered to be placed on the calendar.

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. KEFAUVER:

An address delivered by him at the Institute of Public Affairs, University of Virginia, Charlottesville, Va., on June 30, 1952.

Excerpts from an address by Adolph Berle at the Institute of Public Affairs, University of Virginia.

By Mr. MURRAY:

Pamphlet entitled "The Influence of the Deep South Upon the Presidential Election of 1952," by Claude Pepper.

By Mr. FLANDERS:

Letter addressed by Fred Vogel to the Secretary of Commerce, regarding problems of small business.

By Mr. WILEY:

Article entitled "United States Stock-owners Put at 6,500,000,000, with 76 percent Earning under \$10,000," published in the New York Times of July 1, 1952.

SOUTH DAKOTA NATIONAL GUARD

Mr. CASE. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters exchanged between the Governor of South Dakota and myself with reference to the National Guard of the State of South Dakota. I might state to the present occupant of the chair that these are the letters about which I spoke to him relating to the status of the National Guard units.

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

APRIL 21, 1952.

HON. FRANK PACE, JR.,
Secretary, Department of the Army, Department of Defense, Washington, D. C.:

The State of South Dakota is opposed to any program to keep South Dakota National Guard units designations in active service for 5 years. South Dakota urgently requests immediate return and reactivation of Guard units under original unit designations.

SIGURD ANDERSON,
Governor.

STATE OF SOUTH DAKOTA,
Pierre, April 21, 1952.

HON. FRANCIS CASE,
United States Senator,
Washington, D. C.

DEAR SENATOR CASE: Please find enclosed herewith copy of telegrams sent to the Secre-

tary of the Army, the Honorable Frank Pace, Jr., and to Major General Walsh, president of the National Guard Association, wherein I express the attitude of South Dakota in connection with National Guard units designations. I will appreciate your support and that of other Members of the congressional delegation in resisting any program to keep the National Guard units designations in active service for 5 years. I am of the opinion that the units designations should be immediately returned to the State of South Dakota for reactivation. I will appreciate your assistance in this matter.

With best wishes, I am,

Sincerely yours,
SIGURD ANDERSON,
Governor.

STATE OF SOUTH DAKOTA,
Pierre, May 3, 1952.

HON. FRANCIS CASE,
United States Senator,
Washington, D. C.

DEAR FRANCIS: This is to acknowledge receipt of your letter of May 2 and copy of letter to you from Miles Reber, the Chief of Legislative Liaison of the Department of the Army both in connection with the retention of the National Guard unit's designations. I appreciate your sending me this material.

I am very opposed to any retention of the National Guard units in the services for any length of period after the return of the National Guard personnel following their completed tour of duty. In that connection I feel that H. R. 5472 (superseded by H. R. 7714) is an objectionable piece of legislation and I hope that if it should get as far as the Senate that you will assist with the coup de grace. The Department of the Army is trying to work out a kind of a watered down proposition where the units will be returned to the United States and given their old detail plus "National Guard, United States" and the regular unit will be kept in the service. This looks like a kind of a run-around deal and might lead to some confusion. In any event, Francis, I hope that you and the members of the congressional delegation will keep in mind that the National Guard of South Dakota and I are both opposed to any tampering with the return of the unit's designations to South Dakota.

Thank you for your assistance in this matter and with best wishes, I am,

Sincerely yours,
SIGURD ANDERSON,
Governor.

UNITED STATES SENATE,
May 9, 1952.

HON. SIGURD ANDERSON,
Governor, Statehouse, Pierre, S. Dak.

DEAR SIG: Thanks for the recent letter pertaining to House of Representatives bill 5472, which would retain unit designations of the National Guard on duty for several years.

That bill has been superseded by H. R. 7714 which was reported to the full House Armed Services Committee from a subcommittee on May 6. The full committee agreed to report it to the House.

In that early stage of legislation I am unable to predict what the results will be. However, we do know that there is considerable opposition to retention of unit designations and that the Army is studying the problem.

At any rate, I am enclosing a copy of the bill for your information. You may also be assured that I will keep your interest in this matter in mind should this legislation reach the Senate.

With best wishes, I am,
Sincerely yours,

FRANCIS CASE.

STATE OF SOUTH DAKOTA,
Pierre, May 13, 1952.

HON. FRANCIS CASE,
United States Senator,
Washington, D. C.

DEAR FRANCIS: This is to acknowledge receipt of your two letters of May 9 and 10 with reference to the return of the National Guard unit designations to State control. I am going over the material that you sent me and I will write you at a later date. This morning I received a letter from Secretary of the Army Pace in connection with the same problem. Have not had an opportunity to completely digest it. As soon as I have any further thoughts in this matter, I will drop you a line.

Thanking you for your assistance in this matter and with best wishes, I am,
Sincerely yours,

SIGURD ANDERSON,
Governor.

NEW PATRIOTIC SONG, LEAD, MY AMERICA

Mr. CASE. Mr. President, on the Fourth of July there is to be the annual celebration on the grounds of the Washington Monument. On that occasion the United States Marine Band will play a new patriotic song, entitled "Lead, My America," which was written by Badger Clark, poet laureate of South Dakota, and which has been set to music by Harold Dudley, of that State. The song has been played a few times, and it attracted the attention of persons who brought it to the attention of the National Parks Administration. It is to be sung on the Fourth of July by Pfc. Charles W. Oliver, of the United States Marine Corps.

I ask unanimous consent that the words of the song may appear at this point in my remarks.

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

LEAD, MY AMERICA

Lead, my America, daughter of nations,
Destined to lead from the day of your birth,
Fruit of the dreaming of all generations,
Sister in blood to the tribes of the earth.
Lead, my America, vision come true,
Wistful the ages have waited for you.

Liberty rings through your wonderful story,
Snapping the shackles and bursting the bars,
Upward you mounted from bondage to glory
Under your flag of the glittering stars.
Lead, my America, ride to the van,
Pointing the way to the freedom of man.

Hope of the world, with your stars ever
guiding,
Dare the dim ways where no nation has
gone.

On through the smoke of the battlefield
riding,

Lead, ever lead, with your face to the dawn,
Lead, my America, over new sod,
Breaking a trail toward the mountains of
God.

PRINTING OF ADDITIONAL COPIES OF IMMIGRATION AND NATIONALITY ACT

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 236, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 13,000 additional copies of the Immigration and Nationality Act, Public Law

414, Eighty-second Congress, second session, of which 10,000 copies shall be for the House document room and 3,000 copies for the Senate document room.

Mr. HAYDEN. Mr. President, the adoption of this concurrent resolution will save \$5,000. I ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution was considered and agreed to.

CONTINUATION ON PAYROLLS OF CERTAIN EMPLOYEES OF MEMBERS OF HOUSE

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 446) relating to the continuance on the payrolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners, which was read twice by its title.

Mr. HAYDEN. Mr. President, the joint resolution relates solely to continuing on the payrolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners. I ask unanimous consent for the present consideration of the joint resolution. It is a courtesy to the House of Representatives.

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

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

SOCIAL SECURITY ACT AMENDMENTS OF 1952

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. JOHNSON of Colorado, Mr. BUTLER of Nebraska, and Mr. MARTIN conferees on the part of the Senate.

AMENDMENT OF TITLE 17 OF THE UNITED STATES CODE ENTITLED "COPYRIGHTS"

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3589) to amend title 17 of the United States Code entitled

"Copyrights" with respect to recording and performing rights in literary works, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. The bill deals with copyrights. After it passed the House it was amended in the Senate. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. EASTLAND, Mr. O'CONNOR, Mr. SMITH of North Carolina, Mr. WILEY, and Mr. FERGUSON conferees on the part of the Senate.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the concurrent resolution (H. Con. Res. 191) favoring the granting of the status of permanent residence to certain aliens. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read by the legislative clerk, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. Con. Res. 191) favoring the granting of the status of permanent residence to certain aliens, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendments, insert the following: "That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

"A-6427738, Abu-Zannad, Fakhri Eddin.
 "A-6775706, Albrecht, Bohumil.
 "A-9542215, Balodis, Eduards.
 "A-6889819, Beck, Helene.
 "A-6886821, Beck, Cecile.
 "A-6886820, Malek, Serena Beck.
 "A-6470386, Bednar, Zdenek Frantisek.
 "A-6779245, Berkovic, Isaac.
 "A-6780732, Berkovic, Mulvina.
 "A-6811524, Cihoviz, Anna or Sister Maria Urbana Cihoviz.
 "A-6618832, Czucker, Jan.
 "A-6841088, Deutsch, Jozsef Gabor or Joseph Gabriel Deutsch.
 "A-6794942, El-Hindi, Ahmad Eff Mohamed.
 "A-6870402, Falkowski, Zdzislaw.
 "A-6870403, Falkowski, Maria Janina.
 "A-6953383, Falkowski, Malgorzata Maria Rosa.
 "A-9716733, Falk, Bernard Alojzy.
 "A-6503646, Friedman, Evzen.
 "A-6389949, Friedman, Ruzena or Rose.
 "A-6757652, Goldburd, Zundel.
 "A-6757998, Goldburd, Basia.
 "A-9652186, Grinbergs, Manfreds.

"A-6780725, Grunfeld, Alizbeta.
 "A-6740921, Gurwicz, Meir.
 "A-6707452, Gurwicz, Serena.
 "A-7095745, Haas, Erzsebet or Elizabeth.
 "A-6794993, Heller, Livia.
 "A-6702147, Hendeles, Lajzer.
 "A-6623660, Hendeles, Moselle (nee Cohen).
 "A-7283102, Hrdinova, Milena Marie Anna.
 "A-6860904, Iwensky, Saja.
 "A-6694231, Kallsz, Icchok.
 "A-6905321, Kaplanek, Ruzena.
 "A-6760574, Kesler, Michael, or Michael Kesler-Guberman.
 "A-7828443, Kostins, Vladimirs.
 "A-6481280, Kovacs, Anna, or Maria Anna Crescentia Kovacs.
 "A-6403567, Kwan, Wei.
 "A-6627366, Kwan, Yun-Sun Hsieh.
 "A-6819609, Lazar, Irene Theresa.
 "A-6935235, Mach, Antonin.
 "A-6704679, Magrys, Janina.
 "A-6685998, Malach, Pinkas.
 "A-7095744, Maly, Oldrich.
 "A-6704677, Michniak, Felicia Theresa.
 "A-6937218, Nagy, Tibor Julius.
 "A-6983577, Roth, Herman.
 "A-6765745, Schneider, Bluma Salzberg.
 "A-6762002, Schneider, Chaim.
 "A-6854619, Schwerd, Leopold.
 "A-6854620, Schwerd, Bernard.
 "A-6854621, Schwerd, Abraham.
 "A-6804007, Segal, Simon.
 "A-6726993, Seidl, Zdzislaw.
 "A-6726994, Seidl, Margit.
 "A-6704246, Sikora, Genowefa.
 "A-6598476, Silbiger, Edith (Edita Silberger).
 "A-7053523, Spiegel, Alexander Schlomo.
 "A-7053521, Spiegel, Olga Wald.
 "A-7941113, Spiegel, Edith.
 "A-6759333, Szalai, Georgine Marie Etel Ida or Georgine Szalay.
 "A-6836178, Szczepanski, Izrael.
 "A-6739561, Szczepanski, Elka.
 "A-7841770, Urga, Johans Jekabs.
 "A-6775595, Vietorisz, Thomas Adam.
 "A-7176736, Walder, Gyula.
 "A-7176735, Walder, Ilona Dubik.
 "A-6610297, Weinfeld, Ernest.
 "A-6662194, Wenger, Szmul.
 "A-6654356, Wenger, Kenia.
 "A-6991753, Zaleski, Pawel or Paul Zaleski or Edward Novak.
 "A-6714988, Zonabend, Zofia Felicja Zawadzka.
 "A-6850602, Zupnick, Dora A.
 "A-9543111, Altmark, Leo.
 "A-6843513, Beer, Susan (nee Eisdorfer).
 "A-6609639, Gottlieb, Marcel.
 "A-6886816, Halpert, Ludwik or Leonard Halpert.
 "A-6911231, Jakobi, Anna.
 "A-6708652, Kawer, Benjamin.
 "A-6886817, Klecki, Choma.
 "A-6490332, Koppel, Izidor or Isidore.
 "A-6523412, Kustin, Dina.
 "A-7457274, Kustin, Abram.
 "A-6523411, Kustin, Galina.
 "A-6839294, Laturski, Tadeusz Stefan.
 "A-6715860, Mauskopf, Mailch.
 "A-6886814, Miller, Akiwa.
 "A-6883775, Miller, Anna (nee Brander).
 "A-6883774, Miller, Szabsy.
 "A-6991757, Pap, Gabor Tivadar.
 "A-6991758, Pap, Iлона.
 "A-9776585, Partyka, Paul William, also Wilhelm Pawel Partika.
 "A-6515510, Skotchko, Evelyn.
 "A-6897055, Steinberger, Beia.
 "A-6903667, Steinberger, Jenő.
 "A-6440950, Verderber, Rachela.
 "A-6440951, Verderber, Rechava.
 "A-7073952, Wolinski, Edward.
 "A-7863546, Wolinski, Henryka Wanda.
 "A-6881417, Shapira, Clara.
 "A-6361759, Bernardowicz, Wladislaw.
 "A-6361760, Bernardowicz, Helena Sosnowitch.
 "A-9776569, Burak, Josef Julian.
 "A-7849973, Catarahia, Panait.
 "A-7841917, Latkovic, Ilija.

- "A-6780707, Neuman, Rachel.
 "A-9727767, Onichimowski, Saturnin.
 "A-6662205, Parkany, Janos.
 "A-9543193, Pitka, Andreas.
 "A-9556582, Sarr, Ludvig.
 "A-7125497, Schick, Bedrich or Fritz Schick.
 "A-7052319, Singer, Markus.
 "A-7110845, Sinunu, Jacob Badie.
 "A-7095960, Sinunu, Alexander Badie.
 "A-6860796, Teleki, Suzanne.
 "A-9010488, Vajak, Jacob (Wajak).
 "A-6910034, Wallner, Istvan or Stephen Wallner.
 "A-6861909, Zanka, Jaroslav or Jerry.
 "A-6891829, Bers, Naum Sala.
 "A-6704679, Dorosz, Bozenna Anna.
 "A-6771742, Dudum, Manawell.
 "A-6704687, Gawel, Zofai.
 "A-9801211, Hermits, August.
 "A-7079989, Hrdlicka, Richard Frantisek.
 "A-6689608, Krajnik, Iszak.
 "A-6193516, Lakovic, Rajko S.
 "A-6685877, Leibowitz, Nochim.
 "A-6676326, Leibowitz, Sara.
 "A-9777236, Paala, Ewald Aleksander.
 "A-9831393, Paju, Arnold.
 "A-6291887, Piasecki, Witold Marian.
 "A-6291890, Piasecka, Helena.
 "A-6691306, Purec, Hersz.
 "A-7802322, Saar, Ewald.
 "A-6794819, Schwarcz, Emil.
 "A-6991809, Schwarcz, Ruzena.
 "A-7957361, Schwarcz, Maximilian.
 "A-6662192, Stupaczewski, Abram.
 "A-9678258, Tapp, Augustine.
 "A-6682086, Trella, Felika.
 "A-6830450, Awad, Ishak Said.
 "A-6499960, Basch, Abraham Hersh.
 "A-6836642, Blat, Pinchos.
 "A-7118810, Borsay, Maria Anna.
 "A-6937571, Borsody, Istvan Karoly or Stephen Borsody.
 "A-6937572, Borsody, Charlotte or Sarolta Borsody (nee Herzka).
 "A-6937573, Borsody, Eva Katalin.
 "A-6937574, Borsody, Hanna Erzsebet.
 "A-6771769, Burianek, Otto.
 "A-7057913, Calauz, Rozalie Fekete.
 "A-6241050, Fen, Wu Chi or Cary Wu.
 "A-6944214, Hanak, Karla.
 "A-6944213, Hanak, Michael.
 "A-6749974, Hauer, Miklos.
 "A-7821840, Ingr, Sergej Jan.
 "A-6829981, Klein, Jozsef.
 "A-6775665, Klima, Slava.
 "A-6911181, Kolev, Ilija Gichev.
 "A-9836601, Kowalczyk, Wladyslaw.
 "A-7427257, Laats, Jyri Georg.
 "A-6427743, Lorenzo, Jack Mubarak.
 "A-6794698, Machek, Otakar.
 "A-689605, Niculescu, Barbu.
 "A-6617281, Odeh, Aziz Salim.
 "A-6985602, Perlmutter, Laszlo.
 "A-6985601, Perlmutter, Katalin (nee Stern).
 "A-7941872, Perlmutter, Aniko.
 "A-6232285, Plekarski, Stanislaw Witold.
 "A-6851559, Ping, Wong Wai.
 "A-6622756, Raad, George Khalik.
 "A-6816851, Rybarova, Anna or Anna Rybar.
 "A-6344908, Rydz, Zygmunt.
 "A-6803953, Rywkin, Mordchal or Mordchal Rivkin.
 "A-6855954, Rywkin, Dvosia.
 "A-7138279, Klimek, Adolf.
 "A-9777307, Sum, Ho.
 "A-6231163, Swatek, Franciszek Antoni.
 "A-6683244, Szterenzer, Szymon.
 "A-6912090, Szterenzer, Sonia.
 "A-9663929, Varnag, Enn or Samuel Mool.
 "A-7491670, Vesik, Mihkel.
 "A-6461146, Vrastilova, Marie Alzbeta or Marie Vrastilova.
 "A-7520334, Vymetalik, Henry or Jindrich Alos Mazarek.
 "A-6536908, Weisz, Ignatz.
 "A-7088157, Ziffer, Walter.
 "A-7095722, Ardavanu, Nicolae alias Nicolae Rene Ardavanu.
 "A-7095721, Ardavanu, Irina (nee Pro-feta).
 "A-7052394, Benes, Rudolf.
 "A-6848038, Chang, Chi-Jen.
 "A-1804201, Chang, Wen Ti alias John Wen Ti Chang.
 "A-7095968, Duchacek, Ivo.
 "A-6694107, Dyksztejn, Idel.
 "A-7439091, Fan, Mabel Shun Wha.
 "A-6962949, Foris, Peter.
 "A-7138234, Gold, Michel.
 "A-6689553, Gross, Moric.
 "A-6644593, Grunwald, Peter.
 "A-6534204, Guttman, Irma.
 "A-7717655, Hu, Betty Mayling (formerly Stella Wang).
 "A-9582853, Ivellio, Joseph.
 "A-6044017, Jablonska, Wladyslawa.
 "A-6044580, Jablonska, Eleonora.
 "A-6903683, Janicki, Andrzej.
 "A-6491962, Kaevats, Ilmar.
 "A-6491963, Kaevats, Ella.
 "A-6491961, Kaevats, Juri.
 "A-6727314, Kann, Eduard.
 "A-7184190, Kase, Francis Joseph.
 "A-6868638, Klopman, Eliase.
 "A-7858008, Klunic, Anton or Tony.
 "A-6419788, Laren, Kuno Boris.
 "A-6776938, Lauko, Vladimir.
 "A-7934744, Lazarevic, Ivo.
 "A-9564652, Leppik, Artur or Arthur Lepik.
 "A-6729775, Loblovics, Robert.
 "A-6549173, Lu, Kuo Chin.
 "A-9777296, Lukowski, Zbigniew.
 "A-6390519, Macek, Vlado alias Vladimir Macek.
 "A-6744210, Macek, Josipa Ivan (nee Jurak).
 "A-6744283, Macek, Agnes Ljerka alias Agneza Ljerka Macek or Agnes Macek.
 "A-6744284, Macek, Andre alias Andrej Macek or Andre Matchek.
 "A-7132174, Mazur, Zbigniew Kandyt.
 "A-7248035, Moldoveanu, Toma (Thomas).
 "A-7248034, Moldoveanu, Constance.
 "A-6481279, Nagy, Maria, or Sister Mary Andilla.
 "A-6920909, Neumann, Leonie Finall.
 "A-6794909, Nubani, Jawdat Ibrahim.
 "A-6445457, Okakiewicz, Justyna Joanna.
 "A-9528959, Pollis, Roberts.
 "A-9538292, Rabba, Heinrich Eduard.
 "A-7095909, Reimann, Ernest.
 "A-7095910, Reimann, Dora (nee Banffy).
 "A-7197749, Rekeny, Anna.
 "A-6343459, Ranty, Bronislaw George formerly Bronislaw Rubinfeld.
 "A-6669273, Rzeszewski, Binem.
 "A-6669274, Rzeszewski, Roisa (nee Par-riser).
 "A-6870015, Sadleik, Zdenek.
 "A-9736877, Sai, Rudolf.
 "A-9745639, Sarzants, Karlis.
 "A-6704468, Schwartz, Peter.
 "A-6662195, Semiatycki, Hercel.
 "A-6427758, Shiber, Saba George.
 "A-6704212, Sibinska, Bozenna (Barbara).
 "A-6491960, Slim, Helene.
 "A-6491959, Slim, Albert.
 "A-6504022, Silberstein, Deszo.
 "A-7049560, Silverman, Anna Rudsinsky or Silberman.
 "A-6887197, Skala, Imrich.
 "A-6887196, Skala, Stefania.
 "A-6779237, Slavensky, Pavel, alias Jacob Frielelich.
 "A-6748490, Steinberg, Gennady Henry Matvelevitch.
 "A-6508276, Szule, Mihaly or Michael alias Sarossy.
 "A-6602324, Szule, Gabriella Morocz.
 "A-6497289, Tan, Kim Hoang.
 "A-6620586, Tsen, Tang Zing.
 "A-9764971, Uhach, Luigi.
 "A-6751514, Vanek, Zdenek alias Abraham Grunberger.
 "A-9538394, Vesik, Karl.
 "A-6803917, Wajnberg, Rywka or Rita Weinberg.
 "A-6848669, Lang, Chi Ko.
 "A-6403572, Yang, Anchi Wong.
 "A-7886918, Ying, Wong Shan (Mrs. B. Y. Woo).
 "A-7886918, Woo, Kee Pea or Nancy Woo.
 "A-7122699, Zelka, Joseph Yehooda.
 "A-9550407, Akula, Nikolai.
 "A-7210031, Bartok, Anna.
 "A-6760689, Baumohl, Sandor or Alex or Alexander Baumohl.
 "A-6461100, Benno, Salman Ezra.
 "A-6937370, Bialy, Jerzy Josef.
 "A-6798088, Birenbaum, Solomon.
 "A-7858185, Bokun, Jozef.
 "A-9707201, Boomis, Driscis Zania.
 "A-6882107, Brayer, Menachem Mendel.
 "A-6576395, Breuer, Emil.
 "A-7198815, Chang, Nathan Chong Tsau.
 "A-6976880, Chu Bacon.
 "A-6523895, Cieplak, Stanislaw Jozef.
 "A-6923153, De Warge, Levente (Levente Warga de Sziget).
 "A-6712036, Dracoqoulos, John Basil.
 "A-6449406, Falkine, Stella or Selma Falkine.
 "A-7414979, Fried, Ernst.
 "A-6703336, Friend, Balfoura.
 "A-6644123, Gottesmann, Maria.
 "A-6644124, Gottesmann, Mignon.
 "A-6583210, Halata, Vlasta.
 "A-6983819, Hecht, Mendel.
 "A-67.9386, Herskovic, Herman.
 "A-7125313, Hodzova, Drahotina.
 "A-6627211, Hu, Fu-Nan or (Mrs.) Lan-An Hsu.
 "A-6794756, Ilitch, Milorad.
 "A-6669708, Ivanoff, Helen Petrovna.
 "A-7991219, Kaaman, Hugo.
 "A-7879262, Kaddak, Heinrich.
 "A-7052316, Kahan, Frida.
 "A-7841655, Kahu, Ewald Ewraim.
 "A-7121844, Kaibni, Fuad Ibrahim.
 "A-6769261, Kaupas, Victor Vladas or Ky-burg or Kyburz.
 "A-6794761, Keleti, Pierre Georges (George Peter Keleti).
 "A-9728279, Kerns, Ansis Roberts or Hans Robert Kern.
 "A-7427260, Kielbasa, Joseph.
 "A-6949988, Klein, Herman.
 "A-6934966, Klein, Edith (nee Edith Roza).
 "A-6702193, Koneff, Boris Alexandrovich or Bob or Alexander Koneff.
 "A-7858098, Koo, N. Z. (Shen Ven Yeh).
 "A-9514992, Kukk, Alexander.
 "A-6881672, Kupferstein, Ervin.
 "A-6752980, Lantos, Thomas Peter.
 "A-6878013, Levita, Olga or Lewita (nee Spitzer).
 "A-7985932, Lillimagi, Arthur.
 "A-7095793, Lillimagi, Miralda (nee Norden).
 "A-9802602, Lillimagi, Leonard.
 "A-7863547, Lozicki, Jan.
 "A-6248630, Luts, Helno Alfred.
 "A-6830003, Maday, Bela Charles or Bela Karoly Maday.
 "A-6803924, Maimon, Yeta (nee Jolan or Janta Berger).
 "A-6232254, Maksymow, Jozef John.
 "A-9673242, Manni, Otto.
 "A-7118623, Marsak, Ivo Vaclav.
 "A-7985661, Mensik, Bohumil or Francois Segal.
 "A-6497208, Mikulasek, Adolf.
 "A-6371452, Miller, Sophia Pavlovna (nee Rumarchuk).
 "A-6271454, Miller, Rada Alexandrovna.
 "A-6555839, Minoot, Rudolf or Rudolf Minuth.
 "A-6610312, Miranker-Miranski, Zalman.
 "A-6678556, Noulik, Eduard.
 "A-6678557, Noulik, Leida Helene.
 "A-6537557, Parna, Jaan Voldemar.
 "A-6536276, Parna, Lizette (nee Leinberg).
 "A-6597438, Pinter, Szymon.
 "A-6554216, Plwowoz, Mojzesz.
 "A-6740118, Platovskiy, Shoshana.
 "A-6819144, Pollak, Rosa.
 "A-6606627, Porgesz, Herman.
 "A-7463690, Posidel, Bartolo.
 "A-6803935, Pressler, Stevan.

- "A-9825261, Rachuba, Lidia.
 "A-6835860, Rago, Louis Joseph.
 "A-7849818, Romm, Carl Calle.
 "A-6555819, Schiffman, Rose or Roza Schiffman.
 "A-6958445, Sierpowski, Jozef.
 "A-6564149, Soltan, Eil Boruch.
 "A-6669727, Staub, Edith Bohm.
 "A-6685994, Szwarcblat, Chaim or Chaim Schwartzblatt.
 "A-6984639, Tasev, Athanas Stoyanov.
 "A-6843543, Taub, Solomon.
 "A-6987828, Todorov, Theodore Ivanov.
 "A-6239889, Veedam, Voldemar.
 "A-7934148, Vimb, Evald Ferdinand.
 "A-6047249, Wandzel, Adam Arthur.
 "A-6634021, Weiss, Zlata.
 "A-6819102, Weksler, David.
 "A-6811475, Weksler, Golda.
 "A-6730652, Wu, Ming An (Man On Ng).
 "A-6015116, Zucker, Emilie.
 "A-7081670, Ajluni, Raymond Marfuz.
 "A-6633726, Alter, Szymon.
 "A-6479412, Andre, Laszlo.
 "A-6772246, Ayish, Ahmad Shihadeh.
 "A-6949331, Bay, Adela.
 "A-6694124, Bergsztyjn, Benjamin.
 "A-6834685, Boucher, Nathalie Alexandrovna Konzenetsova.
 "A-6911189, Demeter, Odon Thomas.
 "A-6843541, Deutsch, Cheskel Ezekiel.
 "A-7469208, Eid, Anisa Gabriel.
 "A-6905019, Friedman, Helen.
 "A-6905020, Friedman, Gisella.
 "A-6694300, Hsi, Kong-Ming (Paul).
 "A-7821166, Hsia, Ting Wei.
 "A-6534332, Ifland, Miriam Jacob.
 "A-9549897, Karner, Rudolf.
 "A-6794963, Kawwas, Naim Jacob.
 "A-6805585, Klein, Rosita Erdan.
 "A-9656333, Konstantin, Roots.
 "A-9679936, Koster, Sergel.
 "A-7061798, Kruncel, Ladislav Antonin.
 "A-9825047, Kwiecinski, Stefan Jozef.
 "A-6830509, Ledwon, Pawel Josephat or Frater Josephat Ledwon.
 "A-6724356, Lomova, Charlotte.
 "A-6956129, Lux, Verona.
 "A-7178958, Musallam, Abia Eid.
 "A-7879625, Musallam, Najwa Sami.
 "A-7879626, Musallam, Suad Sami.
 "A-6848834, Nagy, Vince.
 "A-6848835, Nagy, Elsa (nee Szevera).
 "A-6848846, Nagy, Adam.
 "A-9758946, Pagan, Luigi Attilio Mario.
 "A-6182828, Pennar, Jean.
 "A-6555846, Popov, Alexander Ivan.
 "A-6347212, Radsepp, Eugen.
 "A-7898926, Rannala, Sten Alexander or Sten Alexander Nyholm.
 "A-6821776, Resev, Nikolai or Nicholas.
 "A-6860784, Rodzinski, Zyzislaw, Jozef.
 "A-6860785, Rodzinski, Jadwiga Halina.
 "A-7125370, Saar, Max Emil.
 "A-6227908, Tubielewicz, Boguslaw, Ludwik.
 "A-7955339, Viede, Erich.
 "A-7120688, Wang, An-Pang.
 "A-7053579, Waldman, Esther (nee Frenkel).
 "A-6886822, Waldman, Mendel.
 "A-6857570, Weiss, Lilly.
 "A-6955111, Absolon, Karel Bedrich Jaroslav Willibald Jindrich.
 "A-9825061, Adamska, Jadwiga.
 "A-6866913, Adler, Eva (nee Ladislav).
 "A-6990725, Arnost, Milan Jan.
 "A-6990754, Arnost, Herta Maria.
 "A-6990726, Arnost, Milan Jan, Junior.
 "A-6990727, Arnost, Thomas Michael.
 "A-6890579, Bitker, Alexandra.
 "A-6690578, Bitker, Joseph.
 "A-6523944, Bitker, Rachel.
 "A-6881809, Braun, Isaac.
 "A-6985312, Braun, Ruchlia.
 "A-6377034, Cassis, Elias George.
 "A-7069276, Celemenski, Jacob.
 "A-7457503, Costea, Alexandru Nicolai.
 "A-6834663, Djonovic, Jovan Ivov.
 "A-6923757, Edelman, David.
 "A-6775676, Egyes, Leslie or Ladislav Egyes.
 "A-6509231, Einhorn, Zelig.
 "A-6830479, El Farra, Mohammad Hussein.
 "A-6923780, Erlachtgerecht, Sonia.
 "A-6342965, Feldman, Avner.
 "A-6852892, Ferlstein, Berta.
 "A-6750390, Flac, Mirko.
 "A-7841187, Fong, Tham.
 "A-6819650, Friedman, Adolf.
 "A-6779244, Friedman, Henriette (nee Waldman).
 "A-6923761, Geher, Boruch.
 "A-7290199, Godt, Israel Avram.
 "A-6511096, Gottesman, Arthur Marcell.
 "A-6887539, Gunsburg, Samuel.
 "A-6794974, Hagher, Tipora Chane.
 "A-7283384, Halasz, Elek Miklos.
 "A-6689615, Halberstam, Rachela.
 "A-6948549, Hoffmann, Jindrich.
 "A-6772233, Horewicz, Julius or Juliusz Hozenpud.
 "A-6537074, Huang, Yu Pao Hsu.
 "A-6597973, Hujczyc, Boleslaw Adam.
 "A-6635678, I, Fu Hsiang.
 "A-7046037, Kabbani, Ezra Haroun.
 "A-7052499, Kertesz, Stephen.
 "A-7890872, Kivittis, Pauls Roberts.
 "A-6694404, Klems, Ludmila.
 "A-6770458, Kooby, Yacoub Sion or Jack Kooby.
 "A-6774490, Kopolowitz, Ludwig.
 "A-6460702, Novey, Diana (nee Daniela Slabizner or Daniela Lederman).
 "A-6794821, Leitner, Hilda.
 "A-7073608, Lettrich, Josef.
 "A-9537477, Linkgreim, Karl.
 "A-6545325, Lewin, Uszer.
 "A-7069592, Morvai, Roza (nee Gero) or Rose Morvay.
 "A-6868640, Najder, Konstanty Marcell.
 "A-6868639, Najder, Leontyna Maria.
 "A-6442234, Neubert, Marie.
 "A-6448804, Ngai, Shih-Hsun.
 "A-6567558, Ngai, Hsueh-Hwa.
 "A-6335532, Odescalchi, Paul Gabor or Pal Gabor Odescalchi.
 "A-6868641, Pasztory, Catherine Sophie.
 "A-6713380, Pille, Ado.
 "A-6713379, Pille, Linda Marie.
 "A-6740264, Rekant, Chaim.
 "A-7858333, Rudnyanszky, Olga.
 "A-7858334, Klein, Maria Anna.
 "A-7244177, Russo, Anna.
 "A-6862610, Sayovitz, Mayer.
 "A-9738075, Savovic, Niko Mihallo.
 "A-7366402, Sitko, Antoni Ludwik.
 "A-6954059, Svozil, Metodej.
 "A-6954060, Svozil, Vratislava Jana (nee Smekalova).
 "A-6780717, Szorenyi, Emma.
 "A-7841882, Tamaro, Pietro.
 "A-6927968, Tanav, Heino.
 "A-6772299, Teleki, Deneb.
 "A-6921249, Toeg, Naima or Naima Menashi.
 "A-7131201, Tomaszewski, Stefan.
 "A-7903396, Valle, Josip or Giuseppe or Joe.
 "A-9541986, Viik, Heinrich.
 "A-6985631, Votava, Helena.
 "A-6965382, Wacholder, Benzion.
 "A-6885999, Wajdenbaum, Towia.
 "A-6843065, Wajdenbaum, Sara (nee Dawidowicz).
 "A-6831434, Wajdenbaum, Samuel.
 "A-6847920, Wen, Victor Yen Hsiung.
 "A-7053545, Wosnansky, Hannal or Judith Enricht.
 "A-6847812, Yao, Cheng Yu.
 "A-2687547, Zarko, Martin.
 "A-9764876, Babushkin, Moses Alexander or David Alexander Miller.
 "A-6737988, Bialestocki, Morduch.
 "A-8606121, Bigo, Olga.
 "A-6916676, Chou, Yung Hsuan.
 "A-6616289, Cukierman, Chil Wolf.
 "A-6566966, Cukierman, Frida.
 "A-8021211, Cukierman, Mary.
 "A-6453859, Culik, Rudolf.
 "A-7184427, Decleva, Paul.
 "A-6923754, Dembitzer, Chiel.
 "A-6923755, Dembitzer, Rafael.
 "A-6984617, Epstein, Dydio or Yedidia Epstein.
 "A-6884898, Fayettelewicz, David.
 "A-6760581, Ferdman, Noach or Feldman.
 "A-6751442, Ferdman, Mina (nee Brejzman).
 "A-6819651, Fono, Andras.
 "A-6843558, Hauer, Rozalie (nee Mozes).
 "A-6534330, Huang, Helene Te-Yao.
 "A-7264228, Hui, Florence A. or Hsiu Chang Hui.
 "A-7361083, Hutt, Juri or George J. Hutt.
 "A-7056726, Jaksy, Elsa nee Moskovitz.
 "A-6472585, Kadwany, Alexander J.
 "A-6472586, Kadwany, Louise.
 "A-6990739, Konig, Margit (nee Ausch).
 "A-6685985, Lejbiker, Jochanan.
 "A-6676396, Lejbiker, Sara.
 "A-6544517, Leppma, Zoja.
 "A-6849327, Leppma, Tonu Ilmari.
 "A-6475641, Maly, Gero.
 "A-9825230, Mattessich, Giovanni Andrea.
 "A-9727771, Paleta, Jan Piotr.
 "A-7941871, Popovich, Slobodan.
 "A-6537556, Rehepapp, Aleksander.
 "A-6819127, Reich, Lilly (nee Fried).
 "A-6819128, Fliegman, Agnes (nee Fried).
 "A-6740512, Schiffer, Janos Pal.
 "A-6775692, Szto, Pa" Chu Hsuen.
 "A-6794729, Szucs, Tibor Istvan or Tibor Stephen Such.
 "A-6760678, Tabak, Maier or Maier Fisch.
 "A-7398380, Tamm, Meinhard.
 "A-6332586, Turnauer, Martin.
 "A-7395209, Udvarnoki, Bela, Junior.
 "A-7121716, Wang, Kung Fong.
 "A-6386837, Wiczorek, Aleksander.
 "A-6337931, Yin, Huo-Chin.
 "A-7910377, Yin, Log Yuin How.
 "A-7099681, Zenkl, Petr.
 "A-7099682, Zenhil, Pavia.
 "A-6622735, Abboud, Fuad Labib.
 "A-6613211, Aboudy, Albert Moshli.
 "A-7354343, Andrassy, Elizabeth Maria.
 "A-6397916, Aubrecht, Veroslava Anna.
 "A-6877413, Barczykowski, Wladyslaw Mieczyslaw.
 "A-7463692, Bercari, Louis.
 "A-6905598, Berger, Ilona (nee Hoch).
 "A-7828767, Berzins, Karlis Arvids.
 "A-7402058, Derzins, Roberts (alias Robert Bersin).
 "A-6953060, Bondo, Isidore Juda.
 "A-6383637, Bronsztejn, Szylja.
 "A-9203941, Brus, Tobias Albert.
 "A-7201405, Brzard, Vilem Jan.
 "A-6668393, Bursbtyjn, Nuchim Benjamin.
 "A-7828039, Bussanich, Nicolo.
 "A-6829982, Butosi, Janos.
 "A-7174556, Ch'en, Shih Chen also known as Flora May Ch'en or Flora May Chun.
 "A-6606696, Chiang, Sze Jih.
 "A-6491659, Czarnecki, Jan.
 "A-7069335, Darnoi, Denis Nicholas.
 "A-6685878, Dolinski, Josef.
 "A-6984654, Dolinski, Inda.
 "A-6697383, Doman, Francis Steve or Ferenc Doman.
 "A-7115666, Dowek, Judel.
 "A-7115667, Dowek, Elyasz.
 "A-6463167, Ehrenfeld, Sandor.
 "A-6616297, Elissa, Jeanette Joseph.
 "A-6595048, Fajwusowicz, Zalman.
 "A-6574575, Fajwusowicz, Ewa.
 "A-6574574, Fajwusowicz, Cyla.
 "A-6142241, Fang, Pao-Hsien.
 "A-6804019, Fernbach, Sarolta (nee Blau).
 "A-6819645, Fischman, Helen.
 "A-7144010, Gabor, John Michael Joseph.
 "A-6769829, Gartman, Stanislaw.
 "A-6716261, Gerganoff, Stoyan Tsonu.
 "A-6716262, Gerganoff, Zdravko Tsonu.
 "A-6819649, Gluck, Hedy Cseszne.
 "A-7046277, Goda, Erno.
 "A-7046278, Goda, Olga.
 "A-6903762, Goldstein, Andrej.
 "A-6953264, Goldwag, Matys.
 "A-7138289, Goldwag, Szytka.
 "A-7299341, Grabowski, Wojciech Wawlaw.
 "A-6855674, Gross, John (nee Janos Grosz).
 "A-6862640, Gross, Margrit.

- "A-6621147, Gutlejer, Szanja.
 "A-6490311, Gutlejer, Enia (nee Lebensold).
 "A-9777256, Gyorffy, Gabriel Emery.
 "A-6922075, Haim, Haskel Joseph.
 "A-6685996, Halpern, Kalman.
 "A-6847991, Hardoon, Hisqail Hougie.
 "A-6819097, Hauer, Erwin.
 "A-7991864, Hauer, Judesz.
 "A-6985843, Hauer, Gisella.
 "A-6570459, Hendrikson, Oskar Rudolf.
 "A-6570400, Hendrikson, Mary Henriette.
 "A-6538671, Hendrikson, Matti.
 "A-7210071, Hesser, Andre.
 "A-6877764, Holt, Charles Chi-Chien, alias Chi-Chien Ho and Kai-Him Ho.
 "A-6794990, Horowitz, Tauba Padawer (nee Herschthal).
 "A-6534359, Ivanoff, George Georgevich.
 "A-6622742, Jbeily, Joseph Ibrahim.
 "A-7097890, Jungreis, Tibor.
 "A-6843557, Jurkanski, Blanka Malek (nee Blanka Malek).
 "A-0199301, Jurkovic, Vincenc Martin.
 "A-7982539, Juskievich, Bronislaw.
 "A-6383406, Kao, Chao Ming alias Robert Kao.
 "A-6991788, Karman, Rozsi alias Rozsi Kohn and Rozsi Farkas.
 "A-6622739, Karram, Mussa Hussein.
 "A-7129579, Karram, Mariam Mussa.
 "A-8021522, Karram, Monia Mussa.
 "A-6369727, Kask, Karl.
 "A-6985793, Katz, Ruzena.
 "A-6990779, Katz, Desider Simonovic.
 "A-6524393, Kavardjjeva, Lilia Vlachova.
 "A-6943767, Klein, Michal or Miksa.
 "A-7841916, Knesich, Luciano.
 "A-6803926, Koenigsberg, Eugene or Eugene Konigsberg.
 "A-6953005, Kohn, Alexander.
 "A-2712646, Koo, Sheu Tse.
 "A-9802872, Kowalski, Boleslaw.
 "A-98225141, Kozloski, Stanislaw.
 "A-6770126, Krek, Mihael (Michael).
 "A-5915370, Krek, Amalia.
 "A-6043936, Krek, Alex.
 "A-8001000, Krotowski, Stanislaw.
 "A-8021889, Krotowska, Alicja (nee Landowska).
 "A-9542199, Krumins, Karlis Valdemars.
 "A-7841411, Kujovic, Radoslav Radoje.
 "A-6390161, Laevsky, Israel Henry.
 "A-9582579, Latkovic, Filip.
 "A-6537889, Lebovic, Edith (nee Edith Sicherman or Edith Sichermann).
 "A-6827138, Lewanska, Franciszka.
 "A-6760596, Liebling, Joel.
 "A-6765747, Liebling, Zeld.
 "A-6330125, Macuca, Darinka.
 "A-6286699, Magi, Kaljo.
 "A-6662179, Margolin, Mowsza.
 "A-6652101, Margolin, Ester.
 "A-6652100, Margolin, Ejdlia.
 "A-6819164, Mayyasi, Sami Aji H.
 "A-6837572, Meisels, Fani.
 "A-7128147, Mendel, Desideriu.
 "A-6771762, Meo, Lella Marie-Therese.
 "A-6620565, Miller, David Solomon.
 "A-6620555, Miller, Lydia Semon Rivkin.
 "A-6830207, Miodonski, Ted George or Tadeusz Szymon Miodonski.
 "A-9635262, Morawski, Jozef.
 "A-7383020, Mravak, Dragutin.
 "A-9238144, Narel, Aleksander.
 "A-9728202, Nestorowicz, Marian.
 "A-7849802, Nomm, August.
 "A-6992471, Ohmer, Sofka or Sofia (nee Pentcheva).
 "A-6929684, Onody, Desider Andrew.
 "A-6606301, Orleanski, (Brother) Casimir Karol.
 "A-7841141, Natkanski, Wincenty.
 "A-9550887, Ostrowski, Ignagy.
 "A-7078165, Piatkowski, Juliusz Konstanty.
 "A-9825018, Pionko, Jerzy.
 "A-7243264, Podlewski, Stefan.
 "A-6991768, Prec, Klara Judith.
 "A-6794989, Prec, Oldrich.
 "A-7886182, Rochowczyk, Jozef.
 "A-6700642, Rosenbloom, Elie Samuel.
 "A-6496749, Rubin, Anna (nee Halberstam).
 "A-6953463, Saltoun, Violette Haron.
 "A-7095742, Salzmann, Zdenek.
 "A-6984637, Samter, Louise.
 "A-6440743, Shohet, Naim Rouben (nee Chohate).
 "A-9770509, Sillak, Joosep.
 "A-6709294, Smirnof, Oleg Gabriel.
 "A-7809072, Socha, Kazimierz.
 "A-6857654, Smutny, Jerzy Mieczyslaw.
 "A-6612870, Steinmetz, Heinrich.
 "A-6845778, Stenzler, Clara or Klara.
 "A-6903753, Sterling, Harry alias Hersch Stelung.
 "PR-947098, Stolz, Jiri.
 "A-5914235, Stolz, Marta (nee Bergmann).
 "A-7043949, Stolz, Jiri Junior.
 "A-7043950, Stolz, Eva.
 "A-7828824, Strak, Michal.
 "A-6643498, Suchestow, Judyta Jeannette.
 "A-9632473, Tamm, Waino alias August Eduard Tamm.
 "A-5911908, Tarkas, Erich.
 "A-6544383, Tilvel, Jaan.
 "A-7138041, Toffler, Arthur.
 "A-7138042, Toffler, Lily.
 "A-9740112, Trantmann, Otto.
 "A-6304578, Tsan, Chu Hsi alias Hsi Tsan Chu.
 "A-7676457, Vulicevic, Baldo.
 "A-7057932, Vyssokotsky, Sergius Constantine also known as Serge Vyssokotsky.
 "A-7057933, Vyssokotsky, Jenny Christine (nee Neggo) also known as Jenny Christine Neggo-Vyssokotsky.
 "A-7056048, Weil, Vitezslav.
 "A-7056049, Weil, Margaret.
 "A-6886848, Weiner, Abraham Abby alias Abraham Abi Weiner.
 "A-6619083, Weiss, David.
 "A-6551930, Weitz, Louis.
 "A-6551931, Weitz, Regina.
 "A-7133269, Wen, Chang Hsien (Sister Mary Cyrilla).
 "A-6791636, Winkler, Joseph.
 "A-6791637, Winkler, Anlela.
 "A-6791638, Winkler, Maria Paula.
 "A-7415146, Yee, Ping Kou.
 "A-7135691, Yin, Huo-Min.
 "A-6847817, Yu, Kwok Tung alias Mason Yu.
 "A-7802470, Arge, Heinrich Leonhard.
 "A-7457686, Betlejewski, Wacław.
 "A-9825097, Bochenski, Michal Walenty.
 "A-6897515, Bondo, Iлона Polatsek.
 "A-9825180, Bussanich, Martino.
 "A-7206034, Cerna, Zorka Maria.
 "A-7083852, Chescowski, Nicholas.
 "A-1620402, Dambski, Apolonia Maria.
 "A-1249547, Dambski, Kazimierz Jozef.
 "A-6887744, Dancziger, Ferenc alias Fred Dancziger.
 "A-7058911, Drabek, Jaroslav.
 "A-7096050, Drabek, Jaromira.
 "A-7056912, Drabek, Jaroslav Adolf, Junior.
 "A-7351219, Drabek, Jan Adolf.
 "A-6805595, Faber, Ruzena (nee Gross).
 "A-7354828, Farnadi-Dietl, Fedor.
 "A-6938000, Flaks, Jacob David.
 "A-7879332, Friedman Joseph.
 "A-7095797, Gidzinski, Kazimierz.
 "A-7074033, Hillel, Victoria Zaharia.
 "A-6968051, Hrazdilova, Jirina Marie.
 "A-6301097, Jalinskas, Ceslovas.
 "A-6301096, Jalinskas, Brone.
 "A-6432770, Jaouni, Taysir Muhammad.
 "A-6949316, Jiruska, Frantisek Jaroslav.
 "A-6635256, Kalnay, George.
 "A-6886924, Klein, Emil.
 "A-6891807, Lefkovic, Akiba.
 "A-7520872, Lew, Katherine.
 "A-6924587, Lipnicki, Michael.
 "A-9542040, Lucis, Janis.
 "A-7054514, Machek, Miroslava (nee Mericka).
 "A-7177878, Mikulik, Lubomir.
 "A-7049979, Mojsilovic, Blagoje.
 "A-6371460, Mul, Hersz.
 "A-6762543, Muniak, Jan.
 "A-6590279, Orlandic, Pavle.
 "A-6899266, Plater-Zyberk, Marguerite Wielopolska.
 "A-6960366, Scharl, Maria.
 "A-6989080, Silhavy, Josef.
 "A-6989078, Silhavy, Amalie.
 "A-6989079, Silhavy, Pavel.
 "A-6689775, Stanislavjevich, Nikola Dragisha.
 "A-6232252, Sukiennick, Mieczyslaw.
 "A-7282655, Szefer, Szyfra.
 "A-6805582, Teitelbaum, Lipot.
 "A-7197697, Tlit, Elmar.
 "A-6855683, Tomashevich, George V.
 "A-6967361, Tsou, Tcheng-Hoa alias Michael Tsou.
 "A-7802495, Vaherpol, Jaan Iver.
 "A-7383195, Vahulis, Pauline (nee Gailis).
 "A-7143023, Waters, Elmer alias Ervin Wassermann.
 "A-6766905, Wulc, Stanislaw Samuel.
 "A-6567543, Yao, Vida.
 "A-6694102, Zabare, Jankiel Joseph.
 "A-6748822, Brtan, Vladimír.
 "A-7095994, Cserna, Eugene.
 "A-7095995, Cserna, Zoltan.
 "A-6773136, Ferneglia, Sergio.
 "A-6704042, Froomkin, Joseph Nathano-vich.
 "A-9759383, Heinvali, Arnold George.
 "A-8001563, Ignac, Stanislaw or Ignac Stanislaw.
 "A-7955272, Kanski, Frank (Franciszek Konrad Kanski).
 "A-6633720, Karas, Zelman.
 "A-6688188, Klein, Tereza.
 "A-6688184, Klein, Mauritiu or Mor Klein.
 "A-7284783, Lawler, Roland Shang-Yong.
 "A-6918456, Moskovitz, Roza Grunfeld.
 "A-7138291, Peress, Widad Reuben.
 "A-6570439, Photos, Basil John alias Vasilios Ioannis Potos.
 "A-9670060, Rebane, Albert Johannes.
 "A-6918481, Renner, Teresa.
 "A-6912550, Renner, Alexander.
 "A-6903689, Sze, Victor Tsu-Ying.
 "A-9727426, Tlit, Mihkel.
 "A-7133284, Tsung, Hual Wei (Sister Mary Innocence).
 "A-7809282, Vaga, Matvei.
 "A-7809011, Vagyalgyi, Valerie.
 "A-7050713, Vracar, Aleksander Mile or Alexander Vracar.
 "A-7056849, Wertman, Murray or Motel Wertman.
 "A-6923733, Wertman, Issac.
 "A-9303392, Zalitis, Heines Hugo Hermans.
 "A-7802092, Abraham, Meir Shaoul.
 "A-7802090, Abraham, Malma Sason Chlomo David.
 "A-7802091, Abraham, Madeleine Meir Shaoul.
 "A-7225058, Botez, Theodor.
 "A-6967733, Chiang, Helen T'ieh-Yun.
 "A-7118674, Chu, Chung Ying.
 "A-7095953, Feleky, Kornelia.
 "A-9748640, Ivin, Josip.
 "A-6903776, Jager, Hersz.
 "A-64088046, Jarvis, Arnold.
 "A-7133264, Kan, Kung Ming or Kan Kung Ming (Sister Mary Irene).
 "A-7097823, Kelemen, Peter Andreas George or Peter Kelemen.
 "A-7095979, Kovacs, Arpad Imre.
 "A-7366481, Krivik, Halina or Halina Pecenka.
 "A-7139011, Lengyel, Alexander.
 "A-7139012, Lengyel, Suzanne.
 "A-7941169, Makkay, Elizabeth.
 "A-6721757, Melamed, Mojzesz or Moses or Moses Melamed.
 "A-7356261, Metes, Olivia.
 "A-8057878, Paszkiewicz, Roman.
 "A-7841140, Polli, Karl Voldemar.
 "A-7886676, Reibus, Arnold.
 "A-6990741, Reron, Antiea Rosalia Szalay.
 "A-6857549, Robitschek, Emmerich.
 "A-6843478, Roh, Josef.
 "A-6852890, Rosenberg, Miriam Perlestein.
 "A-6613209, Saleh, Es-Saleh, Rasim.
 "A-7138015, Stawska, Bronislaw.
 "A-7802532, Stawska, Anita.

"A-6997928, Stern, Aranka (nee Aufrichtig).
 "A-7133283, Tsung, Li Chih (Sister Mary Carmel).
 "A-7182599, Zechary, Jadwiga.
 "A-7202565, Zajczyk, Baczewa (nee Kuzsner).
 "A-7139015, Zajlof, Josef Ber.
 "A-6689509, Zimmerman, Isaiah Morris.
 "A-7197385, Zywiowski, Jerzy Waclaw.
 "A-6588202, Akrafova, Boika Svetoslavova or Akrahoff.
 "A-6985760, Alimanestianu, Dinu-Constantin.
 "A-7828348, Alimanestianu, Barbu.
 "A-6760577, Arar, Raymond Moise.
 "A-7439282, Babarcich, Albino.
 "A-6425831, Bamieh, Nasuh Adib.
 "PR-935172, Benes, Bohus Antonia.
 "PR-935173, Benes, Mrs. Emilie Berta Zedna.
 "A-7243448, Bolek, Anastasia (Sister Barbara).
 "A-7873185, Brejt, David.
 "A-7874914, Bubich, Ludwig.
 "A-7057868, Danielewski, Sylvia Jadwige (nee Lakomska).
 "A-7057870, Danielewski, Tadeusz Zbigniew.
 "A-7069307, Farcasanu, Mihail.
 "A-7193948, Farcasanu, Pia Maria.
 "A-7174330, Foldy, Ilona Maria.
 "A-6942779, Ghilezan, Emil.
 "A-7053573, Ghilezan, Rodica.
 "A-634350, Grynberg, Szmul.
 "A-6708762, Hager, Nathan Hers.
 "A-6627396, Hahn, Chen Kya.
 "A-6528724, Halpern, Jakob Salomon alias Jacob Halpern.
 "A-6856802, Hollossy, Zoltan.
 "A-6856801, Hollossy, Erzsebet.
 "A-6618510, Hsiu, Nai Shen.
 "A-9225315, Iglinski, Antoni.
 "A-6942790, Ipolo, Tania.
 "A-6942791, Boulianosky, Lana.
 "A-6620853, Jiranek, Miroslav Vaclav.
 "A-6634353, Jouraval, Albert.
 "A-5611152, Kari, Johannes.
 "A-6159693, Klepfisz, Roza (nee Perczyk).
 "A-7193909, Klepfisz, Irena.
 "A-7283395, Koo, Jennie Jang Yu.
 "A-7202262, Krajcirovic, Villam.
 "A-6011300, Kuo, Ping Wen.
 "A-6011302, Kuo, Ruth How.
 "A-7069364, Kwiatkowski, Alexander Joseph.
 "A-6369941, Li, Sing-Bay.
 "A-7073735, Lindenbaum, Bronia (nee Swiatlowska).
 "A-9683229, Loob, Juri.
 "A-6934991, Majer, Salamon.
 "A-6654829, Maluga, Ludwik alias Zygmunt Lasota.
 "A-6354830, Maluga, Jadwiga alias Monica Lasota (nee Kulinska).
 "A-8082936, Mayer, Karol.
 "A-6997863, Mayer, Mirosława (nee Jordan).
 "A-6526908, Muzaffar, Baha Ed Din.
 "A-6742100, Nagy, Joseph Bela Ervin.
 "A-4463157, Naraowski, Waclaw Jan.
 "A-6967511, Nieu, Chang-Teh T.
 "A-6994210, Niu, Frances Teh-I Yin.
 "A-6211935, Pai, Sung, Ching.
 "A-7890609, Parmac, Phillip.
 "A-7874962, Pasztory, Balazs Gabor.
 "A-6855669, Pinter, Pinkas Majlech.
 "A-6285493, Piscikas, Alfonsas.
 "A-6534317, Pollak, Aron alias Sam Vech.
 "A-6740117, Pollakin, Robert.
 "A-6768099, Potasz, Jankiel.
 "A-6903698, Sher, Lola (Lola Czarna).
 "A-7491017, Slugocki, Wojciech Bratislaw or Wojciech Telesfor Slugocki or Albert Slugocki.
 "A-6862612, Stanescu, Alexander Paul.
 "A-7097810, Sulkowski, Zdislaw Edward.
 "A-6638073, Szabo, Tibor.
 "A-6997894, Talacko, Joseph.
 "A-7193865, Talacko, Kvetoslava (nee Jahl).

"A-7193864, Talacko, Jan.
 "A-6961800, Talacko, Anezka.
 "A-7367854, Verebes, Salamon.
 "A-7367855, Verebes, Margit.
 "A-7367954, Verebes, Erzsebet Georgette.
 "A-6916040, Wagszal, Chaskel.
 "A-6819099, Wagszal, Anna (nee Grunzweigl).
 "A-6379028, Zablocki, Aron.
 "A-6887730, Zand, Mordka alias Mordcha Zand.
 "A-7849171, Zand, Braindla alias Brajndla Zand (nee Bruan).
 "A-6772225, Ansari, Ibrahim Abdel-Kader.
 "A-6694161, Aronovsky, George Nathan.
 "A-6887570, Berkovitz, Terez or Berkowitz.
 "A-9702512, Chong, Loh Hain.
 "A-6694195, Fastag, Azbil Dawid (Phastag).
 "A-6933776, Kaczmarczyk, Bronislaus Lawrence.
 "A-6992867, Kertesz, Laszlo formerly Laszlo Kohn.
 "A-6880587, Kirszenowajg, Michal Hersz.
 "A-6680609, Kirszenowajg, Chaim.
 "A-6680588, Kirszenowajg, Chana Sura.
 "A-7802320, Kustera, Slavko.
 "A-6405964, Kwei, Tu.
 "A-7138281, Lehman, Morris alias Mieczyslaw Lehman.
 "A-7138282, Lehman, Louise alias Ludwika Halberstadt.
 "A-7910500, Lehman, Norbert.
 "A-6613284, Long, Sam Tack.
 "A-6976770, Lonyay, Carl.
 "A-6743161, Nordenshuld, Valentine or Valentine Kozakevitch.
 "A-6983576, Rajnman, Hersz.
 "A-6904295, Rajnman, Fryda.
 "A-7283186, Reider, Hani.
 "A-7178643, Rieder, Tivadar.
 "A-7283188, Rieder, Olga.
 "A-7095964, Rieder, Zoltan.
 "A-7802323, Roman, Ahlberk.
 "A-6761967, Schlesinger, Andre Sanders.
 "A-7934030, Skorobogaty, Boleslaw.
 "A-6445137, Szabo, Andras (Endre) alias Andras or Andrew Szabo.
 "A-6967644, Tang, Nola I-Nan.
 "A-7136909, Veske, Alexander.
 "A-6953000, Wiesenfeld, Jacob Reiner.
 "A-6984444, Wilner, Abraham.
 "A-6983563, Wilner, Gabriel.
 "A-6896024, Fisnar, Elisabeth.
 "A-6618493, Steinfeld, Chana Koviensky.
 "A-6620438, Steinfeld, Avram.
 "A-6620438, Steinfeld, Chaim.
 "A-6620441, Steinfeld, Elchonon.
 "A-6707108, Galas, Emma Roth.
 "A-6829041, Gordon, Szepsel.
 "A-6937216, Socoloff, Michael Alexander.
 "A-6937217, Socoloff, Nadejda M.
 "A-7193802, Wedzicha, Wladyslaw.
 "A-7193803, Wedzicha, Sabina.
 "A-7828630, Klawitter, Aniela.
 "A-7384388, Beno, Jan.
 "A-7383489, Beno, Zofia.
 "A-7383490, Beno, Pavel Stefan.
 "A-7383491, Beno, Jan Roman.
 "A-6819121, Kaufman, Rozsi (nee Cseszne).
 "A-6819123, Neustein, Anni (nee Cseszne).
 "A-6685984, Kejsman, Juda.
 "A-6704220, Wasilejko, Halina Cristina.
 "A-6661938, Ekland, Catherine.
 "A-7197376, Herman, Frantisek Ladislav.
 "A-6802109, Oselka, Henryk.
 "A-6966575, Mascarin, Giovanni.
 "A-6249447, Bergmann, Witold Ulrich alias Witold Boleslaw Uderski.
 "A-6851463, King, K. Ting.
 "A-6484319, Bielecki, Lucjan.
 "A-7283196, Tsai, Christiana.
 "A-6897686, Vitek, Vera Anne.
 "A-6897691, Vitek, Ferdinand Jaroslav.
 "A-9550888, Paprocki, Karol.
 "A-6740257, Koenig-Mayer, Bernard.
 "A-9825008, Gasiorowska, Konstancja.
 "A-6887756, Steyer, Danuta.
 "A-6887757, Steyer, Marek Tomas.
 "A-6887758, Steyer, Stanislaw.
 "A-6884228, Low, Laszlo.
 "A-7197372, Pei, Tsuyee.

"A-7210069, Britanisky, Leon Gregory.
 "A-7210068, Britanisky, Lucy.
 "A-7193955, Britanisky, Rose-Marie.
 "A-7193956, Britanisky, Mark (Marek).
 "A-7828442, Wexler, Dora nee Auer.
 "A-7828406, Wexler, Levi Itic.
 "A-6917609, Wong, Pao Tee or Wong Pao Tee."

And the Senate agree to the same.

PAT McCARRAN,
 JAMES O. EASTLAND,
 WILLIS SMITH,
 HOMER FERGUSON,
 WILLIAM E. JENNER,

Managers on the Part of the Senate.

FRANCIS E. WALTER,
 J. FRANK WILSON,
 HAROLD D. DONOHUE,
 LOUIS E. GRAHAM,
 RUTH THOMPSON,

Managers on the Part of the House.

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

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

Mr. McCARRAN. Mr. President, House Concurrent Resolution 191, which grants congressional approval to the adjustment of status of certain displaced persons in the United States to that of permanent residence, was amended by the Senate by adding certain names to the resolution and deleting certain other names.

The conferees have carefully gone over the records in each of the cases in which there was an initial difference of opinion as to the merit of the case, and the conferees are now satisfied that the list of names contained in the conference report warrants congressional approval.

Accordingly, Mr. President, I move the adoption of the conference report.

The report was agreed to.

CONSTITUTION OF PUERTO RICO—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 430) approving the Constitution of the Commonwealth of Puerto Rico which was adopted by the people of Puerto Rico on March 3, 1952, which has been unanimously signed by all the conferees of both Houses, and I believe can be disposed of quickly. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of June 30, 1952, pp. 8618-8619.)

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

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

Mr. JOHNSTON of South Carolina. Mr. President, it has always been my goal and intention to work for and to the best of my ability help legislate for all of the people concerned, rather than for a special and privileged few. So with the assurance of our conferees on the

amendment they now offer in place of the one offered and adopted by the Senate known as the Johnston amendment, that this compromise amendment will provide all the safeguards not only necessary for all the people of Puerto Rico but also the sovereignty of our own great Nation and people, I will not oppose it. I may add however, Mr. President, that since this legislation has been debated in the Congress of the United States many charges and countercharges of a serious nature have been made that have either been overlooked or unanswered. My interest in Puerto Rico shall not cease with the passing of this constitution.

I realize that Puerto Rico needs the watchful care of the Congress of the United States. For that reason I shall continue to watch the appropriations which go to Puerto Rico, looking out for the best interests of the people of this Nation, and at the same time I shall try to see that the funds are properly expended in Puerto Rico.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Differing Reactions Over Approval of Constitutions," written by Carlos O. Torres, and published in the newspaper *El Imparcial*.

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

[Translation]

[From *El Imparcial* of June 25, 1952]

DIFFERING REACTIONS OVER APPROVAL OF CONSTITUTION

(By Carlos O. Torres)

While some leaders of the Popular Democratic Party expressed their rejection of the amendment introduced by Senator OLIN D. JOHNSTON into the constitutional bill for Puerto Rico so that the same cannot be amended in the future without prior approval of Congress, others have received it with "satisfaction and rejoicing." This was revealed by a fast survey made by *El Imparcial* yesterday morning.

Other leaders of the Popular Party who were questioned refused to make comments of any sort regarding the Johnston amendment awaiting an official statement by the party.

One of the leaders questioned stated: "We do not see any reason why we should not feel happy and satisfied over the amendment approved by the Senate." Another said that: "Be it JOHNSTON's or anyone else's, the amendment stipulating that the constitution cannot be amended without the approval of Congress is excellent and we accept it with open arms."

One leader pointed out that "that amendment should be maintained because it is a guarantee for our children and our grandchildren," explaining that "no one knows what may occur politically in Puerto Rico within 10 or 15 years and someone may try to amend the constitution to adopt it to an ideology that is quite different than ours."

STATEHOOD MEMBERS APPLAUD

In other quarters, leaders of the Statehood Party stated that the Johnston amendment approved by Congress, from the statehood point of view is wonderful because it constitutes an absolute guaranty that the constitution, as approved, cannot be amended at the will of those who hold the majority and the government machinery in order to

get the voters to ratify some whimsical amendment.

In the opinion of an outstanding statehood leader, the amendment by Senator JOHNSTON should be accepted by the Puerto Rican people.

Mr. JOHNSTON of South Carolina. Mr. President, I want it known that I am for the adoption of the constitution as amended.

Mr. LEHMAN. Mr. President, I am very happy indeed at the result of the work of the conference committee on the Puerto Rican constitution bill. I rejoice that the conferees have eliminated the phraseology of the Johnston amendment. This amendment under its own terms would, I believe, have made the new Puerto Rican constitution an almost meaningless document by reserving to the Congress the veto power over any amendments which the Puerto Rican people might choose to make to their constitution in future years.

This would have been the exact reverse of the underlying idea of the Puerto Rican constitution which was to grant to Puerto Rico the dignity of home rule and of local autonomy under the sole guardianship of the principles of the United States Constitution and of democracy itself.

Our whole purpose was to blaze a new trail in the relationship between the Union of States and the Territory of Puerto Rico. That trail was marked at one end by Public Law 600 which laid down the principles to be followed by the Puerto Rican constitution and at the other, by the Puerto Rican constitution itself.

That constitution was to be a compact between the Federal Government and the people of Puerto Rico, freely entered into on both sides, under whose terms Puerto Rico embraced and accepted the principles of democracy and the principle of United States sovereignty on the one hand, while the Congress, on the other, accepted the principle of Puerto Rican home rule and of local dignity and autonomy.

In my judgment the Johnston amendment would have violated the spirit of that compact, and, as a matter of fact, this was the widespread reaction in Puerto Rico. I have received a score of cablegrams and letters from Puerto Rican leaders and from people in New York protesting the Johnston amendment. I received a copy of a letter from that eminent jurist, Chief Judge Calvert Magruder, of the United States Court of Appeals, First Circuit, a letter addressed to Senator O'MAHONEY, expressing in no uncertain terms Judge Magruder's juridical view that the Johnston amendment was an unfortunate one.

As a matter of fact, I do not think that the author and those who voted for this amendment in the Senate really wanted to do what the amendment actually did. I think some Senators had fears that Puerto Rico might change its constitution in an un-American way. I did not share those fears. In my judgment the Puerto Rican people are so firmly grounded in democratic principles that they would

not approve amendments that would be contrary to democratic principles.

But the conferees have worked out language which impresses me as being perfectly reasonable and at the same time should allay any fears which anyone might harbor. Under the terms of the new proviso replacing the Johnston amendment, Puerto Rico is expressly restrained from amending its constitution in any manner which would violate principles of the Federal Constitution, the provisions of Public Law 600, or the provisions set forth in the pending act of approval of the Puerto Rican Constitution itself.

As I see it, this is a very happy solution to the problem, fair to the people of Puerto Rico and just to all. The conferees have paved the way for the speedy approval of this historic document.

I have no doubt the conference report will be approved. It will be approved in time, I hope, for the Puerto Rican Constitution to be promulgated in Puerto Rico on July 4. That day will be celebrated in Puerto Rico with double meaning from this year forward.

I am happy to have shared in the efforts which made this great development possible. This will be a great day in the history of the relationship between continental United States and this offshore island peopled by more than 2,000,000 American citizens. The conferees are to be congratulated, the Senate is to be congratulated, and America is to be congratulated on this fine act.

Mr. O'MAHONEY. Mr. President, Members of the Senate have requested that there be read into the RECORD at this point the language which the conferees unanimously adopted in lieu of the Senate amendment. This language has been endorsed by the Senator from South Carolina [Mr. JOHNSTON], who offered the amendment. The language adopted by the conferees reads:

Provided further, That except for the purpose of adopting the amendments to section 5 of article II and to section 3 of article VII as herein provided, article VII of said constitution likewise shall have no force and effect until amended by the people of Puerto Rico under the terms of said article by adding to section 3 of article VII the following new sentence: "Any amendment or revision of this constitution shall be consistent with the resolution enacted by the Congress of the United States approving this constitution, with the applicable provisions of the Constitution of the United States, with the Puerto Rican Federal Relations Act, and with Public Law 600, Eighty-first Congress, adopted in the nature of a compact."

Mr. President, we have been assured by the representatives of Puerto Rico that this provision will be written into the Puerto Rican Constitution willingly, and the resolution of approval, House Joint Resolution 430, now requires it. The amendment adopted by the conferees accomplishes what I think was the basic purpose of the Senator from South Carolina when he proposed his amendment.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

FUNDS FOR ARMY, NAVY, AND AIR FORCE IN PUBLIC-WORKS PROGRAM

Mr. LONG. The junior Senator from Louisiana, as chairman of a subcommittee, has been attempting to determine whether it was necessary to authorize all the funds which the Army, Navy, and Air Force are requesting for the next fiscal year in connection with the public-works program. Having studied the matter during hearings which sometimes began at 10 o'clock in the morning and lasted until 1 o'clock the following morning, with testimony being taken almost continuously, the subcommittee is of the opinion that hundreds of millions of dollars can be saved in the public-works program without preventing one gun from being fired or one plane from flying. There is a great deal of fat that can be removed from the bill, and we shall make recommendations to the Senate that such savings be made in behalf of the taxpayers of the Nation.

However, I have been alarmed by the activities of some of the armed services in trying to prevent our recommending certain economies even while the subcommittee was conducting its hearings. While we were conducting our hearings on the Air Force, we received a letter from the White House, anticipating some of the reductions, and stating that it would not be in the national interest to make such reductions.

How the President can anticipate what savings we were going to recommend is something that I cannot understand.

In addition to that, some of us are being smeared in syndicated columns, as though we were not trying to protect the public interest.

Yesterday, Mr. Bendetsen, Assistant Secretary of the Army, was seen with a three-star general going through the corridors of the Capitol and the Office Building with what appeared to be a breakdown of what certain reductions would mean to individual States.

Today I received a letter from the junior Senator from Oklahoma, in which he expressed the fear that some badly needed barrack spaces might be eliminated at an Army base in Oklahoma. Apparently the Senator from Oklahoma has been advised that there are 2,962 men sleeping in tents at Fort Sill, and quite properly he feels that they should be moved into barracks. Apparently he was not informed that there were already under construction 3,465 new barrack spaces at Fort Sill, which would provide 500 more barrack spaces than were needed.

Mr. President, while some of us have been trying to reduce expenditures, the Air Force, Army, and Navy have been lobbying individuals and Senators to oppose proper economies.

I hope the Senate will withhold judgment on the bill until we report it to the Senate and every Senator is able to study the economies which we are recommending.

FAIR-TRADE PRACTICES

The VICE PRESIDENT. The Chair lays before the Senate the unfinished

business. The clerk will read the title of the bill for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5767) to amend the Federal Trade Commission Act with respect to certain contracts and agreements which establish minimum or stipulated resale prices and which are extended by State law to persons who are not parties to such contracts and agreements, and for certain other purposes.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment, the question is on the third reading of the bill.

Mr. DOUGLAS. Mr. President, is there to be discussion of this bill, or is it to go through with supersonic speed?

The VICE PRESIDENT. The Senator from Illinois is recognized.

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

Mr. DOUGLAS. I will yield for a question.

Mr. McFARLAND. If it goes through with that speed, we shall not have a night session.

Mr. DOUGLAS. I am reminded of the old maxim, "Marry in haste and repent at leisure."

SEVERAL SENATORS. Vote! Vote!

Mr. DOUGLAS. Mr. President, are we going to pass this bill without its sponsors saying a word in its behalf? Is this child to be born without any statement as to the nature of the child?

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The Senate will be in order.

Mr. DOUGLAS. Mr. President, if no other Senator will discuss the bill, I shall.

Mr. President, I move that the bill be laid on the table.

The VICE PRESIDENT. Does the Chair understand that the Senator from Illinois moves to lay the bill on the table?

Mr. DOUGLAS. I so move.

The VICE PRESIDENT. The motion to lay on the table is not debatable.

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

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, am I correct in my understanding that the motion before the Senate is a motion to lay on the table the fair-trade bill?

The VICE PRESIDENT. That is correct. A vote of "yea" is a vote to lay the bill on the table; a vote of "nay" is a vote against laying the bill on the table. The clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate because of illness.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

I announce further that, if present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Iowa [Mr. GILLETTE] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from California [Mr. NIXON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

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

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], and the Senator from Missouri [Mr. KEM] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from Nevada [Mr. MALONE], the Senator from California [Mr. NIXON], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The result was announced—yeas 7, nays 64, as follows:

YEAS—7		
Alken	Lehman	Murray
Douglas	Morse	Neely
Green		
NAYS—64		
Benton	Holland	Mundt
Bricker	Humphrey	O'Connor
Butler, Md.	Hunt	O'Mahoney
Butler, Nebr.	Ives	Pastore
Cain	Jenner	Robertson
Case	Johnson, Colo.	Saltonstall
Clements	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Seaton
Dirksen	Kilgore	Smathers
Dworshak	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Ecton	Long	Sparkman
Ellender	Magnuson	Stennis
Ferguson	Martin	Thye
Frear	Maybank	Underwood
George	McCarran	Watkins
Hayden	McCarthy	Welker
Hendrickson	McClellan	Wiley
Hennings	McFarland	Williams
Hickenlooper	McKellar	Young
Hill	Monroney	
Hoey	Moody	
NOT VOTING—25		
Anderson	Duff	McMahon
Bennett	Flanders	Millikin
Brewster	Fulbright	Nixon
Bridges	Gillette	Russell
Byrd	Kefauver	Smith, N. C.
Capehart	Kem	Taft
Carlson	Kerr	Tobey
Chavez	Lodge	
Connally	Malone	

So Mr. DOUGLAS' motion to lay the bill on the table was rejected.

The VICE PRESIDENT. The bill is before the Senate and open to amendment.

Mr. DOUGLAS. Mr. President, I made a motion to table, knowing that it

would fail, as an opening shot, so that Members of the Senate might pause to know what they are doing. I had no desire to stop debate on this bill or prevent its consideration.

This is really an extraordinary situation. No Senator has risen on the floor of the Senate to expound the bill. I may point out that the bill has come from the committee without recommendation. The hearings have not been printed. No sponsor has risen to explain the bill or give the reasons why he favors it. It is extraordinary that no Senator is willing to assume that burden. Therefore the Senator from Illinois made the motion to table in order the Senators might have more time to consider their action. It is an extremely important bill.

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

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator think there might be some possibility that the reason no Senator has seen fit to father the child is that there may be some question as to its paternity?

Mr. DOUGLAS. I was trying to imply that, but I did not wish to be invidious in my references. I think perhaps there might be some doubt about the quality of the child itself.

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

Mr. DOUGLAS. I shall be glad to yield for any Senator to explain the merits of the bill. Then I should like to rise and state the reasons why I intend to oppose it.

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

Mr. DOUGLAS. I yield.

Mr. NEELY. The purpose of the bill is to fix prices and increase the cost of living.

Mr. DOUGLAS. It certainly is.

Mr. NEELY. It is a bill to enable certain merchants and druggists to charge 155,000,000 American people three-fourths of a billion dollars a year more than they are now paying for the necessities of life. The bill, if enacted, will increase the distress of every poor family and every poor man, woman, and child in the land. Under its operation six cans of milk, corn, beans, peas, soup, or other food products will cost approximately as much as seven cans cost now. A hundred other similar illustrations could be given. If the people who will be forced to bear the burden of this legislation, were as well organized and as impressive in making their wishes known as the druggists and merchants have been and still are, the Senate would, in my opinion, defeat the measure before it as decisively as it would defeat a bill to legalize highway robbery.

Since I entered the Chamber I have heard two Senators say, in effect, "This bill ought not to be passed. But the pressure for it is so great that we have decided to vote for it." Mr. President, I cannot vote for it because, regardless of the good intentions of its supporters, which are unquestioned, the effect of the bill would, in my opinion, be just as injurious to the people as it would be if it had been conceived in greed and born

in iniquity. Neither the good intentions nor the benign wishes of those who favor it will help those who have to pay the cost of its operation.

This is a fight between a few thousand grocers and a few thousand druggists, on the one hand, and 155,000,000 consumers on the other. Therefore, as usual, put me down on the side of the people for whom I never fail to vote.

Mr. DOUGLAS. Mr. President, I share the general convictions of the Senator from West Virginia, although perhaps on certain points I would not castigate certain groups as vigorously as he has done. I have tried to help some of the groups favoring this particular bill by trying to prevent them from being subjected to arbitrary price discriminations not justified by cost savings.

This is a bill to legalize resale price maintenance. What it does is to permit the manufacturers of trade-marked and branded commodities, if they make an agreement with one retailer, to determine the prices which all retailers shall charge for the commodity. It would enable them to determine not only the prices charged by a retailer who was a signer of the agreement, but the prices, in 45 States, which every other retail merchant charges, whether he signs the agreement or not.

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

Mr. DOUGLAS. No; I should like to continue and develop the argument.

The VICE PRESIDENT. The Senator from Illinois declines to yield.

Mr. DOUGLAS. This is a private price-fixing bill. What it does is to permit a manufacturer to fix prices in the retail market, even though other retailers may not wish to charge such prices. What it does is to permit the manufacturer, if he can obtain one signer in a given State, to fix the prices which all other retailers in that State may charge. All the other retailers in 45 States would be bound to charge the same price, whether they wished to do so or not.

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

Mr. DOUGLAS. I yield.

Mr. FREAR. The Senator has raised a point which I should like to have cleared up. Does he say, as I have understood him to say, if a retail grocer or a retail druggist in Dover sells a price-fixed commodity and signs a contract for price fixing, that a retail druggist in Smyrna must charge the same price for that particular commodity?

Mr. DOUGLAS. That is correct; for that commodity.

Mr. FREAR. Even though the second merchant does not sign an agreement?

Mr. DOUGLAS. Even if he does not sign an agreement.

Mr. FREAR. Does it bind all the other druggists?

Mr. DOUGLAS. It binds all the other druggists who trade in that commodity.

Mr. FREAR. Why is it true in Delaware, as the Senator from Illinois has stated?

Mr. DOUGLAS. It is true in every State in which there is a State resale price maintenance law. Forty-five

States have resale price maintenance laws. The only States which do not have such a law are Vermont, Texas, and Missouri, and the District of Columbia. If a manufacturer can get one person in each of the 45 States to sign a contract it applies for very nearly the whole United States.

Mr. FREAR. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. FREAR. Suppose a manufacturer of a certain product wants his price established at the retail level in one of the 45 States to which the Senator has referred. Is it possible for him to own a drug store or a grocery store in the State, in one way or another, directly or indirectly, and make a contract for a particular product and in that way force all the other retail merchants in the State to abide by that contract on that particular item?

Mr. DOUGLAS. Yes; I should think that would be possible. Generally, however, it is not necessary for a manufacturer to own a store and make an agreement with himself. Generally he can find one out of a number of merchants who is willing to make an agreement. It is not necessary that he have a "front." But he can work through one, if he wishes.

Mr. FREAR. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield further.

Mr. FREAR. That is what I wish to have determined. Suppose he wants to fix prices so badly that he buys a store and makes a contract. Is it possible for him to do that under this bill, if it is passed?

Mr. DOUGLAS. I know of nothing that would prevent that.

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

Mr. DOUGLAS. I yield.

Mr. MAGNUSON. I think the record ought to be clear on that point. I know a little bit about our State laws. We have been living under such a law in Washington for a number of years. Everyone has been happy with it. Most of the State laws—and I looked into the subject when I was a member of the legislature in Washington—provide very severe penalties for doing what was suggested by the Senator from Delaware. They provide not only fines but prison terms. Forty-five States have been living under such laws. No Senator should stand up and say that Senators are cowardly in this matter, when the States which they represent have fair-trade laws. I represent the people of my State.

Mr. DOUGLAS. I have made no such statement.

Mr. MAGNUSON. I represent the State of Washington. I know the Senator from Illinois has not made such a statement.

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

Mr. DOUGLAS. May I be permitted to develop my argument?

Mr. HOLLAND. Mr. President, if the Senator will yield for a moment, the Senator from Florida wishes to support the statement which was just made by

the distinguished Senator from Washington. The Senator from Florida was the author in his State on two occasions of similar State fair trade acts which have well served the people of the State of Florida.

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

Mr. DOUGLAS. I am very glad to yield to the Senator from Minnesota.

The VICE PRESIDENT. Under the rule a Senator may yield only for a question, not for speeches.

Mr. HUMPHREY. I thank my illustrious friend for yielding to me.

Mr. President, we can discuss the measure before us without invective and without emotion. I honestly believe that the two points of view can be legitimately presented. I have very strong feelings about the bill. They are not engendered by textbooks, catalogs, or documents. I have feelings which arise from a great deal of experience from living at a time when there were no fair-trade laws.

I should like to say, with respect to the charge of price fixing, or whatever it may be called, that it is interesting to observe, when the Senate has provided price supports for American farmers, and justly so, that there are a great many people who want cheap food and would have it even if it would drive the farmer out of business. Who would benefit? The alleged consumer, apparently. Mr. President, among the consumers is the American farmer himself. He can consume nothing without a fair price.

The same Senators who have voted for labor laws on the floor of the Senate, which would give the right of collective bargaining, the union shop, and the closed shop, and would give the workingmen and the consumer a chance to have some money with which to buy food, oppose fair-trade laws. There are a great many people who want no unions because they want cheap labor. They do not believe in minimum wage laws. They want cheap labor.

I am in favor of minimum wage laws. I am in favor of trade-unions. I am in favor of price supports. I have seen what happened when we had no unions and no price supports. I have seen what happened when we did not have minimum wage laws and no child labor laws.

Mr. President, I shall produce evidence before this debate is over which will show what will happen to thousands upon thousands of independent merchants who will be at the mercy of the monopolistic powers in America that will drive them out of the markets. I say to the lovers of the consumer that those interests have rigged prices time and again. I saw my father-in-law driven out of business by those methods. I saw my own father suffer from them. I feel very deeply about this matter.

There are two sides to this question, Mr. President, the side of monopoly and the side of the Clayton-Sherman Antitrust Acts. I want those laws enforced. I say to the Federal Trade Commission and the other Federal agencies: "Get busy and enforce those laws." But I also want to make sure that there is such a thing as fair play and equity, and a fair

deal, to which some of us have been pledged.

There is such a thing as a fair price for an honest day's labor and a professional service. I think we shall be able to join the debate on these issues, Mr. President.

I wish to thank my very esteemed and wonderful friend, the Senator from Illinois, for giving me this chance to submit my views. He knows there is an honest difference of opinion between us.

I have the greatest respect for the distinguished Senator from Illinois; I do not have greater respect for any other man, either in connection with this matter or in connection with any other matter. The Senator from Illinois knows that we are good friends, and that we shall continue to be after we have fought out this issue.

Mr. DOUGLAS. Mr. President, I am glad the exchange of shots has brought forth some arguments in behalf of this measure. I think we shall develop some discussion of it before the evening is over.

Mr. LEHMAN. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. No; I should like to finish one sentence before I yield.

The VICE PRESIDENT. The Chair wishes to remind all Senators that we are approaching the end of the session. The Chair wishes to have the business of the Senate transacted in an orderly way. Although we are more or less lenient when we have plenty of time, Senators should understand that a Senator who has the floor cannot yield to other Senators for speeches without endangering his place on the floor.

Mr. DOUGLAS. Very well. Then, Mr. President, in the future I shall yield only for questions. I am very glad the Chair did not make the rule prior to this point, because I wanted my friend, the Senator from Minnesota, to have a chance to make his statement.

The VICE PRESIDENT. The Chair did not make the rule; the Chair merely has called attention to it. [Laughter.]

Mr. DOUGLAS. First, Mr. President, I should like to take up the point which has been made by my friend, the Senator from Minnesota, namely, that we have price fixing for agriculture, and we have collective-bargaining agreements, and now we have rulings by the Wage Stabilization Board in regard to wages and salaries, and so forth. I wish to say that certainly a society in which prices are fixed by compulsion is not an ideal society. Certainly the ideal society should be one with a competitive economy.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I am willing to yield for a question, although I wish my good friend would permit me to finish a paragraph before I yield.

Mr. AIKEN. A moment ago I observed that the Senator from Illinois asked other Senators who requested that he yield to wait until he had finished a sentence. I wonder why at this point the Senator from Illinois asks that I wait until he finishes a paragraph.

Mr. DOUGLAS. Mr. President, I love my friend, the Senator from Vermont, so much that I yield to him at this point for a question.

Mr. AIKEN. I thank the Senator from Illinois. My question is this: Is not the pending bill comparable to a closed shop for merchandise?

Mr. DOUGLAS. I think it is much worse than a closed shop—very much worse than a closed shop, because a closed shop, after all, merely applies to those who sign the agreement. On the other hand, this measure applies not only to those who sign the agreement but also to all those who do not sign the agreement.

BILL WOULD DELEGATE CONGRESSIONAL POWERS TO PRIVATE INDIVIDUALS

This bill constitutes a surrender to the manufacturer and to a handful of retailers, to permit them to determine what shall be the price for a given brand of commodity within a given State.

Let me point out to my good friend, the Senator from Minnesota, that in the case of most of the prices for which there is universal application—in fact, for nearly all of them for which there is universal application—those prices are subject to decisions by public bodies. Congress fixes the parity formula in the case of agricultural price support. An administrative board fixes wages and salaries. Wages and salaries are fixed administratively after due notice, after public hearing, and an opportunity for all parties to be represented.

But in the case now before us, private parties get together and fix prices not only for themselves but for the entire society. So I think there is a very great difference on this point.

What this measure does is to give public power to private persons to fix prices.

This bill arises, of course, as a result of the decision of the Supreme Court of the United States in the Schwegmann Bros. case, last year. In that case the Court declared that when Congress passed the Miller-Tydings Act, Congress had not intended it to apply to retailers who had not signed contracts. It was this decision of the Court—which, in my judgment was correct, namely, that a contract could not be enforced against nonsigners—which has led to the drive for the enactment of the McGuire bill, which now is before the Senate.

LOSS LEADER IS THE REAL EVIL

Mr. President, I wish to be fair in this matter, of course. I am well aware of the forces which led to the adoption of the so-called fair-trade laws in the various States. I believe those laws are really resale price maintenance laws, and I am well aware of the reasons behind the passage by Congress of the Miller-Tydings Act in 1937.

The argument which was used in support of those measures, and which swayed tens of thousands of honest merchants, was the threat of the loss leader. I think all of us know what the loss leader is. For example, during the depression the drug-store chains would advertise a sale of well-known products, such as Colgate's toothpaste and Bayer aspirin, at prices far below wholesale

costs. In this way, consumers were drawn away from independent druggists. The loss leader was profitable to the chains since, although losses were taken on the advertised products, the customers thus drawn into the store would purchase drugs and other items on which there were much larger mark-ups. The independents, not having the resources for advertising, could not compete.

An even better example is the case of the department store. If a department store offered Kodak photographic materials at less than cost, as a loss leader, it could mark up prices on other goods. The customers would buy the Kodak items on which the department store would lose money. But while in the store, customers would buy other goods, not knowing that the mark-ups had been increased. The items thus marked up were called sucker items, and proponents of retail price maintenance claimed that there was not price cutting, beneficial to the consumer, but was price juggling, whereby the consumer paid more.

Meanwhile, the neighborhood camera shop was made to look like a high-cost operation. The fact is that it may have been actually more efficient than the department store, having less advertising and general overhead, but it could not sell its only items at less than cost, and thus had to go out of business.

The same problem existed for the small bookstores, jewelry stores, clothing stores, sporting-goods stores, and others.

The problem of the loss leader was what brought popular support behind the measure now before us.

SENATE SHOULD PASS A BILL OUTLAWING LOSS LEADERS

I wish to say that I am opposed to the loss leader, and one of the amendments which I shall submit is an amendment to outlaw the loss leader. It should be done. The loss leader can serve no valid competitive purpose. One cannot be efficient by selling below cost.

It is not necessary for us to establish resale price maintenance all over the country, merely to eliminate the loss leader. A measure to prohibit the loss leader is really equivalent to the Robinson-Patman Act to prohibit discriminatory sales—or, in other words, an extension of the principle of the Robinson-Patman Act. I favor the Robinson-Patman Act.

On the other hand, the loss leader has been improperly used as the excuse to fasten private price fixing upon the country.

The solution which was sought by the small concerns—and I wish to say they have been egged on by the manufacturers of the branded products—was resale price maintenance, which would stop loss leaders.

THE BAD FEATURES OF THE SOLUTION

The solution sought by the small concerns was resale price maintenance, which would stop loss leaders. Manufacturers took up this cause, since it enabled them to fix prices at whatever level they chose. This was, perhaps, justifi-

able in the sense that the manufacturers wanted as many outlets as possible, in order to be able to prevent price cutting, especially price cutting which had the effect of squeezing out numerous outlets in the form of the smaller concerns or smaller stores.

However, resale price maintenance not only stopped loss leaders but it permitted—and I wish to emphasize this point—retail mark-ups to be fixed at excessively high prices, and thus permitted very large profits. As a result of high retail prices, not only did the retailer obtain a big mark-up but the manufacturer also obtained a big mark-up over cost. In many cases—in fact, I think in the majority of cases—the retailers have been used as catspaws for the manufacturers of the branded and trade-marked products.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point for a question?

Mr. DOUGLAS. Certainly I yield for a question.

Mr. HUMPHREY. My question is whether the Senator from Illinois has any information or evidence which would lead him to believe that when fair-trade laws were passed by the respective States, the manufacturers really were the proponents of those laws; or were they the opponents.

Mr. DOUGLAS. Mr. President, I believe that the move for resale price maintenance was begun by manufacturers. At any rate what is the Biblical phrase?

Is it "the hand may be the hand of Esau, but the voice is the voice of Jacob"? Or is it just the other way around?

Mr. President, I have consulted my good friend, the Senator from West Virginia [Mr. NEELY], and he says that I have completely reversed that Biblical quotation. Both manufacturers and some retailers now favor it.

Mr. HUMPHREY. But I take it that the quotation from the Bible, as the Senator from Illinois gave it, is somewhat apropos in this case, because it happens that those who were opposed in the beginning to what the Senator from Illinois alleges to be price-fixing laws were the manufacturers. They were opposed because they got a big market through their cut-rate stores, and they did not care a bit about to whom they sold or how the sales were made, so long as the sales were made. Is not that correct?

Mr. DOUGLAS. Of course history is a difficult thing to plumb 20 years after the date. But would my good friend from Minnesota say that the big drug companies now are opposed to this bill?

Mr. HUMPHREY. No, I may say to the Senator that the manufacturers are for this bill.

Mr. DOUGLAS. Most certainly they are for the bill.

Mr. HUMPHREY. And I would like to ask the Senator further, whether he can name important items, the prices of which were sharply increased in order to get the gap between the regular price and the fair-trade price.

Mr. DOUGLAS. Yes. We have studies by the Federal Trade Commis-

sion indicating the increase in prices which followed upon the introduction of the resale price maintenance laws, and they show very real increases in those items compared with other commodities, particularly after passage of the Miller-Tydings Act. For instance, let us take fixed-price items before and after passage of the Miller-Tydings Act in Michigan, in Knoxville, and in New York City. The increase in Knoxville after the passage of the Miller-Tydings Act was 10½ percent; in Michigan, 15.7 percent, in New York City, 25.8 percent. I ask that this material, which I shall furnish for the RECORD, be printed as part of my remarks at this point.

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

Price increase on fixed-price items, before and after Miller-Tydings Act, in Michigan, Knoxville, and New York City

	Percentage increase
Knoxville, Tenn.....	10.5
Michigan.....	15.7
New York City.....	25.8

Source: Study of Monopoly Power, hearings before House Judiciary Committee, February 13, 1952, p. 504.

Average prices in cut-rate drug stores of free-priced and fixed-price items before and after Miller-Tydings Act in Knoxville, Tenn. (196 branded items)

Free-priced items, percentage change between 1937 and 1938; 4 percent decrease.

Fixed-price items, percentage change between 1937 and 1938; 10.5 percent increase.

Source: Study of Monopoly Power, hearings before House Judiciary Committee, February 13, 1952, p. 506.

Mr. DOUGLAS. In contrast to the increases I have indicated, prices, as a whole, were falling during this period.

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

Mr. DOUGLAS. Certainly.

Mr. HUMPHREY. Is it not true that the figures which the Senator is citing are related to cut-rate, below-cost prices which were being used as a means of inducing customers to enter the store, but that the legitimate price is an entirely different thing? I can give the Senator an example.

Mr. DOUGLAS. It is difficult to determine what is a legal price.

Mr. HUMPHREY. I can tell the Senator.

Mr. DOUGLAS. I wish the Senator would do so.

Mr. HUMPHREY. It is a price which will at least enable a merchant to get out of a commodity what he has put into it. I can give the Senator example after example of instances in which commodities were sold for 10 cents or 15 cents below the wholesale cost. It was because of the gap evidenced by the Federal Trade Commission's report.

Mr. DOUGLAS. Mr. President, I have said that I understand the motive on the part of most merchants, and their desire to check the use of loss leaders is a worthy motive. In no sense do I regard the proponents of this measure as evil men. I think they are mistaken, but I can understand the reasons for

their position. I should like to point out, however, what happens when we permit this type of price fixing. The first result is that prices to the consumer go up. That is not only true historically, but there are many current illustrations of it. Fortunately, there are 3 States and the District of Columbia which do not have resale price maintenance laws. We can compare prices in those States and in the District with prices in the States which do have resale price maintenance laws. I should like to give certain illustrations. Mr. HUMPHREY. What are those States?

Mr. DOUGLAS. Mr. President, the States which do not have such laws are Missouri, Vermont, and Texas, and the District of Columbia.

I have in my hand the House hearings on this point. I am going to read from page 433. A man by the name of Rosenthal, whose testimony was not questioned, submitted a list of 208 items. They were priced in each of the 45 resale price maintenance States. They were also priced in Texas, Missouri, Vermont, and the District of Columbia. Let the Senate listen to this: The average total price of those 208 items in the 45 States which had price-maintenance laws was \$945.10. The average total selling price of the same items, in Texas, Missouri, Vermont, and the District of Columbia was \$740.86.

In other words, the price was \$205 greater in the 45 resale price maintenance States than in the four jurisdictions which did not have such a law. The price was 28 percent higher in the resale price maintenance States than in the nonresale price maintenance States.

Mr. BENTON rose.

Mr. DOUGLAS. I yield to the Senator from Connecticut.

Mr. BENTON. While the Senator is checking his figures, will he yield for a question about them?

Mr. DOUGLAS. Certainly.

Mr. BENTON. As a very outstanding example, will not the Senator agree that manifestly, in line with his position, it is impossible, of course, for prices to go up 25 percent in New York City, while prices throughout the country are falling?

Mr. DOUGLAS. Does the Senator refer to the items on the list of 208 articles?

Mr. BENTON. Is it not manifestly true that the 25 percent figure, which is the figure cited in the four areas, applies only to certain items, whether 20 or 208?

Mr. DOUGLAS. They were the so-called fixed-price items. But the illustration I am giving is not a historical one; it is a current cross-section comparison of prices in the 45 States which have so-called fair trade or resale price maintenance laws, compared with the four jurisdictions which do not have such laws.

Mr. BENTON. But if I may continue a moment, do not the Senator's own figures show that the prices cited are only on certain items?

Mr. DOUGLAS. Here is the list of 208 items, and I shall put it in the RECORD.

Does the Senator want me to read it? The list reads as follows:

LIST OF MERCHANDISE SUBMITTED

Submitted herewith is a list of 208 items, showing—

1. The selling price in the 45 fair-trade States..... \$945.10
2. The selling price of the same items in Texas, Missouri, Vermont, and the District of Columbia..... \$740.86
3. The retailer's profit in the fair-trade States..... percent... 38.5
4. The retailer's profit in Texas, Missouri, Vermont, and the District of Columbia..... percent... 21.5
5. Consumer saves in Texas, Missouri, Vermont, and the District of Columbia..... percent... 17.0

These figures speak for themselves and need no explanation.

	Cost to retailers in all States and District of Columbia	Fair-trade price in 45 fair-trade States	Available prices in Texas, Missouri, Vermont, and the District of Columbia where no fair-trade laws exist
Johnson Glo-coat.....	\$0.40	\$0.59	\$0.49
Johnson paste wax.....	.46	.59	.54
Gold Seal glass wax.....	.33	.59	.47
Mentholatum.....	.23	.39	.29
Musterole, regular.....	.34	.54	.43
Vicks salve.....	.23	.33	.29
Vicks drops.....	.24	.33	.29
Serutan granulars.....	.77	.95	.89
Scotts emulsion.....	.39	.63	.53
Creomulsion.....	.34	.57	.47
Pertussin.....	.36	.57	.47
Agarol, with phenolphthalein.....	.86	1.29	1.09
Phillips milk of magnesia.....	.28	.39	.33
Bisodol powder.....	.40	.59	.49
Bromo Seltzer.....	.36	.57	.49
Sal Hepatica.....	.22	.33	.29
Fletcher Castoria.....	.26	.36	.32
Pepto Bismol.....	.36	.59	.46
Pinkham Vegetable Compound liquid.....	1.10	1.39	1.19
S. S. S.....	.80	1.19	.98
Alka Seltzer.....	.37	.54	.47
Anacin tablets.....	.14	.19	.17
Anahist tablets.....	.31	.55	.42
Bayer Aspirin.....	.43	.59	.49
Carters Little Liver Pills.....	.21	.33	.27
Cystex.....	.59	.89	.69
Exlax.....	.17	.28	.22
Groves Bromo Quinine.....	.24	.39	.29
Heet liniment.....	.34	.49	.39
Baume Ben Gay.....	.51	.79	.67
Meads cod liver oil.....	.38	.57	.49
Meads Oleum Percomorphum.....	.62	.84	.77
Band-Aid adhesive bandages.....	.19	.33	.24
Dayamin caps, 30.....	1.11	1.65	1.39
Dayamin caps, 100.....	3.30	4.95	4.09
Vi Daylin, 90 cubic centimeters.....	.65	.98	.89
Vi Daylin, 8 ounces.....	1.57	2.35	2.04
Vi Daylin, 16 ounces.....	2.66	3.97	3.44
Amphojel tablets, 60.....	.64	1.13	.97
Amphojel, liquids, 12 ounces.....	.87	1.29	1.07
Tyrozets.....	.38	.68	.57
Siblin, 4 ounces.....	.81	1.21	1.09
Siblin, 16 ounces.....	2.28	3.42	2.87
ABDEC drops, 15 cubic centimeters.....	.84	1.26	1.08
ABDEC drops, 50 cubic centimeters.....	2.34	3.50	2.79
Gluco Fedrin, 1 ounce.....	.50	.73	.67
Heptuna caps, 50.....	1.12	1.60	1.49
Heptuna caps, 100.....	2.08	3.15	2.69
Heptuna Plus caps, 100.....	3.20	5.45	4.59
Vi-Terra caps, 100.....	2.64	3.96	3.50
Vi-Penta drops, 15 cubic centimeters.....	.67	1.19	.89
Vi-Penta drops, 30 cubic centimeters.....	1.24	2.19	1.63
Vi-Penta drops, 60 cubic centimeters.....	2.21	3.95	3.19
Vi-Penta Pearls, 25.....	.64	1.13	.93
Vi-Penta Pearls, 100.....	2.12	3.13	.93
Syntrogl tablets, 100.....	.90	1.49	1.29
Syntrogl tablets, 50.....	.47	.82	.73
Empirin compound tablets, 12.....	\$0.17	\$0.25	\$0.21
Empirin compound tablets, 25.....	.29	.45	.37
Empirin compound tablets, 50.....	.48	.75	.59
Empirin compound tablets, 100.....	0.81	1.35	0.98
Stuarts Formula tablets, 96.....	1.56	2.60	2.29
Stuarts Formula liquid, pint.....	1.56	2.60	2.29
Vi-Syneral drops, 15 cubic centimeters.....	.61	1.10	.89
Vi-Syneral drops, 30 cubic centimeters.....	1.17	1.75	1.75
Vi-Syneral drops, 45 cubic centimeters.....	1.66	2.95	2.47
Vi-Syneral caps, adult, 50.....	1.39	2.50	2.19
Vi-Syneral caps, adult, 100.....	2.50	4.50	4.09
Feosol tablets, 100.....	.75	1.25	.98
Molliron tablets, 100.....	.65	1.10	.89
Molliron liquid, 12 ounces.....	1.10	1.65	1.59
Creamalin tablets, 50.....	.42	.74	.59
Creamalin tablets, 200.....	1.51	2.66	2.19
Neosynephrine solution, 1/4 percent, 1 ounce.....	.51	.90	.69
Neosynephrine solution, 1 percent, 1 ounce.....	.69	1.22	.98
Priyine, 1 ounce.....	.53	1.00	.79
Unicaps, 24.....	.63	.95	.79
Unicaps, 100.....	2.07	3.11	2.87
Unicaps, 250.....	4.64	6.96	5.47
Theagrafan caps, 100.....	6.30	9.45	7.95
Kaopectate, 10 ounces.....	.65	.98	.84
Clmitest tablets, 36.....	.38	.57	.49
Clmitest tablets, 100.....	.52	.96	.78
Gelusil liquids, 6 ounces.....	.56	.97	.87
Gelusil liquid, 12 ounces.....	.88	1.49	1.19
Gelusil tablets, 50.....	.56	.97	.79
Gelusil tablets, 100.....	.90	1.53	1.29
Desenex ointment, 1 ounce.....	.40	.69	.67
Desenex powder, 1-ounce.....	.40	.69	.67
Desenex liquid, 2 ounces.....	.40	.69	.67
Lilly's insulin U40, 10 cubic centimeters, regular.....	.84	1.26	.98
Lilly's insulin U80, 10 cubic centimeters, regular.....	1.65	2.47	1.79
Lilly's insulin U40, protamine zinc, 10 cubic centimeters.....	.99	1.48	1.09
Lilly's insulin U80, protamine zinc, 10 cubic centimeters.....	1.89	2.83	2.19
Lilly's insulin NPH U40, 10 cubic centimeters.....	.99	1.48	1.09
Lilly's insulin NPH U80, 10 cubic centimeters.....	1.89	2.83	2.19
Lilly's insulin Homicebrin, 120 cubic centimeters.....	.81	1.22	1.05
Lilly's Homicebrin, 120 cubic centimeters.....	.81	1.22	1.05
Lilly's Homicebrin, pint.....	2.52	3.78	2.98
Lilly's Reticulex Pulvules, 100.....	3.90	5.85	4.87
Lilly's Multicebrin Gelseals, 100.....	3.24	4.86	3.98
Old English paste wax.....	.39	.65	.49
666 Liquid, small.....	.18	.29	.24
B. C. Powders.....	.13	.19	.16
4-Way cold tablets.....	.14	.23	.19
Phillips Milk of Magnesia tablets, 30's.....	.14	.19	.16
Stanback powders.....	.13	.19	.16
J & J adhesive, 1/2-inch by 5 yards.....	.12	.20	.17
J & J cotton.....	.09	.17	.13
J & J bandage.....	.16	.27	.19
Amident tooth paste, economy.....	.42	.69	.63
Colgate tooth paste, economy.....	.42	.63	.54
Colgate tooth paste, giant.....	.32	.47	.39
Amident tooth powder.....	.28	.47	.43
Fasteeth, medium.....	.36	.59	.49
Fasteeth, large.....	.62	.98	.79
Polident, small.....	.20	.33	.27
Polident, large.....	.34	.59	.47
Barbasol shave cream, tube.....	.26	.39	.34
Palmolive shave cream, lather.....	.37	.57	.49
Palmolive shave cream, brushless.....	.32	.41	.39
Noxzema shave cream, jar, large.....	.36	.59	.43
Williams lather shave cream, large.....	.34	.53	.39

	Cost to retailers in all States and District of Columbia	Fair-trade price in 45 fair-trade States	Available prices in Texas, Missouri, Vermont, and the District of Columbia where no fair-trade laws exist
Aqua Velva, 60 cents	\$0.36	\$0.59	\$0.43
Old Spice shave lotion	.67	1.00	.87
Cashmere Bouquet talc, Gt. J & J baby talc	.27	.43	.37
Do	.15	.25	.19
Do	.31	.49	.37
Tampax, regular, 10's	.25	.39	.32
Kleenex, 300's	.18	.28	.23
Kotex, regular, 12's	.25	.39	.29
Mennen Skin Bracer	.38	.59	.43
Gillette Blue Blades, 10's	.31	.49	.39
Gillette Blue Blades, 20's	.60	.98	.79
Gillette Thin Blades	.16	.25	.19
Shick Injector Blades, 20's	.48	.73	.63
Lavoris, large	.53	.79	.69
Listerine, medium	.35	.49	.39
Listerine, large	.56	.79	.69
Lysol, small	.17	.27	.23
Lysol, medium	.36	.55	.47
Zonite, large	.54	.89	.69
Arrid, large	.36	.63	.54
Mum, medium	.25	.39	.33
Mum, large	.37	.69	.53
Stoppette spray	.36	.59	.59
Do	.71	1.25	1.09
Noxema Boudoir	.38	.59	.53
Ponds cold cream, 35 cents	.20	.31	.27
Ponds cold cream, 55 cents	.34	.55	.47
Ponds vanishing cream, 35 cents	.20	.31	.27
Ponds vanishing cream, 55 cents	.35	.55	.47
Breck shampoo	.34	.60	.53
Do	.54	1.00	.79
Do	.99	1.75	1.59
Drene shampoo, 60 cents	.37	.57	.47
Toni refill, No. 81	.57	1.00	.79
Prell shampoo, medium	.37	.57	.47
Prell shampoo, large	.58	.89	.69
Jeris tonic, medium	.44	.74	.63
Vitalis, medium	.32	.49	.39
Vaseline tonic, large	.31	.47	.39
Vaseline tonic, qt.	.53	.79	.67
Wildroot Cream Oil, 60 cents	.37	.59	.49
Wildroot Cream Oil, \$1	.63	.98	.88
Jergens Lotion, 50 cents	.33	.49	.43
Paequins Handcream, 50 cents	.28	.49	.43
El Producto (Boquet), box of 50	4.43	5.50	4.89
El Roi-Tan, box of 50	3.49	4.40	3.89
Phillies (perfectos), box of 50	3.49	4.40	3.89
Muriel (Senators), box of 50	3.49	4.40	3.89
White Owl, box of 50	3.49	4.40	3.89
Sunbeam razor	15.90	26.50	19.79
Schick razor	14.70	24.50	18.89
Rolls razor	6.50	15.00	9.89
Ronson lighter	6.13	12.25	9.88
Remington razor	15.90	25.50	17.79
A. S. R. lighter	5.70	13.95	9.88
A. S. R. pocket lighter	2.95	6.50	4.69
Remington 60 electric shaver	16.50	27.50	21.89
Ronson pocket lighter	4.13	8.25	5.89
Ronson table lighter	6.13	12.25	9.69
Lionel freight train	18.00	29.95	22.98
G. E. vacuum cleaner	31.00	59.95	39.99
Waring Blender	22.90	37.95	31.19
Son Chief "Pop-up" toaster	6.50	14.95	8.88
G. E. alarm clock	2.65	4.95	2.99
Universal Coffeemate	17.50	29.95	21.89
G. E. grill and waffle	10.85	16.75	13.69
G. E. "Pop-up" toaster	14.14	23.95	17.69
G. E. mixer	25.51	39.95	31.89
Sunbeam mixmaster	29.70	46.50	34.79
G. E. steam iron	12.11	18.95	15.39
Toastmaster	15.15	23.00	18.69
G. E. heating pad	3.45	5.95	3.99
Infrared broiler	9.50	16.95	12.69
Fryrite	17.37	28.75	21.89
33-pieces tool set	12.11	17.95	15.95
G. E. iron	8.26	12.95	9.79
Presto cooker	9.34	15.95	11.39
Universal scale	3.97	7.95	7.95
Sunbeam coffee maker	24.25	37.50	31.89
Westinghouse mixer	25.21	42.50	27.89
Le John hair dryer	3.95	6.69	4.89
Westinghouse iron	8.25	12.95	9.79

NOTE.—Costs to retailers as shown, based on direct buying retailers.
Source: Study of Monopoly Power, House Judiciary committee hearings, serial No. 12, 1952, pp. 433-435.

Mr. HUMPHREY. The Senator from Illinois would make a good druggist.

Mr. BENTON. I suggest that the Senator has made with that list the very point I was about to make, namely, that the total impact of those items on the cost-of-living index is relatively small. Is it not true that the total annual sales of the nationally advertised drug items the names of which the Senator has been reading, or at least many of them, do not represent a volume of \$2,000,000 a year? Is it not true that their total impact on the cost-of-living index is small, and is it not true that the trick of the loss leader, which the Senator has twice stated he opposes, is in the small volume items of the type he has read, and, to give to the customer the illusion that, because the price, for example, of Carter's Little Liver Pills, or whatever the item may be, is cut, all the items in the store are cheap? Such a practice gives to the customer, does it not, the illusion, that, because he can buy an item of standard price, such as Carter's Little Liver Pills, at a low cost, he also can get his bread cheaper.

Mr. DOUGLAS. What is the question of the Senator from Connecticut? I do not want to lose my right to the floor.

Mr. BENTON. Is it not true that the 208 items may be higher in price and at the same time the cost of living or the general price level may fall? Does he make the point—

Mr. DOUGLAS. Just a moment. These are commodities to which this system is applied.

The argument of the Senator from Connecticut is apparently that, because one takes only a little from the consumer's pocket on each item, even though it is taken on hundreds of items, it does not matter in the long run.

That is the argument which has been used time and time again. The druggist says, "It is only a matter of a few cents to the consumer—why should he mind it?" The money in the consumer's pocketbook, however, goes to the purchase of a wide variety of commodities, and, if he gets "soaked" on each commodity, he then loses heavily. Small individual losses make for huge collective deficits.

This same argument has been applied in the case of gas and power rates by those who would profit at the expense of the consumer.

Mr. BENTON. I may ask the Senator if he is not misinterpreting my question. Is it not true that if the customer pays a little bit more for Carter's Little Liver Pills, while at the same time he pays less for bread and potatoes, he is not going to be out money?

Mr. DOUGLAS. I may say that sickness plays no favorites, and that the prices fixed on drug items must be paid by the poor as well as by others in the community.

Mr. BENTON. But does not the Senator know that the trick of the loss leader is to take a loss of the pennies, so that the merchant can reap profits in the terms of dollars? Does he not know that the merchants all build their volume through the use of the loss-leader illusion, and make up any loss by higher charges on other items?

Mr. DOUGLAS. The loss leader is not in dispute here. I am not advocating the loss leader. I have an amendment which will outlaw the loss leader. In order to cure the evil of the loss leader, it is recommended by the unknown sponsors of this bill that we embark upon price fixing. The Senator's argument is beside the point.

Mr. HUMPHREY. How many commodities did the Senator mention?

Mr. DOUGLAS. I mentioned 208 drug items.

Mr. HUMPHREY. Is the Senator familiar with the retail study made by A. C. Nielsen?

Mr. DOUGLAS. No.
Mr. HUMPHREY. It is an independent market research agency, the world's largest independent market research agency, with an outstanding reputation for reliability.

Mr. BENTON. It is one of the best.

Mr. HUMPHREY. It analyzed 24 leading fair-trade drug-store products. The study covered the 6-months period from March through August 1951. It showed that the over-all average prices under the fair-trade items in the fair-trade stores, instead of being over, were equal to or lower than the prices paid by consumers in non-fair-trade areas for 24 products.

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

Mr. DOUGLAS. I yield.

Mr. NEELY. If the facts, as stated by my distinguished and beloved friend, the Senator from Minnesota, are correct, and it is true that in the stores to which he refers the prices were lower than they were in the cut-rate stores, why is this proposed law desired?

Mr. HUMPHREY. May I have a moment to reply to the Senator? I ask unanimous consent to make a brief reply to the Senator from West Virginia, without the Senator from Illinois losing the floor.

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

Mr. HUMPHREY. The Senator from West Virginia has said that if my statement with reference to the Nielson study is correct, why is it that anyone would want this law. Is that correct?

Mr. NEELY. Yes.

Mr. HUMPHREY. I will tell the Senator. It is because of a decision by the Supreme Court involving the Tydings Act. All the bill does is to enable States to take certain action of their own, and it legitimatizes action taken in 45 State legislatures.

I want to say to my friend from West Virginia that the reason why merchants are concerned—I think they may be over-apprehensive about it—is that they can see that a man can start a store across the boundary of a State and be able to evade the fair-trade laws. In other words, he can sell cigarettes cheaper because they are shipped into the next State. He can literally give away goods.

As a union man does not like a scab to take his job, so a legitimate merchant does not like to have a cutthroat artist take his business. A scab takes a union

man's job at lower wages and with poor working conditions. All that a cut-rate artist does is to lower the whole standard of business enterprise and drive legitimate merchants out of business. There is real apprehension and real fear.

There is no small-town merchant in the world who can stand competition with large concerns who would drive them out of business, by the use of loss leaders or by some other means.

Mr. DOUGLAS. My amendment outlaws loss leaders. That is not the question. The question is whether retail price fixing is justified by a manufacturer entering into an agreement with one or two merchants with respect to a certain commodity, which will then apply to the entire list of retail outlets for that commodity, and then whether the Government will make such agreements enforceable upon nonsigners as well as upon signers.

Mr. HUMPHREY. May I ask the Senator from Illinois, if he feels so strongly about it, why was it that in the Committee on Labor and Public Welfare, when we were objecting to the Fulbright amendment, which calls upon the Government to pay extra prices in order to get commodities—

Mr. DOUGLAS. That had to do with an action which was subject to court review, after public hearing. This is a proposal to allow a private manufacturer to reach an agreement with a single merchant without being subject to any public considerations or procedures. It then becomes enforceable, and the Government allows the full weight of the common law to be used.

I am opposed in theory to price fixing as a whole. I believe in the competitive system, but I most certainly believe that if prices are to be fixed it should be done by a public authority and not by a private one.

Mr. HUMPHREY. Does the Senator not know what is provided in section 5, paragraph (2) of the bill? That is the paragraph which is the heart of this bill. It provides:

Nothing contained in this act or in any of the antitrust acts shall render unlawful any contracts or agreements prescribing minimum or stipulated prices—

And so forth. In other words, if they try to do horizontal price fixing to lessen competition, they are subject to the full penalties of the law. The fact of the matter is that during World War II prices were the least on commodities which were under fair-trade laws as compared with commodities which were not.

Mr. MOODY rose.

Mr. DOUGLAS. Mr. President, the Senator from Minnesota, in one sentence—

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DOUGLAS. I want to finish a paragraph without being interrupted.

Mr. MOODY. I had not even asked the Senator to yield.

Mr. DOUGLAS. Mr. President, what we do if we pass this bill is to protect

vertical price fixing. We permit a manufacturer to determine the prices which shall be charged all the way through to the ultimate consumer.

The Senator from Minnesota says, "Ah, yes; but we are still outlawing horizontal price fixing. In other words, the chain is around our feet, but not around our hands." I say we should not have chains on either hands or feet. We should have neither horizontal price fixing nor vertical price fixing.

The Senator from Minnesota is a very sophisticated gentleman, and I have heard him argue that agreements can be reached quietly without any evidence existing that the agreements have been reached; and from the similarity of the prices which are frequently fixed for similar products by drug stores and other stores, I have the feeling that these gentlemen know each other and that there is covert horizontal price fixing as well as vertical price fixing.

The extraordinary thing about aspirin is that it tends to sell or used to sell at about the same price when it is put on the market. There are many other drug commodities, the names of which I could read into the RECORD, the prices of which tend to be relatively uniform among the various drug houses. There are many kinds of consumers' durable goods where the prices tend to be relatively uniform.

I believe it was Lincoln who said that if and when Stephen—meaning Stephen A. Douglas—and James—meaning James Buchanan—and Roger—meaning Roger Taney—all acted, in a given way, he presumed there might be some understanding between Stephen, James, and Roger. So I presume there is some understanding on horizontal levels, as well as on vertical levels.

Mr. MOODY and Mr. NEELY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I should yield first to the Senator from Michigan.

Mr. MOODY. I should like to ask the distinguished Senator from Illinois whether he considers horizontal price fixing or vertical price fixing to be more important.

Mr. DOUGLAS. I consider both of them bad. I know it will be said that if there is vertical price fixing, but not horizontal price fixing, there will then be competition between brands.

Mr. MOODY. That is just the point.

Mr. DOUGLAS. That is partially true. I do not wish to overstate my case, but I wish to make two points in reply to that suggestion. The first is that there is not as much price competition between brands as we think. The second point I wish to make is that to the low and moderate income families, retail price is very important. If prices are high, it means a definite reduction in their standard of living. The matter of price is extremely important.

Assuming, for the moment, that there is competition among competing brands, price maintenance still destroys price competition among retailers. Competi-

tion in store advertising and service works in favor of the stores with access to the greatest amounts of credit. These are not the independents. Furthermore, low-income consumers must be subjected to lower living standards by high prices. So far as living standards are concerned, decorations, store advertising, and convenience do not help the consumer to buy more. The only thing that will do this is to lower prices.

Mr. HUMPHREY. Will the Senator yield?

Mr. DOUGLAS. No. I am in the full flight of my oratory. [Laughter.]

There seems to be a design, somehow, to make people feel that it is improper of them to think of money. One of the reasons why I am against this bill, why I want to have competition, is that it would enable consumers to think of money. I do not believe it is ignoble to think of money. I believe the hard-pressed consumers of the country have a right to think of money and to get the best bargains they can obtain at competitive prices.

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

Mr. DOUGLAS. This is an extraordinary experience, to be challenged by my dearest friends.

Mr. HUMPHREY. And we love him dearly in spite of all. [Laughter.]

Mr. MOODY and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; if so, to whom?

Mr. DOUGLAS. I will take the Senator from Michigan first.

Mr. MOODY. I hope the Senator will not be able to take him, but I am glad the Senator will yield.

Is it not true, as the Senator said a few minutes ago, that there is an honest difference of opinion with respect to the bill, as to which form of price fixing will harm the consumer less?

Mr. DOUGLAS. There are honest differences, and there are a great many misguided people.

Mr. MOODY. It is obvious that someone is misguided. The question is, Who is misguided?

Mr. DOUGLAS. I have my own opinion about that.

Mr. MOODY. So do I.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The Senator has made a great to-do about the consumer and his regard for prices and money. That is very good. I appreciate that.

Mr. DOUGLAS. Before the Senator from Minnesota interjects—well, let him go ahead.

Mr. HUMPHREY. I should like to get my statement into the RECORD. The Senator must consider something else. He must consider the fact that in many communities where the proposed law would apply to certain merchants, they are the merchants who contribute to the community chest. Has the Senator ever tried to get a contribution from a merchant for a community chest? Some

merchants have to rush to their headquarters in New York before they can open their back door.

Has the Senator ever tried to get a contribution for the municipal band, or to establish a new park? I have, and I am here to tell the Senator that by the time such a contribution is forthcoming to do the community a service, the whole program will be dead.

Mr. DOUGLAS. I wish to make a reply to my good friend, the Senator from Minnesota. I take it he is well acquainted with the operas of Gilbert and Sullivan.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. The Senator is familiar with the Mikado. One of the stanzas of a famous song begins with the words:

The flowers that bloom in the spring, tra la, have nothing to do with the case.

The matter of getting a subscription for the village band, or of getting milk for the children on the other side of the tracks has nothing to do with the present issue. As a matter of fact, if the Senator desires to get milk of magnesia for the children on the other side of the tracks, let him help the prices come down. The idea that one should permit others to pick his pocket, if in turn they will dish it out for support of the community is a non sequitur. Post hoc ergo propter est non sequitur.

Mr. HUMPHREY. I wish to say to the Senator that with his pleasing eloquence and his flights of oratory, he should tell the consumers that they do not have to buy the advertised products. For instance, he mentioned aspirin. If he wants to get aspirin, he can step into any store in the United States and get aspirin for a tenth of what he would have to pay for a standard brand. It is not fair trade that holds up the price of aspirin. After all, there are other commodities in competition. The Senator has assumed that there is no competition, but there are more brands of milk of magnesia than there are cows.

Mr. DOUGLAS. If each manufacturer tried to raise prices and was successful through agreements, it would stand to reason that the sum total of prices would be higher than they otherwise would be, because the whole which is made up of the sum of its parts, must be greater if the parts are greater.

Mr. HUMPHREY. I may say to the Senator briefly that the trouble with his argument is that there are so many different manufacturers engaged in manufacturing, they do not dare raise their prices so high that they will go out of business.

Mr. DOUGLAS. Some minutes ago, and several pages back in the RECORD, the Senator from Connecticut implied that this was a minor matter and did not substantially affect the consumer. During the progress of the debate I have been searching for a reference which I should like to give from Fortune magazine. Fortune is not biased against resale price maintenance laws. Like other great national publications, it gets a major portion of its revenue from the man-

ufacturers of trade-marked, branded products.

In January and April of 1949 Fortune magazine conducted a survey of prices on many items in the District of Columbia and comparable prices on identical articles in surrounding fair-trade territory, primarily Virginia and Maryland. On the basis of this and other surveys, Fortune conservatively estimated that fair trade—and that is a euphemism, it is really resale price maintenance—was costing the American public no less than three-quarters of a billion dollars annually. Three-quarters of a billion dollars is not something to be sneezed at or laughed at on the floor of the Senate.

Another illustration I was trying to refer to before my good friends interrupted to interrogate me was a comparison in my own State of Illinois.

We have a so-called fair trade retail price maintenance law. The State of Missouri on the opposite side of the Mississippi River does not have such a law. There are twin cities—the city of St. Louis, which is in Missouri, and the city of East St. Louis, which is in Illinois. The St. Louis Star-Times made a study of the prices of drugs and liquors in both those cities. It was found that the average prices on liquor were approximately 16 percent lower in St. Louis, Mo., than in East St. Louis, Ill. The average prices on drug items were no less than 12 percent lower.

We on the Illinois side of the Mississippi were held up for higher liquor prices and higher drug prices because of the law which we had. That statement is supported by a number of surveys. More important than the efforts of the drug industry to pass this bill are the efforts of the liquor industry, and these price comparisons help to explain why.

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

Mr. DOUGLAS. I yield to the Senator from West Virginia.

Mr. NEELY. Mr. President, it was my intention to refer to a statement made by the distinguished Senator from Minnesota [Mr. HUMPHREY] but he has momentarily retired from the Chamber. Therefore I shall wait until he returns.

Mr. HUMPHREY. I am right here.

Mr. BENTON. Mr. President, may I ask a question in the interim?

Mr. DOUGLAS. Mr. President, the contestants have returned. I am glad to yield.

Mr. BENTON. I am only too happy to wait.

Mr. NEELY. Mr. President, I inquire of the distinguished Senator from Illinois whether he recalls that the able Senator from Minnesota attempted to show that the philosophy of the pending price-fixing, cost-of-living-boosting bill is similar to that of union labor organizations in relation to so-called scab competition, and if he does, will he not inform us why no labor organization favors the measure?

The argument of the Senator from Minnesota was, as usual, very interesting, but it should be remembered that he was

the inspiration for the skeptic poet Timon's couplet:

The two-edged tongue of mighty Zeno who, Say what one would, could argue it untrue.

Mr. DOUGLAS. I think that in this case the labor unions are considering their members and the families of their members in their capacity as consumers, and are trying to protect the interests of consumers. This, I think, is a very praiseworthy step on their part, because all too often economic groups become interested simply in their incomes, how they receive their money, and not in how they have to spend their money.

I gave the comparative figures on drugs and liquor in East St. Louis and St. Louis. Now I should like to give some figures showing a comparison between the District of Columbia and neighboring States. Representative CELLER, of New York, sent out a shopper who purchased identical items in the District of Columbia, which does not have resale price maintenance, in Maryland which has resale price maintenance, as well as across the river in Virginia, which has resale price maintenance. The comparison was made among the three communities in close geographical juxtaposition. The central community did not have price fixing. The other two had price fixing. It is very interesting to compare such prices.

I should like to read some of the comparisons.

The first item is 10 cubic centimeters of u. 40 protamine zinc Lilly insulin, used by diabetics. Insulin is extremely important in the treatment of diabetes. Poor people as well as well-to-do people have diabetes. Let us see the price comparison. The price in the District of Columbia was 98 cents. The price in Maryland was \$1.29. The Maryland price was 32 percent above the District price. In Virginia the price was \$1.48, or 51 percent more.

Another item purchased by the shopper was a B. D. Yale 26-gage, 1/2-inch hypo needle. In the District of Columbia the price was 15 cents. In Virginia the price was 20 cents, or 33 percent higher. In Maryland the price was 23 cents, or 53 percent more.

Let us take Bayer aspirin, which has been introduced into the debate several times. The price in the District of Columbia was 46 cents. The price in Virginia was 59 cents, or 28 percent more for the same article in Virginia. The price in Maryland was 59 cents, also 28 percent more for the same article in Maryland. It is interesting that there should be the same mark-up in Maryland as in Virginia.

The next item is a 12-ounce bottle of Phillips milk of magnesia. The District of Columbia price was 34 cents. In Virginia the price was 39 cents, or 14 percent higher. In Maryland the price was 39 cents, 14 percent higher.

The next item is a large tube of Ipana tooth paste. The shopper paid 27 percent more for the Ipana tooth paste in Virginia than in the District of Columbia. In the District of Columbia the price was

37 cents. In Virginia the price was 47 cents; and likewise in Maryland it was 47 cents.

The next item was 20 Gillette Blue Blades. In the District of Columbia the price was 87 cents, whereas in Virginia it was 11 percent more, or 98 cents, and also 11 percent more in Maryland, namely, 98 cents.

The next item was 50 cubic centimeters of Mead's Oleum Percomorpheum. The price in the District of Columbia was \$2.63. The price in Virginia was \$3.29, or 25 percent more. In Maryland the price was \$3.49, or 32 percent more. These are baby vitamins which are essential to the health of infants and growing children.

The next item was 18 units of Ex-Lax. The price was 19 cents in the District of Columbia. In Virginia the price was 25 cents. In Maryland the price was 28 cents. The price in Maryland was 47 percent more than in the District of Columbia and in Virginia it was 32 percent more.

The next item was a Dr. West toothbrush. This was the only article which was sold at a uniform price in all three communities. The price was 59 cents.

The next item was the large-size Mennen baby powder. In the District of Columbia the price was 47 cents. In Virginia it was 49 cents, and in Maryland 49 cents.

The total price of these commodities in the District of Columbia was \$7.05. The total price of the commodities in Virginia was \$8.28; and in Maryland, \$8.80. The Virginia prices were 17 percent more than the prices in the District of Columbia. Maryland prices were 25 percent higher than the prices in the District of Columbia.

Mr. President, this material appears in the CONGRESSIONAL RECORD for May 7, 1952, on page 4909. I ask unanimous consent to insert the table at this point in my remarks.

There being no objection, the table was ordered printed, as follows:

Item	Virginia price	Virginia percent increase over District of Columbia price	District of Columbia price	Maryland price	Maryland percent increase over District of Columbia price
10 cubic centimeters u. 40 protamine zinc Lilly insulin.....	\$0.98	0	\$0.98	\$1.29	32
BD Yale 26-gage, 1/2-inch hypo needle.....	1.48	51	.15	.23	53
100 Bayer aspirin.....	.20	33	.46	.59	28
12 ounces Phillips milk of magnesia.....	.59	28	.34	.39	14
Large Ipana tooth paste.....	.47	27	.37	.47	27
20 Gillette Blue Blades.....	.98	11	.87	.98	11
50 cubic centimeters Meads oleum percomorpheum (baby vitamins).....	3.29	25	2.63	3.49	32
18 Ex-Lax.....	.25	32	.19	.28	47
Dr. West toothbrush.....	.59	0	.59	.59	0
Large size Mennen baby powder.....	.49	4	.47	.49	4
Total.....	8.28	17	7.05	8.80	25

¹ Richmond, Va.

Mr. DOUGLAS. Let me introduce personal testimony indicating that this is not merely a drug problem. A member of my staff wanted an exhaust fan to help his family survive the recent heat. He was interested in a Westinghouse Mobile air fan. The fixed retail price was \$79.95. He decided that this was too much money. Then he found a small neighborhood appliance store willing to sell the same item for \$59.95. At that price he decided to buy it. The small store had signed no price-fixing agreement. The firm which does not sign an agreement is now free to charge whatever price it wishes, at least so far as the law is concerned. It would not be if this bill becomes law. That shows two things. At the fixed price, the fan would not have been purchased; it would have priced itself out of the market. If it had been purchased at the fixed price the consumer would have had to pay \$20 more for the same item.

Mr. President, I think we can produce abundant evidence to indicate that resale-price maintenance results in higher prices to the consumer than would otherwise be the case.

I ask unanimous consent to insert another table from the minority report of the House Judiciary Committee illustrating this point.

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

Table comparing prices of important products sold on a fair-trade basis in drug stores in 45 States with prices for the same items presently prevailing in the District of Columbia is another graphic illustration of why the consumer is heavily penalized by resale-price maintenance legislation

	Fair-trade price	District of Columbia price
Aspirin:		
100 Bayer.....	\$0.59	\$0.46
100 Squibb.....	.54	.47
100 St. Joseph.....	.49	.43
100 APC Co.....	.39	
Toothpaste:		
Colgate.....	.47	.33
Ipana.....	.47	.33
Pepsodent.....	.47	.39
Phillips.....	.39	.27
Squibb.....	.47	.39
Lyons.....	.47	.33
Ammident.....	.53	.47
Clordent.....	.69	.53
Afeo.....	.47	.39
Pebammo.....	.49	.39
Shaving cream:		
Colgate.....	.53	.47
Barbasol.....	.39	.33
Palmolive.....	.53	.41
Burmashave.....	.40	.33
Mollé.....	.43	.37
Noxzema.....	.59	.47
Mennen.....	.53	.43
Gillette.....	.43	.37
Williams.....	.47	.37
Hair tonics:		
Wildroot.....	.48	.43
Kreml.....	.57	.43

Table comparing prices of important products, etc.—Continued

	Fair-trade price	District of Columbia price
Hair tonics—Continued.		
Vitalis.....	\$0.49	\$0.33
Vaseline.....	.47	.39
Jeris.....	.49	.39
Lucky Tiger.....	.48	.39
Liquid shampoo:		
Admiration.....	.49	.43
Breck.....	.60	.53
Wonder.....	.48	
Drene.....	.57	.47
Kreml.....	.59	.47
Laco.....	.43	.39
Conte Castille.....	.49	.33
Packers.....	.48	.43
Watkins Coconut.....	.48	.39
Richard Hudnut.....	1.00	.79
Wildroot.....	.48	.44
Woodbury's.....	.43	.29
Halo.....	.57	.43
Fitch.....	.59	.47
Deodorants:		
Veto.....	.59	.53
Arrid.....	.63	.47
Fresh.....	.59	.43
Sanite.....	.39	.38
Chad.....	.43	.39
Coty.....	1.00	
Hush.....	.49	.43
Mum.....	.59	.39
Odorono.....	.48	.37
Barz.....	.39	.33
Five-day pads.....	.59	.47
Ydoro.....	.59	.43
Zipp.....	.50	.47
Stoppette.....	.60	.47
Dyrad.....	.49	.37
Mennens.....	.59	.41
Amolin.....	.59	.47
Heed.....	.59	.47
Hand lotions:		
Hinds.....	.49	.39
Italian Balm.....	.45	.37
Cashmere Bouquet.....	.43	.37
Frostilla.....	.47	.43
Jergens Lotion.....	.49	.31
Trushay.....	.49	.33
Pacquin.....	.49	.39

Mr. DOUGLAS. My good friend from Minnesota, for whom we have great affection, said a few minutes ago that during the recent increase in prices the advance in the trade-marked, branded commodities under resale-price maintenance had been less than on other commodities.

Mr. HUMPHREY. During World War II, I said.

Mr. DOUGLAS. During World War II. That is probably true. There is a reason for it. The reason for it is that the mark-up on these items was so great originally that they could absorb the increase in cost without passing it on. It is characteristic of virtually all monopoly prices during the war. A very interesting article was written by Dr. Kenneth Galbraith, who was a leading official of OPA, which was published in the Quarterly Journal of Economics in 1946 or 1947. In that article he showed that one reason why they had been able to restrain the increase in prices during the Second World War was because in the industries dominated by monopoly, quasi-monopoly, or an oligopoly, or industries which are dominated by a few firms, the profit margins were large originally and cost increases had been absorbed; and they were able to control prices much better when there was an agreement between manufacturers than in the competitive market.

However, that is proof not of good health, but of ill health. It is proof of

an original high-profit margin. The opposite situation would hold true if we were to have a depression. The price of the branded commodities subject to resale-price maintenance would not fall as rapidly as commodities in general. As a result, the profit margin would widen.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I fully agree with the Senator on his analysis. I think he is persuasive and he has made a telling point on that subject. I should like to say, however, that if he is looking for cheap prices, I will tell him how he can get cheap prices. He can do away with union plumbers and other union workers and go into the open market and pick up anyone he can. However, we have said that as a matter of social policy we do not want to do it. I should like to remind my good friend from Illinois that the man who gets a cheap price and buys cheap goods will wind up getting a cheap wage, because the same argument can be used again and again.

Mr. DOUGLAS. I may say to my dear friend from Minnesota that the fundamental question is whether we want competition or do not want competition. I know that competition is a very rigorous business. It means that firms and stores which can undersell other firms and stores push out of business those who sell at higher prices. No one likes to see that happen. No one likes casualties. I want to make competition fair. We should do that. But we should not eliminate it.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. If we remove competition from life, we substitute inefficiency. The less efficient continue in business. Those who are somewhat efficient become with time somewhat less efficient, because their profit margins are guaranteed. Experience on the whole shows that, rigorous as competition is, it is on the whole a beneficent force. It stimulates men to effort, and it is largely self-regulatory.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. It was Lord Keynes, I believe, who said at one time, as between the short run and the long run he came to the conclusion that in the long run we die; and that it is the short run that really counts. I would remind the Senator that we must have some modicum of protection, and that it is more than just a matter of loss leaders. Loss leaders are sold at zero, and no one can stay in business without a profit.

Mr. DOUGLAS. My loss leader amendment defines loss leaders not merely as articles that are sold at less than the wholesale price, but at less than the wholesale price plus 6 percent.

Mr. HUMPHREY. The Harvard School of Business Administration in a recent survey estimated that the cost of doing business for retail merchants was an average of 28.8. How is a merchant going to stay in business with a 6-percent mark-up?

Mr. DOUGLAS. Should we guarantee a profit to any man in business?

Mr. HUMPHREY. The leading question of the Senator from Illinois can be answered "no"; we do not guarantee a profit. Neither do we guarantee a profit on the ultimate aggregate total. Every one of the items which the Senator has mentioned suffer competition. It is not as if we considered only one item. They are all in competition with one another. That applies even to commodities like tooth paste. There is a variety of them; there are hundreds of them. Many of them are not fair-traded at all. The question is whether a manufacturer is going to establish a price on his commodity. It is the same question that is involved in a doctor fixing his fee at \$5, and a lawyer fixing his fee at something else, at a certain profit. They are methods of maintaining the price structure.

I shall develop my theme when I speak in my own time. I may say that I shall be glad to yield to the Senator from Illinois very liberally when I speak in my own time.

Mr. DOUGLAS. The Senator from Minnesota is always fair, and I know that he will give me the same rights, and even yield to me more than I have yielded to him. Mr. President, there is no doubt

that under resale price maintenance three things happen: Very high prices to the ultimate consumer, high mark-ups to the retailer, and high profits to the manufacturer. The relationship of the ultimate sale price to manufacturing costs tends to be like the ratio of the Washington Monument to a pygmy.

Mr. President, I should like to put into the Record some figures on the profits of the big drug companies. I want to say that this does not apply purely to drug companies; it applies to other companies as well.

In the Celler minority report of the Committee on the Judiciary of the House, at page 40, there was placed in the record the net income in dollars, and in percentages the net worth, of seven large drug manufacturing companies, 1939 to 1951.

Mr. HUMPHREY. Will the Senator list them, please?

Mr. DOUGLAS. I should like to ask unanimous consent to have them included in the Record. Then I shall summarize the figures.

There being no objection, the material was ordered printed, as follows:

Net income, actual and as percent of net worth, of 7 large drug-manufacturing companies, 1939-51

[Years ending Dec. 31]

Year	Abbott Laboratories		American Home Products Corp.		Merck & Co., Inc.		Parke, Davis & Co.	
	Actual	As percent of net worth	Actual	As percent of net worth	Actual	As percent of net worth	Actual	As percent of net worth
1939.....	\$2,048,094	14.1	\$4,205,611	50.7	\$2,356,830	25.1	\$9,254,202	24.2
1946.....	10,820,623	28.3	8,897,921	15.9	6,169,791	17.7	13,336,582	33.8
1948.....	11,120,983	23.6	9,107,168	16.8	8,520,250	19.9	9,704,467	19.4
1949.....	10,010,500	19.8	10,673,161	18.3	6,921,927	13.1	12,411,570	22.3
1950.....	10,880,301	20.0	11,844,030	18.9	11,276,604	19.2	17,864,830	27.7
1951.....	(¹)	(²)	11,565,373	(³)	12,508,774	13.9	19,053,742	(⁴)

Years	Sharp & Dohme, Inc.		E. R. Squibb & Sons ⁵		Sterling Drug, Inc.	
	Actual	As percent of net worth	Actual	As percent of net worth	Actual	As percent of net worth
1939.....	\$902,271	8.9	\$2,060,978	12.5	\$9,140,026	23.4
1946.....	3,048,186	21.0	5,063,994	15.2	13,939,073	21.1
1948.....	3,910,872	19.9	3,691,778	8.3	12,721,610	17.6
1949.....	4,759,641	17.5	6,883,927	13.6	13,006,961	18.1
1950.....	5,275,858	17.4	8,057,680	13.9	13,481,870	18.5
1951.....	4,556,854	(⁶)	9,704,801	12.2	(⁷)	(⁸)

¹ Before provision for contingencies of \$500,000.
² Before provision for contingencies of \$123,583.
³ Before provision for contingencies of \$30,904.
⁴ Includes domestic subsidiaries only.
⁵ Not available.
⁶ Years ending June 30, except for 1939 which ends Dec. 31.
⁷ Excludes European subsidiaries.
⁸ Excludes Argentina's subsidiary.

Source: Moody's Industrial Securities, Moody's Investors Service; Standard Corp. Records; Standard & Poor's Corp. prepared by Hamilton D. Gewehr, analyst in industrial organization and corporation finance, Economics Section, Legislative Reference Service, Library of Congress, Mar. 7, 1952.

Mr. HUMPHREY. Will the Senator read the names?

Mr. DOUGLAS. Yes; I shall read them. Let us take one in my own State, of which we are very proud, namely, the Abbott Laboratories.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Does the Senator realize that the Abbott Laboratories manufacture pharmaceuticals and crude drugs and very few fair-trade items? They manufacture prescription drugs, which have no relationship to fair-trade items.

For example, Abbott Laboratories manufacture very few over-the-counter items.

Mr. DOUGLAS. What would the Senator from Minnesota like me to read? To which company would he like me to refer?

Mr. HUMPHREY. I will ask the Senator to give me, for example, the profit structure on what we call regular fair-trade items. Does he have the figure for Colgate's toothpaste? Does his list contain the name of Colgate-Palmolive-Peet?

Mr. DOUGLAS. It is very hard to break down the profits into particular items.

Mr. HUMPHREY. I appreciate the Senator's commentary. Does the Senator have Lilly, Merck, or Parke-Davis? Abbott Laboratories basically produce pharmaceuticals. Pharmaceuticals are prescription drugs, and they are not fair-traded. That is where the big mark-ups occur.

Mr. DOUGLAS. Are these companies opposed to price fixing?

Mr. HUMPHREY. No; they are not.

Mr. DOUGLAS. No. They favor it. If these manufacturers are not subject to these laws, and if that is their chief business, why are they so concerned about the proposed legislation?

Mr. HUMPHREY. Because they are concerned about having a number of outlets for their products through retail pharmacists spread all over the United States, so that prescription druggists will be able to fill prescriptions with Parke-Davis products.

In other words, Parke-Davis, when it sells Ortol Compound, which is a phenol-barbitol compound, is not engaging in fair trading, but it does a tremendous business.

Mr. DOUGLAS. I have put these figures in the RECORD for what they are worth. The Senator from Minnesota may tear them to pieces—if he can.

Mr. BENTON. Mr. President, will the Senator from Illinois yield to me, so that I may make a comment in regard to what he has said?

Mr. DOUGLAS. I yield.

Mr. BENTON. It would not surprise me at all if these firms favored fair-trade laws, even though they themselves sell very few private proprietaries. These companies want large numbers of retail outlets. They do not want themselves to be at the mercy of the monopoly power represented by the development of the big chains.

Mr. DOUGLAS. In a moment I shall have something to say about the big chain business. This price-fixing business encourages the big chains.

Mr. BENTON. But this would explain their interest in fair-trade legislation. They have a deep, basic interest in the health and welfare of the independent drug store. They would prefer to deal with 50,000 customers scattered all over the country, than with 500 or 50 or 20, each with hundreds or thousands of outlets. That is sufficient to explain the situation, even though they themselves are not selling private proprietary, trade-marked items.

Of course, these products sell on narrow margins, as compared with the Abbott or Eli Lilly items which go into prescriptions, on which the consumer cannot tell what the mark-up is, for he does

not know what he is paying a dollar for, whereas in the case of similar trade-marked items, he might pay a dime.

Mr. DOUGLAS. I thought the Senator from Connecticut stated—and I believe he did state—that in the case of the fair-traded items, the mark-up is enormous. Did not the Senator from Connecticut say that?

Mr. BENTON. No. On the contrary, in the case of the non-fair-trade pharmaceuticals which come over the counter in the form of prescriptions which are made up from little slips of paper which the consumers cannot read, and which list the names of ingredients which the consumers cannot understand, there is a far higher margin of profit, as the Senator from Minnesota will attest, than in the case of the fair-traded items of pharmaceuticals.

Mr. HUMPHREY. Mr. President, let me say that the Senator is correct in the case of a number of items. Many of these companies have hundreds of fair-traded items.

Mr. DOUGLAS. And they play a part in building up their profits.

Mr. HUMPHREY. Yes; there is no need for us to try to stretch the point, of course.

Mr. DOUGLAS. Mr. President, I have not yet been allowed to develop even the facts in this instance, because my good friends, the Senator from Minnesota and the Senator from Connecticut, have jumped down my throat before it has been possible for me to submit these figures here on the floor.

Let me read the figures for the profits of some of these companies: In 1939, which may not have been a fair year, Abbott Laboratories made profits of \$2,048,094; in 1946, \$10,820,623; in 1948, \$11,120,983; in 1949, \$10,010,500; in 1950, \$10,880,301. When stated as a percentage of net worth, those profits amount to 14.1 percent, 28.3 percent, 23.6 percent, 19.8 percent, and 20 percent, respectively.

Then I shall read the percentages of profit in the case of American Home Products Corp. These figures are on the basis of net worth: 50.7 percent, 15.9 percent, 16.8 percent, 18.3 percent, and 18.9 percent, respectively, for those years.

For Merck & Co.: 25.1 percent, 17.7 percent, 19.9 percent, 13.1 percent, 19.2 percent, and for 1951, 13.9 percent..

For Parke, Davis & Co.: 24.2 percent, 33.8 percent, 19.4 percent, 22.3 percent, and 27.7 percent.

For Sharpe & Dohme: 8.9 percent, 21 percent, 19.9 percent, 17.5 percent, and 17.4 percent.

For E. R. Squibb & Sons: 12.5 percent, 15.2 percent, 8.3 percent, 13.6 percent, 13.9 percent, and 12.2 percent.

For Sterling Drug: 23.4 percent, 21.1 percent, 17.6 percent, 18.1 percent, and 18.5 percent.

Those are very large profits.

If we consider the proprietaries and if we could isolate them, I think we would find that not only is the retail mark-up large, but the unit profits to manufacturers on those items are large. I can give some illustrations on percentage retail mark-ups, although, of course, we cannot obtain unit profits for manufacturers.

For instance, in the case of Dolcin—and these figures come from the American Druggist for January 1, 1951—the retail profit is 44.3 percent.

Argyrol, up to 57½ percent; Kessling fever thermometers, 45 percent; Wynnoids, up to 50 percent; Ampho-Jel, up to 53.4 percent; Dichloricid moth crystals, up to 42 percent; Breck, 40 percent; McKesson & Robbins, an average of 50 percent profit.

Presumably these figures are based on retail prices. These are profits claimed for manufacturers, as stated in the American Druggist magazine, the January 1, 1951, issue.

Mr. President, where does all the money for advertising in the magazines and over the radio and on the television come from? It comes from the high unit prices.

I shall tell you, Mr. President, why manufacturers want these laws. They want to hold up the retail prices because they are afraid that if the retail prices start slipping, the retailers will insist that manufacturers' prices be reduced, in order to keep the retailers in business. Therefore, the manufacturers are pushing the retailers out in front, as a sort of a bumper to protect themselves against competition. The manufacturers are using the retail druggists as hostages, to maintain the large unit, total profits of the manufacturers, just as an army which seizes women and children puts those women and children out in front, between themselves and the enemy, so that the enemy will not fire.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield at this point?

Mr. DOUGLAS. I decline to yield at this point; I wish to finish submitting these figures.

Mr. President, this is where the poor druggists have been caught in the struggle. They do have an economic stake, but behind them are the manufacturers who use them, not for the sake of the retail druggists, but for the sake of the manufacturers.

What is true in the case of drugs is also true in the case of household appliances and in the case of liquor, and that is an extremely important fact, and in the case of sporting goods and in the case of a whole series of other goods.

Now I am glad to yield for a question.

Mr. NEELY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Yes, indeed.

Mr. NEELY. Let me inquire of the able Senator if it is not true that an additional reason for the pushing of the local druggists and merchants out front by the manufacturers lies in the fact that the local druggists and merchants have political influence which the manufacturers do not have?

Mr. DOUGLAS. Mr. President, I have before me a statement of contributions to the so-called fair-trade or resale-price-maintenance lobby. I believe this list is correct. It has been filed under the lobby law.

I do not believe in singling out persons for castigation, nor in citing their names, because that exposes them to invidious criticism. These firms have a

perfect right to contribute; they have a perfect right to lobby. On the other hand, I think it is significant that the list of persons which I have before me indicates contributions of \$45,905 in the third quarter of 1951, or for one-fourth of last year, namely, the next to the last quarter of 1951, before Congress came into session this year. It would be interesting to see how much has been contributed during the first two quarters of 1952.

These are contributions by these large drug companies. I do not wish to read into the RECORD the specific contributions they made, lest it seem that I would be putting them in the pillory; and I do not believe in doing that. On the other hand, I have the list before me, and I believe it to be correct. It indicates contributions of virtually \$46,000 in one quarter.

Mr. President, what is the purpose behind these contributions? Those firms have a perfect right to make those contributions, but the purpose is to protect the prices on their products, the prices which they charge the retailers; and they do that by protecting the retailers' prices, so that the retailers will not put pressure on them to lower prices. Ultimately this monopoly business results in high prices to the consumers.

Mr. President, it is said that retail price maintenance is necessary in order to help small business. It does protect the profit margins of the merchants, the small-business men. It may well be that, taking small business as a whole, it may help. But there are very important qualifications to be attached. The first is that when the retailer has such high mark-ups, it encourages grocery chains, such as A. & P. and Safeway, to carry price-maintenance items, thus decreasing the amount of sales by the small stores. The Progressive Grocer has conducted a survey of this matter. It finds that 85 percent of the Nation's leading supermarkets now sell health and beauty aids, as compared to only 37 percent 10 years ago. In other words, the profit margins are so great that the grocery stores are entering the drug business. They are also going into the liquor business for similar reasons.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I am sure the Senator wants to be accurate. A while ago he quoted profit percentages which have absolutely no relationship to fact.

Mr. DOUGLAS. They were correct.

Mr. HUMPHREY. They were correct as to the gross profit.

Mr. DOUGLAS. I meant percentages of net worth.

Mr. HUMPHREY. The Senator quoted items.

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. But the fact of the matter is, I may say to the Senator, that the items quoted by the Senator represented the maximum price the manufacturer places on the commodity. For example, a tube of Ipana toothpaste has on the tube the price 50 cents. That is the normal price. It costs the retailer 17 cents wholesale. That is a 33-cent

gross mark-up. Now, what was the fair-trade price of a tube of Ipana toothpaste prior to June 1950? What was the fair-trade price? Thirty-seven cents. Does the Senator know how much gross profit the dealer got from that? Three cents. Does the Senator know how much that is? It amounted to—8½ percent. The Senator will take note that the trouble in these figures is that one gets a gross mark-up which is the market price, but the fair-trade price is a breakdown of the lowest price at which the commodity can be sold; and that is true of every single item. It is true of any product of which one may think. Take a product such as Carter's Little Liver Pills. What is the fair price?

The Senator gave the profit figures for the drug companies. I am not protecting them. So far as I am concerned, they contribute to a good many things that I do not like. I say their profits are tremendous. But there is some truth in what the Senator has said about their using druggists as a front. Sometimes I think the druggists ought to look into this a little bit themselves and not be so tied up all the time. But the fact of the matter is that the gross-profit figures are misleading, because the fair-trade figure is considerably less than the gross figure; and I want the Senator to know that. There are the regular retail price and the fair-trade price. The fair-trade price offers a basic minimum to the retailer; that is, at least as to the commodities with which I am familiar. I cannot say anything about the electric fan about which the Senator was talking.

Mr. FREAR. Mr. President, will the Senator from Illinois yield so that I may ask a question of the Senator from Minnesota?

Mr. DOUGLAS. It has been some time back, but certainly with respect to the figures submitted by Representative CELLER, those were actual prices. They showed that prices in resale price-maintained States were higher than in the District. I ask unanimous consent that I may now yield to the Senator from Delaware for that purpose without losing the floor.

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

Mr. FREAR. I do not think I quite understood what the Senator from Minnesota said. If a fair-trade price is paid, there should be a reasonable profit in it for the retailer.

Mr. HUMPHREY. That is correct.

Mr. FREAR. There should also be a reasonable profit for the manufacturer, and so on down the line.

Mr. HUMPHREY. That is correct.

Mr. FREAR. There may be a difference between the fair-trade price and the established retail price for a particular product.

Mr. HUMPHREY. That is correct.

Mr. FREAR. If the retail price set by the manufacturer is, let us say, to use a round figure, \$1, and the fair-trade price is 89 cents, it is some kind of a—

Mr. HUMPHREY. Some kind of a cut price.

Mr. FREAR. A cut price—yes, that is correct. But in that there is still a

reasonable profit for the retailer, as well as for the manufacturer.

Mr. HUMPHREY. Not a reasonable profit.

Mr. FREAR. What happens to the difference of 11 cents in the case of an article whose price is established by the manufacturer at \$1, as against a retail price of 89 cents. Where does that difference of 11 cents go—to the retailer? Or to the manufacturer?

Mr. HUMPHREY. It all goes to the retailer. That is a very good question, and I should like to give a very honest and accurate answer, if the Senator will yield.

Mr. FREAR. Mr. President, will the Senator from Illinois yield for that purpose?

Mr. DOUGLAS. I yield, provided I do not lose the floor.

Mr. HUMPHREY. I shall try to make the answer very brief. The Senator has posed a problem which relates to the figures used when an article is priced in a non-fair-trade territory, such as the District of Columbia, which is a highly competitive territory. When one goes into Virginia and buys an article, Virginia being a fair-trade State, what happens? There are many little stores in Virginia, particularly in small towns, where they do not give any fair-trade prices. They cut prices, and there is, therefore, not a fair profit. It amounts to 3 cents on a 33-cent item. It is not a fair profit, and no merchant can continue in business a month on a profit of that kind. What happens? One may go to the drug store in Woodstock, Va., and buy a bottle of Sal Hepatica, for which he pays 30 cents, as the regular price. That is what should be charged. It costs the druggist from 20 to 21 cents to buy that item. He must pay all of his operating costs out of his profits. What is the fair-trade price on that article? The fair-trade price would be 25 cents, possibly 24 cents. In Woodstock the druggist may charge 30 cents, because there is no hot competition in that community. What a fair-trade price does is to put the price right down to a minimum, and to prevent the sale of an article for less than it costs. That is what it amounts to. What should be charged is a legitimate price. A merchant ought to be able to make a legitimate profit by selling at a legitimate price. But the fair-trade price frequently leaves the merchant without a fair return. It leaves him with some loss. It amounts to this—that everyone plays the same game. If one does not like a particular druggist, he may simply go across the street. One druggist may be selling an article for 18 cents, the other, for 25 cents.

Mr. DOUGLAS. Let me say that the reason for the supermarkets taking the so-called fair-trade price on resale-price-maintenance items, is because the price is held up by a retail agreement. The supermarkets, with lower costs, come in to take the field. The druggist would do better with a smaller percentage of mark-up. It would make it impossible for the supermarket groceries to come into the health and beauty business.

Mr. FREAR. Mr. President, will the Senator yield? Perhaps I am monopolizing the time of the Senator from Illinois.

Mr. DOUGLAS. That is all right.

Mr. FREAR. I think it might be carried just a step further. Does the druggist in Woodstock who is selling Sal Hepatica at 24 or 25 cents have a fair margin of profit?

Mr. HUMPHREY. He does not, at that price—any more than he could make a profit by selling cigarettes at 5 cents a pack.

Mr. FREAR. And no more than a person could make a profit selling milk at 5 cents a quart.

Mr. HUMPHREY. In the grocery business, a profit of 12½ percent is considered satisfactory. The profit of the retail drugstore is usually abnormally low. The supermarket, with a fair-trade price on Jergen's lotion of 37 cents, may compete with a drug store across the street selling the same article at 50 cents.

Mr. DOUGLAS. If we had so-called fair trade, it would be unable to do that.

Mr. HUMPHREY. Yes; that is what fair trade does. We have had fair trade for 17 years. The supermarkets are able to sell a 50-cent jar of Jergen's lotion for 37 cents, as they have been doing for many years; but they cannot go further and give it away. I have known stores to have the experience of replenishing their stocks on their shelves by going across the street and buying goods from Montgomery Ward, in order to meet their competition. They bring it in at the back door and sell it to the customers who enter through the front door.

Mr. FREAR. Mr. President, the reference made to canned milk—I do not want to bring in the name of the Pet milk company, but they are very fine competitors in fluid-milk industry. I do not think there is any product which comes nearer to being properly priced than is milk. I am sure the Senator from Minnesota would agree with that statement.

Mr. DOUGLAS. Just a minute. I know the cow has many admirers here. The affection that attaches to the cow is extraordinary.

Mr. President, I should merely like to point out that the drug stores have been meeting terrific competition from food stores which have been gradually taking on drug and liquor distribution. I have some figures indicating that from 1941 to 1951 the percentage of food stores selling drug products has grown from 37 percent to 85 percent. That is because the merchants were doing so well that it tempted the big chains to go into the drug business, so that the drug stores, by putting a tent over themselves, were inviting competition to come in from these other fields.

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

Mr. DOUGLAS. I yield for a question.

Mr. LONG. It seems that one item we should consider is that a store doing a great volume of business can afford to give the consumer the benefit of lower prices. Other stores in more remote localities, not having so great a volume of business, might not be able to reduce their prices. Sometimes a housewife

goes across town to buy something from a store which is doing a large volume of business, although, by and large, she buys groceries and various other items from a local store near her, which has somewhat higher prices.

A fair-trade law does not permit a store which is able to do a large volume of business to lower its prices on price-fixed items.

Mr. HUMPHREY. Mr. President, the Senator fails to recognize what is the regular price for a commodity. The Senator's argument is my argument. A 50-cent article should sell for 50 cents, just as a carpenter should receive \$1.75 an hour instead of \$1.13. The fair-trade price is an unfair price because it is below the cost of operating the business, but, at least, it provides a minimum mark-up and a uniform one across the boards.

That is what it amounts to. A 50-cent article should sell for 50 cents. The fair-trade price is 37 cents. The little merchant cannot sell the article at 37 cents. It gives him some rules; he cannot go below that price. That is what it amounts to.

Mr. LONG. If we could help the independent merchant to refrain from loss leaders, and could protect him from the destructive effect of discrimination against him so far as the pricing of commodities is concerned, we would not have any great need for a fair-trade law.

Mr. DOUGLAS. I am glad to have the support of my good friend from Louisiana. We fought shoulder to shoulder against the basing-point bill. We fought shoulder to shoulder for the Robinson-Patman Act. Now I see him entering the lists on the side of the people and my heart leaps up. A powerful champion has ridden into the arena.

Mr. LONG. Just as we pointed out in the debate on the basing-point bill, it was our feeling that if we could protect the independent merchant from the destructive effects of price discrimination which favored the large businesses over the small businesses, we would not have too much to worry about in connection with the little fellow being run out of business.

Mr. DOUGLAS. We could protect him as a buyer by outlawing discrimination and then competition would see to it that as a seller he could deal with the consumer at lower prices and fair terms.

Mr. LONG. The Senator from Illinois made a fight on previous occasions to protect the independent merchant from discriminations in favor of large buyers against small buyers. If we had been successful in that fight, which some of us are still endeavoring to carry on, we would not have any need for a so-called fair trade law which I fear may have the effect of reducing certain elements of price competition among the retail trade.

Mr. DOUGLAS. I am very glad that the Senator from Louisiana has made his point.

Mr. WELKER. Madam President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Certainly.

Mr. WELKER. I did not want to interrupt my distinguished friend from New York, but from this time on the acting minority leader will insist upon

the regular order of business, remembering the admonition given to us by the Vice President earlier this afternoon. I do not want to interrupt, and I trust I shall not have to do so.

Mr. DOUGLAS. I thank the Senator from Idaho for his very clear statement. I wish to make it clear that while I shall be very glad to yield to any Senator, I shall now, according to the ruling of the Chair, be allowed to yield only for a question.

Earlier in this discussion I pointed out that resale price maintenance resulted in such high retail mark-ups that the grocery chains have gone into the drug business in order to take advantage of the high mark-ups, and that therefore the drug business and the druggists have reared up competitors for themselves because of the high margins which have been guaranteed.

I should now like to turn to the development of private brands.

Mr. SPARKMAN. Madam President, before the Senator leaves that point, will he yield to me for a question?

Mr. DOUGLAS. Provided it is a question. I am at the mercy of the Senator. It is understood that if he makes a statement I lose my right to the floor. The penalty falls not on him but on me.

Mr. SPARKMAN. Madam President, I assure the Senator that I shall certainly state it in the form of a question.

A little while ago the Senator was speaking about the impact of this system on small business.

Mr. DOUGLAS. I think the Senator from Alabama was not in the Chamber during the entire course of my speech. I have said that in my judgment it probably does give larger margins to the units which are already in business, but that this is not an unmixed blessing for them, because there are forces operating to diminish the apparent advantage which they get initially. That is my argument. I am not arguing that it is adverse to small business. I am merely arguing that it is not as beneficial as is claimed.

Mr. SPARKMAN. Let me say to the Senator that I was in the Chamber and heard him make the statement. As a matter of fact, I was in the chair at the time.

I was wondering if the Senator was familiar with the survey which was made in New York last year at the time of the cut-price war which was carried on. The estimate was made that 20,000 of the approximately 105,000 small retailers in the New York area would have been forced into bankruptcy if the price war had continued for 6 months.

Mr. DOUGLAS. The point is that the price war did not continue for 6 months. That was an exuberance largely started by the big department stores in New York around Thirty-third Street, which went on a spree, seeking to get the better of one another. One store started to cut the throat of another store. The other store responded by trying to cut the throat of the first store. Then two or three others joined in the melee, but after a few days it was called off, and since then there has not been large-scale price cutting. In other words, freedom sometimes leads to excesses. But is

this a reason why we should have perpetual slavery?

Mr. SPARKMAN. Of course I agree with what the Senator said, except that the price war lasted longer than merely a few days. It lasted for several weeks, and presented a very serious question.

Is it not true that the splurge which those big stores made was made at the expense, first, of the United States Government, because they were in the high-tax brackets, and second, at the expense of the little store down the street, which simply could not meet the cut prices?

Mr. DOUGLAS. The Senator from Alabama, like the Senator from Connecticut [Mr. BENTON], and the Senator from Minnesota [Mr. HUMPHREY], ignores the fact that I am proposing an amendment in the nature of a substitute, which would outlaw loss-leaders. Under my proposal, we would not have Gone With the Wind selling for 99 cents. Furthermore, we define a loss-leader as something which is sold for less than the wholesale price plus 6 percent—not merely less than the wholesale price, but less than the wholesale price plus 6 percent. So for heaven's sake do not try to put the brand of Cain on me and say that I am defending loss-leaders. I am opposed to them.

Mr. SPARKMAN. Madam President, will the Senator yield for one further question?

Mr. DOUGLAS. Yes, indeed.

Mr. SPARKMAN. I assure the able Senator from Illinois that I certainly would never be in the position of helping to put the brand of Cain upon the Senator from Illinois. I know that he is sincere in what he is presenting here—

Mr. DOUGLAS. Madam President, the acting minority leader has said that he will invoke the rule of the Senate if I yield for the purpose of a statement.

Mr. SPARKMAN. I do not wish to make a statement.

Mr. DOUGLAS. I do not wish to have the Senator from Alabama trespass upon the rules of the Senate in order that I may receive the penalty. If the penalty is invoked, it will not be the fault of the Senator from Idaho. I beg my friend to conform to the parliamentary rules and at least put his statements in the form of a question.

The PRESIDING OFFICER. Does the Senator from Illinois yield for a question?

Mr. SPARKMAN. I assure the Senator that I will ask a question.

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I am familiar with the rules of the Senate. I am a lawyer. I believe I know how to lay the predicate for a question. I assure the Senator that whatever I say will be for the purpose of laying the predicate for a question. Here comes the question:

Does the Senator, or does he not, agree with this statement, which was contained in what I think is a very competent business publication, namely, Business Week magazine, when it summarized the situation in its June 1951 issue as follows—

Mr. DOUGLAS. What publication is this?

Mr. SPARKMAN. Business Week. I quote:

Fair trade has always been another major prop for the small, independent merchants during the past decade. This has been particularly true in the drug and jewelry businesses. Under the fair-trade umbrella, the small merchant has been protected from price cutting and provided with a healthy mark-up.

Mr. DOUGLAS. Strike out "healthy" and substitute "large."

Mr. SPARKMAN. There are two more sentences:

The end of fair trade on a national scale now throws this disadvantage into reverse. How much it will hurt the small retailer remains to be seen, but it's sure to leave its mark.

Mr. DOUGLAS. What does the Senator from Alabama think he proves by that quotation?

Mr. SPARKMAN. I ask the Senator from Illinois if he agrees with that statement. The article says that the system has a very serious impact on small business, and that during the past decade fair-trade laws have constituted a prop to aid small business.

Mr. DOUGLAS. The so-called fair-trade system is a system of resale price maintenance. The term "fair trade" is a euphemism, designed to cover up the smell. It is a deodorant, so to speak, applied to these practices.

With respect to the feared fate of small business, I ask unanimous consent to insert at this point a comparison of drug store failures in fair-trade and non-fair-trade States. It shows that such laws have no real force in stopping such failures.

There being no objection, the material was ordered printed as follows:

Failures of retail drug stores in selected States, 1939, 1940, 1946, and 1947

STATES WITHOUT FAIR-TRADE LAWS			
1939			
	Number	Liabilities	Rate per 1,000 concerns
Vermont.....	1	84,000	3.0
Washington, D. C.....	16	132,000	4.8
Texas.....	9	77,000	4.1
1940			
	Number	Liabilities	
Vermont.....	3	\$29,000	
Washington, D. C.....	19	108,000	
Texas.....	11	49,000	
1946			
	Number	Liabilities	
Vermont.....			
Washington, D. C.....			
Texas.....			
Missouri.....			
JANUARY TO OCTOBER 1947			
	Number	Liabilities	
Vermont.....	1	\$13,000	
Washington, D. C.....	1	2,000	

Failures of retail drug stores in selected States, 1939, 1940, 1946, and 1947—Con.

ADJACENT STATES WITH FAIR-TRADE LAWS			
1939			
	Number	Liabilities	Rate per 1,000 concerns
New Hampshire.....	2	\$8,000	8.9
Maine.....	4	30,000	10.1
Maryland.....	3	7,000	4.1
Oklahoma.....	17	119,000	15.0
Illinois.....	52	217,000	14.1
Kansas.....	8	72,000	7.4
1940			
	Number	Liabilities	
New Hampshire.....	2	\$11,000	
Maine.....	4	24,000	
Maryland.....	3	154,000	
Oklahoma.....	11	48,000	
Illinois.....	45	224,000	
Kansas.....	7	25,000	
1946			
	Number	Liabilities	
New Hampshire.....	1	\$2,000	
Maine.....			
Maryland.....			
Oklahoma.....			
Illinois.....			
Kansas.....			
JANUARY TO OCTOBER 1947			
	Number	Liabilities	
New Hampshire.....			
Maine.....			
Maryland.....			
Oklahoma.....			
Illinois.....	1	\$50,000	
Kansas.....	1	7,000	

Source: Minority views, H. Rept. 1516, p. 46.

Mr. DOUGLAS. There is no doubt that the use of this system has resulted in much higher prices to the consumers than would otherwise have been the case. It has protected retailers and manufacturers from competition. The real test is whether we believe in competition or not. I suppose every one of us in this Chamber has delivered orations at one time or another declaring in favor of competition, and against price fixing. The test is whether we are really opposed to it. Generally we are for competition for someone else. Most people are for price fixing where they are concerned. The question is whether we will permit manufacturers of trade-marked and branded commodities to fix the prices at which such commodities can sell at retail, whether or not the retail merchant has made such an agreement.

As I pointed out originally, and as the Senator from New York [Mr. LEHMAN] has reemphasized, the purpose of the bill is to provide that the nonsigner shall be compelled to charge the same prices as the signer. It delegates the power of the country to enable a private concern to determine its own price and protect itself from competition, except for such lateral competition as may exist between the various products as substitutes for one another.

Madam President, I had hoped to continue with the discussion of private brands. If I may be permitted to do so, then I shall be glad to yield for questions.

Mr. HUMPHREY. Mr. President, will the Senator yield so that I may ask him a question with reference to the non-

signer clause, since we have taken up that point now?

Mr. DOUGLAS. Certainly.

Mr. HUMPHREY. The Senator mentioned the subject of the nonsigner clause. I wonder whether he is familiar with the fact that 45 State laws have the nonsigner clause. The first State to have it was California, in 1933. The New York law contains a nonsigner clause.

Mr. DOUGLAS. There is a very real difference between a State legislature operating within a State and the exercise of Federal power over interstate commerce. Congress is not a State legislature. We are the National Legislature. What we are being asked to do is to turn over the power of the Federal Government over interstate commerce to permit a private manufacturer to fix the retail price of his products. In other words, we are delegating away the commerce powers of the Federal Government. We are furthermore violating the Sherman antitrust law and the Clayton act, and all the other statutes which declare combinations in restraint of trade to be violations of the basic law.

Mr. HUMPHREY. I do not mean to interrupt the Senator, but—

Mr. DOUGLAS. No. I hope the Senator from Minnesota will not regard the vehemence of my reply as indicative of an unfriendly feeling.

Mr. HUMPHREY. No; of course not. My only other question is this. As I understand the McGuire bill, which is the bill before us, in the Whettling case, which was the second Supreme Court case under the Miller-Tydings Act, the Supreme Court said there would be no respect between the States for the laws of the respective States. In other words, a nonsigner clause in North Dakota, for example, would have no effect in Minnesota, or vice versa. Therefore a mail-order house across the line could operate in the other State without any regard to the State laws.

Mr. DOUGLAS. I want to make the case of the Senator from Minnesota for this bill being merely an enabling act as persuasive as I can. The Webb-Kenyon Act prohibited the sending of liquor into a prohibition State, and the Ashurst-Summers Act prohibited the interstate shipment of prison-made goods in competition with free labor. Have I correctly stated the situation?

Mr. HUMPHREY. The Senator from Illinois has stated the situation very well, but I am afraid that it will not hold up after the Senator is through with me.

Mr. DOUGLAS. The Senator's proposal is to put State laws, so far as interstate commerce is concerned, ahead of Federal laws. So far as interstate commerce is concerned, the Constitution establishes congressional laws superior to State laws.

Mr. MAYBANK. Mr. President, I should like to ask the Senator a question. I do not know whether he wishes to answer it. But I should like to ask it of him.

Mr. DOUGLAS. I should like to finish my answer to the Senator from Minne-

sota. In the case of prison-made goods and in the case of the sale of liquor, there were no previously existing Federal laws which the State laws violated. Therefore it was proper for the Federal Government to withdraw the use of interstate commerce as a means of breaking down State laws, since there were no Federal laws prior to that.

In this case there are prior Federal laws, namely, the Sherman Antitrust Act and the Clayton Act. What is now being proposed is that the Federal Government shall give away its delegated power over interstate commerce so that State fair-trade laws may be made superior to the Sherman Antitrust Act and the Clayton Act.

There was good reason why Congress never passed a resale price-maintenance law for the District of Columbia. Congress is the legislative body for the District of Columbia. It was not the intent of Congress in its legislative capacity to repeal the Sherman Antitrust Act or the Clayton Act.

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

Mr. DOUGLAS. I yield.

Mr. MAYBANK. The Senator is making a very able argument, and we are all interested in the argument which he is making. I know the situation with respect to prison-made goods, because I was governor of my State.

Mr. WELKER. Mr. President, will the Senator speak louder?

Mr. MAYBANK. I do not know whether the Senator from Illinois will wish to answer my question. If he does not I will understand. I am wondering how long the distinguished Senator from Illinois and his colleagues will debate this bill, because I have an engagement, very frankly, and I wonder whether it would be possible for me to leave for a few hours. I mean that in all sincerity, because when I have talked a long time on the floor of the Senate I have said that I would talk all night, as I did in 1948.

Mr. DOUGLAS. I have no intention of filibustering.

Mr. MAYBANK. I would never suggest that the distinguished Senator from Illinois would filibuster.

Mr. DOUGLAS. I am not going to filibuster. I was startled at the beginning of the discussion when the bill started to go through without anyone rising in support of it and when there was no discussion about it. I thought I should take the floor to show that there is real discussion needed on this measure. I have already flushed two very handsome birds out of the thicket in the persons of the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Connecticut [Mr. BENTON]. They are beautiful birds with beautiful plumage.

Mr. MAYBANK. How many more birds does the Senator from Illinois expect to flush out of the thicket? Perhaps I will be able to judge the time in that way. I am in favor of the Senator flushing the birds out of the thicket.

Mr. DOUGLAS. That is conjectural. Mr. MAYBANK. Does the Senator think it may be one or two more?

Mr. DOUGLAS. It is beyond my power

to determine (a) how many Senators will rise in opposition to me or (b) how many Senators will rise in support of the position which I take. I can only say that I am not filibustering this bill. I expect to conclude, if I am permitted to continue with my remarks, within half an hour.

Thus far, if the RECORD will be examined, it will be found that for every sentence which I have spoken there have been paragraphs of interruptions.

If I had been allowed to proceed, I could have finished my speech in half an hour. The delay has not been mine. Incidentally I do not think it is bad for us to spend a few hours discussing a bill like this, which may involve \$750,000,000 to \$1,000,000,000 a year.

Mr. President, a long time ago I started to speak about private brands, but I was diverted by the questions which were put to me. I should like to point out that frequently the quality of private brands is as good as the nationally advertised brands. A good many brands which are not advertised and which do not have national advertising, but which are frequently sold to wholesalers who put on their own brands, are just as good in quality even though they do not have the build-up by having beautiful movie stars advertise them or have full-page displays in the weeklies. The quality is good nevertheless. By holding up the price of the branded product a field is opened up for the private brand to come in. If we hold up the prices of the branded nationally advertised products we permit unadvertised brands to come in. I used to know something about the soup business. I had friends who ran a small soup cannery, and I had some relationship to the business. My friends would produce soup which they could sell to wholesale grocers, who would put on the cans of soup their own labels, and would sell the soup in competition with nationally advertised brands. There were chiefly only two nationally advertised brands. My friends thought their product was about as good in quality as the nationally advertised brands. The high prices of the nationally advertised brands permitted my friends to furnish their soup to the wholesalers, who in turn would use it to provide competition with the nationally advertised brands.

In other words, Madam President, I am trying to say that by means of these high percentage mark-ups, although they result in higher prices to the consumers, the gain to the retailers is less than one would think, because the high mark-ups invite the nonadvertised, private brands to come into the market. Sometimes there develops the extraordinary situation that a manufacturer will produce both nationally advertised brands and private brands, and the two brands will be almost identical, but each will skim a different market.

For instance, I am told that a Sears, Roebuck Kenmore washing machine is the same as a Whirlpool washing machine, and that there is really no difference between the two. However, the Whirlpool washing machine is nationally advertised and sells at a higher price.

So one machine is sold to the snob market, so to speak, and the lower-priced machine is sold to the nonsnob market.

Madam President, should not snobs be permitted to cease being snobs? Should not they be permitted to have the advantage of price competition if they want it?

At present the whole attempt by advertising by brands is to attempt to protect prices and to make consumers believe that their future is bound up in purchasing those particular brands. Out of that process, great advertising fortunes have been built in radio, in television, by advertising copy writers—all the men who live in the happy suburbia outside of New York City, running up to Hartford, Conn., and beyond, and in Westchester County, N. Y., and out on Long Island. Out of that come the big incomes of the national weeklies. From it comes a great deal of money for the television stars and radio stars. From it come huge profits and huge mark-ups. But, Madam President, who pays the bill? Poor Mrs. Housewife pays the bill.

I believe it is about time that we had a little price competition going, and that "blue sky" no longer be sold to the American public.

Mr. MOODY. Madam President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. MOODY. I have been listening with great care and great interest to my illustrious and eloquent friend, the Senator from Illinois. I am wondering whether he is not arguing that when private brands come into the market, they provide competition, and therefore that the bill as it is now written would not bar competition, because it stimulates the creation of new business and new brands. If prices go too high, new competitors will come into the market.

Mr. DOUGLAS. That is like saying that we should load down a man with chains on his feet and on his hands; and we should chain him to a rock, and that still there will be an element of freedom for him, in that he will want to move.

If we load down the economic system with restrictions, we may not kill it entirely; fortunately, there will still be some vitality and some spirit of competition.

The point really is that competition is not an easy theory to believe in. It involves losses, as well as profits; it involves exits from business, as well as growths and successes in business. It operates by elimination from industry, as well as by rewards for the efficient and successful. It is a stern process, but on the whole it is a beneficial one, for it stimulates men to greater energy and effectiveness.

We want to put certain floors under it; but those floors, to the degree that they are put under it, will be put under it by the community. Each one should not fix his own floor, or else he will favor himself.

One of the things that is disconcerting is how people will give lip service to competition, and then will assist every possible measure to stifle, cripple, restrict, and prevent competition. If we have faith in the competitive system, we must be willing to let it operate and

to abide by its results—if we really believe in it.

Where shall we go if we permit private price-fixing, Madam President? I have heard eloquent speeches on the floor of this body against public price-fixing. I do not like public price-fixing; it involves too many decisions and too many complicated factors of costs. I prefer competitive prices. But at least the price-fixing we have been hitherto discussing has been price-fixing by the community, with an attempt made to protect the consumers.

But what we are now being asked to legitimize is private price-fixing, prices fixed by the interested parties, and only by a fraction of them; and the prices they would fix would thus have the force of law, a system infinitely worse than the public system of price-fixing, which so many of my colleagues have denounced.

So, Madam President, I hope very much that this bill will not pass.

I think it probably is unconstitutional, because the Supreme Court, in the Schechter case, declared unconstitutional the delegation of legislative powers, such as the delegation to private individuals of the power to set prices. The decision of the Supreme Court in that case was a unanimous one. The NRA was declared unconstitutional, even though under the NRA system, representatives of labor played a part, and there were at least nominal representatives of consumers. I myself sat on some of those boards, as a representative of the consumers. I admit we were somewhat useless, but at least we were there for window dressing.

If the NRA was declared unconstitutional, in the Schechter case, by the unanimous opinion of the Supreme Court, what shall we say to provisions by which it is proposed to surrender to a single manufacturer—not to an entire industry, but to one manufacturer—the power to fix the prices at which his goods will be sold, and to give him the power to enforce these agreements against nonsigners? I think the bill is unconstitutional. I doubt that it will hold up in the Supreme Court. Even if it did, it would be bad public policy.

Madam President, in the few years I have spent in this body, I believe I have fought hard for competition for small business, so that small business cannot be hit over the head by big business. I have tried to protect small business against unfair advantages which big business sometimes is able to obtain by means of financial power. I want a broad distribution of ownership in the United States.

But can we depend on price-fixing, which strikes at the consumers, to protect small business? We shall do well if we can just permit small business to compete without being subjected to arbitrary power through price discrimination on the goods they purchase.

We do not need to give business, in addition, the power to gouge consumers.

Madam President, in order to crystallize the discussion, I now send to the desk my amendment outlawing the loss-leader, and ask that it be read. It is

an amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MAYBANK. Madam President, I wonder whether the Senator from Illinois will yield. This is new business, and very important business. I suggest the absence of a quorum.

Mr. DOUGLAS. I shall be very glad to do that, but I think we should have a statement of the parliamentary situation.

Mr. MAYBANK. Madam President, under the rules of the Senate, I suggest the absence of a quorum.

Mr. DOUGLAS. Madam President, I would suggest that the further reading of this amendment be dispensed with.

Mr. MAYBANK. Madam President, a parliamentary inquiry. This is a new matter which is brought before the Senate.

The PRESIDING OFFICER. The Senator from Illinois requests that the further reading of the amendment be dispensed with. Is there objection?

Mr. MORSE. I object.

Mr. DOUGLAS. Madam President, may I be permitted to explain this amendment?

Mr. MAYBANK. I should be glad to have the distinguished Senator from Illinois explain the amendment, but I think we should first have a quorum call, in order that other Senators may be present to hear the explanation, and in order that we may know where we are going from here. I suggest the absence of a quorum. This is new matter.

The PRESIDING OFFICER. Does the Senator from South Carolina wish to make that as a motion?

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

Mr. DOUGLAS. I yield for that purpose.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Alken	Hunt	Murray
Benton	Ives	Neely
Bricker	Jenner	O'Connor
Bridges	Johnson, Colo.	Pastore
Butler, Md.	Johnson, Tex.	Robertson
Butler, Nebr.	Johnston, S. C.	Saltonstall
Cain	Kem	Schoeppel
Case	Kilgore	Seaton
Chavez	Knowland	Smathers
Clements	Langer	Smith, Maine
Connally	Lehman	Smith, N. J.
Cordon	Long	Smith, N. C.
Douglas	Magnuson	Sparkman
Dworshak	Martin	Stennis
Ferguson	Maybank	Thye
Frear	McCarthy	Underwood
Green	McClellan	Watkins
Hendrickson	McFarland	Welker
Hill	Monroney	Wiley
Hoey	Moody	Williams
Holland	Morse	Young
Humphrey	Mundt	

The PRESIDING OFFICER (Mr. HILL in the chair). A quorum is present.

Mr. McFARLAND. Mr. President—

The PRESIDING OFFICER. The junior Senator from Arizona is recognized.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McFARLAND. Mr. President, I do not yield for a parliamentary inquiry at this time.

Mr. DOUGLAS. Mr. President, does the Senator—

Mr. McFARLAND. I do not yield for anything at this time. I shall be only a few minutes, and then the Senator can propound his parliamentary inquiry.

Mr. President, we are trying to expedite the work of the Senate. In my humble opinion, there is no question but what, by and large, the majority of the Senate will favor the passage of this bill when it comes to a vote. I hope that we can come to some agreement in regard to a vote. I dislike very much that Senators, in the last days of the session of the Senate, have to work long hours, but we must drive to do the work of the Senate so that Congress can adjourn. This bill has been listed as one of the bills that should be passed.

Mr. DOUGLAS. Who listed it?

Mr. McFARLAND. The majority policy committee. I assume the Senator from Illinois did not list it.

The Senator from Illinois made a motion to table the bill, at the beginning. He might get a few more votes against it on the final passage, but not many more. If the Senator from Illinois wants to indulge in a filibuster on this bill, that is his privilege.

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

Mr. McFARLAND. Not yet. I shall yield in a few moments.

I am not trying to force this bill on anyone, nor is any other Senator trying to force it. I have tried to get a unanimous-consent agreement to vote upon it at any time tomorrow, but Senators have told me they wanted to debate it for a long time. That is their privilege; if they want to debate it for a long time, they can do so. There are only a few days left, and we must work long hours. There is no question of giving full opportunity to every Senator to present his views.

I now yield to the Senator from Louisiana.

Mr. LONG. On some issues I have heard Senators suggest after a week of debate that a bill has been filibustered. But this is the first time I have heard the suggestion of a filibuster when debate on a bill has not lasted longer than 5 hours. Does the Senator from Arizona mean that a few hours of debate is considered filibustering against a bill?

Mr. McFARLAND. Mr. President, a filibuster can be recognized when it looms upon the horizon. I do not say that any Senator is trying to filibuster, but I intend in a few minutes to ascertain whether there is an attempt to filibuster.

Mr. CHAVEZ. Does not the majority leader feel that when statements on the floor have indicated that the bill might cost American consumers more than a billion dollars, the bill should at least be debated?

Mr. McFARLAND. I am perfectly willing to have the bill debated. The

only question I should like to have answered is, How much time is desired to debate the bill?

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

Mr. McFARLAND. We had before the Senate today an important matter, the German peace treaty. As the acting minority leader has suggested, we disposed of it promptly. It was of great moment to the country and to the world.

Yesterday we disposed of the defense appropriation bill. No bill of greater importance ever confronted the United States Senate, but the bill was disposed of under an agreement limiting debate on amendments to 20 minutes to a side.

Mr. President, I ask unanimous consent that beginning tomorrow at 10 o'clock the debate on the pending bill be divided equally between the proponents and the opponents, the time until 12 o'clock to be controlled on the one side by the Senator from Minnesota, and on the other side by the Senator from Illinois; that thereafter debate be limited on amendments to 40 minutes to an amendment, 20 minutes to a side, the time to be controlled by the proponent of the amendment on the one side, and by the Senator from Minnesota on the other side, in the event that he is opposed to the amendment; and in the event the Senator from Minnesota is in favor of the amendment, then the time to be controlled by the distinguished minority leader, or any Senator whom he may designate; and that thereafter debate upon the bill be limited to 1 hour, 30 minutes to a side, the time to be controlled by the distinguished Senator from Illinois on the one side, and the distinguished Senator from Minnesota on the other side.

Mr. DOUGLAS. Mr. President, reserving the right to object—

The VICE PRESIDENT. Let the Chair state the proposition, if he can.

The Senator from Arizona asks unanimous consent that beginning at 10 o'clock tomorrow the debate be divided between the proponents and the opponents of the pending measure, the time to be controlled, as he suggested, by the Senator from Illinois and the Senator from Minnesota; that beginning at 12 o'clock, and thereafter during further consideration of the bill, debate on all amendments, motions, appeals, and so forth, be limited to 40 minutes, 20 minutes to a side, the time to be controlled, in the first instance, by the proponent of the amendment, and by the Senator from Minnesota if he opposes it; otherwise by the minority leader or any Senator whom he may designate; and that thereafter the debate on the bill itself shall be limited to 1 hour, 30 minutes to a side, the time to be controlled by the Senator from Illinois and the Senator from Minnesota.

Mr. McFARLAND. And that all amendments must be germane.

The VICE PRESIDENT. That all amendments must be germane.

Mr. DOUGLAS. Mr. President, reserving the right to object—

The VICE PRESIDENT. The Senator from Illinois reserves the right to object.

Mr. DOUGLAS. Reserving the right to object, and I do not intend to object, I wish to make it clear that I do not desire to delay the vote upon this bill after it has received proper consideration. I have not engaged in a filibuster, I will not engage in a filibuster, I do not believe in filibusters. But I should like to point out certain extraordinary circumstances connected with the way in which the bill was brought to the floor and the way in which it almost passed.

If my understanding is correct the bill came to the Senate without a favorable report of the committee. The committee merely reported the bill without recommendation. The hearings have not been printed. I have before me a typewritten copy of the hearings, but I do not believe the hearings as such have been printed or are available.

The bill was about to be passed without discussion and without sponsorship, when the Senator from Illinois, fortunately, thought that he should rise and see that there was at least some discussion—and during the last 3 hours, we have had a very interesting, although disconnected, discussion upon the merits of the bill. There has been no attempt to prevent the Senate from reaching a conclusion, but there has been an attempt, and I am proud to say we shall continue it, to see that the issues are raised, so that the Senate will have a basis for reaching a conclusion.

I shall not object to the proposal, because I thoroughly agree that after Senators have read the RECORD and have had a chance to hear the arguments, there should be a vote upon the bill tomorrow. I hope the amendment which I have suggested can be read, that I may have a chance to explain it, and that it may be printed and lie on the desk. I believe the Senator from Louisiana [Mr. Long] has an amendment which he may intend to offer, and which, if he wishes, could be printed and lie on the desk. But I desire to clear the air, lest any imputation of filibustering be thrown upon the Senator from Illinois and other Senators who have tried to have the bill discussed.

Mr. MORSE. Mr. President, reserving the right to object, the junior Senator from Oregon has no intention to filibuster the bill, but he does intend to present his views on the bill at whatever length it may take to present them. He is going to object to the unanimous-consent request. He has already made it clear to the majority leader that he will object to any proposal for a unanimous-consent request in regard to the bill. I object.

The VICE PRESIDENT. The Senator from Oregon objects.

Mr. McFARLAND. Mr. President, I regret very much that there has been objection to the unanimous-consent request. I think I was unduly chastised—and I think the chastisement was uncalled for—by the Senator from Minnesota [Mr. HUMPHREY] last Saturday because I called up the most important bill that has confronted the Senate during this session, the defense appropriation bill. Some proponents of the fair-trade bill have sent out word that I was delaying the bill and was trying to keep

it from being passed. I want it to be known, and I am making a record of it now, that I have made a better record on the bill than has the Senator from Minnesota. My efforts have been directed toward getting the bill considered and passed. From now on—

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

Mr. McFARLAND. No; I will not yield yet.

I desire to have it known that I shall do everything I can to get this bill passed. Senators can talk about having a filibuster or not having a filibuster. A bill can be filibustered for a day, for 2 days, or for 3 months.

I merely wish the RECORD to show that I have done everything I could to have the bill passed, and we are going to continue our efforts to have it passed.

The VICE PRESIDENT. The Chair would like to suggest that in his temporary absence, and in the middle of the reading of an amendment in the nature of a substitute offered by the Senator from Illinois; the reading was interrupted so that the Senate could indulge in this proceeding, which is entirely out of order. Without unanimous consent, the reading of an ordinary amendment or an amendment in the nature of a substitute cannot be dispensed with. Therefore, the Chair orders the clerk to complete the reading of the substitute, unless consent is given for a suspension of the reading.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CHAVEZ. In view of the fact that many Senators were not present when the reading of the pending amendment started, would it be in order to ask unanimous consent that the reading proceed from the beginning?

The VICE PRESIDENT. It will be in order to ask unanimous consent that the reading proceed from the beginning. Is there objection?

Mr. HUNT. Mr. President, I object.

The VICE PRESIDENT. Objection is heard, and the clerk will resume reading at the place where he stopped.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. Will it be possible to have all the amendment printed at one place in the RECORD?

The VICE PRESIDENT. If the Senator wishes to ask that further reading of the amendment be dispensed with and that the entire amendment be printed in the RECORD at this point, and that it be printed and lie on the table, such a request is in order.

Does the Senator make such a request?

Mr. DOUGLAS. That is my request.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. I object.

The VICE PRESIDENT. Objection is heard. The clerk will complete the reading of the amendment.

The legislative clerk resumed and completed the reading of the amendment.

The VICE PRESIDENT. If there be no objection, the Chair will direct that the amendment in the nature of a substitute be printed intact so that it will appear all in one place. The RECORD will show that during the reading of the substitute certain proceedings were had, including the discussion which has taken place, the various unanimous-consent requests submitted, and so forth. Is there objection?

Mr. DOUGLAS. That was the request which the Senator from Illinois was making.

The VICE PRESIDENT. The Chair feels that it would be better to have the amendment appear in the RECORD as a whole, without being interrupted by the proceedings. Is there objection?

There being no objection, the amendment offered by the Senator from Illinois [Mr. DOUGLAS] was ordered to be printed in the RECORD entire, as follows:

Strike out all after the enacting clause and insert:

"That the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, is amended by adding at the end thereof the following new section:

"Sec. 27. (a) For the purposes of this section—

"(1) The term "delivered cost" shall mean invoice cost to a seller less the value of discounts received by a seller in money or the equivalent, plus the cost of transportation incident to delivery to the seller, and plus applicable excise and sales taxes to the seller.

"(2) The term "seller" shall mean a vendee, as used in this act, who purchases for resale.

"(3) The term "loss leader practice" shall mean selling a commodity, or advertising or offering a commodity for sale at retail at a price below the delivered cost of the commodity to the seller plus 6 percent of such cost, except that it does not include any of the following sales, or any advertisement or offer in connection therewith:

"(A) Any sale of a commodity for the bona fide purpose of discontinuing dealing in such commodity or of discontinuing the seller's business, when plain notice of that fact is given to the public.

"(B) Any sale of a commodity which is substantially damaged or deteriorated in quality if plain notice of the fact is given to the public.

"(C) Any sale by an officer acting under an order of court.

"(D) Any sale to any association organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(E) Any sale of a perishable commodity if further retention of the commodity by the seller could reasonably be expected to result in a loss to the seller.

"(F) Any sale which reasonable business practices require the seller to make in order to liquidate an inventory of a commodity to avoid insolvency or bankruptcy.

"(G) Any seasonal clearance sale made in accordance with customary business practices in order to dispose of excess inventory.

"(b) Any loss leader practice which affects commerce is hereby declared to be unlawful and actionable at the suit of any person damaged thereby.

"(c) (1) Any person injured in his business or property by any loss leader practice hereby declared to be unlawful may sue therefor in any district court of the United

States, as provided in section 4 of this act, or in any State court of competent jurisdiction, and recover threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee. Any person threatened with injury by any loss leader practice shall be entitled to injunctive relief against such threatened injury in any court of the United States, as provided in section 16 of this act, or to sue for and have such relief in any State court of competent jurisdiction when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity in that State, under the rules governing such proceedings, and upon the execution of proper bond against damages for an injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue.

"(2) Section 15 of this act (providing for suits by United States district attorneys to restrain violations of this act) shall not apply with respect to any loss leader practice.

"(d) (1) Nothing contained herein or in any of the antitrust acts shall render illegal any contract or agreement prohibiting a seller from reselling at a price below his delivered cost, any commodity which bears, or the label or container of which bears, the trade-mark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, when contracts or agreements prescribing minimum prices are lawful under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which such resale is to be made, or to which the commodity is to be transported for such resale, or for delivery to a vendee pursuant to a sale.

"(2) Nothing contained herein or in any of the antitrust acts shall render illegal the exercise or enforcement of any right or right of action created by any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia, which provides in substance that willfully and knowingly advertising, offering for sale, or selling any commodity at less than the minimum prices prescribed in any such contract or agreement whether the person so advertising, offering for sale, or selling is or is not a party to such contract or agreement, is unfair competition and is actionable at the suit of any person damaged thereby: *Provided, however,* That the rights or right of action created by or under such contracts and agreements shall not apply where the minimum price prescribed in such contract is higher than the delivered cost to the seller: *And provided further,* That the rights or right of action created by or under such contracts and agreements shall not apply to any of the following sales, or advertisement or offer in connection therewith:

"(A) Any sale of a commodity for the bona fide purpose of discontinuing dealing in such commodity or of discontinuing the seller's business, when plain notice of that fact is given to the public.

"(B) Any sale of a commodity which is substantially damaged or deteriorated in quality if plain notice of the fact is given to the public.

"(C) Any sale by an officer acting under an order of court.

"(D) Any sale to any association organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(E) Any sale of a perishable commodity if further retention of the commodity by the seller could reasonably be expected to result in a loss to the seller.

"(F) Any sale which reasonable business practices require the seller to make in order to liquidate an inventory of a commodity to avoid insolvency or bankruptcy.

"(G) Any seasonal clearance sale made in accordance with customary business practices in order to dispose of excess inventory."

"Sec. 2. That section 1 of the act entitled 'An act to protect trade and commerce against unlawful restraints and monopolies' approved July 2, 1890, as amended, is amended to read as follows:

"SECTION 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punished by fine not exceeding \$5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

Mr. LONG. Mr. President, I wish to say only a word or two about the parliamentary situation. If the Senator from Oregon had not objected to the unanimous-consent request I would have felt it my duty to object.

The first speech which I made on the floor of the Senate was in favor of the right of free and full debate in the United States Senate. That happened in connection with what I regarded as a rather historic debate. On that occasion we agreed to a compromise, providing that when two-thirds of the Members of the Senate wished to shut off debate at any time when a measure is before the Senate, they can do so by means of signing a cloture petition and bringing it before the Senate. Sixteen Members can sign it and bring it up, and a two-thirds' vote will shut off debate completely. Those of us from the South, by and large, agreed to go along with other Senators. Judging from the indications, there are plenty of votes to carry a cloture petition in the Senate in this instance if those supporting this bill will vote for it.

The Senator from Arizona speaks of filibustering. The junior Senator from Louisiana has no scruples against filibustering if he believes the situation justifies it. Nevertheless, if filibustering is an irregularity, what shall we say of the situation when a bill is brought up without a committee report, without the hearings being printed, and without a single speech being made in favor of a bill which would affect the prices which consumers all over the Nation would have to pay for certain commodities. In this instance only one Senator rose to make a speech, and before he was three-fourths of the way through his speech, some other Senator says that a filibuster is under way, before any other Senator had an opportunity to make a speech on the subject, and before a single speech had been made in favor of the bill.

I know of no man whom I hold in higher esteem or for whom I have a greater affection in the United States Senate than the Senator from Arizona [Mr. McFARLAND]. However, I say that it is completely unfair to suggest that a filibuster is in progress when a Senator who feels in his own heart and conscience that the bill should not pass, a

may yield to me without his losing his right to the floor.

subject, a man who has made a study of economics, rises and makes one speech against the bill.

If Senators wish to insist on a vote on the bill, there should be plenty of votes to carry a cloture petition, if they want to shut off debate without the bill being properly debated. I say that 2 weeks' debate on a matter such as this would not be unreasonable. If the majority leader is anxious to have the Senate adjourn for the conventions, I tell him that the Senate need not adjourn sine die. The Senate can be brought back, and we can debate the bill at length. If the majority leader is worried about having a vote on the bill, we can vote after we return. I do not believe that the comfort and convenience of Senators is so important that when some Senator believes he should rise and protest a measure such as this, affecting every citizen of this Nation, that Senator should not have a right to be heard, and other Senators should not have a right to be heard, until we have had reasonable debate on the bill.

Personally, I regret that such an implication was drawn. I know that the senior Senator from Illinois [Mr. DOUGLAS] in his own heart and conscience, is against filibustering. I know of occasions when the junior Senator from Louisiana felt that a certain subject should be debated at great length, but the Senator from Illinois, although he was on the same side, felt that we should not engage in lengthy debate if it would ultimately prevent a vote on the measure. I hope the RECORD will not indicate that the senior Senator from Illinois had any desire to prevent a vote, or that the bill could not be brought to a vote if there were a reasonable determination to bring it to a vote. Whenever a minority of the Senate has prevented a measure from being voted upon, it has always been my opinion that if the majority had the same determination to pass the measure that the minority had in trying to defeat it, the bill could be passed. All the majority would have to do would be to sit while the minority stood and talked. If the majority can sit as long as the minority can stand, any filibuster can be broken.

Mr. DOUGLAS, Mr. HUMPHREY, and Mr. MOODY addressed the Chair.

Mr. DOUGLAS. Mr. President, who has the floor?

The VICE PRESIDENT. The Senator from Illinois lost the floor, under the rule, when he yielded for a quorum call. However, if he desires to be recognized again, the Chair will recognize him.

Mr. DOUGLAS. Mr. President, I should like to be recognized.

The VICE PRESIDENT. The Senator can yield only for a question.

Mr. DOUGLAS. I should like to speak to the amendment.

Mr. McFARLAND. Mr. President, will the Senator from Illinois yield to me without his losing the floor?

Mr. DOUGLAS. I can yield only for a question, in accordance with the ruling of the Chair.

Mr. McFARLAND. I ask unanimous consent that the Senator from Illinois

may yield to me without his losing his right to the floor.

Mr. DOUGLAS. The Chair has ruled that I can yield only for a question.

The VICE PRESIDENT. The Senator can yield for other purposes by unanimous consent.

Mr. McFARLAND. I ask unanimous consent that the Senator from Illinois may be permitted to yield to me without his losing the floor.

The VICE PRESIDENT. The Senator from Illinois may yield, if there is no objection, to the Senator from Arizona for some other purpose.

Mr. DOUGLAS. Without losing my right to the floor?

The VICE PRESIDENT. Without losing the right to the floor.

Mr. DOUGLAS. With that understanding I yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I appreciate the position of the Senator from Louisiana.

The VICE PRESIDENT. Will the Senator speak louder?

Mr. McFARLAND. I appreciate the position of the Senator from Louisiana. We did not displace the bill at all, because at all times notice was given that an appropriation bill would take precedence. The misunderstanding was caused by the colloquy which occurred last Saturday. The RECORD shows that I have done everything possible to expedite the consideration and passage of this bill.

It is all right with me if Senators want to say that they believe in unlimited debate. I strongly believe in it myself. I will not ask for cloture on this bill. I have tried to give Senators an opportunity to vote on the bill. If it is defeated or if it goes over so that we cannot pass it, at least the Senate will have had an opportunity to vote on it. I think the Senate is ready to vote on the bill now. The reason no one—

Mr. DOUGLAS. Will the Senator yield at that point? I have yielded to him on my time.

Mr. McFARLAND. Very well.

Mr. DOUGLAS. Does the Senator from Arizona say that Senators are ready to vote on the bill now when they have not heard one speech in favor of the bill and have not read the report on the bill and do not have before them the hearings on the bill? How can the Senator from Arizona say that we are ready to vote on the bill?

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

Mr. McFARLAND. I thought the Senator from Illinois was ready to vote on the bill, because he was the one who moved to lay the bill on the table.

Mr. DOUGLAS. I am ready to vote on my amendment.

Mr. McFARLAND. The Senator was the one who made the motion to table, even before the bill was discussed. I believe every Senator knows how he will vote on the bill. The Senator from Illinois knows how he will vote on the bill. The Senator from Arizona knows how he will vote on it. I think we can dispose of it. The reason why the Senator from Illinois made his motion to table, I

presume, was because he thought the Senate was fully informed with regard to the measure. Let the small independent merchant and the small independent druggist, the men who are the balance wheel of the Nation know who is responsible for the defeat of this measure.

I merely wanted to make it absolutely clear that the Senator from Arizona is eager to bring this measure to a vote. I meant no criticism of the Senator from Minnesota, though I think he unduly chastised me. He is my friend, and I know he has a right to do it, but I thought he laid it on a little too hard; but I know how to take it.

I want the people throughout the country, especially the small druggist who is trying to eke out an existence, and who wants to be able to fight the big chain, to know who is holding up the bill. Call the roll of the Senate, Mr. President, and you will find those who are behind the small merchants and businessmen of the country.

Mr. DOUGLAS. Mr. President, I wish the Senator from Arizona would not leave the Chamber.

Mr. McFARLAND. I am not leaving the Chamber. I moved over here to speak to a friend who wanted to congratulate me. I am always willing to be congratulated.

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

Mr. DOUGLAS. No; I wish to say something on my own time.

The VICE PRESIDENT. The Senator from Illinois declines to yield.

Mr. DOUGLAS. I am glad that the Senator from Arizona is staying in the Chamber. At first I thought he was going to emulate Captain Shotover, the character in Bernard Shaw's play Heartbreak House, who would ask a question and then go out the door before anyone had a chance to reply.

Mr. McFARLAND. That is an unfair comment.

Mr. DOUGLAS. I was merely citing a play by Bernard Shaw.

Mr. McFARLAND. It is all right to cite plays, but not to cast reflections.

SEVERAL SENATORS. Vote! Vote! Vote!

The VICE PRESIDENT. The Senate will be in order.

Mr. DOUGLAS. I made my early motion to table merely in order that there might be a preliminary skirmish on this bill. I must confess that I was shocked that the bill was on the point of being passed without anyone speaking in its favor and without any statement being made concerning it and without any report of the committee being before us.

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

Mr. DOUGLAS. I decline to yield at this time.

The VICE PRESIDENT. The Senator declines to yield.

Mr. DOUGLAS. I should like to finish my statement.

Mr. McCLELLAN. The motion to table was defeated.

Mr. DOUGLAS. The motion was defeated. Mr. President, the amendment has been read. I wish to make it clear that my amendment is in the form of a substitute. It is in effect the so-called

Celler bill, H. R. 6986. I have a limited number of copies of the bill and I shall ask the pages to distribute copies of it to the Senators in the Chamber. It is the same as the Celler bill, with one exception. It prohibits a sale below cost which affects commerce, and it defines cost as the delivered cost of a commodity to the retailer plus 6 percent. In other words, it is more liberal to the retailer than the Celler bill. The Celler bill merely forbade sales at below delivered price.

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

Mr. DOUGLAS. May I first finish the sentence? Then I shall yield.

The VICE PRESIDENT. The Senator declines to yield at this time.

Mr. DOUGLAS. The present amendment defines cost as the delivered cost of a commodity to the retailer plus 6 percent. Therefore it is more liberal than the Celler bill. It permits a suit for damages in a Federal court by anyone who is hurt by loss-leaders. It exempts sales under bankruptcy, sales to organizations organized and operated exclusively for religious, charitable, literary or scientific purposes, seasonal clearance sales, and so on. The terms of the bill were worked out by Representative CELLER and experts of the House Judiciary Committee. Now I shall be glad to yield to the Senator from Vermont for a question.

Mr. AIKEN. I merely wanted to ask the Senator from Illinois if he has any knowledge as to whether the bill is in accord with the President's program.

Mr. DOUGLAS. I am not acquainted with all the details of the President's program. Certainly all members of his party are not justified in speaking for it. I can say that if the administration really means business—and I think it does—and if it opposes monopoly and opposes private price-fixing, the pending bill would seem to me to be a violation of the President's program. But I think it would be better if this information were obtained, as the English used to say, "out of the horse's mouth."

Mr. AIKEN. Has the bill been referred to any executive agency for study and report?

Mr. DOUGLAS. To the best of my knowledge it has not been. Pardon me; when I have been speaking of "the bill," I have been referring to the McGuire bill, the price-maintenance bill, as being a violation of the antimonopoly laws.

So far as I know, my amendment has not been referred to any of these agencies. However, I believe the amendment does constitute a legitimate protection to retailers. It seems to me that the amendment really continues the principles of the Robinson-Patman Act.

Mr. AIKEN. Will the Senator from Illinois explain the meaning of the letter from the chairman of the Judiciary Committee, which appears on the first page of Report No. 1741? Has the bill been referred to the Judiciary Committee, and has that committee held hearings on the bill and subsequently reported the bill?

Mr. DOUGLAS. Is the Senator from Vermont referring to the so-called Mc-

Guire bill, House bill 5767; or is the Senator from Vermont referring to the Celler bill?

Mr. AIKEN. Does the Senator from Illinois believe this bill should be considered by the Judiciary Committee?

Mr. DOUGLAS. Does the Senator from Vermont refer to the McGuire bill, the one now under consideration by the Senate?

Mr. AIKEN. That is correct.

Mr. DOUGLAS. I am not an expert on the rules of the Senate, and I shall not pass judgment on the question of whether that bill should have been considered by the Committee on Interstate and Foreign Commerce, which reported it without recommendation, or whether the bill should have been considered by the Judiciary Committee. I have made it clear that it was not my intention to insist that the bill be referred to the Judiciary Committee. I think that is another indication that I do not seek to prevent a vote on this bill.

I am perfectly willing to have the bill debated here on the floor of the Senate, and I do not wish to have the bill killed in committee.

So I shall not make any move to have the bill referred to the Judiciary Committee, but I believe the bill should be debated on the floor of this body.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. Yes, I yield.

Mr. AIKEN. Does the Senator from Illinois know of any instance in which any so-called monopoly bill has not been considered by or referred to the Judiciary Committee?

Mr. DOUGLAS. As I have said, I have not had the experience in this body that the Senator from Vermont has had. I know that frequently jurisdictional disputes arise over such matters. It is not my purpose to raise such a jurisdictional issue.

Mr. AIKEN. Does the Senator from Illinois know what reply, if any, was made to the request of the chairman of the Judiciary Committee to have the bill referred to the Judiciary Committee?

Mr. DOUGLAS. The letter of the chairman of the Judiciary Committee was addressed to the eminent Senator from Colorado [Mr. JOHNSON], the chairman of the Committee on Interstate and Foreign Commerce, and I shall have to ask him to reply to that question.

Mr. AIKEN. Mr. President, I ask unanimous consent that the Senator from Illinois be permitted to yield to the Senator from Colorado for that purpose, without causing the Senator from Illinois to lose the floor, and in that way to permit the Senate to have the information I have requested. I ask unanimous consent for that purpose.

The VICE PRESIDENT. The Senator from Vermont asks unanimous consent that the Senator from Illinois be permitted to yield to the Senator from Colorado, to have the Senator from Colorado answer a question. Is there objection?

Mr. AIKEN. Mr. President, I think the question is an important one.

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

Mr. JOHNSON of Colorado. Mr. President, as I understand the question, this is the answer: The Committee on Interstate and Foreign Commerce received a request, by letter, from the Senator from Nevada [Mr. McCARRAN], chairman of the Committee on the Judiciary, asking that the bill be referred to the Committee on the Judiciary.

The Committee on Interstate and Foreign Commerce explored the matter, and took it up with the Parliamentarian of the Senate. We were informed that inasmuch as the bill had been referred to the Committee on Interstate and Foreign Commerce, we did not have a right to refer the bill to another committee; that the only thing we could do with the bill was to handle it in our own committee or report it to the Senate.

We sent the bill to the floor of the Senate, where the Senate has complete authority and jurisdiction over the bill. The Senate can re-refer the bill if the Senate wishes to do so.

Mr. AIKEN. Would not it be more appropriate to have the bill taken up for consideration at a time when the chairman of the Judiciary Committee is present?

The VICE PRESIDENT. The Chair may be able to answer the question.

When this bill came to the Senate from the House of Representatives, the question of the committee to which the bill should be referred was a matter to be ruled on by the Chair.

The Chair read the bill, and decided that it should be referred to the Committee on Interstate and Foreign Commerce. The Chair referred the bill to that committee. In that decision the Chair had the concurrence of the Parliamentarian of the Senate.

What happened to the bill thereafter, is a matter over which the Chair has no control.

Of course, any Senator could have moved that the bill be re-referred to the Committee on the Judiciary, but no such motion was made.

The Chair referred the bill to the committee to which the Chair thought the bill was entitled to go.

Mr. AIKEN. I thank the Chair for that information. I merely thought it strange that the request to which I have referred appear on the first page of the report.

The VICE PRESIDENT. So far as the Chair knows, no request was made to refer the bill to any particular committee. The Chair acted under the rules of the Senate, and referred the bill to the Committee on Interstate and Foreign Commerce.

Mr. AIKEN. I am very glad to obtain the explanation of what happened.

Mr. DOUGLAS. Mr. President, it is not my purpose to hold the floor any longer.

I shall merely say that if we wish to stop loss-leaders, the way to do so is to prohibit them—which my amendment does. In order to stop loss-leaders, it is not necessary to give to manufacturers the power to fix retail prices—in fact, not only to fix prices to those who sign agreements, but also to fix prices to all

retailers, many of whom do not sign agreements.

In other words, Mr. President, in order to deal with the proximate and immediate evil, it is not necessary to take such a heavy dose as the McGuire bill proposes.

Since the Senator from Vermont has raised the issue as to the attitude of the President or of the President's office in regard to this matter, let me say that it is my information that the Bureau of the Budget—I do not know whether it can be said to speak for the President, but at least it thinks it can—has said that the fair-trade bill, the so-called McGuire bill, is not in accord with the President's program; and the Federal Trade Commission, as a substitute for the McGuire bill, has endorsed the type of bill which I have suggested, or another type of bill which, as I understand, is to be proposed, quite possibly by the Senator from Louisiana.

However, in order to make it clear that I am not trying to filibuster, I shall now yield the floor.

The VICE PRESIDENT. The Senator from Illinois has a right to yield at any moment.

Mr. LEHMAN. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Mr. President, I shall yield at this time for a question, but I hope I shall be permitted to take my seat, so that no charge of filibustering can be leveled at me.

Mr. LEHMAN. Mr. President, I sympathize entirely with the Senator's attitude. However, I wish him to yield to me for a question.

Mr. DOUGLAS. Very well; I yield.

Mr. LEHMAN. I am sure the Senator from Illinois heard the distinguished majority leader refer to his deep interest in the druggist and in the grocer, and I know that the interest of the distinguished Senator from Illinois, as well as my own interest and that of all other Members of the Senate, is also in the grocer and in the druggist. On the other hand, is it not a fact that what we who are opposing this bill are trying to do is to protect the 155,000,000 consumers of the United States?

Mr. DOUGLAS. That is correct.

Mr. LEHMAN. They are the ones who need protection. They are the ones who are being charged unduly high prices in many cases, the ones who are being mulcted out of hundreds of millions of dollars, without, in my opinion, any commensurate or corresponding gain on the part of the grocer and the druggist.

Is it not a fact that that is what we are fighting for—that we are not trying to hurt anyone, but we are trying to help all the people? At the present time we are particularly concerned in opposing this bill because of our desire to protect the 155,000,000 customers in the United States.

Mr. DOUGLAS. The Senator from New York is quite correct. We are trying to protect the really forgotten men and women of the country—the consumers.

Mr. MONRONEY. Mr. President, will the Senator yield for two short questions?

Mr. DOUGLAS. I yield for a question. Let it be understood that I am doing this out of courtesy. It is my desire to yield the floor.

Mr. MONRONEY. The questions I wish to ask are addressed strictly to the Senator's bill, which I think he can best explain.

Mr. DOUGLAS. It is the Celler bill.

Mr. MONRONEY. But the Senator from Illinois is sponsoring it.

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. Would the Senator tell the Senate whether his bill would, in fact, put every commodity or product sold at retail, and sold below 6 percent of the delivered cost plus 6-percent profit to a retailer, under the arm of the Federal law?

Mr. DOUGLAS. Yes. It is an attempt to prevent industry from getting under the arm of the private price fixer.

Mr. MONRONEY. Could the Senator tell me what percent he estimates is now under the fair-trade limitation?

Mr. DOUGLAS. That affects only branded items, and I shall be very glad to modify my amendment so that it would refer only to the national brands or trade-marked items.

Mr. MONRONEY. The point I was trying to make in my questioning was that the way the Celler bill is drawn, as introduced in the Senate, it would include everything sold at retail which did not bear at least a 6-percent mark-up, whereas the fair-trade and trade-marked items add up to about 1 percent of the merchandise that is sold, and leaves it to the States to have their own fair-price system, if they so desire.

Mr. DOUGLAS. Let the RECORD show that the Senator is perfectly willing to modify his amendment in the nature of a substitute, so that it will cover only the same type of goods referred to by the McGuire bill, namely, trade-marked or branded goods. The language will have to be formulated.

The VICE PRESIDENT. The Senator has a right to modify his amendment.

Mr. DOUGLAS. I will submit appropriate language at a later time in this debate. It will be on Senators' desks tomorrow. Again, Mr. President, unless there are other questions, I yield the floor.

The VICE PRESIDENT. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. I yield the floor.

Mr. LEHMAN. Mr. President, I am, like the rest of us, greatly interested in the welfare of druggists and grocers in my State and in other States, too. They are a highly respectable and responsible group of persons for whom I have sincere regard and in whose interest I have a deep concern. I very much wish that they be enabled to make fair and consistent profits and be prosperous.

I am not worried over the profits, as such, of the large manufacturers. I want to see general prosperity in this country, and I want to see every industry make fair and equitable profits. But I

am concerned most of all at this moment, and I am worried, about the plight and the position of the consumer—the 155,000,000 consumers in this country—and I do not think there is any question that the fair-trade laws in our various States, if they are allowed to operate under the terms of the pending bill, will mean that the consumers of this country will have to pay higher prices and pay out more of their income for these protected products.

Not for a very long time, probably not since I came to the Senate, have I been more in doubt about what I should do with regard to a bill. I have thought deeply about this bill and have discussed it extensively with others, and I have finally reached a decision to oppose this fair-trade bill; I have reached that decision with reluctance and with some doubt and hesitation.

My hesitation was based in part on the fact that, as Governor of New York, I had signed one of the first fair-trade bills that was enacted in any State of the Union. I signed it in 1935. I accompanied my signature of that fair-trade law with a strong message, a message which has been quoted in the courts on a number of occasions.

I think the history of that New York bill, and the story of why I signed it in 1935, may be of interest to my colleagues in the Senate.

That bill, as I have said, was enacted in 1935, when we were working our way out of a very great depression. It was enacted at a time when it was very difficult for manufacturers to dispose of their products at fair prices in the normal manner. They had considerable inventories and the consumers had insufficient money to buy these goods. The result was that manufacturers in their efforts to sell their products and reduce their inventories were willing to sell their goods to large department stores and big distributors at any terms, at almost any price. Of course, that led to a situation in which the small druggist, the small grocer, and the small merchant, who had their own inventories and who could not compete in price with the big retailer, had no opportunity to protect themselves. The little stores were being bankrupt and driven to the wall, and going out of business. That led to very great losses on the part of small dealers, for whom, I wish to say, I have the greatest regard. I think they are one of the most important and most necessary elements in our economy. They are the backbone of our country.

There was another thing that related to that bill, which I wish to mention tonight. When I signed that bill, I thought that the manufacturer would go out and sign up all or a greater part of the distributors of his particular product. Certainly there could have been at that time no objection whatsoever to a fair-trade bill that would permit the manufacturer to invoke the protection of the law for the contracts into which he had entered with distributors and merchants. To my considerable surprise, I found that the manufacturers did not sign up the majority of the distributors, but that they used the law

in such a way that if they signed up one distributor or one retailer and got him to agree to maintain a certain price, that price was enforced for every other retailer and distributor in the whole State.

I did not contemplate such a development at the time the bill was before me. I can speak only from the standpoint of New York, but I can say to Senators that such a development was not generally envisioned when the bill was passed by the Legislature of the State of New York and obtained my approval. But that situation has developed and remains until the present time, namely, that the signing up of one retailer or distributor has imposed an obligation on every other distributor or retailer in the entire State. In my opinion, that is not a sound practice, and certainly it imposes restrictions on the free enterprise and trade we all wish to see maintained.

If the pending bill is enacted, I do not think there is any doubt that it will increase the cost to the consumer, and I do not believe it will mean any real or lasting profit to the distributor or the retailer. The situation today is so different from what it was 15, 16, 17, or 20 years ago, when we were in the midst of a depression, that I believe today the distributor or retailer does not require this protection or gain by it.

I do not believe that, save in isolated cases, the little merchant's trade is seriously interfered with or that his profits are seriously interfered with, in the absence of a fair-trade law. The little pharmacist or grocer or hardware dealer has the advantage of an intimate relationship with his community and has the further advantage of knowing the people with whom he deals. I do not believe that because a large department store 2, 3, or 4 miles from where the small dealer operates, for a very short time cuts prices, is going to interfere seriously with the business of the small merchant. I think the ability and the authority given to all merchants to fix their own prices, regardless of any Federal intervention, or State intervention, if you will, at least gives the guaranty, if not of lower prices, then of stabilized, reasonable prices, which would not be the case under a fair-trade law.

Mr. MOODY. Mr. President, I yield to no Member of this body, not even the distinguished and illustrious Senator from Illinois, in my interest in the consuming public. From the day I entered the Senate, I have sponsored measures and policies which I felt to be in the interest of the consuming public of America.

I feel that this measure is not only in the interest of the small-business men, but also in the long-term interest of the consumers. Therefore, I feel that the Senate should pass this bill.

Fair trade, so-called, is a complicated issue. There are good arguments on both sides, as we have heard here tonight. Those of us who believe strongly in a really free economy, and hope for a vigorous enforcement of the antitrust laws, at first hesitated to approve of fair trade.

In the best of all possible worlds, Mr. President, a fair trade act would not be necessary to protect small business. Unfortunately, we have not yet reached that happy state. We have found that when the powerful cross-currents of economic power are permitted to run unleashed they sometimes destroy not only individuals, but can cripple the economy.

The farm economy of America went through a decade of recession in the 1920's, and helped precipitate the great depression of 1930-32, until vigorous action was taken here to protect agriculture from depression. Workingmen were paid an average of \$17 a week, when they could find jobs, and were threatened, blacklisted, and stink-bombed for attempts to organize, until their right of collective bargaining was assured by law. Big business itself, when governments followed its orders as a pliant stooge, plunged during 1931-32 into a slough of red ink—\$3,400,000,000 worth of it—before common sense and a new administration and a new Congress came to take the practical steps needed to restore confidence and buying power.

The real danger of price fixing in America does not spring from the little-business man—the small druggist, the modest furniture dealer, the independent petroleum dealer, the neighborhood grocer. All are essential to our way of life. Mr. President, the real danger lies not so much in vertical arrangements on advertised brands, which are in competition with each other, as in the potent horizontal price-fixing alliances between some primary producers which stifle competition in some fields entirely.

It is there the antitrust laws should be enforced, Mr. President. It is there that the consumer should be protected. The consumer is not protected, in the long run, by the evanescent advantage of being able to buy a few items at less than cost, when he inevitably must make up that loss by paying higher prices for other goods, and when the result of unfair price cutting can only be to cripple or destroy small competitive business. Small business is the heart and soul of our real competitive system, which has given America the most goods at the best value, and the highest standard of living of any nation in the history of the world. When Joe's corner grocery store and Jim's drug store leave the neighborhood, something will have gone out of American life that can never be recovered. We must not let it happen, Senators, and I am confident we will not let it happen.

Should we permit small-business men to be destroyed, Mr. President, we would be undermining the basic strength that makes our country free and great.

I should like to read briefly from the report of our Senate Small Business Committee on fair trade because, under the leadership of the distinguished Senator from Alabama [Mr. SPARKMAN], this committee has gone into this matter with great care. The conclusion reached by the committee, and as stated in the report, reads:

CONCLUSIONS

The events of the past year in the field of fair trade have been of grave concern to

your committee. In particular, the Schwegmann decision and the ensuing price wars were viewed as matters of tremendous import to small business. Had the price wars continued, they could have done incalculable harm to countless small businesses. The memory of the early 1930's and the great numbers of small, independent concerns that were then lost to the economy directly as a result of similar price wars is still fresh. The possibility is strong that the damage to fair trade wrought by the Schwegmann decision might well precipitate similar business failures should our economy suffer a sudden reversal.

Your committee is hopeful that the members of the business community will recognize their responsibilities in this situation and that they will realize the dangers inherent in loss-leader selling and cut-throat competition, that they will realize that such practices can result only in damaging the whole economy. It is not only the small independent merchant who suffers in a price war. The manufacturer and the consumer also suffer. And the leaders of price-cutting campaigns should realize that injury to other segments of the retail trade cannot benefit them. Gains realized from loss-leader selling are short-lived. The practice is a vicious one and defeats itself. No merchant, no matter how large, can afford to continue loss-leader selling indefinitely. He must engage in other practices in order to recoup his losses. And such other practices of necessity require that he sell other merchandise at high profits. The consumer must sooner or later discover the fallacy of the loss-leader selling technique, and then the retailer loses the good will of his customers and their patronage. The good sense and recognition of their responsibilities should impel the overwhelming mass of the business community to the logic and wisdom of fair trade. The Nation's economic well-being depends to a large extent on the vitality of America's small businesses. Threats of price wars must be eliminated if that vitality is to endure.

Mr. President, I may say parenthetically that I should like to see the Senator from Illinois offer his amendment, if he offers it, as an addition to the bill, rather than as a substitute.

Mr. President, I believe the consumers would be better protected if this bill should pass than if it should fail to pass. The danger of monopoly would be much greater without the bill than with it, I hope the Senate will pass the bill.

Mr. HUMPHREY. Mr. President, it is not my intention tonight to speak at length on this measure, but I feel that in light of the colloquy, and the very sharp debate which has gone on, some explanation is due.

First of all, the Senator from Illinois [Mr. DOUGLAS] has made a point of the fact that when this bill was called on the calendar the proponents of the bill did not speak up. I happened to be at the telephone at the time the bill was called. I came to the floor as quickly as I could, and when I arrived I found a motion had been made to table the bill. I feel that those of us who are for this measure surely must make our case. I do not believe that any Senator should expect to vote on a measure such as this without honest debate.

Let me say, with all due credit and honor to the Senator from Illinois, that rather than that he should be chastised for what he has done, he should be honored because he has brought out some

issues that need to be discussed. He has given those of us who are the proponents of the measure an opportunity to speak on the bill and to reply to his charges. Furthermore, he has been most generous with his time. He has yielded again and again to those of us who have wanted to interrogate him.

I, for one, desire to say that if the debate on this measure should take a little time, it would not be time wasted, because just as there are those who think it is bad for the consumers, there are those who believe it is good for the retailers, the manufacturers, and the general economy of the country.

I also desire to pay tribute to the Senator from Louisiana [Mr. LONG] for his defense of the customer, and particularly his comments concerning the Senator from Illinois [Mr. DOUGLAS]. The fact of the matter is that we got ourselves into a parliamentary situation which was due to no one's judgment, but was just a matter of happenstance and unfortunate circumstances.

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

Mr. HUMPHREY. I am glad to yield for a question.

Mr. LONG. The Senator is most fair in the position he has taken, and I believe he is entirely right in saying that matters which are of great moment to the people should be fully discussed. The Senator has been fearless in standing and fighting when he has been in the minority, and certainly he appreciates, as all of us do, that it is unfair to expect any measure to be voted upon without giving those who are opposed to it an opportunity to state their case, so that not only the Members of the Senate but the people may judge. It is unfortunate that so many Members might have made up their minds without hearing the debate. In some cases their minds may have been made up because of pressure or political appeal rather than on the merits of the issues involved.

I am very much interested in hearing what the Senator has to say. Perhaps he will convince me that I should join his side. My mind is not closed. I think we should have an opportunity to make the case clear in the Record, for anyone who might want to study it in the future or read it at the present time.

Mr. HUMPHREY. I thank the Senator. I know his keen interest in the question of our price laws, antimonopoly laws, and all matters which pertain to our commerce. I shall still respect his judgment if he opposes me.

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

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Is it not a fact that perhaps one of the reasons why some Senators have made up their minds and do not require a great deal of additional debate is that the country lived for many years under this kind of an act? The Supreme Court held a certain portion of it to be unconstitutional, on a technicality, which technicality this bill would correct. Therefore, I think many of the proponents, although welcoming an adequate debate, did not feel

that it would require an exhaustive debate as it would if it were an entirely new piece of legislation with which they were unfamiliar. The dome of the Capitol has not toppled; the Washington Monument still stands, although the Nation did have this kind of a law for a great many years. I think 1 percent of the retail commodities are trade-marked items, and those-trade-marked items which are under fair-trade contracts have very little bearing on the general economy or the cost of living.

They are merely items that help to preserve the integrity, the ability, and the soundness of the small businesses of America. I do not remember any cases of small businesses growing into gigantic trusts or monopolies because of a fair-trade act. I do not think the people need to worry about the small-business man becoming an ogre that will destroy them because of the interpretation this bill places on the antitrust act.

Mr. HUMPHREY. Mr. President, I thank the Senator from Oklahoma because he has made comment on a subject concerning which I hope to say a few words.

What are we attempting to do in this proposed legislation known as the McGuire bill, or, as others call it, the fair-trade bill? It is not something that is new, because we have been living with fair-trade laws ever since the Miller-Tydings Act, and many years before. This bill seeks to do just one simple thing, namely, to restore in the Federal enabling statute the meaning which I believe the Miller-Tydings Act had when it was passed in 1937. I would refer to the dissenting opinion submitted by Mr. Justice Frankfurter in which Justices Black and Burton concurred. Justice Frankfurter summarized his objections to the Court decision when he said, in May of 1951, speaking for two of his learned colleagues and for himself, a learned judge:

Every one of the 42 State acts which the Miller-Tydings amendment was to back up—the acts on which the Miller-Tydings amendment was to place a stamp of approval—contained a nonsigner provision. As demonstrated by experience in California, the State acts would have been futile without the nonsigner clause. The Court now holds that the Miller-Tydings amendment does not cover these nonsigner provisions. Not only is the view of the Court contrary to the words of the statute and to the legislative history, it is also in conflict with the interpretation given the Miller-Tydings amendment by the Federal Trade Commission, by the Department of Justice, and by practically all persons adversely affected by the fair-trade laws. * * * Where both the words of a statute and its legislative history clearly indicate the purpose of Congress, it should be respected. We should not substitute our own notion of what Congress should have done.

In other words, Justice Frankfurter says that the legislative history of the Miller-Tydings Act made it perfectly clear that the so-called nonsigner clause was a very definite part of its intentment.

So, what this bill attempts to do is to plug the loophole which the Court said it found in the Miller-Tydings Act. It is intended to set at rest the doubt which

has been raised by the Supreme Court's decision. It does not alter the laws of any of the 45 States which have fair-trade laws.

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

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Does it in any way impose anything upon any State or any person?

Mr. HUMPHREY. It does not, in any way whatsoever, impose anything upon anyone or any State that was not considered to be in the original Miller-Tydings Act.

May I point out that the then Attorney General, Thurman Arnold, testified before a committee of the Congress asking for the repeal of the Miller-Tydings Act. He said it included the nonsigner clause which the Court said it did not include.

What are we called upon to do? To clarify the law. In other words we are to overrule in the Congress the split decision of the Supreme Court.

Mr. SPARKMAN. Is it not true that what we are trying to do by this bill is simply to take notice of or to recognize acts which have been passed by 45 of the States?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. SPARKMAN. If there is anything wrong about this bill, the trouble can be traced to the respective State legislatures, back home among the people, which passed the various State acts. The States wanted to have those acts passed.

Mr. HUMPHREY. Again the Senator is correct.

Mr. SPARKMAN. Congress now is simply saying to the States, "We recognize your wish in this matter, so we shall pass enabling legislation in order to protect commodities which move across State lines."

Mr. HUMPHREY. The Senator is correct. The very matter of which the Court took judicial notice in 1950 and 1951, in the Wentling case and in the Schwegmann case, the nonsigners' clause, is the subject matter which in 1939 and 1940 was rejected by the Court. Again what the Senator from Alabama has said is wholly true, that the bill would require no change to be made in the laws of the States. As a matter of fact, the McGuire bill, so far as Federal fair-trade policy is concerned, would do nothing whatsoever to the fair-trade acts of 45 States. It would take nothing away from any of the State acts. It would overcome the court decisions, so that it would be truly an enabling Federal statute.

I may say to Senators who have tonight raised their voices in opposition to the Miller-Tydings Act that they have had almost 17 years in which to raise their voices. I should have said 15 years, because the act has been on the books since 1937. Many States of the Union had fair trade laws before 1937. But the Miller-Tydings Act has been on the statute books since 1937. The California statute contained a proviso known as the nonsigner's clause, of which so much has been made tonight; namely, that if a

particular manufacturer signed up with one firm, all others would be in the same group, even though they did not sign. The law is clear, and has been upheld by the courts since 1933. I desire to make it perfectly clear that decision after decision in the Supreme Court, in the circuit courts, and in district courts has upheld the constitutional validity of State acts. There is not a shadow of doubt as to their legality or constitutionality.

I conclude this portion of my statement by asking why, all at once, there is a torrential outpouring of criticism of fair trade, when, in fact, we have been living under it in America; when, in fact, the rules of competition have been legalized in America; when, in fact, the retail business of America has been improved because of fair trade laws; when, in fact, State after State has proved that the laws work well when they are subject to the closest scrutiny of consumers, manufacturers, and retailers at the State level.

I heard tonight the cry about the consumer. Where does the consumer have a better opportunity to be heard than in his own State legislature? These statutes are State laws, administered by the States, which have an obligation to the citizens and consumers of the States.

If the consumer thought he was getting a bad deal because of a fair-trade law, he would have gone to his legislature. Yet it may be noted in the RECORD that not one State legislature has repealed a fair-trade law, nor has there been any substantial request for the repeal of such a statute. In fact, additional statutes have been passed in order to protect against predatory interests in the retail field.

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

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. A few minutes ago the able Senator made reference to the fact that the Miller-Tydings law was passed in 1937, and he said something about the number of States that had passed fair-trade laws up to that time.

I call the attention of the Senator to the fact that the first fair-trade law was passed by California in 1931. By the end of 1936, 14 States had passed such laws. In 1937, the same year in which the Miller-Tydings law was passed, 20 more States had passed such laws, making a total of 42 States.

In the excerpt from the Schwegmann case, from which the Senator read a few minutes ago, Mr. Justice Frankfurter made reference to the fact that when the Miller-Tydings Act was passed, 42 States had fair-trade laws, to which the Miller-Tydings Act was applicable, and that all of them contained a nonsigner provision.

Mr. HUMPHREY. I may supplement the Senator's remarks by saying that it had been clearly understood by the lower courts, and also by the Federal Trade Commission, which today opposes this bill—and it is a matter of their own official records—and it was likewise clearly understood by the Department of Justice, that the Miller-Tydings Act included, through its provisions and its legis-

lative history, enabling authority for the nonsigner clause. That is a matter of record.

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

Mr. HUMPHREY. I yield.

Mr. LONG. I was very much interested to hear the Senator say that the matter of fair-trade laws is left entirely up to the State legislatures.

Mr. HUMPHREY. That is correct.

Mr. LONG. The States are not compelled to accept this kind of law. If they do not desire this type of fair-trade law, they do not have to have it.

Mr. HUMPHREY. That is correct.

Mr. LONG. Would the Senator be willing to have the same principle apply to the Fair Employment Practices Commission?

Mr. HUMPHREY. I desire to thank the Senator, but the Fair Employment Practices Commission measure is not enabling legislation; it is substantive legislation. When we are considering substantive legislation, I shall expect the Senator from Louisiana to give me vigorous opposition, because I know that he always feels that the States ought to have the opportunity to regulate local affairs, and the Senator has been so persuasive and eloquent throughout the years that I have been moved closer and closer to his position. I have even altered my ideas about FEPC with respect to local and State authority. If the Senator will remain with me, I venture to say that he will join with Senators who support the McGuire bill, which provides enabling legislation for the States. Otherwise he will learn that instead of having a bill providing local responsibility and the exercise of State authority to do economic justice in respect to States, he will get a bill like the Celler bill, which is being proposed here, which would empower Government agencies to check on every commodity to determine whether or not there was a 6-percent mark-up, or whether this commodity or that commodity was to be included.

Ah, I may say to the Senator from Louisiana, we States' righters have got to stand together tonight. We have got to stand together on these questions. [Laughter.]

Mr. LONG. I am pleased to hear that the Senator has made so much progress in his belief that the States should determine so many questions for themselves. I hope his views on the FEPC will come around to the idea of leaving the decision with respect to such a matter to the States, to leave it up to the people.

Mr. HUMPHREY. I may say to the very able, eloquent, and eminent Senator from Louisiana that if 45 States of the Union are as much in favor of FEPC as they are in favor of fair trade, I think the Senator will have pulled all my teeth and whittled down all my fangs, and I shall have to give up the fight.

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

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Could the Senator enlighten the Senate, and in particular the junior Senator from Oklahoma, as to the approximate percentage of items

moving at retail which come under fair-trade laws? My impression is that the figure is about 1 percent, but I know that the Senator from Minnesota has given a great deal more study to the question than I have.

Mr. HUMPHREY. I must confess that I do not have accurate statistics on that question, but I know that out of the total volume of retail trade, it is a very small proportion. I believe the total volume of fair-trade products which have been sold in the past calendar year was something like \$6,000,000,000 out of a total national income of approximately \$278,000,000,000. That gives a good idea of what the amount of sales of fair-trade commodities would be. I would say they would amount to from 1 to 2 percent.

Mr. MONRONEY. So all the hubbub, worry, and fear are being created by a volume of from 1 to 2 percent of the business. Unless the senior Senator from Illinois can amend his loss-leader amendment, and after reading the amendment, I do not see how that can be done, without a redrafting of the whole measure, he would compel 100 percent of everything moving in the retail trade to be under the long arm of the Federal law. That would include sugar in the grocery stores, and sugar has never borne even a 6 percent mark-up. Many other items historically have never carried a 6 percent mark-up.

But this proposed substitute would force everything except distress merchandise to be sold at cost, plus at least six percent, without having anything to do with the protection of trade-marked items whose value a manufacturer has established through national advertising costing millions of dollars, in an effort to maintain fair trade on a nationally advertised product at a nationally advertised price, when any imitator or other manufacturer can produce an equal or corresponding competitive product without being under fair trade.

Mr. HUMPHREY. I thank the Senator. I think he has pointed out the real differences between the Douglas amendment, or the Celler bill, and the McGuire bill, the bill presently under consideration. That is a distinct contribution.

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

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wonder whether the distinguished Senator from Minnesota is accurate when he states that about \$253,000,000,000 worth of goods are sold at retail.

Mr. HUMPHREY. No; I did not say that. I said that the total national income was over \$250,000,000,000, and that the total amount of retail sales of fair-trade goods was around \$6,000,000,000.

Mr. LEHMAN. The total goods sold at retail would be considerably under \$100,000,000,000.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. So the trade-marked goods would not be 1 or 2 percent, but perhaps in excess of 6 percent.

Mr. HUMPHREY. In terms of volume of sales, I think the Senator is right. In terms of items covered, the percentage might be different. I think we

should look at the facts, and I shall see that we get the facts, because there is no use conjecturing.

In 1950 the Third Circuit Court of Appeals, in the Wentling decision, weakened the fair-trade structure by holding that the enforcement of a fair-trade law in any other State having a fair-trade law constitutes an unlawful burden upon and an interference with interstate commerce. Under this decision mail-order houses and other retailers who sell across State lines are permitted to disregard the fair-trade laws of every State but their own.

All they have to do is to obtain a badge of innocence from their own State, and go out and literally commit economic murder. They have a type of immunity in going from one State to another. All they have to do is to behave at home. They can raise all the dickens they want to away from home. Abe Martin once said that all men are alike when they are away from home. This is exactly what is being attempted with this bill. It is said, "So long as you behave in Kansas, you can go to Nebraska and have a good time wrecking the whole economic marketplace."

That does not make sense. I do not propose to be any kind of lawyer, but that is the rule of the jungle. It is the rule of the bully. It is the rule of the bad boy, who acts like a pious, innocent soul at home, but the minute he gets out of town he starts having himself a junket, a good, frisky time, getting both himself and everybody else into trouble.

What we are trying to do under the McGuire bill is to say, "Your conduct at home shall be the same as your conduct when you leave home. If you are an economic gentleman in Kansas, when you visit your brothers and sisters in Nebraska, be an economic gentleman there." That is all we are saying under the McGuire bill.

I thought I would like to go into the legal problems, because I think they have caused a great deal of trouble. I cannot imagine anything else that has caused as much furor. We have been waiting 15 years to hear the speech tonight by the Senator from Illinois [Mr. DOUGLAS]. We have been waiting 15 years to hear what the Senator from Louisiana [Mr. LONG] has said, and 15 years to hear others. All at once we are hearing speeches about how terrible a fair-trade law is when, so far as I have been able to find out, no petitions have been filed by any consumers with respect to fair-trade laws. At least none have been brought to my attention.

Not many legislatures have had referendums, recalls, or initiative votes on the part of the citizenry on this subject, directed to the legislature or the governor. This has been an open subject. There has been no closed book. There has been no iron curtain. Everyone has had an opportunity to be heard. What has actually happened is that the retailer has been better off, the manufacturer has been better off, and the consumer has been better off. I am going to prove tonight that the argument which has been made about this being a bad bill for the consumer is an argu-

ment which cannot be based upon statistical facts or long-range good public policy.

Let us take another look at the subject of fair-trade laws. The Congress of the United States is a policy-making body. The legislatures of the respective States make policy in their sovereign areas. The Congress of the United States has established policies on many occasions which cannot be justified on the basis of dollars and cents, or profit-and-loss ledgers. Congress has at times made policies which are surely discriminatory. For example, the Congress of the United States treats a corporation one way and treats a farm cooperative another way. I am for that. I think that is good public policy. I think we need farmers' marketing cooperatives, and I think farmers' marketing cooperatives need some protection in order to flourish and grow for the benefit of the American farmer. However, I receive letters saying, "You give them special treatment." Perhaps that is right. However, the simple fact is that that is public policy.

There are other public policies. The Reclamation Bureau has a public policy. It says that a person cannot hold more than 160 acres of irrigated land upon a reclamation project. Can anyone in this body prove to me that a 160-acre farm is more economical than a 400- or 500-acre farm? As a matter of fact, the public policy of this country favors the family-sized farm. Can anyone prove by economic statistics that the family-sized farm is more economical to operate, or a better functional unit? As a matter of fact, statistics prove that a large corporation type farm can produce commodities more cheaply. It can produce larger quantities. It is more manageable from all the technical points of view. It is possible to have a better, more efficient system. But, my colleagues, America is not interested in the corporation farm as a part of its economy. America places a social value upon the family-sized farm, and we pay a price for that social value, a price which I am willing to pay, and everyone else is willing to pay. We could have farms of 100,000 acres or 50,000 acres, with absentee ownership and management, but that does not build the kind of America we want.

Public policy has something to do with other things besides dollars and cents. I have heard the argument to the effect that the consumer may save himself a few dollars if there are no fair-trade laws. Let us accept that thesis for the purpose of argument. Let us assume that the argument is correct, although I think I can prove that it is not. But even if it were correct, that does not tell us that that is the thing to do. It does not tell us that that is the kind of policy we should have.

I suppose it could be proved that if an employer could work people 60 hours a week, with a whip in his hand, he might be able to get more production. But we are not interested solely in production. We are interested in people living the good life. So we limit the workweek to 40 hours, as a matter of public law.

We establish a rule of time-and-a-half for overtime, so that employers will be encouraged to limit employment to 40 hours a week. We have many principles and policies which are social policies, and political policies, for the purpose of what? For the purpose of building the kind of society that America wants.

We are talking about a political, economic, and social decision tonight. We are not necessarily talking about whether some penny-pinching person is going to be able to save half a cent on a loaf of bread. We are talking about the kind of America we want. Do we want an America where, on the highways and byways, all we have is catalog houses? Do we want an America where the economic market place is filled with a few Frankensteins and giants? Or do we want an America where there are thousands upon thousands of small entrepreneurs, independent businessmen, and landholders who can stand on their own feet and talk back to their Government or to anyone else, in case they feel that they are being unjustly treated.

We want an America in which private property is meaningful. We want an America which preserves its property values—at least where there is equal opportunity to preserve the value of property. I submit that the best argument for a fair trade law is not what it does in terms of prices or profits. The best argument for a fair trade law is the kind of America it helps to preserve. The reason fair trade laws came into being was the cheap, cut-rate, pine-board store, backed by large financial interests which were able to step into the marketplace and drive the little merchants out of business, one after another, breaking up town after town and village after village, wrecking the whole system of freeholders and free enterprises in this country.

If this bill costs America some dollars, it is still a good bill. If this bill costs America hundreds of thousands of dollars in increased prices, it is still a good bill. Why? Because we need free, independent business in this country.

Mr. President, there is no use talking about competition if we are not going to have things to compete with. There is no use talking about free enterprise if the enterprise system is not going to have any freedom within it. All we have to do to find out what happens is to fail to have such a law on the statute books as is here proposed and when a depression comes let the law of the jungle prevail.

The argument is made that there was a time when we needed a law such as this, but not now. Let me tell Senators that the same thing can be said about other laws. I have heard people say there was a time when the labor movement needed collective bargaining, and that there was a time when they needed the right to organize and the right to the union shop, but not now, because they are big and strong. Mr. President, how long will they remain big and strong if the labor laws are repealed? It is true of farmers, too. I have heard people say that there was a time when they needed price supports,

but they are now all well off and they no longer need price supports.

Mr. President, the time when we need such laws on the books is when we do not have to use them. The very fact that we do not have to use a law indicates the fact that it has done its job.

The fair-trade law has proved itself for 15 years, and it has put order into the market place. It has protected thousands of business places in America. I remind Senators that the people who operate these business places are also consumers. They have sons and daughters and uncles and aunts and cousins and nephews and nieces who consume goods.

If America ever loses its family-size farms, if we are ever willing to pay the price of failure to keep the family-size druggist, the merchant, or the hardware dealer in business, and if we are ever willing to put dollars above sound public policies, America's freedom will be gone. Our freedom and our property and human values are preserved by such principles. They are not preserved by cheap or cut-rate catalogs. No cut-rate catalog will ever take care of America's independence.

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

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. The Senator has said something about the possible cost in money. I am not so certain that it will cost money. I should like to ask the Senator to comment on this statement which was included in the report of the Small Business Committee with reference to fair-trade law:

Fair-trade items have increased in price 10½ percent since 1939, while the cost of living, according to the Department of Labor, has risen more than 85 percent.

Does that indicate that fair-trade laws have cost the consumer money?

Mr. HUMPHREY. It surely does not. I want to give further emphasis to what the Senator has said. My own university, the University of Minnesota, which we believe has a very good school of business administration, has compared the prices of 50 leading drug items before fair trade and under fair trade in 1939.

Prof. H. J. Ostlund of the University of Minnesota's School of Business Administration compared the prices of 50 leading drug-store products before fair trade, namely, during the depression years, and under fair trade in 1939. He and his associates did the job State by State. They found that consumers paid 1 percent less, on the average, for these products under fair trade than they paid in the pre-fair-trade depression days.

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

Mr. HUMPHREY. I yield.

Mr. MONRONEY. With further reference to the expense under fair trade, we all know that there is no fair-trade law in the District of Columbia. Yet the District of Columbia, month after month, has the highest living cost in the United States, according to the labor index. If fair trade were the guilty party, the District of Columbia surely would have a lower figure. The Senator

is also aware of the fact that a manufacturer who spends millions of dollars on a trade-marked resale price item is not going to sit back complacently and let the industry undersell him on that item. He has too much involved, and he will replace that item with a fast mover, because it is all based on the mass-production system.

There is plenty of competition in the retail field. Anyone who has ever gone into it has found that out. Anyone who goes into the grocery, hardware, or furniture line will find that the retail industry, of all industry, means what it says when it talks about the free competitive enterprise system, because that is where competition is at its keenest, and it is competition which will always keep prices down. Fair trade is no barrier. Even if General Electric made a fair-trade refrigerator and Frigidaire made a fair-trade refrigerator, the two could not get together and fix the profit on an electric refrigerator. The bill prohibits that kind of price fixing. However, within the Frigidaire licensed dealers and within the General Electric licensed dealers, the price is maintained on their particular product.

Mr. HUMPHREY. The Senator is correct. One of the big mistakes that is made is in confusing capital goods with consumer goods. In the retail field there are literally thousands of commodities which the small retail pharmacists must handle. He handles as many as 25,000 separate items to take care of the people who come into his store. I am talking about a small store, in a medium-sized town.

Mr. President, with respect to the charge of collusion that has been made, it would take an Einstein to figure out how any collusion could occur. With that many commodities there is all kinds of competition. Let us take a refrigerator like Kelvinator. Kelvinator makes not only the Kelvinator refrigerator, which is trade-marked, but also a brand which it makes for sale through a catalog house to persons of lesser income. There is all kinds of competition. This bill specifically outlaws any horizontal price fixing such as that to which the Senator from Oklahoma has referred in such detail and in such plan and analytical language.

Mr. President, I can argue the statistics of this bill, and I am prepared to argue statistics for a long time. I have lived fair trade. I think I feel this subject much more deeply than any other political issue. I do not care whether the druggists are for or against it. I know that people who have supported me have told me, "Don't you be for this bill." Mr. President, I am for this bill, because I remember when we did not have such a law. I saw people literally lose their economic lives before we had a fair-trade law. I saw them driven out of business. I do not want to go back to the rule of the jungle in order to give someone a chance to buy a tube of tooth paste for 2 cents less, while destroying the whole fabric of our economic system.

Some say that we must protect the consumer. It is no way to protect the consumer by driving competitors out of

the field. Senators may remember the little produce houses that handled butter, eggs, and chickens, which they bought from the farmers. The houses were owned independently by local people. Sometimes as many as four or five of them stretched across the country from one county seat to another. Then Armour, Swift, and Fairmount came along, put trucks out on the road, started to pick up the chickens and the eggs and the butter, and paid a better price for the produce than the local produce operator could pay. Pretty soon they drove the local operators to the wall, and they bought their businesses at 50 cents on the dollar. They drove them all out of business. Today all over the Midwest—and I suppose it is true also in the South and in the Northeast and in the far West—instead of seeing small independent produce companies, operated by one family, which contributed to the school board and the PTA and the local lodge, the business is done by the big chain outfits, operating clear across the country. What happened to the farmer after they ran out the little fellow? They said, "We have been paying you a high price long enough, and now we will pay you a lower price."

That is exactly what will happen, once we get rid of the fair-trade laws.

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

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Minnesota yield to the Senator from Washington?

Mr. HUMPHREY. I yield.

Mr. CAIN. Earlier in the evening the Senator from Illinois said, I believe, that enactment of this fair trade bill would cost American consumers several billion dollars a year. Will the distinguished Senator from Minnesota comment on what he believes the Senator from Illinois was actually talking from—what set of figures, what statistics, what supporting evidence the Senator from Illinois was offering to the Senate in support of his contention that enactment of this bill would result in costing the consumers of the country an additional several billion dollars a year?

Mr. HUMPHREY. I understand that the Senator from Illinois was speaking from statistics prepared by the Federal Trade Commission, and he was using certain analytical studies which have been made by the Federal Trade Commission.

I happen to disagree with those statistics. I thank the Senator from Washington for bringing this point to my attention, because I have spent a great deal of time working on this subject, and it is included among a few pet projects which I have. In fact, I have spent a very great deal of time in studying the fair trade laws, and I wish to submit to the Senate my facts on this subject.

Mr. CAIN. Then does the Senator from Minnesota agree with me that an argument such as the one submitted by the Senator from Illinois must be destroyed, in order to satisfy the natural concern of American consumers?

Mr. HUMPHREY. I think that is correct. In fact, we have to point out that

the figures which have been submitted here cannot be fully substantiated.

Let me say here, however, that if the fair trade law should cost more in terms of consumer prices, I still say it is a good "buy," because we have to think of both today and tomorrow.

Mr. CAIN. A few minutes ago the Senator from Minnesota indicated that he thought enactment of this bill would add some hundreds of thousands of dollars to consumer costs. I can readily understand such a figure.

However, there is a fundamental and very large difference between "some hundreds of thousands of dollars" and the "several billion dollars" to which I have just made reference, as previously mentioned by the Senator from Illinois.

Mr. HUMPHREY. There certainly is. My figures were given in only general terms; I was not trying to be accurate.

But now let me give some case studies which have been made.

I have the highest regard for the figures which have been submitted; but enough figures to fill a library have been collected on this subject.

Mr. CAIN. Mr. President, let me say that the Senator from Minnesota obviously must have a very high regard for the Senator from Illinois, who has offered figures to which I have referred, but at the same time the Senator from Minnesota could have neither regard nor respect for figures which in the aggregate amount to several billion dollars a year of added cost.

Mr. DOUGLAS. Mr. President, let the RECORD show clearly that I did not speak of billions of dollars. I quoted from an article in Fortune magazine, which certainly is not a magazine that is biased against big advertisers or against those who have trade-marked brands, and therefore certainly Fortune magazine is not biased against the advocates of resale price maintenance. However, the article in Fortune magazine said that the cost of the present measure would be from \$750,000,000 to \$1,000,000,000 a year; and, Mr. President, in colloquial language "that ain't hay."

Mr. HUMPHREY. Mr. President, I am going to point out to the Senator that "that ain't hay," and also that although I have the greatest regard for Fortune magazine, yet it is known as somewhat of an intellectual vehicle for the Luce empire.

I do not think we need be concerned about whether Fortune magazine is a magazine for the big advertisers, because Fortune magazine has a little track of its own, and lets the others run their own show.

Let us consider the figures which I have here. First of all, let us consider the Federal Trade Commission's studies which have been made. As I said earlier in the debate with the Senator from Illinois, the Federal Trade Commission takes figures at the depth of the cut-rate situation, when prices were below cost, and then compares those prices with the regular prices of the commodities, and thereby gets great margins or differences between the two. In other words, it is something like telling a person how to gain weight, after he has been for 30

days on a diet of crackers and water, and has gotten down to virtually nothing but skin and bones. If at that time someone gives him milk, water and sugar, in 2 weeks he will have gained 20 pounds or more. Then it might be said, "All one need do is live on milk, water, and sugar."

Of course everyone knows that when one has starved until he is about to collapse and is in the depths of despair, a little milk, sugar, and water will prevent complete malnutrition.

On the other hand, when we obtain the proper figures, we begin to obtain the proof; and that is what I shall submit.

Mr. MONRONEY. Mr. President, will the Senator from Minnesota yield to me, for a question?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Would not the figures prepared by the Federal Trade Commission, to which the Senator from Minnesota referred when he said those figures showed a great margin or disparity, be similar to the figures arrived at in showing an increase in the price of wheat from 30 cents a bushel to 60 cents a bushel, at which point it might be said that the price of wheat had increased 100 percent?

Mr. HUMPHREY. Yes. Of course, in such a situation it might be said that a price increase of 100 percent had been had, and that therefore everything was wonderful.

Mr. MONRONEY. Yes.

Mr. HUMPHREY. When the Senator from Illinois was out of the Chamber, I paid him a tribute—I wish to assure him of it now—which is justly deserved by him for the way he opened the debate on this bill. I apologize that we who are proponents of the bill did not do a better job in joining the issue. Certainly the Senator from Illinois was absolutely correct in the criticisms he leveled against us.

A little earlier I said that one of the best research marketing agencies in the United States has made a study of this matter. Certainly it is one of the large agencies.

The Senator from Connecticut [Mr. BENTON], who knows a great deal about these matters from his former association with the advertising business, collaborated by saying that the Nielsen agency is one of the foremost research agencies, and is known throughout the United States for its independent research and its economic studies for the benefit of business institutions.

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

Mr. HUMPHREY. I yield.

Mr. McFARLAND. A few moments ago the Senator from Minnesota spoke of farm parity prices. Does the Senator from Minnesota agree with me that if there had not been farm parity prices, there might have been a depression?

Mr. HUMPHREY. There is no doubt of that.

Mr. McFARLAND. The small-business man and the farmer must have some protection.

Mr. HUMPHREY. That is correct.

Mr. McFARLAND. The small-business man and the farmer are the ones who have helped make our Nation great.

Mr. HUMPHREY. The Senator from Arizona is correct; they have been the backbone of our economy.

Mr. McFARLAND. Mr. President, will the Senator from Minnesota yield for another question?

Mr. HUMPHREY. I yield.

Mr. McFARLAND. How long does the Senator from Minnesota intend to speak?

Mr. HUMPHREY. I shall not speak very long, let me say. I took the floor tonight only because I felt that the admonition given by the Senator from Illinois was appropriately given, namely, that those of us who are the proponents of this bill should at least submit our argument in favor of it, so that those who are the opponents can "work it over."

Mr. McFARLAND. That is correct. But the Senator from Illinois admitted that we had full advice on the matter when he made the motion to lay the bill on the table.

Mr. DOUGLAS. No, Mr. President—

Mr. HUMPHREY. No, Mr. President; I do not want the Senator from Illinois, my friend, even to have to answer that statement, because I know that when he made the motion to lay the bill on the table there was not much else he could do, other than permit the Senate to pass the bill; and so the Senator from Illinois made the motion.

Mr. McFARLAND. The Senator from Illinois could have spoken, as he did afterward, for 3½ hours before he made the motion.

Mr. President, I believe all Senators have made up their minds in regard to this bill. When the Senator from Minnesota concludes his presentation, which has been a very able and constructive and very convincing one—and I do not believe there is any question that the Senate will pass the bill—I believe we should adjourn and go home for tonight, for the hour is now 25 minutes to 11.

Then we can begin the session tomorrow morning at 10 o'clock, and can continue until 3 o'clock or even 4 o'clock the following morning, or to whatever time is required in order to pass the bill.

Mr. HUMPHREY. In order to have the RECORD correct, I wish to say that the 3 hours during which the Senator from Illinois was on his feet were not consumed by him alone. I am an accomplice to that alleged crime, if it is one; I was deeply involved. In addition, a number of other Senators took a great deal of the time of the Senator from Illinois. In fact, I sympathized with him for the way we were jumping up, asking him to yield; but I was so interested in the subject that I was tempted to join in the argument.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is not our good friend, the Senator from Arizona, whistling to keep up his courage as he goes through the woods, when he says this bill is going to be passed, anyway? Is not the Sen-

ator from Arizona giving us a good example of self-induced optimism? [Laughter.]

Mr. HUMPHREY. Mr. President, I wish to say a kind word for the Senator from Illinois.

On the other hand, I must agree with the final, judicious, and considered judgment on the part of the majority leader, for I am confident that the bill will be passed, and I am confident that it should be passed.

That is all the more reason why I believe the opposition should have a chance to have its "say." If one is so sure, I believe he should be given all the time in the world.

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

Mr. HUMPHREY. I yield.

Mr. McFARLAND. If the Senator from Illinois thinks the Senator from Arizona is whistling, let us vote now on this bill.

Mr. LONG. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. LONG. Those of us who have been observing the actions of the majority leader can understand why he is the majority leader, for he proceeds in accordance with the theory of "if you have the votes, vote."

But, of course, those who do not favor a measure take the position that if they do not believe the measure has sufficient merit, they should let it be debated a while, to see if its weaknesses cannot be developed.

Senators whose desks are virtually covered with telegrams from druggists and grocers no doubt would like to have the vote on this bill taken at once.

On the other hand, those of us who have become convinced of the faults of the bill think it reasonable and proper for a moderate amount of time to be used in debating the bill and in disclosing its weaknesses and faults.

We desired to hear the debate, to hear the issue developed, in order that we might be more confident in our own mind that we were doing the right thing. This measure has been under consideration for a part of 1 day. I have known of measures that were not nearly so important, which took 2 or 3 weeks. Certainly the debate on this issue will not take more than perhaps 2 days. But I do not think it reasonable, after one Senator has made a speech—and the only speech I heard has been against the bill—to suggest that all debate be closed immediately, and that the Senate proceed to vote at once, before we know what we are doing, before the bill has been debated, and before we have had a full hearing.

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

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. I desire to raise an entirely different question, because the Senator from Minnesota and the Senator from Oregon are on opposite sides of this bill, up to this moment, although I may say I find the Senator from Minnesota very convincing on certain points.

I want to protect the Senator from Minnesota from another standpoint. I have asked to have the ticket tear-sheet brought in, and I believe that one of the attachés of the Senate is looking for it. But, in case it does not get here before a recess is taken—and something tells me that the Senate is soon going to recess—

Mr. HUMPHREY. The Senator has that feeling, has he?

Mr. MORSE. I have that feeling.

Mr. HUMPHREY. I have been feeling that way, myself.

Mr. MORSE. I understand from one of the employees that the ticker is carrying a story stating that the Senator from Minnesota [Mr. HUMPHREY] voted to lay this bill on the table. I thought I might give the Senator from Minnesota an opportunity to correct that, because we all know that the Senator from Minnesota voted against laying it on the table; and, if that is on the ticker—and I have been advised that it is—I think in fairness to the Senator from Minnesota I should give him an opportunity to have the statement corrected now.

Mr. HUMPHREY. I thank the Senator from Oregon. If either the Associated Press or the United Press ticker service inferred that the Senator from Minnesota voted to lay this bill on the table, it has committed an error, and I know that either of them will properly and promptly correct it. I have a high regard for those two press services. So I ask them to do so, to check the wires, to see that everything is in good shape.

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

Mr. HUMPHREY. I yield.

Mr. McFARLAND. If an error has been committed in that regard, it will not be the first error that has ever been committed. I have been made a little happy. I thought my good friend from Louisiana had his mind made up, and that he was going to oppose this bill. I am glad he has an open mind. If he is seeking enlightenment, I shall be glad to suggest that the Senate remain in session tonight as long as he desires in order that he may listen. If he listens, I am sure he will be convinced; and I earnestly hope that he has an open mind. I thought he was against the bill, but since I believed we had enough votes without his, and was not worried about it. Of course, I should like to have him vote right, because the druggist and the small-business people of Louisiana who are struggling, trying to make a living, would want him to be right. So I am willing to give my good friend from Louisiana plenty of opportunity, and I do not want to cut off any debate unduly. I merely thought he had his mind made up. I am happy to find that that is not the case.

Mr. HUMPHREY. I want to say to the Senator from Arizona I feel sure that the Senator from Louisiana is simply being a gentleman, as he always is, and is being courteous in listening to me, because, as the good reverend said, "There are very few souls saved after the first 15 minutes of the service" and I did not see the Senator hit the sawdust trail.

I am afraid he has simply dedicated himself to this economic evil.

Mr. McFARLAND. I hope the Senator is wrong. I hope the Senator from Louisiana is not beyond redemption. [Laughter.]

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

Mr. McFARLAND. I yield.

Mr. LONG. I certainly hope that my good friend from Arizona will hear what few words my friend from Minnesota may have to say. The Senator from Louisiana has always felt that if we could see to it that the small merchants acquired their goods at the same price the large concerns were paying for the same commodities, we would be able to protect the little fellows, and they would not have to have a fair-trade law to provide for the fixing of prices with which they would be required to compete.

I am afraid the Senator from Arizona did not have an opportunity to hear enough of the previous debate, because all the small-business associations, who are urging us to vote for this bill, were at that time urging us to vote against the basing-point bill, or to vote for an amendment that would protect all the independent merchants. I propose to offer some of those amendments, and I hope at that time we may be able to persuade the Senator from Arizona to go along with us.

Mr. HUMPHREY. I want to complete the point that was brought up by the Senator from Oregon, following which I am going to yield the floor. I was talking about the Nielson study, and I bring this to the attention of my colleagues.

Mr. McFARLAND. Mr. President, will the Senator yield for one more question?

Mr. HUMPHREY. I yield.

Mr. McFARLAND. Does the Senator know whether the State of Louisiana has a fair-trade law?

Mr. HUMPHREY. Surely it has—and it is a good one.

Mr. McFARLAND. Fine. That is perhaps why the Senator wants to deprive the other States of the privilege of having one.

Mr. HUMPHREY. The trouble is, there are 44 other States that have them, and I am afraid the Senator is thinking Vermont, Missouri, and Texas might apply a little heat in his State.

I referred to a study with reference to consumer prices, and I want this item to be perfectly clear for the RECORD. The Nielson study compares prices gathered from 45 fair-trade States with the prices consumers paid for the very same products, in Missouri, Vermont, Texas, and the District of Columbia. The study analyzed the prices of fair-trade drug products of various kinds, products typically used for consumer bait by price jugglers. In the non-fair-trade States, they can be sold at any price or even given away. I should like to stress the fact that the prices used at that time by Nielson were collected for purposes quite unrelated to fair trade. These surveys took in all the druggists in the United States, rather than a selected few. Through the agencies employed, a representative sampling was taken of 770

stores of all types. The Nielson study covered a 6 months' period, from March through August of 1951, rather than an hour or a day, as in the case of the Federal Trade Commission studies. The results show over-all average prices, weighted to reflect the volume of goods sold at each price. Thus the survey shows the consumers as a whole, and what the consumer's as a whole paid in fair-trade and non-fair-trade areas during the 6 months' period. I should like the Senator from Washington to listen to this. Specifically, consumers under fair trade in the 45 fair-trade States paid an average of 1.4 cents less per volume-product.

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

Mr. HUMPHREY. I yield.

Mr. McFARLAND. Does the Senator want to finish his speech or would he like to have the floor in the morning?

Mr. HUMPHREY. In view of the lateness of the hour, I am willing to take my seat and take my chances on being heard, if I need to be heard again.

Mr. McFARLAND. Mr. President, I am willing to make a suggestion in order that the Senator may have the floor again. I ask unanimous consent that when the Senate reconvenes the Senator from Minnesota may have the floor.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. McFARLAND. Mr. President, I am about to move that the Senate stand in recess until 10 o'clock in the morning.

The PRESIDING OFFICER. Will the Senator from Arizona withhold the motion, in order that the present occupant of the chair may make a unanimous-consent request?

Mr. McFARLAND. I am glad to withhold it.

The PRESIDING OFFICER. In his capacity as a Senator, the present occupant of the chair asks unanimous consent that pages 213 to 226 of the annual report of the Senate Small Business Committee be printed at this point in the RECORD. It deals with the fair-trade law.

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

CHAPTER X. FAIR-TRADE LAWS

Fair trade may be defined as a system which allows the owner of a trade-mark or a brand name to set minimum resale prices on his product. Statutes sanctioning resale price maintenance agreements apply only to products which are in free competition with similar commodities. In addition, they apply only when the retailer employs the good will of the manufacturer, by use of the name, to help him in selling. The statutes sanction only "vertical" agreements. They exclude "horizontal" agreements between manufacturers, producers and all parties who would normally be in competition with each other.

The year 1951 was a crucial one for small business and the proponents of fair-trade laws. In May the Supreme Court handed down its decision in the now famous Schweg-

mann¹ case. The decision all but upset 20 years of progress in the field of fair-trade legislation. It set off a series of events that threatened for several weeks to bring back the old price wars. It appeared for a time that the decision had destroyed all the work that had been done in the preceding 20 years to protect manufacturers, retailers, and consumers alike from the evils attendant upon cut-throat competition. A survey undertaken by Dun and Bradstreet disclosed that as of the middle of June, price cutting was on the wane. During the remainder of the year there was no significant trend to extend price cutting.

But the Schwegmann decision remained the law. It cut away the heart of the Miller-Tydings Act and the price-maintenance statutes enacted by the State legislatures. The door was open to the complete destruction of fair-trade laws. At year's end, friends of fair trade were marshaling their forces. Small-business retailers were especially active in the campaign to reinforce the legislation which they felt they so urgently needed if they were to survive.

It will be the purpose of this chapter to review the history of fair-trade laws and their impact on small business and to appraise the outlook for small business in the light of the Schwegmann decision.

THE CASE FOR FAIR TRADE

The first advocates of fair-trade legislation were the manufacturers of name brand articles. They found that they were becoming the victims of loss-leader selling, a system whereby a retailer would advertise a popular name brand product at a low price in order to attract customers into his store. The manufacturer found that sales of his product in other outlets would suffer because the buyers were going to the store that advertised the lower price. In many cases the name brand article was being sold below cost. A large retailer could afford to do this because the customers who came to his store to buy the bargain would also buy other merchandise which returned a high profit. The small merchant could not afford this practice because his sales of other merchandise would not compensate for the loss he would have to take on the name brand item. The result was that the small merchant would lose business to his larger competitor. The manufacturer would also lose business because the small merchant and many others like him would be forced to drop the name brand item. Another result was that the item became cheap in the eyes of the consuming public. Buyers reasoned that if one merchant could sell it at a price substantially below that previously advertised, then the merchants who sold it previously and the manufacturer must have been making an excessive profit at the expense of the consumer. Oftentimes competition among large retailers of the item would precipitate price wars which would result in further contraction of the manufacturer's number of outlets.

There was the case of the Ingersoll dollar watch, a name brand item which was extremely popular several years ago. It was a very serviceable watch. It was nationally advertised as selling for \$1 and the price became part of the name. Some retailers throughout the country decided to use the Ingersoll watch as a loss-leader. They began to sell it for less than a dollar. The price went down and down as competition increased, until it was finally selling for 57 cents, far below the wholesale price. The retailers who were selling it at that price were making up their losses on sales of other merchandise in their large stores. People who came to buy the watch rationalized that

¹ Schwegmann Bros. et al. v. Calvert Distillers Corp. (341 U. S. 384).

there must be other similar bargains in a store that would sell an Ingersoll dollar watch for 57 cents. The proprietor thus succeeded in selling at a profit a number of other items.

Small-business retailers were forced to drop the Ingersoll dollar watch. They could not sell it if they charged more than 57 cents, and they could not afford to sell the watch at that price and take the loss involved in each sale. The result was that the manufacturer lost his market and was forced out of business. Having been forced out of business and compelled to release the workers in his plant, he realized the evils of loss-leader selling. He became a leader in the fight for fair-trade laws. The consuming public also lost because they were no longer able to buy a serviceable watch for a dollar.

It may thus be argued that fair trade yields benefits for everyone—the manufacturer, the small-business retailer, and the consumer. It assures the manufacturer a steady market for his product. It does not give him an unfair advantage or a monopoly, because, even with the protection of fair-trade legislation, he must compete successfully with other manufacturers of the same or similar products. If he does not maintain the quality of his product or if he fixes the price too high, he loses out to his competitors in spite of fair-trade laws. But fair trade does protect him against the evils of loss-leader selling and the possible destruction of his product and his business through price cutting.

Fair trade benefits the small retailer by placing him on an even footing with all other retailers of the same item, large and small. His margin of profit is fixed to yield him a fair return, and he is protected from destructive competition from others who might be able to afford to use the item as a loss-leader.

The consumer benefits in a number of ways. He knows, for example, that an item covered by fair-trade legislation may be purchased at a standard price wherever he goes to buy it. Fair trade eliminates the necessity for "shopping around." He knows, too, that the price is fair. By the very nature of fair-trade laws, a price-fixed item cannot succeed unless it competes successfully with similar items produced by other manufacturers. In the drug field fair-trade items have increased in price just 10½ percent since 1939, while the cost of living, according to the Department of Labor, has risen more than 85 percent. Fair trade also assures the consumer that a qualified product will remain on the market. It will not be lost to the consumer through loss-leader selling.

The advantages of fair trade prompted support not only from manufacturers of name brand articles but also from retailers and consumers. The depression following 1929 gave impetus to the movement for legislation which would allow the fixing of minimum resale prices.

LEGISLATIVE HISTORY OF FAIR TRADE

California was the first State to enact fair-trade legislation. In 1931 the California Legislature passed a statute¹ allowing a manufacturer to establish resale prices on his product. The statute was binding, however, only on those retailers who signed an agreement with the manufacturer. This proved completely ineffective since retailers not signing such agreements were free to sell the product at any price. In 1933 California amended its statute² to provide that an agreement entered into by a manufacturer and a retailer was binding upon all other retailers who had notice of the agreement. This amendment was the so-called non-

signer clause which, in effect, allowed a manufacturer or wholesaler to fix a minimum resale price for his product. Every fair-trade law thereafter passed by any State contained this nonsigner clause.

By the close of 1936, 14 States had passed such laws. In 1937, 28 more States passed them. There are fair-trade laws today in 45 of the 48 States. Only Texas, Missouri, Vermont, and the District of Columbia have remained outside the fold.

The Louisiana statute³ contains a typical nonsigner clause:

"Willfully and knowingly advertising, offering for sale, or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provision of section 1 (sec. 9809.1) of this act, whether the person so advertising, offering for sale, or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby."

Such statutes were valid and enforceable so long as their effect was confined to goods moving intrastate. Where products moving interstate were involved, the statutes ran afoul of Federal law. The Sherman Act,⁴ passed by Congress in 1890, declared illegal "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations."

Under this act, price-maintenance contracts would be illegal. Any attempt on the part of a manufacturer to enforce such a contract in interstate commerce would be enjoined. The manufacturer or anyone else attempting to enforce the contract would be subject to civil and criminal penalties, and no court would enforce it. Fixing minimum prices, like other types of price fixing, was illegal *per se* under the Sherman Act.

In 1911, the Supreme Court considered the question of resale price maintenance agreements in the case of *Dr. Miles Medical Co. v. Park & Sons Co.*,⁵ and held them illegal under the Sherman Act. The case involved a suit brought against a nonsigner. The Court held that an agreement to maintain resale prices was a "contract . . . in restraint of trade," which was contrary to the Sherman Act.

THE MILLER-TYDINGS ACT

Supporters of fair trade tried for several years to remove the Sherman Act obstacle from the path of the fair-trade movement. A number of bills were introduced in Congress. In 1929, the Capper-Kelly⁶ fair-trade bill was offered. It permitted resale price maintenance on specified classes of commodities by declaring that no such "contract relating to the sale or resale" shall be unlawful. The bill did not contain a nonsigner clause. It merely legalized an agreement "that the vendee will not resell the commodity specified in the contract except at a stipulated price."⁷ It became the model for the California law passed in 1931.

The Capper-Kelly bill was reintroduced in the Seventy-second Congress.⁸ It did not pass.

In 1936, Senator Tydings introduced his first bill in the Seventy-fourth Congress. It followed substantially the Capper-Kelly bill and did not contain a nonsigner clause. It legalized "contracts or agreements prescribing minimum prices or other conditions for the resale" of a commodity. The second Tydings bill was introduced in the Seventy-

fifth Congress. The House then had under consideration the Miller bill⁹ which contained practically the same language as Senator Tydings' bill.

The Miller-Tydings Act¹⁰ was enacted in 1937 as an amendment to section 1 of the Sherman Act. It provided that "nothing herein contained shall render illegal, contracts or agreements prescribing minimum prices for the resale" of specified commodities when "contracts or agreements of that description are lawful as applied to intrastate transactions" under local law.

Despite the absence of a nonsigner clause in the Miller-Tydings Act, the Department of Justice apparently has not instituted any prosecutions under the Sherman Act since 1937 because of enforcement of fair-trade laws against nonsigners. This does not appear to have been an oversight on the part of that agency. It has been fully aware of the import of the Miller-Tydings Act. In hearings before the Temporary National Economic Committee, Assistant Attorney General Thurman Arnold called for repeal of the Miller-Tydings Act because it made legal the nonsigner provisions of the State fair-trade laws.¹¹

Until the decision in the Schwegmann case, and in spite of the absence of the nonsigner clause in the Miller-Tydings Act, there did not appear to be any question but that the nonsigner provisions were within the act. The contention that they were not within the act was raised in only two reported cases after 1939. In both cases, the argument was rejected.¹²

THE SCHWEGMANN CASE

In the light of the legislative and judicial history of fair trade legislation, the Supreme Court's decision in the Schwegmann case¹³ was a shock to advocates of fair trade. A brief statement of the facts in that case will serve to demonstrate the dilemma it created for the fair-trade movement.

The original suit was brought by Seagram Distillers Corp. and Calvert Distillers Corp., Delaware and Maryland corporations engaged in the distribution of gin and whisky. The respondents were Schwegmann Bros., operators of a New Orleans supermarket. Seagram and Calvert had price-fixing agreements with over a hundred Louisiana retailers whereby they tried to maintain uniform retail prices for their products. Under these agreements the retailers promised to sell the products of Seagram and Calvert at not less than the prices stated in the distributors' schedules.

Schwegmann Bros. had refused to sign one of these agreements and were selling the products of Seagram and Calvert at cut-rate prices. Under the Louisiana fair-trade law,¹⁴ Schwegmann was bound by the agreements entered into by Seagram and Calvert with the other Louisiana retailers and was guilty of unfair competition. Seagram and Calvert sought an injunction against Schwegmann, relying on the Miller-Tydings Act. They argued that the prohibition of the Sherman Act against price-fixing agreements had been immunized by the Miller-Tydings Act so long as such agreements were valid under State law.

Seagram and Calvert won an injunction in the district court and the court of appeals affirmed.¹⁵ The Supreme Court reversed the court of appeals, saying that nothing in the

¹⁰ H. Rept. 382, 75th Cong., 1st sess.

¹¹ 50 Stat. 693, 15 U. S. C., sec. 1.

¹² TNEC Hearings, pp. 18162-18165.

¹³ *Calamia v. Goldsmith Bros., Inc.* (299 N. Y. 636 and 775; 87 N. E. 2d 50 and 687); *Pepsodent Co. v. Krauss Co.* (56 F. Supp. 922).

¹⁴ See note 1, supra.

¹⁵ See note 4, supra.

¹⁶ 184 F. 2d 11.

¹ La. Gen. Stat., secs. 9809.1 et seq.

² 26 Stat. 209.

³ 220 U. S. 373.

⁴ S. 240, 71st Cong., 1st sess.; H. R. 11, 71st Cong., 1st sess.

⁵ H. Rept. 536, 71st Cong., 2d sess.

⁶ S. 97, 72d Cong., 1st sess.; H. R. 11, 72d Cong., 1st sess.

¹ Cal. Stat., 1931, ch. 278.

² Cal. Stat., 1933, ch. 260.

Miller-Tydings Act sanctioned the enforcement of price-fixing agreements against nonsigners. The Court reviewed in detail the legislative history of the statutes, both State and Federal, and concluded that the Miller-Tydings Act exempted from the Sherman Act only "contracts or agreements prescribing minimum prices for the resale," and that nonsigners were not within the scope of the act.

Mr. Justice Douglas, writing for the Court, said:

"The Miller-Tydings Act expressly continues the prohibitions of the Sherman Act against 'horizontal' price fixing by those in competition with each other at the same functional level. Therefore, when a State compels retailers to follow a parallel price policy, it demands private conduct which the Sherman Act forbids. Elimination of price competition at the retail level may, of course, lawfully result if a distributor successfully negotiates individual 'vertical' agreements with all his retailers. But when retailers are forced to abandon price competition, they are driven into a compact in violation of the spirit of the proviso which forbids 'horizontal' price fixing.

"A real sanction can be given to the prohibitions of the proviso only if the price maintenance power granted a distributor is limited to voluntary engagements. Otherwise, the exception swallows the proviso and destroys its practical effectiveness.

"The contrary conclusion would have a vast and devastating effect on Sherman Act policies. If it were adopted, once a distributor executed a contract with a single retailer setting the minimum resale price for a commodity in the State, all other retailers could be forced into line. Had Congress desired to eliminate the consensual element from the arrangement and to permit blanketing a State with resale price fixing if only one retailer wanted it, we feel that different measures would have been adopted—either a nonsigner provision would have been included or resale price fixing would have been authorized without more. Certainly the words used connote a voluntary scheme. Contracts or agreements convey the idea of a cooperative arrangement, not a program whereby recalcitrants are dragged in by the heels and compelled to submit to price fixing. . . .

"We could conclude that Congress carved out the vast exception from the Sherman Act now claimed only if we were willing to assume it took a devious route and yet failed to make its purpose plain."

A dissenting opinion was submitted by Justice Frankfurter, in which Justices Black and Burton concurred. Justice Frankfurter summarized his objections to the Court's decision when he said:

"Every one of the 42 State acts which the Miller-Tydings amendment was to back up—the acts on which the Miller-Tydings amendment was to place a stamp of approval—contained a nonsigner provision. As demonstrated by experience in California, the State acts would have been futile without the nonsigner clause. The Court now holds that the Miller-Tydings amendment does not cover these nonsigner provisions. Not only is the view of the Court contrary to the words of the statute and to the legislative history, it is also in conflict with the interpretation given the Miller-Tydings amendment by the Federal Trade Commission, by the Department of Justice, and by practically all persons adversely affected by the fair-trade laws. . . .

Where both the words of a statute and its legislative history clearly indicate the purpose of Congress, it should be respected. We should not substitute our own notion of what Congress should have done."

THE PRICE WAR

The Supreme Court's decision in the Schwegmann case was announced on May 21, 1951. On May 29, the R. H. Macy Co. of New York, the world's largest department store, announced in full-page newspaper advertisements that it was reducing its prices on 5,978 price-fixed items by 6 percent. The advertisement referred to the Supreme Court's decision in the Schwegmann case and said that the store would add other items to those being reduced in price. Macy's

competitors announced that they would meet the reductions.

During the following 3 weeks sales in New York department stores increased 20 percent. The newspapers carried daily accounts of the progress of the price war. (See table I.) Department stores added hundreds of sales clerks and comparison shoppers to meet the competition. There were reports of shoppers injured in the rush to buy bargains. Stores posted changing prices on bulletin boards.

TABLE I.—Trend of prices for day at 3 stores in "war"—Table indicating the original fixed prices of typical items, the prices at which they opened yesterday and the closing prices at Gimbel's, Macy's, Abraham & Straus. Where stocks were exhausted the latest price quoted is given, where obtainable, for purposes of comparison

Item	Fair trade	Gimbel's		Macy's		Abraham & Straus	
		Open	Close	Open	Close	Open	Close
Toastmaster	\$23.00	¹ \$14.72					
Sunbeam Mixmaster	46.50	¹ 26.59	¹ 26.59	¹ 26.59	¹ 26.59	26.59	26.59
Dornmeyer Mixer	46.50	30.55	28.68	46.50	30.55	(²)	(²)
RCA-45 record attachment	12.95	8.24	8.24	8.44	8.24	8.24	8.19
Lewyt vacuum cleaner	89.95	58.63	58.63	(³)	(³)	(³)	(³)
Webster three-speed player	88.24	61.09	40.37	61.09	59.99	61.09	59.99
Men's Palm Beach suits	29.95	¹ 16.94	¹ 16.94	(³)	(³)	¹ 17.94	¹ 17.94
Men's Springweave suits	49.50	¹ 29.69	¹ 29.69	(³)	(³)	¹ 29.95	¹ 29.95
Men's Sunfrost suits	39.95	¹ 24.29	¹ 24.29	(³)	(³)	(³)	(³)
Waterman fountain pen	3.95	¹ 2.11	¹ 2.11	(³)	1.98	(³)	(³)
Underwood typewriter	68.60	(³)	44.95				
Novel, From Here to Eternity	4.50	1.94	1.79	1.94	1.79	1.94	1.79
Proctor steam iron	15.45	(³)	(³)	(³)	12.95	13.11	13.11
Coffeematic percolator	29.95	21.69	20.34	20.39	21.69	21.69	21.69
Regina mixer	64.50	44.39	44.39	(³)	44.39	(³)	39.95
Bayer aspirin (100 ²)	.59	.18	.18	.19	.19	.17	.17
Ronson lighter	6.60	4.69	4.69	4.69	4.69	4.65	4.65

¹ Latest price reported; item out of stock.

² Not reported.

³ Item out of stock.

Source: New York Times, June 5, 1951.

The price cuts took place largely in household appliances, drugs, and cosmetic specialties, men's clothing, and alcoholic beverages. The Sunbeam Mixmaster, listed at the fair-trade price of \$46.50, was selling for as little as \$26.59, which was below the wholesale price. A best-selling novel, listed at \$4.50, was sold below cost at \$1.79. A well-known brand of men's suits, regularly selling at \$49.50, sold for \$29.69 before supplies ran out.

Manufacturers of fair-trade articles threatened to withhold their product from the stores selling them at the lower prices. The stores avoided this bottleneck in the early stages of the price-cutting campaign by buying from independent jobbers.

Small retailers complained that they were losing all of their business to the stores involved in the price war. It was reported that Macy's, which normally sold 3.3 percent of the Mixmasters in New York, sold 56.2 percent during the 10 weeks following the start of its price cutting. Abraham & Straus, a large Brooklyn department store that normally sold 2.5 percent of the Mixmasters sold in Brooklyn, reportedly sold 59.6 percent during the price war.

One druggist in Queens, N. Y., succeeded in obtaining an injunction against Macy's under the New York fair-trade law and forced Macy's to discontinue selling 10 different items at reduced prices on the ground that they moved only in intrastate commerce and therefore were not affected by the Supreme Court's decision in the Schwegmann case.

But victories for the small retailer were few and far between. Generally, in the New York area their business suffered through the concentration of sales. It was estimated that 20,000 of the approximately 105,000 small retailers in the New York area would have been forced into bankruptcy if the price war had continued for 6 months.

The price war threatened for a time to spread to other cities. Reports from cities such as Denver, Detroit, Philadelphia, Boston,

Cleveland, and Houston showed a tendency on the part of some large retailers to start cutting prices themselves in order to reduce their heavy inventories.

DUN & BRADSTREET SURVEY

The effects of the New York price war on small retailers was brought forcefully to the attention of your committee. Independent merchants and storekeepers by the score came to the committee asking for assistance. They told of the effects the price war was having on them, how they were losing trade, and how the large department stores were winning a monopoly on sales of many items. They reported that, unless the price war ended, many of them would be forced out of business.

By the time the price war had made evident its effects on small-business men, however, reports coming to your committee indicated that the war was subsiding. In the 3 weeks following Macy's announcement of its intention to cut prices on fair-trade items, most of the popular items were out of stock and the manufacturers had made good their threats to withhold further deliveries to the price cutters. In addition, the initial rush to buy the bargains appeared to have let up. The original demand had been satisfied and customers no longer seemed so eager to buy.

Recognizing the continuing danger of price wars, however, and cognizant of the possibility of their spreading to other sections of the country, the chairman of your committee met with the chairman of the Joint Committee on the Economic Report in a conference with Mr. A. D. Whiteside, president of Dun & Bradstreet, Inc. As a result of the conference, Dun & Bradstreet undertook a survey of the principal trading centers of the country to determine the scope of price cutting. The main portion of the survey covered the period from May 28, the day before Macy's announced its price cuts, to June 16, when the price war appeared to have subsided. A follow-up

survey was conducted on June 25 to test the trend in price cutting.

The survey sought to determine the sections of the country where price cutting was in effect, the number of stores in each community involved, and the lines of merchandise in which reductions were being made.

The survey indicated that from May 28 to June 16, some 825 stores in 43 of 123 trading centers had set prices on one or more items of merchandise below the resale price recommended or set by the manufacturers of the merchandise. With few exceptions, only a small number of stores were reported engaged in price cutting in any one of the 43 cities. Only 8 cities reported 10 or more stores cutting prices below the manufacturers' resale prices, and 20 cities reported less than 4 stores cutting prices. (See table II.)

Number of cities reporting	Number of stores in each city pricing merchandise below manufacturers' resale price
20.....	Less than 4.
6.....	4 to 5.
9.....	6 to 9.
2.....	10.
6.....	More than 10.

Light electric household appliances were found to be the items most commonly sold at the lowered prices. Next in order of frequency of sales were cosmetics and drug specialties, heavy electric household appliances, men's wear, and alcoholic beverages. (See table III.)

Line of merchandise	Cities reporting price cutting
Light electric household appliances.....	29
Cosmetics and drug specialties.....	23
Heavy electric household appliances.....	14
Men's wear.....	4
Alcoholic beverages.....	4

It was interesting to your committee to note that although a total of 825 stores were reported to have cut prices on fair-trade items, there were approximately 77,200 stores in the survey cities which might be said to handle one or more of the lines of merchandise affected by the type of price cutting reported in the survey. Table IV shows this breakdown in the stores survey. (See table IV.)

Kind of business:	Number of stores
Department stores.....	938
Variety of stores.....	5,723
Men's and boys' clothing.....	9,648
Family clothing.....	3,294
Furniture.....	9,184
Household appliances.....	6,381
Hardware.....	8,081
Drug and proprietary.....	20,662
Liquor.....	13,280
Total.....	77,241

Source: U. S. Census of Business, 1948: Retail Trade.

The committee was also interested to note that there was no clear geographic clustering of communities engaging in price cutting. The survey showed, for example, that several major communities in the neighborhood of New York, including Albany, Hartford, Trenton, and Philadelphia, reported no price cutting in stores in those communities between May 28 and June 16. Table V sets forth complete statistics on the results of the Dun & Bradstreet survey.

TABLE V.—Price cutting of fair-traded merchandise, May 28 to June 16, 1951

[In 123 cities of the United States and for 5 classes of merchandise]

City	Total number of stores cutting prices	Merchandise lines in which prices were reduced				
		Heavy electric household appliances	Light electric household appliances	Men's wear	Cosmetics and drug specialties	Alcoholic beverages
Akron, Ohio.....	8				X	
Albany, N. Y.....	0					
Albuquerque, N. Mex.....	4	X	X	X	X	
Allentown, Pa.....	7					
Amarillo, Tex.....	0					
Asheville, N. C.....	0					
Atlanta, Ga.....	0					
Austin, Tex.....	0					
Baltimore, Md.....	7		X		X	
Bangor, Maine.....	0					
Billings, Mont.....	0					
Birmingham, Ala.....	0					
Boston, Mass.....	0					
Buffalo, N. Y.....	0					
Butte, Mont.....	7				X	
Canton, Ohio.....	0					
Cedar Rapids, Iowa.....	8	X	X			
Charleston, S. C.....	0					
Charleston, W. Va.....	0					
Charlotte, N. C.....	2				X	
Chattanooga, Tenn.....	0					
Chicago, Ill.....	0					
Cincinnati, Ohio.....	3				X	
Cleveland, Ohio.....	0					
Columbia, S. C.....	0					
Columbus, Ga.....	0					
Columbus, Ohio.....	0					
Dallas, Tex.....	0					
Davenport, Iowa.....	0					
Dayton, Ohio.....	0					
Denver, Colo.....	300	X	X		X	X
Des Moines, Iowa.....	0					
Detroit, Mich.....	175	X	X			
Dubuque, Iowa.....	0					
Duluth, Minn.....	2				X	
El Paso, Tex.....	0					
Erie, Pa.....	0					
Evansville, Ind.....	0					
Fargo, N. Dak.....	0					
Fort Wayne, Ind.....	0					
Fort Worth, Tex.....	0					
Fresno, Calif.....	1	X				
Grand Rapids, Mich.....	0					
Green Bay, Wis.....	0					
Greensboro, N. C.....	4					
Greenville, S. C.....	4	X	X			
Harrisburg, Pa.....	4		X		X	
Hartford, Conn.....	0					
Houston, Tex.....	0					
Huntington, W. Va.....	0					
Indianapolis, Ind.....	0					
Jackson, Miss.....	0					
Jacksonville, Fla.....	0					
Kansas City, Mo.....	4		X			
Knoxville, Tenn.....	0					
La Crosse, Wis.....	4		X			
Lincoln, Neb.....	1		X			
Little Rock, Ark.....	1		X			
Los Angeles, Calif.....	0					
Louisville, Ky.....	2		X	X		
Macon, Ga.....	0					
Madison, Wis.....	0					
Manchester, N. H.....	0					
Memphis, Tenn.....	4					
Miami, Fla.....	4		X			
Milwaukee, Wis.....	0					
Minneapolis, Minn.....	0					
Mobile, Ala.....	2		X			
Nashville, Tenn.....	0					
Newark, N. J.....	3		X		X	
New Haven, Conn.....	0					
New Orleans, La.....	21				X	X
New York, N. Y.....	100	X	X	X	X	X
Norfolk, Va.....	1		X		X	
Oklahoma City, Okla.....	30		X		X	
Omaha, Neb.....	10	X	X		X	
Peoria, Ill.....	0					
Philadelphia, Pa.....	0					
Phoenix, Ariz.....	1	X	X			
Pittsburgh, Pa.....	0					
Portland, Maine.....	0					
Portland, Oreg.....	2	X	X	X	X	
Providence, R. I.....	8		X			
Raleigh, N. C.....	0					
Richmond, Va.....	0					
Roanoke, Va.....	0					
Rochester, N. Y.....	0					
Rockford, Ill.....	0					
Sacramento, Calif.....	8		X		X	
Saginaw, Mich.....	0					
St. Louis, Mo.....	0					
St. Pl. Maurin.....	0					
Salt Lake City, Utah.....	0					

TABLE V.—Price cutting of fair-traded merchandise, May 28 to June 16, 1951—Con.

[In 123 cities of the United States and for 5 classes of merchandise]

City	Total number of stores cutting prices	Merchandise lines in which prices were reduced				
		Heavy electric household appliances	Light electric household appliances	Men's wear	Cosmetics and drug specialties	Alcoholic beverages
San Antonio, Tex.....	3					
San Diego, Calif.....	0				X	
San Francisco, Calif.....	6				X	
Savannah, Ga.....	2	X	X			
Scranton, Pa.....	3	X	X			
Seattle, Wash.....	0					
Shreveport, La.....	10				X	X
Sioux City, Iowa.....	1		X			
Sioux Falls, S. Dak.....	1	X				
South Bend, Ind.....	0					
Spokane, Wash.....	9		X		X	
Springfield, Ill.....	3				X	
Springfield, Mass.....	0				X	
Springfield, Ohio.....	0					
Syracuse, N. Y.....	0					
Tacoma, Wash.....	0					
Tampa, Fla.....	50					X
Terre Haute, Ind.....	0					
Toledo, Ohio.....	0					
Topeka, Kans.....	0					
Trenton, N. J.....	0					
Tulsa, Okla.....	1		X			
Waco, Tex.....	0					
Washington, D. C.....	0					
Wheeling, W. Va.....	0					
Wichita, Kans.....	2				X	
Wilmington, Del.....	0					
Winston-Salem, N. C.....	0					
Worcester, Mass.....	1	X				
York, Pa.....	0					
Youngstown, Ohio.....	0					
Total.....	825	14	29	4	23	4

A second survey, conducted by Dun & Bradstreet on June 25 and 26 in the same 123 cities covered in the first survey, indicated that since June 16 there had been no significant increase in the cutting of prices below resale prices set by manufacturers. Five cities in which no price cutting had been reported as of June 16, reported one or more stores engaged in such price cutting after June 16. Two additional cities reported increases in the number of stores participating in price cutting, but the total number of stores involved in each city was only two. Conversely, it was reported that price cutting, reported as of June 16, had been discontinued in three cities and, in three additional cities, the number of stores engaged in such practices had been reduced.

On the basis of the Dun & Bradstreet survey, your committee concluded that price cutting was on the wane as of the end of June. A close watch was kept on the situation throughout the balance of 1951 and no significant trends toward extension of price cutting were noted. Many of the leaders in the campaign to cut prices were quoted during the latter part of May and early June as being opposed in principle to the loss-leader type of retailing but stated that the lead of others forced them into the price war. They expressed relief when the price war tapered off. Many of the large department stores which were most active in the price war, including Macy's of New York, later signed price-maintenance agreements with manufacturers and thus, in effect, admitted the efficacy of fair trade. As of year's end, prices of fair-traded items had for the most part been restored to their previous levels and the threat to small retailers had diminished, for the time being at least.

NEW FAIR-TRADE LEGISLATION

Friends of fair trade were understandably shocked by the Supreme Court's decision in

the Schwegmann case and alarmed by the price wars that followed. They recognized the fact that the Schwegmann decision had practically nullified the fair-trade statutes enacted in the legislatures of 45 States in the past 20 years. They realized that unless the nonsigner clauses of the statutes could be given effect in interstate commerce, the statutes were utterly ineffective. They were not reassured by the collapse of the price-cutting epidemic. They recognized a continuing danger to the fair-trade movement and took action to plug the loophole created by the Supreme Court in the Schwegmann decision.

A large segment of the small-business community, led by the National Association of Retail Druggists, drafted a bill designed to restore fair trade to full effectiveness. Sponsored by Representative JOHN A. MCGUIRE, the bill was introduced in the House in October.¹⁷ It proposes an amendment to the Federal Trade Commission Act which would validate the operation of minimum resale price contracts on all distributors selling trade-marked brands in interstate commerce. The McGuire bill has been referred to the Interstate and Foreign Commerce Committee of the House. Although drafted under the leadership of the NARD, the bill has the active support of a number of other groups, including the retail jewelers, book sellers, tobacconists, hardware dealers, auto accessory dealers, and appliance merchants.

The American Fair Trade Council, Inc., a group of fair-trade advocates made up largely of manufacturers of fair-trade items, has announced its intention to submit a separate bill to Congress early in 1952. Their bill is aimed at amending the Sherman Act. It would provide in part that no one outside of a fair-trade State may offer for sale, or sell, or deliver in any such State, Territory, or the District of Columbia, any product in interstate commerce at any price less than the fair-trade price lawfully established in the State.

CONCLUSIONS

The events of the past year in the field of fair trade have been of grave concern to your committee. In particular, the Schwegmann decision and the ensuing price wars were viewed as matters of tremendous import to small business. Had the price wars continued, they could have done incalculable harm to countless small businesses. The memory of the early 1930's and the great numbers of small, independent concerns that were then lost to the economy directly as a result of similar price wars is still fresh. The possibility is strong that the damage to fair trade wrought by the Schwegmann decision might well precipitate similar business failures should our economy suffer a sudden reversal.

Business Week magazine summarized the situation in an article published in its June 16, 1951, issue. Noting the progress made by small retail merchants in the past decade and the factors contributing to that progress, Business Week said:

"Fair trade has also been another major prop for the small, independent merchant during the past decade. This has been particularly true in the drug and jewelry businesses. Under the fair-trade umbrella, the small merchant has been protected from price cutting and provided with a healthy mark-up.

"The end of fair trade on a national scale now throws this advantage into reverse. How much it will hurt the small retailer remains to be seen. But it's sure to leave its mark."

Your committee is hopeful that the members of the business community will recognize their responsibilities in this situation and that they will realize the dangers inherent in loss-leader selling and cutthroat com-

petition, that they will realize that such practices can result only in damaging the whole economy. It is not only the small independent merchant who suffers in a price war. The manufacturer and the consumer also suffer. And the leaders of price-cutting campaigns should realize that injury to other segments of the retail trade cannot benefit them. Gains realized from loss-leader selling are short-lived. The practice is a vicious one and defeats itself. No merchant, no matter how large, can afford to continue loss-leader selling indefinitely. He must engage in other practices in order to recoup his losses. And such other practices of necessity require that he sell other merchandise at high profits. The consumer must sooner or later discover the fallacy of the loss-leader selling technique, and then the retailer loses the good will of his customers and their patronage. The good sense and recognition of their responsibilities should impel the overwhelming mass of the business community to the logic and wisdom of fair trade.

Your committee intends to keep a close watch on fair trade during the coming months. It will scrutinize closely the efforts of the business community to police itself. It will also be vitally interested in the progress of pending legislation on fair trade. The advantages of fair trade are evident, and your committee will be awake to any opportunities in the legislative field that would renew the stability and security of small business. The Nation's economic well-being depends to a large extent on the vitality of America's small businesses. Threats of price wars must be eliminated if that vitality is to endure.

AMENDMENT OF FEDERAL TRADE COMMISSION ACT RELATING TO CERTAIN CONTRACTS ESTABLISHING MINIMUM RESALE PRICES—AMENDMENTS

Mr. LONG submitted amendments in the nature of a substitute intended to be proposed by him to the bill (H. R. 5767) to amend the Federal Trade Commission Act with respect to certain contracts and agreements which establish minimum or stipulated resale prices and which are extended by State law to persons who are not parties to such contracts and agreements, and for certain other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT RELATING TO CONTINUATION OF EMERGENCY AUTHORITIES DURING PERIODS OF NATIONAL EMERGENCY

Mr. MURRAY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Public Health Service Act to continue certain emergency authorities during periods of national emergency. I request that the bill, together with a statement in explanation thereof be printed in the RECORD.

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

The bill (S. 3448) to amend the Public Health Service Act to continue certain emergency authorities during periods of national emergency, introduced by Mr. MURRAY, was read twice by its title, referred to the Committee on Labor and

Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 213 of the Public Health Service Act (42 U. S. C. 214) is amended by inserting after the words "in time of war" the words "or national emergency."

SEC. 2. The first sentence of section 216 of the Public Health Service Act (42 U. S. C. 217) is amended to read: "In time of war, or of emergency proclaimed by the President, he may utilize the Service to such extent and in such manner as shall in his judgment promote the public interest, and he may by Executive order declare the commissioned corps of the Service to be a military service."

SEC. 3. This act shall be effective on and after July 4, 1952. Existing regulations promulgated by the President pursuant to section 216 of the Public Health Service Act prior to the effective date of this act shall remain in force and effect from the effective date of this act until repealed, modified, or superseded as may otherwise be authorized by law.

The statement presented by Mr. MURRAY is as follows:

EXPLANATION OF BILL

This bill would extend to periods of national emergency as well as of war (1) the authority of the President to declare the commissioned corps of the Public Health Service to be a military service and (2) the authorization for payment of a \$250 uniform allowance for junior officers reporting for active duty.

For many years commissioned officers of the Public Health Service have been appointed, paid, promoted, and retired under laws identical or similar to those applicable to officers of the medical departments of the Army and Navy. Since World War II, Public Health Service officers have also been extended military status and military benefits on a par with members of the other armed services.

It is essential that these physicians, dentists, research scientists, sanitary engineers, and public health administrators continue to be so treated. They are subject to discipline; they can and are ordered to undesirable posts of duty on a moment's notice; they are keymen in the defense against bacteriological warfare; and they could, almost without exception, earn far more in private life than they are now getting. They have been successfully recruited largely because, as commissioned officers of the Public Health Service, they would be treated on the same basis as their opposite numbers in the Army and Navy.

The principal individual benefits which are derived from military status are widow's benefits, Government life insurance, the death gratuity, and the uniform allowance for junior officers. Loss of military status for the commissioned corps of the Public Health Service would mean the loss of all these benefits. In effect, the Public Health Service would then be the only one of the uniformed services without some type of death benefit.

Inasmuch as these authorities are currently in effect, there would be no additional appropriations required to support the comparatively minor expenditures authorized by the provisions of this bill.

ADDITIONAL MATTERS PRINTED IN THE APPENDIX

On request, and by unanimous consent, additional matters were ordered to be printed in the Appendix, as follows:

By Mr. BRICKER:

Article entitled "Vets Oppose Turner as U. N. Historian," published in the Cleveland Catholic Universe Bulletin, June 27, 1952.

¹⁷ H. R. 5767, 82d Cong., 1st sess.

By Mr. CAIN:

Editorial entitled "Who's the Aggressor?" published in the Washington Daily News, July 1, 1952.

By Mr. MARTIN:

Article by Dorothy McCordle entitled "No Wonder He Didn't Choose."

RECESS

Mr. McFARLAND. Mr. President, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 2, 1952, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 1 (legislative day of June 27), 1952:

COLLECTOR OF CUSTOMS

Michael J. Bradley, of Philadelphia, Pa., to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa. (Reappointment.)

POSTMASTERS

The following-named persons to be postmasters:

ALASKA

Frieda A. Davey, Naknek, Alaska, in place of Martha Monsen, resigned.

ILLINOIS

Carl E. Erler, Streator, Ill., in place of E. G. Zilm, retired.

INDIANA

Wayne M. Crider, Greenfield, Ind., in place of Marshall Winslow, retired.

Dean I. Lauver, New Carlisle, Ind., in place of F. J. O'Laughlin, transferred.

MASSACHUSETTS

John F. Condon, Brockton, Mass., in place of A. A. Hendrick, deceased.

MICHIGAN

Casimir A. Rakowski, Mount Morris, Mich., in place of B. J. Lawson, removed.

Laura A. Grettenberger, Okemos, Mich., in place of O. K. Grettenberger, resigned.

MISSISSIPPI

Clarence E. Arnold, Slatillo, Miss., in place of A. J. Roper, transferred.

MISSOURI

Estella C. Lawrence, Fenton, Mo., in place of C. A. Lawrence, deceased.

MONTANA

George N. Westland, Frazer, Mont., in place of M. M. Westland, retired.

NEBRASKA

Harold S. Conroy, Shelton, Nebr., in place of Martin Slattery, resigned.

NEVADA

Irene B. McCormick, Empire, Nev. Office established February 16, 1951.

NEW JERSEY

John P. Panella, Mendham, N. J., in place of E. L. McMurtry, retired.

David B. Morgan, Paterson, N. J., in place of T. L. Kelley, retired.

John L. Malley, Trenton, N. J., in place of E. J. Jennings, deceased.

NEW YORK

Gladys B. Clust, Burdett, N. Y., in place of C. T. Burnett, transferred.

OKLAHOMA

Robert L. Dobry, Pocasset, Okla., in place of L. V. Doke, transferred.

OREGON

Samuel R. Veatch, Cottage Grove, Oreg., in place of N. J. Nelson, Jr., retired.

Franz L. Kranenburg, Prairie City, Oreg., in place of R. H. Sullens, deceased.

VIRGINIA

James E. Harris, Ewing, Va., in place of D. V. Richmond, retired.

WEST VIRGINIA

Hazel M. Pritt, Ward, W. Va., in place of G. L. Powers, resigned.

WISCONSIN

Ruth Steinert, Waukesha, Wis., in place of J. J. G. Laing, deceased.

Donald J. Helm, Waunakee, Wis., in place of John Michels, deceased.

IN THE NAVY

John A. Davis (Naval Reserve Officers' Training Corps) to be ensign in the Navy in lieu of ensign in the Supply Corps in the Navy, as previously nominated and confirmed.

Clifford A. Lindell (Naval Reserve Officers' Training Corps) to be second lieutenant in the Marine Corps.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps in the Navy:

Dwight M. Frost
Charles R. Henkelmann
Norbert E. Rosenwinkel

The following-named (civilian college graduates) to the grades indicated in the Dental Corps in the Navy:

LIEUTENANT

Sylvester E. W. Spann, Jr.

LIEUTENANT (JUNIOR GRADE)

Joseph E. Musser

The following-named to be ensigns in the Nurse Corps in the Navy:

Stella P. Branam	Doris M. McSpadden
Catherine D. Chal- lenger	Naomi J. Naten
Mary F. English	Mary M. Nelson

The following-named officers to be lieutenants in the Nurse Corps in the Navy:

Grace E. Beach	Myrtle T. Harris
Dorothy M. Durham	Betty G. Rupert

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Deck:

Thomas B. H. Askin, Jr.	Francis L. Looney
Delbert F. Barbee	Joseph F. Madeo, Jr.
Louis S. Brackney	Edgar H. McCanless
Rowland E. Burnham	Curtis J. Rozell
Robert S. Dodge	Kenneth H. Ruecker
Charles R. Kidd	William LeR. Strong
Joseph Koch	Barent P. Winant III
	William E. Wise

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Ordnance:

Douglas G. Christy	Lloyd E. Murdock
James H. Forrester	Robert Riba
Dwight E. Hubbard	Dean E. Roberts
Robert G. Jackson	Frank Saxton
James E. Lippincott	James Stelfox
John D. Mullin	Edward H. Weaver

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Administration:

Charles W. Benson	John D. O'Kane
Richard T. Fowler	Glen A. Snell
Richard E. Gerlach	Everett B. Sorenson
Vito J. V. Gustaff	John F. Stradtman
Otis A. Henson	Louis M. Wahrmund
Vincent Kozlowski, Jr.	Charles H. Webster
Thomas LaC. Law	

The following-named to be ensigns in the line in the Navy, for limited duty only, classification, Engineering:

Robert W. Addis	Harry E. Conrad
Arthur L. Babine, Jr.	Ralph E. Davis

Robert W. Fisher
Howard A. Gire
Richard W. Ingersoll
Karl D. Kaiser
Luther Lefler
Frederick F. Mc-
Williams
Lee J. Maus
Mallie B. Moore
Joseph J. O'Rourke
Herbert J. Peters

Robert N. Ratenburg
Landrum E. Ravan
Mervin Rowland
William D. Russell
George C. Thomas
Guy LaM. Thompson
James D. Turner
Lander H. Turpin
Elmer E. Walker
Cecll E. Wood

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Hull:

Robert D. Allen	Burton K. Perl
Donald A. Christensen	Edward C. Raymer
Alonzo C. Jarrett	Howard K. Selby
Robert M. Johnson	

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Electronics:

Jerry E. Callaghan	Gerald E. Murphy
Andrew Clark	Charles H. Pogson
Robert E. Craig	Beckom U. Sneed
Edwin H. DeFriez	Homer L. Walker
Clement Dersin	Francis C. Waterloo
Theodore Y. Dunn, Jr.	John Wilkens, Jr.
Walter M. Faver	Searle W. Woods
Forrest E. Metz	

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Operations Aviation:

Peter S. Miller	Ralph G. Rayburn
Gerald P. Pulley	James W. Wheeler, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Ordnance Aviation:

Arthur T. Kasehagen
Wilmer N. Northup, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Engineering Aviation:

Phillip S. Arp	Vern A. Miller
Wallace A. Dahlen	"J" W. Mitchell
Joseph W. Gray	William C. Moss, Jr.
Leo L. Hamilton	William N. Perry
Joseph D. Hirz	William F. St. Clair
Glenn A. Hunter	Robert D. Witty
Fred M. Mhoon	

The following-named to be ensigns in the line in the Navy, for limited duty only, classification Electronics Aviation:

William J. Bowen	Randall C. Roush
Robert O. Louden	Chesley E. Willis, Jr.
Douglas H. Roberts	

The following-named to be ensigns in the Supply Corps in the Navy, for limited duty only:

Ralph H. Boyd	Daniel M. Rhodes
Albert N. Lockwood	Alvin LeR. Vandegriff
Thomas P. Needham	John L. Wells, Jr.
William D. Rains	

The following-named to be ensigns in the Civil Engineer Corps in the Navy, for limited duty only:

Raymond P. Fail, Jr.
Van B. LaRue
Herron Oldham

LINE

Ensign John R. Parker, SC, United States Navy, for permanent appointment as ensign in the line of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1 (legislative day of June 27), 1952:

INTERSTATE COMMERCE COMMISSION

Anthony F. Arpaia, of Connecticut, to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1957.

Martin Kelso Elliott, of Indiana, to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1956.

Charles D. Mahaffie, of the District of Columbia, to be Interstate Commerce Commissioner for the term expiring December 31, 1958.

NATIONAL LABOR RELATIONS BOARD

Abe Murdock, of Utah, to be a member of the National Labor Relations Board for the term expiring December 16, 1957.

TECHNICAL COOPERATION

Jonathan B. Bingham, of New York, to be Deputy Administrator for Technical Cooperation.

UNITED STATES ATTORNEY

Maurice Sanchez to be United States attorney for the district of New Mexico.

POSTMASTER

IDAHO

James F. Hughes, Boise.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 1, 1952

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art daily crowning our lives with Thy grace and goodness, grant that we may be blessed with more of Thy infallible wisdom and invincible strength.

May we be strong and valiant for the truth and courageous in championing every legislative program that will bring a larger measure of prosperity and happiness to our country and all mankind.

We pray that all the laws which we are enacting may be the expression of Thy divine will. May we find our joy and delight in using our blessings and resources to help make life less difficult and burdensome for needy and struggling humanity.

We thank Thee for the life and character of Thy servant who faithfully ministered here for so many years in spiritual things and whose soul now dwells with Thee in eternal blessedness. Grant unto the members of his bereaved family the consolation of Thy grace.

Hear us in Christ's name. 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 concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 86. Concurrent resolution authorizing the appointment of a committee to attend the general meeting of the Commonwealth Parliamentary Association to be held in Canada.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1258. An act to authorize and direct the conveyance of a certain tract of land in the State of Mississippi to Louie H. Emfinger.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7391. An act making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1952, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHOONEY, Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. BYRD, Mr. FERGUSON, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. KNOWLAND to be the conferees on the part of the Senate.

MINE-SAFETY LEGISLATION

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I understand a rule was granted this morning for consideration before adjournment of mine-safety legislation. I think this is one of the most important matters to come before this session of the Congress. I hope the Members will see fit to give their support to mine-safety legislation.

Each morning as I come to the House I pause to look at the news ticker in the Speaker's lobby. For the past week every morning I have seen reports of mine disasters somewhere in the United States. There have been fatal accidents on two straight days in Pennsylvania. A few days ago there was an explosion in West Virginia.

We think only of major disasters, in which over a hundred lives are taken, but since the first of the year more men have lost their lives in coal-mine disasters than were taken in the terrible disaster at West Frankfort last year. It is high time for the Congress to act. I congratulate the Committee on Education and Labor for its approval of this legislation, also the Rules Committee, and I congratulate the House leadership for scheduling mine-safety legislation for consideration on the floor tomorrow. I hope and pray it will receive an overwhelming vote of approval from the membership of the House.

JUDGE HAROLD M. KENNEDY

Mr. KEOGH. 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 New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, on yesterday, United States District Judge Harold M. Kennedy of the eastern district of New York announced his intention to, and, in fact, did resign to return to the private practice of the law.

This is another example of a good judge who has one of the most brilliant legal minds of any on the bench in the country being forced to return to the private practice. Judge Kennedy has served well and faithfully for 8 years and, prior thereto, was for 5 years United States attorney. He has made a remarkable record. I point this out in the hope that the House will before we adjourn act favorably on pending bills revising upward the Federal judiciary salaries and another bill to provide annuities for the widows of Federal judges. By doing this we will more and better attract to and retain on the Federal bench the quality of men and women we desire.

MANAGEMENT OF MILITARY AFFAIRS

Mr. BONNER. 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 North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, the bill, H. R. 8130, which was taken from the Committee on Expenditures and re-referred to the Armed Services Committee lies chloroformed in the archives of that committee; but I am delighted to report to the House that the bill has received prominent attention in the Senate and the principles of the bill have been included as a rider in the Armed Forces appropriation bill.

The entire bill was offered and the Senate has assured us that the bill in its entirety will be considered in the next session of the Congress. This legislation should have been enacted in this session of Congress to bring about efficiency in management in the affairs of the armed services at the Pentagon.

If the conferees of the House desire efficiency in management and procurement they will I hope concur with the Senate amendment.

MINE-SAFETY LEGISLATION

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, yesterday afternoon we heard certain Members of this House castigate the Rules Committee very unjustly. I come to the defense of the Rules Committee at this time because in my opinion that committee went out of its way to grant every consideration not only to the Committee on Education and Labor of this House but to every Member of Congress who desired to appear either in support of or in opposition to the bill.

I am happy to report to the House this morning, that the Rules Committee in executive session, having a quorum for the first time since they began to hold hearings on the mine safety bill, reported an open rule on that bill which will provide 2 hours debate. I commend